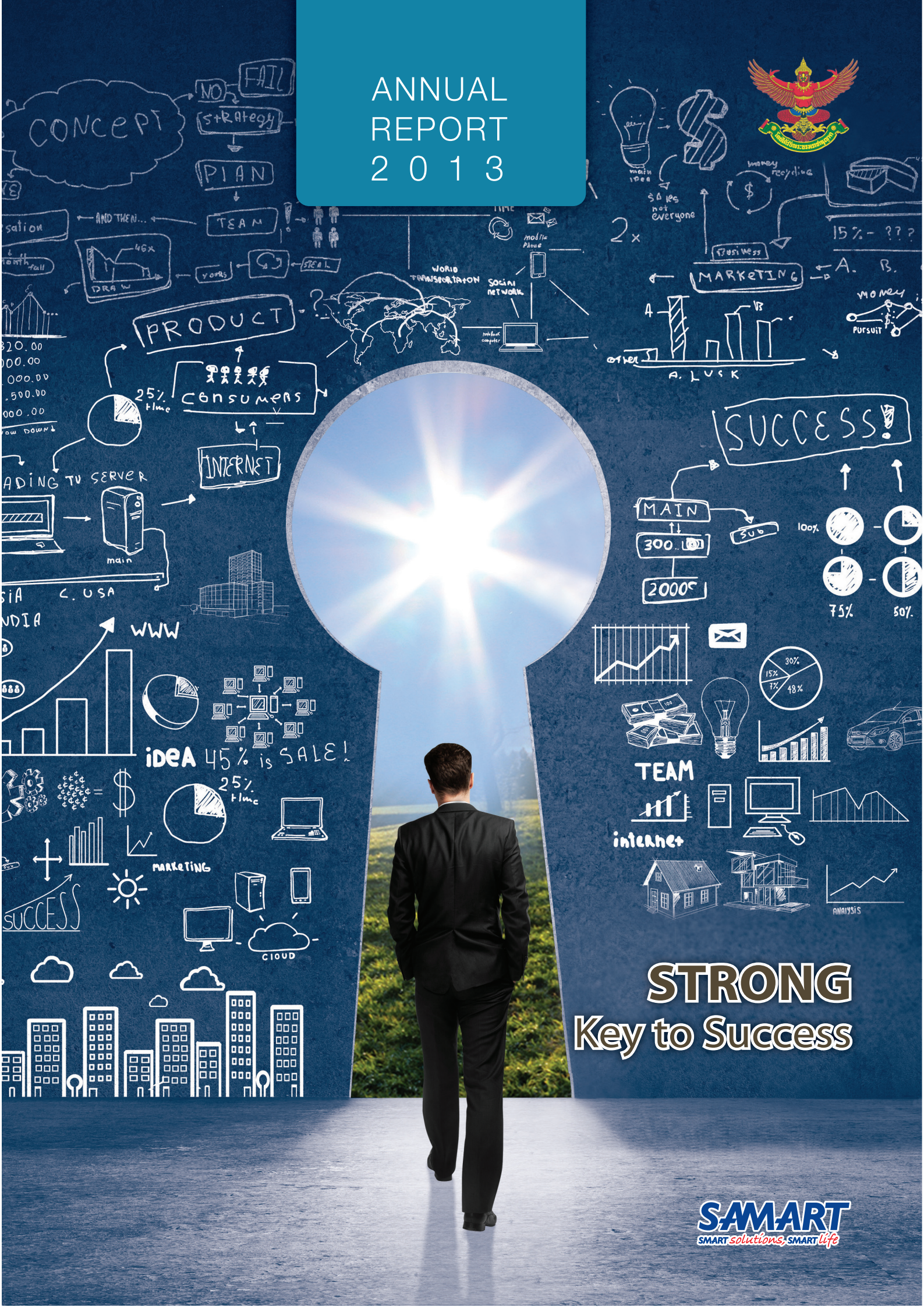


ANNUAL REPORT 2013



STRONG
Key to Success

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Samart Group's Key to Success

STRONG

Advancement...We develop advanced and customer centric technologies.

Stability...We conduct business with transparency, integrity
and professionalism to ensure worthwhile returns on investment.

Sustainability...We are persistent to explore new business opportunities
and strive for continuous improvement.



Sustainable Growth
Trustworthy
Returns on Investment
Operation & Service Excellence
New Business
Global Standard

STRONG

Sustainable Growth



A sustainable growth can only be achieved by an organization with strong culture and teamwork. We have invested in building up a strong and professional team that is passionate about creating new business opportunities and innovating technologies that can serve the needs of our customers.

Message from the Board of Directors



(Dr. Tongchat Hongladaromp)

Chairman

Samarat Corporation Public Company Limited



The year 2013 has been a challenging period confronted by the state of economic uncertainty at international level. The European Crisis and economic slowdown suffered in the States of America have led to the Quantitative Easing phenomenon which consequently rendered interruption to the global capital mobility. Unfortunate occurrences of natural disasters around the world further complicated the situation. Domestically, Thailand was presented with a set of threats including: currency exchange fluctuations; slowdown in consumer demands; and political instability, collectively undermining the country's economic wellbeing.

Albeit abovementioned external risks, the organisation's ongoing commitment to progress and optimal efficiency, constant search for new business opportunities alongside timely implementation of marketing strategies have enabled 2013 to be yet another golden year for Samarat Corporation Public Company Limited. The year's operational success can be verified by the total revenue of Baht 22,434 million; an increase of 31 percent achieved in the previous year along with a net profit of Baht 1,468 million, a 36 percent rise from that of 2012.

The significant events and outstanding results of 2013 may be summarised as follows.

A remarkable growth in Mobile Multimedia business

Thanks to relentless effort in the mobile phone development sector, the Mobile Multimedia business has righteously reclaimed its title for being one of the most outstanding businesses under the management of Samarat Corporation Public Company Limited. The exceptional 300 percent growth has been majorly contributed by the rising sales of smart phones – from 13.3 percent in the previous year to 45.8 percent as in proportion against all mobile phones sold.

One of the key factors to success has been the approach of "Value to Money" practiced across the processes of production and pricing. Parts and components of international standard, recognised by the world's leading mobile phone producers, are used in the making of Samarat's affordably priced products. The previous year continued to celebrate the number one position of the Group's Mobile Multimedia business among Thai mobile phone brands.

New business expansion

Samarat Group has been continually prepared to tap upon new business opportunities. Taking the projected increase in demand for public utility seriously, the Group has mapped out a well-defined expansion plan into the public utility, energy and environment industries. An important move towards fulfilling the very goal was the merger and acquisition of Teda Co., Ltd., the provider of construction design and integrated electrical engineering services offering installation of power generating system, high voltage power cables and small-sized power plant works.

STRONG



Because trust is the key to success, we have been determined to gain trust from our stakeholders by conducting our business in a responsible manner with strong governance and accountability to the society, investors, shareholders and business partners.

Message from the Board of Directors



(Mr. Charoenrath Vilailuck)

Executive Chairman & CEO

Samarat Corporation Public Company Limited



Strengthening business and financial foundations

Samarat Group's devotion to strong and sustainable growth is proven in various undertakings one of which is the efforts put into balancing business portfolio. As of present, the four main businesses under the Group's management include, firstly, the ICT Solutions and Services business which is responsible for project bidding with government and state enterprises, as well as large private organisations. Secondly, the Mobile Multimedia business that caters specifically to the consumer market. The Utilities and Transportations business, accountable for expansion into public utility, energy and environment sector, is soon-to-be an important source of revenue for the Group in the near future. Last but not least, the group of Technology Related business, involving high-potential security system, call centre and satellite dish and TV signal receiver, is anticipated to experience tremendous growth in the year 2014.

In addition, the Group is focused on nurturing the new generation of employees to take on the management roles effectively as the business continues to progress into the future.

Promoting quality workforce and virtue for sustainability

Community service is an aspect the Group places importance on apart from operational excellence. Two ways by which the organisation goes about helping the society include dedication to quality workforce development and promoting virtue among the community. The ongoing employee development scheme has supported a range of programmes including: technology innovation contests; scholarship reward for low-income students; educational and sports equipment supplies; and various sports competitions.

Myriad activities have been executed to foster goodness among the community. "SAMART D club" was formed to enable staff volunteers to play their part in community service. Samarat Mind Power, for instance, is a project introduced to cultivate virtue and sense of responsibility through religious retreats, printing of prayer books and holding of sermons. Continuously hosting charitable events and providing donations in the forms of cash and necessities to social support projects also illustrate the Company's dedicated engagement.

In conclusion, on behalf of the Board of Directors, Samarat Corporation Public Company Limited, we would like to express appreciation towards our shareholders, business partners, customers, related financial institutions and government offices, management and staff, as well as all stakeholders, for having played an indispensable part in reinforcing the Company's capability, maintaining its position as the leader in communication technologies. The achievements of today would not have been possible without any of your ongoing support and trust in Samarat Group, for which we are sincerely thankful. We strongly hope that the great support will continue for our shared success to be reaped progressively into the future.



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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



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Board of Directors

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 the Risk Management Committee
- Chairman of the Sustainable Development Committee

8. Mr. Sirichai Rasameechan

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

STRONG

Returns on Investment



While we are forging ahead,
we also make sure that every step we take and every decision we make
must base on a thorough and comprehensive analysis to ensure
optimal returns on investment for our shareholders, investors and business partners.

Vision

Samart Group is committed to offering advanced ICT and Technology-related products and services to create sustainable growth and enrich the quality of life

.....

Mission

To realize our vision, we have defined a clear set of the following missions to create shared values for all of our stakeholders :

Customers

Develop and deliver quality ICT and Technology-related products and services that create optimal satisfaction for our customers and enhance their business competitiveness

Organization

Define and implement a clear organization structure and processes that ensure efficiency, transparency and fairness, and enabling us to gain confidence and sustainable growth

Partners

Cultivate and strengthen partnerships by jointly developing and offering quality products and services with business partners that create shared values and enable us to achieve mutual business goals together

Employees

Provide rewarding career and development opportunities to support our growing business and make Samart one of the most admired and attractive employers for talents

Stakeholders

Continuously seek new business opportunities that encourage stable revenue for long-term growth in order to consistently maintain strong return on investment to shareholders

Society and Communities

Implement a wide range of internal and external social contribution initiatives and projects to promote "People of Quality, Society of Morality" that add values to people's lives and create a positive impact in society

STRONG



Operation & Service Excellence

We are committed to creating and continuously improving our services and products to deliver utmost satisfaction for all customers.

Corporate Social Responsibility Report / Sustainable Development Report

CSR activities of the Company in the past were mainly about the arrangement of projects on innovation promotion, charity events and donations. However, after the Company obtained information through CSR training courses from the SEC and SET, the Meeting of the Board of Directors No. 5/2013 on November 12, 2013 resolved to approve on establishment of the Sustainable Committee. Main missions of this Committee are to concretely define policy and guideline on social and environmental responsibility operations so that they can be used as guidelines on monitoring their progress and assessment of CSR operations to report to the Board of Directors.

In the Board of Directors No. 6/2013 on December 18, 2013, the corporate social responsibility policies have been approved as follows:

CSR Policy

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

CSR policies comprise 9 operating principles of conduct as follows:

1. Organization Governance

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

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 2012 Corporate Governance Principles of the Stock Exchange of Thailand (“SET”), have been provided for practices of directors, managements and employees of the Company. The Company has the Corporate Secretary Division which is the compliance unit to supervise and oversee the operations of the Company, the directors and the managements to ensure that they have been correctly complied with the regulations of the SET, the Office of Securities and Exchange Commission (“SEC”) and the Public Company Limited Act including other relevant laws. More details on Corporate Governance initiatives undertaken by the Company in 2013. Detail, are provided under “**Corporate Governance**”.

During the past year, the Company has strongly observed the Corporate Governance Principles and from the evaluation results of the Corporate Governance operations of the listed companies for 2013, the Company has been evaluated as **Excellence** (5 stars) and was ranked in **Top Quartile** of the group of companies with a market capitalization of Baht 3,000-9,999 million from a total of 526 listed companies surveyed by the Thai Institute of Directors Association in cooperation with the SEC and SET. However, the Company still determines to keep on improving the Corporate Governance operations on continued basis.

Moreover, the Company and its subsidiary, Samart Telcoms Pcl. received SET Awards on Top Corporate Governance Report Awards together with 10 other companies from overall 532 listed companies in the Stock Exchange of Thailand.

STRONG



New Business

A great success must come from the ability to constantly challenge and improve oneself. We always explore new opportunities with promising growth potentials to support our business expansion. The creation of new business opportunities also sharpens our competitiveness and generates new revenue streams for us in the long run.

2. Fair Operating Practices

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

The Company conducted business and managed work ethically. The Board of Directors has provided the business ethics manual for the Company's directors, managements and employees to adhere as their practical guidelines on integrity, honesty, standardization, quality, moral and fairness. It also covers the administration of all stakeholder groups, i.e. shareholder, employee, customer, competitor, business partner, creditor including society and the environment. The practical guidelines which include the rights and benefits entitled to all stakeholders have also been specified in the business ethics for the directors, managements and employees. Such business ethic has been posted in the Company's website (www.samartcorp.com). Moreover, the Board of Directors of the Company also assigns the Corporate Governance Committee to oversee the directors, the managements and the employees to ensure that they strictly adhere to this principle. For more details, please see in the Section "Corporate Governance" under the topic of "3. Roles of Stakeholders".

3. Anti-Corruption

Define the anti-corruption policies and corporate into the Company's Code of Business Ethics Manual under topic of "Policy on Giving and Receiving of Gifts, Properties, Presents and Other Benefits". For more details, please refer to Section "Internal Control, Risk Management and Anti-Corruption".

4. Respect of Fundamental Human Rights

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

The Company 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. On the contrary, the Company shall create the knowledge-based-organization on human rights as well as cultivate consciousness to the Company's employees to make them adhere to and follow. The policy on non-human right violation has been stated in the business ethics manual as follows:

- **Personal right and freedom:**
 - The Company has policies that employee's personal information is the secret and shall not be sent or disseminated to unauthorized parties;
 - Disclosure or transfer of personal information only upon the owner's consent;
 - The human has right and freedom so long as not violate the right and freedom of others.
- **Equal treatment:**
 - All employees shall be treated equally and there shall not be and discrimination against race, nationality, 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;
 - Deliberation related to hiring and judgment of performance should be accurate and fair;
 - When performing the work, avoid expressing opinions that have to do with differences of physical and mind, race, nationality, language, religion, gender, age, education, or any other attribute likely to cause conflict;
 - Contribute to making the work environment free of oppression and injustice;
 - The employee shows respect and tolerance for each other's opinions.

STRONG

Global Standard



Offering products and services that meet the international standard makes us ready to take advantage of any new opportunity when it comes either today or in the future.

5. Fair Labor Practices

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

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

1. Respect for the right to work pursuant to the fundamental human right principles. Details, are provided under **“Corporate Governance”** in the topic of **“Business Ethics”** in the item of **“Non-violation of human right policy”**.
2. Specify to have **“Compensation & Benefit Policy”** regarding to employee motivation, internal impartiality and compensation standards, and job value to company, Company essentially determines corporate compensation, benefit and welfare policy being compatible to position accountability, knowledge, and competence with business operation and up-to-date compare to leading companies in industrial competition. In the other hand, Company certainly ensures compensation, benefit and welfare policy aligned to new wage of legal regulation and preparing to AEC.
3. Specify to have **“Safety and Health Policy”**. Details are provided under **“Corporate Governance”** in the topic of **“Business Ethics”** in the item of **“Employee policies”**.

6. Consumer Responsibility

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

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

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

Details, are provided under **“Corporate Governance”** in the topic of **“Business Ethics”** in the item of **“Customer policies”**.

7. Contribution to the Community and Society

Support and develop quality of life as well as prosperity of the community and society.

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

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

For clarity on the arrangement of the Corporate Social Responsibility (CSR) Project, Samart Group has set up the policy and practical guidelines under the promotion framework of the **"Qualified People and Virtue Society"** which comprise of the following projects and activities:



Creation of quality people

SAMART INNOVATION: This project covers a Technology Innovation Contest, Scholarships, and Technology Training namely:

1. **Samart Innovation Award 2013:** The annual contest was in its 11th year in 2013. **Samart Corporation Pcl.** joined force with National Science and Technology Development Agency (NSTDA) in organizing **"The Young Technopreneurs Project"** The program covers :
 - Korea Trip to visit "Seoul International Fair 2013" at Seoul for top 3 winners.
 - Business Startup Funds to 25 outstanding teams, each receiving Baht 20,000. The winner of Samart Innovation Awards 2013 got Baht 200,000. The first runner-up and the second runner-up were awarded Baht 70,000 and Baht 30,000 respectively.
 - Commercial opportunity : During the past two years (2012-2013), we have supported 51 teams or over 150 technopreneurs for technology business sector.

2. **Samart Innovation FUND** has awarded scholarships and research grants to telecommunications students in their last year of study at universities so that they have funds to further their knowledge, to develop their final study projects, or to continue their education. In 2013, the Samart Innovation FUND started offering the grants to students at five institutes. Each scholarship was worth Baht 20,000 and each university had five recipients. The total amount of funds granted in 2013 reached Baht 300,000.
 3. **Samart Innovation CAMP** has offered a training on telecommunications, under the theme of “Get Ready to be a Professional ” for the Bangkok University’s Faculty of Science and Technology, Rangsit University’s Faculty of Engineering, and more.
- **SAMART Scholarship**
 - > **SAMART Corporation Pcl.** provided 8 scholarships for Thammasat University’s undergraduate students, worth Baht 651,200.
 - > **SAMART Foundation** provided Baht 195,000 to Mahidol University for its master program scholarships and R&D supports.
 - > **SAMART Foundation** provided 40 scholarships worth Baht 60,000 for primary and secondary students of the Thammasat Klong Luang Wittayakhom School, Wat Peuchnimit School and Jarusornbamrung School.



- **Other educational supports**
 - > **The 2nd Kind Hearts for Kids Project** : **Samart Corporation Pcl.** published copies of the Sufficiency Economy book, which is composed by the Klaikangwon Vocational Center.
 - > **Educational & Sports supplies** : **Samart Corporation Pcl.** gave the educational supplies and sports equipments worth Baht 475,000 to remote schools via the Princess Mother’s Medical Volunteer Foundation.
 - > **School Building Maintenance** : **Samart Foundation** gave Baht 100,000 to the Ban Kantrong School in Surin for use in repairing its buildings. Moreover, it gave 40 bicycles.
 - > **School Uniforms and boys/girls scout equipment** worth Baht 126,439 were given to the Ban Kung Si School in Sakon Nakhon under the **Samart Foundation’s** auspices.



Promotion of the Moral Society

The promotion focused on extending help and relief to the underprivileged or social works, which was conducted via the “Samart...D Club” activities. The “Samart Foundation”, meanwhile, was in charge of promoting Buddhism and charity causes.

- > **Samart Mind Power** for the promotion of morality, Dhamma, and conscience
 - A Dhamma course titled Format Your Mind Delete Your Emotions (2 Days 3 Nights) at the Rama IX Meditation Center, the Rama IX Kanchanaphisek Temple. The course accepted 80 participants. It has been held for three consecutive years already.
 - Publishing prayer books for distribution to members of the general public.
 - Organizing annual Dhamma talks titled “Problems are Temporary Solutions are in Dhamma” for staff.
- > **Kids tour to Rattanakosin Exhibition Hall** : This activity aimed to bring the new world of learning to the underprivileged children from the Foundation for the Better Life of Children.
- > Provided Baht 1 million support for HRH Princess Maha Chakri Sirindhorn for submission to the “Baht 99 million for His Majesty” project. By **Samart Communication Service Co.,Ltd.**
- > Made donation Baht 1 million for an event held to commemorate the establishment of the National Association of Outstanding Thai Women. By **Samart Corporation Pcl.**, and **Samart Comtech Co.,Ltd.**
- > Provided support of Baht 200,000 for the “ Rights Protection Charity Night Concert”, which was held by the Justice Ministry’s Department of Rights and Liberties Protection by **Samart Corporation Pcl.**
- > Provided support of Baht 100,000 to HRH Princess Maha Chakri Sirindhorn to support the project to buy a land plot for the construction of Wat Pathum Rangsi Wanaram. By **Samart Comtech Co.,Ltd.**
- > Provided support of Baht 100,000 financial donation plus commodities by Samart Foundation for “Warm the Kids in Winter project” by Modernine TV for distribution to students at the Ban Mong Tee Lang border patrol police school in Kanchanaburi.
- > Donated support for 600 blankets and warm clothes to orphans and underprivileged children at the Phra Siri Orphanage, Lom Sak district, Phetchabun by Samart Foundation.
- > Fundraising and arranging donations of commodities and basic necessities for the benefits of Filipino disaster victims.
- > Provided raincoats and reflective vests for traffic police in the areas of Pakkret and Pak Klong Rangsit on an annual basis. to facilitate their operation.
- > Made donation and necessary items for the poor in communities by “**Samart Foundation**”. This was to provide assistance for the underprivileged, children, aging people and handicapped.
- > Support for Children’s Day activities at Anubarn Nonthaburi School, Maitree Utis Community School, the Wat Bang Bua Thong School (Pakkret), the Taladnam Wat Takian Community (Bang Kruai), and the Ladkrabang National Library.



8. Environmental Conservation

Conduct business by always taking into account the environmental conservation and use resources in the most meaningful way.

The Company recognizes the duties and responsibilities to environment, the Company has policies to:

1. Operate the business by taking into consideration of conservation and security standard, and also be civility to follow the law and related regulations;
2. Be responsible to utilize natural resources in form of raw materials, investments, human resources, and energies in prudent manners;
3. Support care taking environment activities and conservation campaign continually.

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 as follows:

1. The Company has arranged campaign to cultivate conscious mind on environment and natural resources through employee participation activities;
2. The Company supports environment conservation to social and other organizations as well as disseminating news and information on environment in order to build up image and good understanding on environmental management of the Company;
3. The Company has policies to foster the guideline of responsibility to environment for understanding the importance of environment by training the employee continuously for efficient environment system.

In 2013, the activities arranged by the Company included:

- **Development of products and services valuable to the environment**

We have developed products and services in line with environmental conservation and environmental safety standards. For example, we have helped with the Provincial Electricity Authority's AMR Project.

- **Inculcation of Green Mind**

To promote environmental care and optimal use of energy among employees, we have consistently conducted the environmentally-friendly "Reduce and Reuse" project every year.

9. Innovation and Publication of Innovation from Social Responsibility

Determine to develop and present innovation on technology application to uplift the standard of living, conserve environment and use resources in the most meaningful way.

Samart Innovation Award Project is an important activity that Samart Group of Companies conducted continually for more than 10 years with aims to encourage the youth and the new generation entrepreneurs to develop their creativity and capability which can lead to technology innovation. After the end of the contest in each year, the Company has disseminated qualified and winning projects to the public via activities and public relations media constantly. This project cannot only be used as commercial promotion to the contestants but it can also motivate the Thai new innovative developers. For the past year, there were 85 news coverage, publicized via newspaper, radio, television and on-line media.

Our Pride for 2013

SET AWARDS 2013

Samart Corporation Pcl. and Samart Telcoms Pcl. won the SET AWARDS 2013 as listed companies with outstanding governance report. The Stock Exchange of Thailand (SET) conferred the awards at its SET Awards 2013 event to recognize the listed companies that had prepared the report in line with good governance principle.

Outsourced Contact Center Vendor of the Year

In 2013, One to One Contacts Pcl. won the Outsourced Contact Center Vendor of the Year from Frost & Sullivan Thailand Excellence Awards.

CMMI Level 5

Smarterware Co., Ltd. was awarded the CMMI Level 5 software development certificate. The Software Thailand Park granted the certificate in recognition of the firm's outstanding software development. CMMI Level 5 is the highest level for certification.

Report of the Audit Committee

Dear Shareholders of Samart Corporation Public Company Limited

The Audit Committee of Samart Corporation Public Company Limited has been appointed by the Board of the Directors and it consists of 3 independent directors who are experienced on finance, accounting, law and management.

The Audit Committee has performed duties under scope and responsibilities specified in the Audit Committee Charter. In 2013, the Committee held a total of 4 meetings to discuss and share opinions with the senior management, internal auditors and external auditor on matters related to the Company's business which can be summarized as follows:

1. Reviewed quarterly and annual financial statement and consolidated financial statement of the Company and its subsidiaries for 2013 which had already been reviewed and audited by the external auditor then submit to the Board of Directors for further consideration. Prior to approval of such financial statements, the Audit Committee arranged meetings and invited the management and the external auditor to review their accuracy and completeness to ensure that essence contained therein has been correctly prepared pursuant to the generally accepted accounting principles and are beneficial to all budget users. The external auditor also reported all issues found during performing auditing duty to the Audit Committee for consideration.
2. Reviewed connected transactions or transactions which may have conflicts of interest as well as disclosure of such transactions to ensure compliance with laws, rules and regulations prescribed by the Capital Market Supervisory Board and other regulatory bodies with objectives to make such transactions reasonable, transparent and with adequately disclosure pursuant to corporate governance principles and for maximum benefits of the Company. Moreover, the Audit Committee also approved the revision and amendment of the connected transaction criteria in case they are performed pursuant to normal course of business and can support normal business of the Company to make them more appropriated and consistent with current business operations.
3. Reviewed performance of the Company to ensure they are adherence to the Securities and Exchange Act, regulations of the Securities and Exchange Commission, the Stock Exchange of Thailand, the Capital Market Supervisory Board and other laws related to the Company's business operations as well as the obligations which may be incurred from execution an agreement with the third party and other claims jointly with the legal counsels.
4. Reviewed the Company's internal control system to ensure that it is adequate, appropriated, transparent, and effectively by considering from results of internal audit report and results from evaluation of internal control system and risk management pursuant to the international standards for 2013. The policy, strategy, business plan, control and monitoring work have been appropriated specified and the management structure has been well prepared by clearly segregating responsibility of the management by taking into consideration maximum benefits of the Company.
5. Supervised the Internal Audit Department to ensure that all internal audit activities shall be performed effectively and efficiently. In doing so, the Committee reviewed scope of works and responsibilities of the Internal Audit Department so that the quality of the audit works shall conform to international standards. In addition, the Committee also approved the internal audit charter, internal audit manual, as well as annual audit plan for 2014 which has been prepared based on material risks of the Company and emphasized on auditing the efficiency of operations which are crucial control points.

6. Considered the nomination, appointment and annual remuneration of the external auditor for 2014 who has suitable qualifications. The processes taken into consideration were the independence, performance in the past year, knowledge, competency in telecommunications industry and also competitiveness of the audit fee as one of the key considerations. The resolution made has been presented to the Board of Directors to further request for approval on appointment of the external auditor for 2014 from the shareholders' meeting.
7. Conducted its self-assessment performance, which consisted of reviewing its composition, authority, independence, auditing performance and expression of opinions and/or recommendations, all of which should benefit the Company on internal control system and risk management, financial reporting, external audit process of the external auditor, the internal audit system, compliance with applicable regulatory requirements and the report of the Audit Committee. This self-assessment was benchmarked against the best practice guidelines from the Stock Exchange of Thailand and the Audit Committee Charter.

The Audit Committee performed its duties and responsibilities assigned with knowledge, competent, prudent, carefulness and sufficient independence. The Committee had full access to all pertinent information from the management, employees and relevant parties. Furthermore, the Committee gave comments and recommendations which were beneficial to the Company's stakeholders equally. Hence, all duties and responsibilities assigned from the Board of Directors have been completely fulfilled.

In summary, the Audit Committee determined that the Board of Directors, the Management and the Executive Directors all perform their duties ethically with the intent to conduct their job functions 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. In addition, the operating systems have been developed and improved to make them have better quality on continued basis.



(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

The Board of Directors has appointed the Executive Board to help them consider, screen, audit and follow up significant matters which might impact to the Company.

The economic conditions in the first and the latter half of 2013 were vastly varied from each other. The positive factors have been particularly stimulated by consumption of the private sectors which enjoyed favorable benefits from the rice pledging scheme, an increase of minimum wage, the first-car buyer scheme, the government spending programs and the relax financial policy and these positive factors made the economic conditions well expanded. However for the latter half of the year, such positive factors had been faded away and replaced by the negative ones caused by global economic slowdown, outflow of foreign investments and debt burdens from over consumption. All of these elements when combining with political circumstances which began to intensify made Thai economy quickly entered into a sluggish state. Nonetheless, the Company can weather these harsh conditions, due to its prudent management and comprehensive risk management plans prepared for overall levels throughout the organization. In addition, the Company also conducted its business effectively which were in line with directions, strategies, policies and operation plans of the Company based on corporate governance, ethics and under the Executive Board Charter. As a result, the Company can achieve the business targets set and have better performance on continued basis.

In 2013, the Executive Board held 12 meetings and has reported meeting results as well as solution guidelines and recommendations for the Board of Directors' consideration regularly, which can be summarized as follows:

1. Specify strategy and business operation plans including solution guidelines for each business operation on quarterly basis. Every year, the Company shall arrange at least 2 management meetings where the participants are the manager level onwards to convey such plans and strategies to the management and the employees for their acknowledgement and compliance, so that their assignment can achieve the targets set by the Company.
2. Monitor, follow-up and supervise the Company's operations pursuant to policies and management guidelines assigned by the Board of Directors through the meeting of the Executive Board which shall be held every month.
3. Consider and approve annual budget and investments of the Company before propose to the Nominating and Compensation Committee then to the Board of Directors for their consideration and approval.
4. Consider and specify remuneration policy and salary structure of the employees to propose to the Nominating and Compensation Committee before further submit to the meeting of Board of Directors for consideration and approval.

In addition, in 2013, the Executive Board has assessed performance of all of its members and the results from such assessment have been used to improve efficiency of its performance as a whole.

The Executive Board places importance on enhancement of financial stability and performance of the Company and its subsidiaries by reducing cost while maintaining and developing quality of products and services, supporting and developing human resources as well as effectively employing information technology in the business. Additional, the Company also puts emphasis on seeking new business opportunities which can create steady and continued income under the corporate governance principles.



(Mr. Charoenrath Vilailuck)

Executive Chairman & CEO

Samart Corporation Public Company Limited

Report of the Risk Management Committee

Dear Shareholders of Samart Corporation Public Company Limited

The Board of Directors has appointed the Risk Management Committee which consisted of the Executive Chairman of the Company and the high level executives to jointly consider and screen risk management policies and guidelines. The Risk Management Committee shall consider risks systematically by considering risk management plans, preventive/corrective measures as well as monitoring results regularly to reduce risks or handle impacts from risks. The objectives are to ensure that all of main activities and business operations have effectively and extensively risk management plans in place. The management of all companies is assigned to perform their works pursuant to such risk management policies and they must report to the meeting of the Risk Management Committee every quarter, so that the Committee can acknowledge the existing risks and their preventive measures.

As the Company performed operations based on the specified risk management plans, so during 2013, the Company did not encounter any circumstances or any risks which impacted the operation plans of the Company. Even though, there was a political uncertainty situation during the end of 2013 but the Company has arranged the adequate preventive and mitigate measures so it can control such risks to be within the limited extent.

The Risk Management Committee determines to make the Company perform business operations based on governance principles and have efficient risk management plan in place which can control risks from business operations to be within the specified scope. Additionally, the Committee plans to have the appropriate and adequate internal controls for its business operations as well as well-prepared plans in all matters in advance, so that the Company can achieve business goals as intended and with efficiency.



(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 puts emphasis on promotion and support on business operations pursuant to corporate governance principles by emphasizing that the directors, the executives and the employees shall contribute on cultivating governance culture on continued basis so that the Company shall have a strong foundation which can enhance confidence of all stakeholders. Hence, the Corporate Governance Committee (“CG Committee”) was assigned by the Board of Directors to be responsible for and to propose the corporate governance operating guidelines pursuant to the corporate governance principles of the Stock Exchange of Thailand which are in line with the ASEAN CG Scorecard.

In 2013, the CG Committee has performed duties pursuant to scope of responsibility as per specified in the Corporate Governance Charter and corporate governance policy of the Company. The CG Committee conducted 2 meetings to consider various matters concerning corporate governance, follow up their operating results as well as provide recommendations on developing governance-related works. The CG Committee has constantly reported such meeting results to the Board of Directors for consideration, which can be summarized as follows:

1. Review corporate governance policies and code of business ethics of the Company on yearly basis for the sake of appropriateness. During 2013, the CG Committee has revised corporate governance policies and code of business ethics to make them in line with the newly revised corporate governance standards of the Stock Exchange of Thailand as well as the international corporate governance criteria which are based on ASEAN CG Scorecard criteria.
2. Monitor, supervise and follow-up performances of the Company, the Committees, the executives and the employees to ensure compliance with the corporate governance principles, policies of the Company and the relevant laws and business ethics. The Audit Committee reviewed the corporate governance operations regularly. Additionally, the CG Committee specified that all Committees must report their activities during the past year and disclose in the Annual Report for the shareholders’ acknowledgement and also specified that the Board of Directors, both as a group and as an individual, must conduct self-assessment, assessment of all Committees as well as performance of the President & Chief Executive Officer and the Company’s Secretary. Results from such assessments and recommendations shall be used to improve, rectify and develop work efficiency for better performance.
3. Encourage and support on compliance with governance principles continually by communicating governance policies and code of business ethics in the Company’s website as well as communicating to the executives and the employees via various channels, i.e. email, in the form of Tips on Corporate Governance on weekly basis.

As the Company always strongly observes governance principles and operations with transparency, therefore, Samart Corporation Public Company Limited (“SAMART”) and its 2 listed subsidiaries, Samart Telcoms Public Company Limited (“SAMTEL”) and Samart I-Mobile Public Company Limited (“SIM”), have been recognized and received awards on corporate governance as follows:

1) SET AWARDS 2013 on Top Corporate Governance Report Awards

SET has jointly with Money & Banking Magazine arranged the SET awards of honor. SAMART and subsidiaries, SAMTEL have been rewarded for first year on Top Corporate Governance Report Awards from SET which been selected from 523 listed companies.

2) Assessment Result on Corporate Governance of Thai Listed Companies for 2013

SAMART, SAMTEL and SIM were assessed with “**Excellent**” Recognition Level (5 stars) on corporate governance of Thai listed companies for 2013. They were ranked in Top Quartile of the group of companies with a market capitalization of 3,000-9,999 million Baht with scores of 94 percent from a total of 526 listed companies as surveyed by the Thai Institute of Directors Association in cooperation with the Office of Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand.

3) Assessment Result on Quality on Arrangement of Annual General Meeting of Shareholders for 2013

SAMART, SAMTEL and SIM were assessed with “**Very Good**” level on quality on arrangement of annual general meeting of shareholders for 2013 with score of 96 percent from a total of 475 listed companies as surveyed by the Thai Investors Association.

The above awards and assessment results make the CG Committee strongly confident that the Company emphasizes and determines to develop efficiency of business operations together with corporate governance principles. These principles shall be served as significant factors that can make the Company grow steadily and become a sustainable organization. The Corporate Governance shall keep on developing corporate governance policies with aim to make them in line with the international standards.



(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

The Company's Board of Directors has appointed the Nominating and Compensation Committee ("NCC") to perform duties as per assigned by them including to perform duties on recruitment, screening and nomination of the candidates for the position of director and high level executive pursuant to the Company's governance policies. Other responsibilities of the NCC included proposal of guidelines on remuneration packages for the Board of Directors, the Committees and the high level executives. The NCC comprises of 3 members and all of them are the Independent Directors.

In 2013, the NCC held 3 meetings to consider numerous matters where any NCC member who has an interest in any matter considered shall be refrained from voting. Results from the meeting including comments and recommendations have been reported to the Board of Directors for considerations which can be summarized as follows:

1. Nominate candidates to hold position of the Independent Director and the Company's Director before further propose to the Board of Directors' Meeting and/or Shareholders' Meeting for consideration and approval. In case any Director position is vacant due to an expiration of term or other reasons, such retired Director shall be proposed to resume position for another term during the Board of Directors' Meeting and the Shareholders' Meeting. Previous performance works and meeting attendance records of such Director shall also be presented for the meetings' consideration.
2. Nominate candidates to hold position of the Company's Committee Member. The NCC shall select and nominate the new member of the Committee every year and propose to the Board of Directors for consideration during the first Board of Directors' meeting after the Annual General Meeting of Shareholders.
3. Propose remuneration package policy, payment guideline and other benefits for members of Board of Directors and the Committees. These proposing criteria shall be taken into consideration based on performance of the Company, their duties and responsibilities as well as overall economic conditions. Such remuneration must be comparable with other listed companies in the same industry with the same or closer size of business. For transparency on auditing purpose, details on remuneration of the members of the Board of Directors, the Committees and the executives including criteria and procedures on selection and nomination are disclosed in the Annual Report and the Annual Disclosure Form (56-1).
4. In order to enhance morale and motivate the employees as well as retain the competent and good performance employees with the Company, the NCC has specified bonus and annual salary increase rates at the appropriated rates and in line with business performance of the Company.

In 2013, all members of the NCC have conducted self-assessment and results from such assessment have been used to improve the efficiency of the performance.

The NCC realizes the importance on nomination and compensation of the directors and the executives, hence it always determines to perform duties with honesty, reasonableness and fairness. The NCC provides recommendation independently and straightforward including searches for information which can make it perform duties thoroughly by fully adherence to governance principles and pursuant to the Nominating and Compensation Charter for maximum benefits of all stakeholders on sustainable basis.



(Dr. Tongchat Hongladaromp)

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

Report of the Sustainable Development Committee

Dear Shareholders of Samart Corporation Public Company Limited

The Sustainable Development Committee (the SD Committee) has been appointed from the Board of Directors on November 2013 because the Company realizes that sustainable development can occur if the development work is conducted hand in hand with social and environment development. Therefore, the SD Committee has prescribed policy, direction and guideline on social and environmental responsibility of the Company. Primarily, the SD Committee has found that for the past period, the Company has conducted the CSR-after-process regularly but it did not have any CSR-in-process.

The SD Committee shall encourage the CSR undertakings by observing the principles of organization governance, fair operating practices, anti-corruption, respect of fundamental human right, fair labor practices, consumer responsibility, contribution to the community and society, environmental conservation including innovation and publication of innovation from social responsibility. The objectives are to develop and make CSR activities become the main processes of the Company by considering impacts to the society and environment (CSR-in-process).

In addition, the SD Committee is confident that the Company shall develop the CSR activities pursuant to the guidelines specified by the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand which can be led to sustainable business growth.



(Mr. Watchai Vilailuck)

Chairman of the Sustainable Development Committee

Samart Corporation Public Company Limited

Financial Highlights

Ssmart Corporation Public Company Limited and Subsidiaries

(Unit : Million Baht)

Information from Financial Statement	2013	2012 Restate ^(*)	2011 Restate ^(*)
Total Asset	23,762	21,237	18,431
Total Liabilities	15,469	14,326	12,422
Total Shareholders' Equity	8,239	6,911	6,009
Sales and Services Income	22,315	16,733	19,767
Total Revenue	22,434	17,097	19,964
Gross Profit	5,382	3,692	3,780
Net Profit (Loss) (Equity holder of the subsidiaries)	1,468	1,083	905

Financial Ratio	2013	2012 Restate ^(*)	2011 Restate ^(*)
Basic Earning Per Share (Baht)	1.47	1.10	0.94
Book Value Per Share (Baht)	6.32	5.49	4.84
Dividend Per Share (Baht)	0.80 ^(**)	0.60	0.52
Net Profit (Loss) Margin	6.54	6.34	4.53
Return on Equity	25.07	21.48	20.11
Return on Total Assets	6.53	5.46	5.66

หมายเหตุ :^(*) The Company and its subsidiaries applied Thai Accounting Standard No. 12: Income Tax for their operations in 2013 and for improvement in 2011 and 2012 as well.

^(**) Dividend per share comprised of interim dividend for January - June 2013 of Baht 0.35 and Baht 0.45 which will be proposed for consideration of shareholders in the Annual General Meeting 2014.

Total Revenues

(Million Baht)



In year 2013, total revenues were Baht 22,434 million, an increase by THB 5,337 million or 31% YoY mainly due to the increase in revenue from all line of businesses.

Net Profit

(Million Baht)



In year 2013, total net profit was THB 1,468 million, rose dramatically by Baht 385 million or 36% YoY mainly resulted from the growth on Mobile Multimedia business, Technology Related business and Utilities and Transportation business.

Earning Per Share (EPS)

(Baht)



Earning per share rose substantially from Baht 1.11 per share in 2012 to Baht 1.47 per share in 2013, up by Baht 0.36 per share due to an increase in net profit from Mobile Multimedia business.

Total Assets

(Million Baht)



Total assets grew from Baht 21,237 million to Baht 23,762 million, an improvement by Baht 2,525 million or 12% YoY as a result of an increase in total assets from Mobile Multimedia business.

Policy and Overview on Business Operation

Overview on Business Operation of the Company

Samart Corporation Public Company Limited was incorporated on March 7, 1989 under the name “Samart Comtech Company Limited” by Vilailuck Group with an initial registered capital of Baht 5 million to engage in business of design and installation of telecommunication system. Later in 1992, the Company’s name has been changed to “Samart Corporation Company Limited” and it has been privatized in 1993. Presently, the Company undertakes business as a holding company by investing in its subsidiaries and affiliated companies. Its current business structure has been divided into 4 business lines based on management as follows: Mobile Multimedia, ICT Solutions and Services, Utilities and Transportations and Technology Related.

Overview on Business Operation of Subsidiaries and Affiliated Companies

Samart Corporation Public Company Limited is a holding company which undertakes business concerning telecommunication system and it is a joint venture in its subsidiaries and affiliated companies which are newly established to operate the winning concession projects from the bid, engage in IT system service provision through various telecommunication networks as well as provide services on consultation, contract, design & installation, management and maintenance of IT and communication system as Total Solutions & Services to the public and private sectors. Other businesses includes integrated mobile phone distribution and interactive media business including infotainment service and content provider via advanced media, provision of media and multimedia equipment for locally and internationally, manufacture and distribution of television and radio antennas and satellite dishes, total customer management solutions with regards to installation and management of customer relations center, procurement and management of call center service officers for the public and private sectors, distribution and contract for installation of security system and audio-video communication, wire and wireless system, total waste management solutions in Suvarnabhumi Airport, contract for construction of fully integrated high voltage substation and transmission lines beginning from design, procurement, construction, commissioning test and maintenance as well as the related business where the Company shall participate in management of such business closely. In 2001, the Company has expanded its scope of business investment in Cambodia by obtaining concession on planning and development of communication system and air traffic control system, including obtaining exclusive right to provide air traffic control services above the Cambodian sky for 32 years (concession period is between 2001 - 2033). This business is operated via Cambodia Air Traffic Services Company Limited (“CATS”). In addition, the Company also engages in business of generation and distribution of electricity to Kampot Cement plant in Cambodia as well.

Significant developments and changes of the Company during the past 3 years:

2013

- During the Extraordinary General Meeting of Shareholders No. 1/2013 of One To One Contacts Public Co., Ltd. (“OTO”), a subsidiary of the Company with 99.13% direct and indirect stake holding, the Meeting has approved OTO to issue 70,000,000 ordinary shares with par value of Baht 1 each for the purpose of its initial public offering (“IPO”), as well as acknowledged that the Company will also offer a portion of 10,000,000 existing ordinary shares in OTO it currently holds for sale to the public in the same initial public offering of OTO, thus total IPO shares will be 80,000,000 shares. In addition, it also approved OTO to increase its registered capital from the existing registered capital of Baht 100,000,000 to Baht 280,000,000, by means of issuing 180,000,000 new ordinary shares with par value of Baht 1 each. The 110,000,000 capital-increase ordinary shares will be allocated to support the distribution of its share dividends while the rest of 70,000,000 shares will be allocated for IPO. Lastly, it approved to grant not more than 20,000,000 newly-issued ordinary shares for pre-emptive right to shareholders of SAMART to subscribe OTO’s capital-increase shares due to the impact on SAMART as a result of dilution effect from the IPO of OTO. Any share fractions from the calculation shall be disregarded. The price of the capital-increase ordinary shares offered for sale to shareholders of SAMART shall be equal to the price of shares offered for sale to the public. However, OTO is now under process for registration in the Market

for Alternative Investment (MAI) and the Office of the Securities and Exchange Commission has approved the Registration and Statement of Securities (filing form) since November 2013.

- The Meeting of the Board of Directors of Samart Telcoms Public Company Limited (“SAMTEL”) on December 17, 2013 approved Samart Communication Service Company Limited (“SCS”), a subsidiary of which SAMTEL holds 99.99% of its paid-up capital, to establish a new affiliated company, namely “SLA Asia Company Limited (“SLA”), with registered capital of Baht 30 million (300,000 share at par value of Baht 100 each). This newly establish company shall engage in business of contracting for installation of telecommunication system including purchase and sale of related equipment in foreign countries with shareholding ratio as follows: SCS holds 30%, Loxley and AIT Holding Company Limited holds 60% and general public holds 10%.
- The Meeting of the Board of Directors of SAMTEL on December 17, 2013 approved Samart Comtech Company Limited (“SCT”), a subsidiary of which SAMTEL holds 99.99% of its paid-up shares, to invest in Net Service (Thailand) Company Limited, to undertake business on IT development for public and private sectors, by purchasing 1,200,000 ordinary shares (at par value of Baht 10 each and paid for 50% of share prices) which accounting for 60% of total issued shares from the existing shareholders which are not the connected persons, at total value of Baht 6.12 million.
- The Meeting of the Board of Directors of Samart I-Mobile Public Company Limited (“SIM”) on August 13, 2013 approved to dispose investment in subsidiaries which do not operate business, such as I-Mobile International Company Limited (“IMI”), of which SIM holds 99.99% of its shares, and PT. Samart I-Mobile Indonesia, of which IMI holds 99.80% of its shares, for more efficient business restructuring purpose.
- The Meeting of the Board of Directors of SIM on November 12, 2013, approved I-Mobile Inter Trade Company Limited, a subsidiary of which SIM indirectly holds total shares, to purchase 99.99% of shares of The Sky Place Company Limited, amounting to Baht 500,000 to increase sale distribution channel of the company.

2012

- During the Meeting of the Board of Directors No. 6/2012 on November 12, 2012, the Meeting has approved Samart U-Trans Company Limited (“SUT”), a subsidiary of which the Company holds 99.99% of its shares, to purchase investments in TEDA Company Limited (“TEDA”) totally Baht 319.89 million. Such company engages in business of design & construction of high voltage substation, transmission and distribution lines, as well as electrical and mechanical installation service. As of March 1, 2013, TEDA has registered capital of Baht 405.50 million at par value of Baht 10 each and SUT holds 80% of shares in such company.
- SAMTEL, a subsidiary of which the Company holds 70.89% of its shares, has sold all of 70,000 ordinary shares that it holds in Oasis Consulting Company Limited, or accounting for 70% of paid-up capital to the third party who is not the connected person.
- SAMTEL has sold all of 624,373 ordinary shares that it holds in IT Gen Company Limited, or accounting for 99.99% of paid-up capital to the third party who is not the connect person.
- SAMTEL has purchased 33,699,990 ordinary share of Portalnet Company Limited, a company engages in design and installation of Enterprise Resource Planning system, accounting for 99.99% of the issued shares from the existing shareholders, who are not the connected persons.
- Samart Broadband Services Company Limited, a subsidiary of which the Company indirectly holds 70.89% of paid-up capital, has purchased 22,485,490 ordinary shares, or accounting for 99.94 issued shares of IT Absolute Company Limited, which engages in procurement and distribution of electronics and technology equipment from the existing shareholders who are not the connected persons.
- On June 1, 2012, the Meeting of the Board of Directors of Samart Multimedia Company Limited, a subsidiary of which the Company indirectly holds 59.89% shares, has resolved to approved for an establishment of a new company namely “Entertainment Tree Company Limited” to produce, distribute and provide entertainment information and content, printed media through television, telephone, internet system, satellite and other communication systems, both local and overseas, to install equipment and network, as well as integrated

facilities and other related services with shareholding ratio of 45% and with registered capital of Baht 5 million. Such newly company has been registered with the Ministry of Commerce on June 14, 2012.

- The Meeting of the Board of Directors of the Company No. 5/2008 on October 16, 2008 has resolution to purchase the Company's shares back for financial management not exceeding Baht 250 million and amount shares purchased back not exceeding 48,825,195 shares (at par value of Baht 1 each), or accounting for 5% of issued shares of the Company. As of March 23, 2009, total number of shares that the Company purchased back was 38,115,800 shares, but the Company has gradually and completely sold all of such shares on March 12, 2012.
- CATS which engages in business of system installation and provision of air traffic control services in Cambodian pursuant to the concession contract obtained from the Cambodian government for 22 years has invested on installation of additional equipment to increase the efficiency of air traffic control system, as well as installed equipment in Sihanoukville International Airport, an important port city, with total investment of US\$ 7 million. In addition, the concession of this company has been extended for another 10 years, beginning from 2024-2033, hence total concession period obtained is 32 years, from 2001-2033.

2011

- On May 25, 2001, during the Extraordinary General Meeting of Shareholders of Samart International Company Limited ("SI"), a subsidiary of which the Company holds 99.99% shares, has approved SI to rename to "Samart U-Trans Company Limited" in order to make it consistent with business operation in the future which shall be concerning utilities and transportation. This name change has already been registered with the Ministry of Commerce on May 26, 2001.
- The Meeting of the Board of Directors of SAMTEL on March 10, 2001 has resolution to approve the Company to purchase 412,498 ordinary shares, or accounting for 99.99% of issued shares of Net Media Company Limited from the existing shareholders at par value of Baht 2.42 each or totally Baht 1 million.

Shareholding Structure

As of December 31, 2013, the Company has Baht 1,006,503,910 registered capital, with paid-up capital of Baht 1,002,050,910. Shareholding structure in subsidiaries and affiliated companies is classified by "Business Structure (by shareholding)" and "Business Structure (by management)". More details are in topic of "Business Structure", on page 37 - 38.

Moreover, since nature of business of the Company is the 'Holding Company' which mainly invests in its subsidiaries and affiliated companies and such investment in all subsidiaries and affiliated companies is regarded as core business and size of business that undertakes core business must be pursuant to criteria of the Notification of the Office of the Securities and Exchange Commission No. SorChor 20/2555 Re: Consideration on Size of Company Related to Approval for Company that Undertakes Business By Holding Shares in Other Companies (Holding Company) to offer for Sale of Newly Issued Shares, which can be summarized as follows:

1. Size of subsidiaries which undertake core business must be 99.17% of size of the listed company. The Company complies with such notification which specified that it must not less than 25% of size of the listed company.
2. Ratio of total size of all companies which undertakes core business when compared with size of the listed company must be 99.17% of the size of the listed company. Such notification specified that it must not less than 75% of size of the listed company.

However, such main company has different sizes. When considering from significance of business, there are only 3 subsidiaries and affiliated companies which its revenue represent over 10% of Group revenue, i.e. Samart I-Mobile Public Company Limited, Samart Telcoms Public Company Limited and Samart Communication Services Company Limited. More details on nature of business, shareholding proportion and income structure of such companies are in topic of "Shareholding of Samart Corporation Pcl. in Subsidiaries and Affiliated Companies", "Business Structure" and "Revenue Structure", respectively.

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 4 groups as follows :

No.	Group of Business	Nature of Business*	Percentage of income** 2013
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 including MVNO virtual network operator.	45.8%
2	ICT Solutions and Services	Provide 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.	41.3%
3	Technology Related	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.	4.6%
4	Utilities and Transportations	Provide air traffic control services in Cambodia, electric generating supply to Kampot Cement factory in Cambodia and also provide the design and installation of electrical engineering works.	8.3%

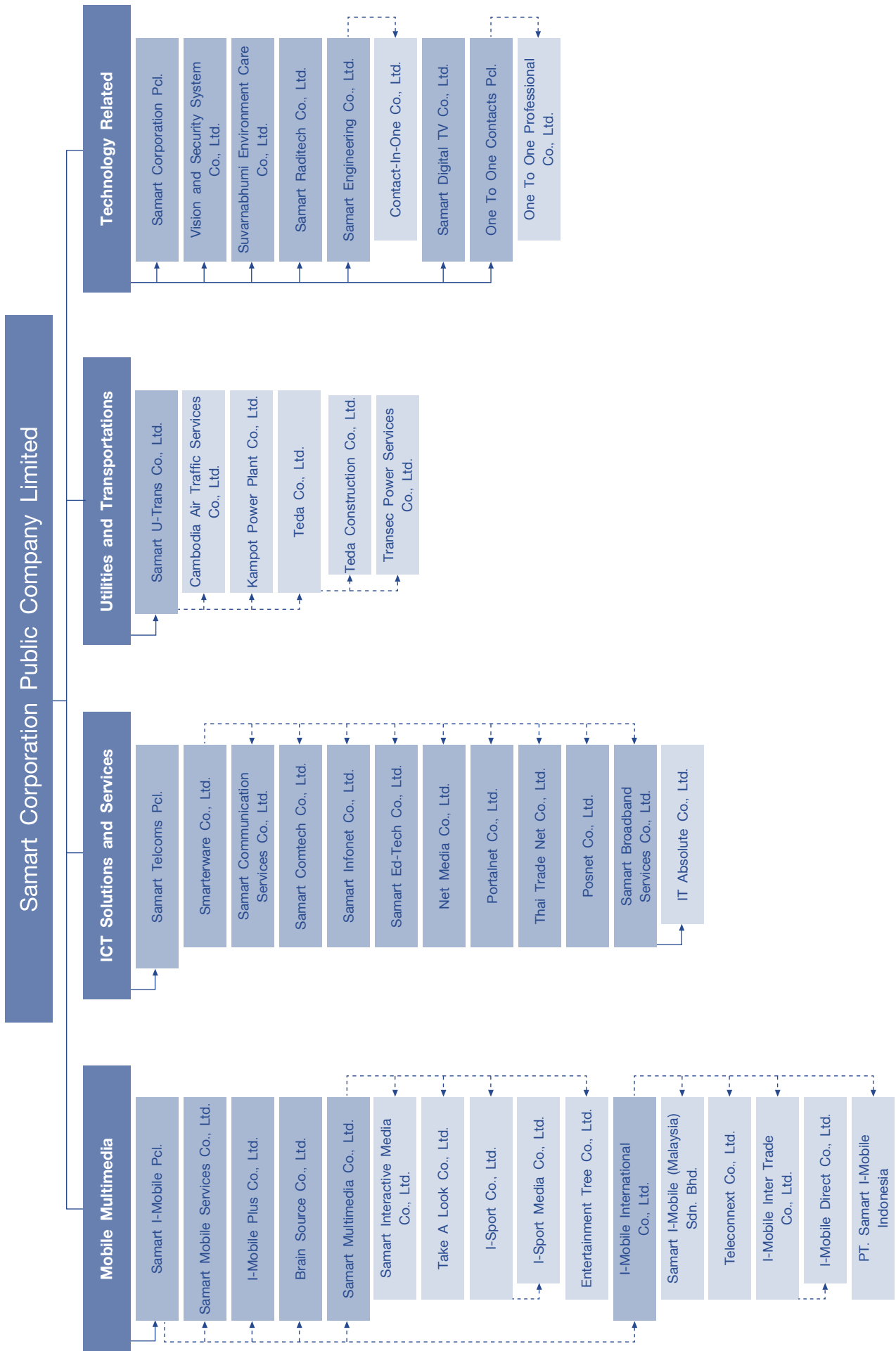
Remark : ^(*) More information have been disclosed on Company's website (www.samartcorp.com) via Annual Information Disclosure of the Company (56-1 Form) and SEC's website (www.sec.or.th).

^(**) Percentage of 2013 consolidated revenue from Sales and Services.

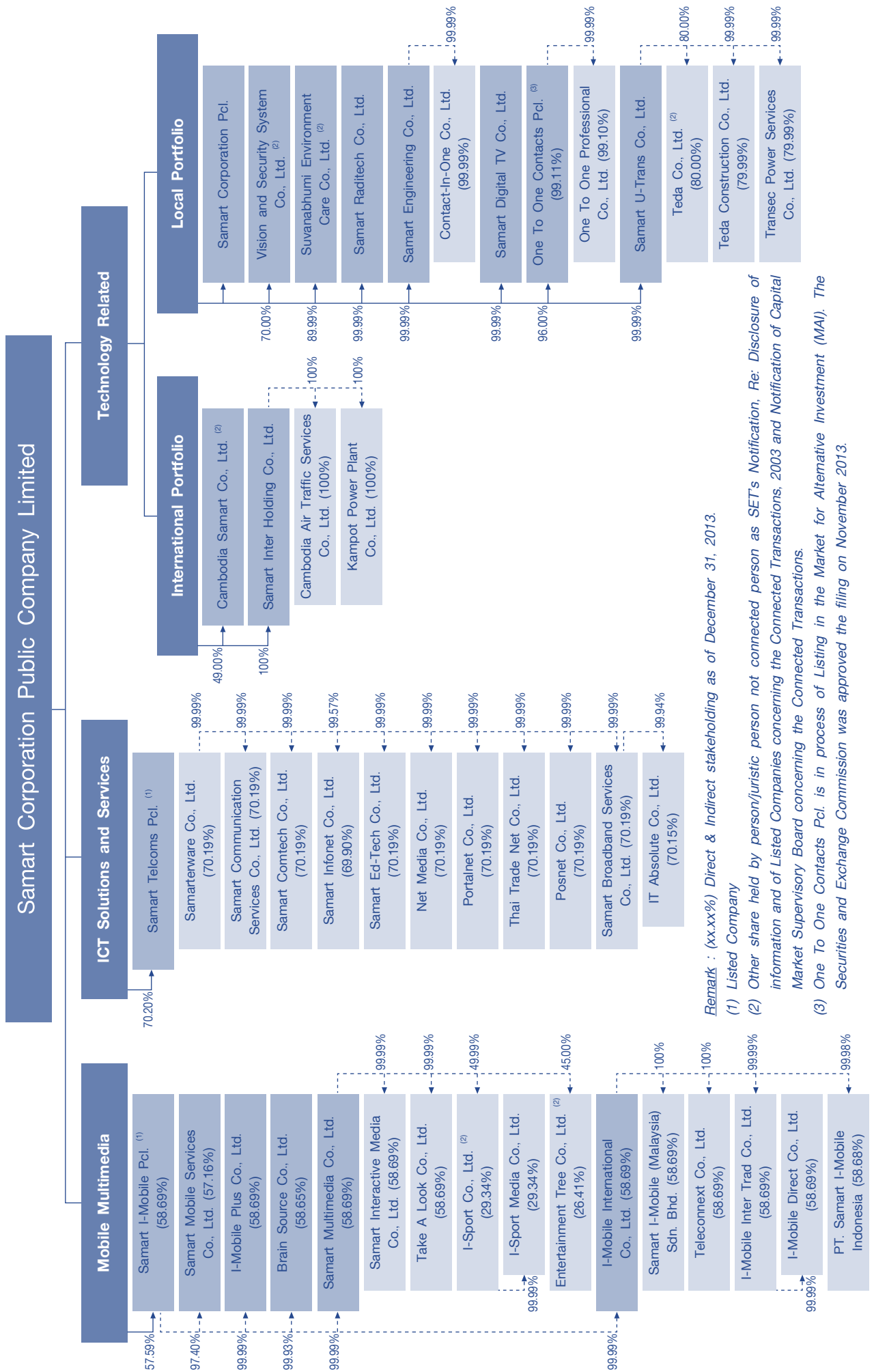
Sales and Service income in 2013 was Baht 22,315 million with gross profit of Baht 5,382 million equivalent to 24.12% of total sales. Selling & Admin Expenses was Baht 2,583 million or 11.52% of total revenue while finance cost was Baht 510 million and tax of Baht 281 million of which resulted to the net profit of Baht 1,468 million.

In terms of revenue contribution by lines of business (LOB), Mobile Multimedia generated 45.8% of the Group revenue in 2013, while ICT Solutions and Services was 41.3%, Technology Related was 4.6% and Utilities and Transportations was 8.3%.

Business Structure (by Management)



Business Structure (by Shareholding)



Revenue Structure

(Unit : Million Baht)

Business Group	Operation by Company	% of Holding 2011 ^(*)	2011		2012		2013	
			Revenue	%	Revenue	%	Revenue	%
1) Mobile Multimedia	Samart I-Mobile Pcl.	58.69	4,845.4	24.5	5,568.4	33.3	8,932.5	40.0
	Other subsidiaries	-	2,067.0	10.5	1,304.7	7.8	1,284.9	5.8
	Sub Total		6,912.4	35.0	6,873.1	41.1	10,217.4	45.8
2) ICT Solutions and Services	Samart Communication Services Co., Ltd.	70.19	6,430.7	32.5	3,565.6	21.3	3,811.1	17.1
	Samart Comtech Co., Ltd.	70.19	1,259.3	6.4	1,328.0	7.9	2,095.8	9.4
	Samart Telcoms Pcl.	70.20	1,739.3	8.8	1,981.2	11.9	2,085.8	9.3
	Other subsidiaries	-	656.5	3.3	638.6	3.8	1,233.9	5.5
	Sub Total		10,085.8	51.0	7,513.4	44.9	9,226.6	41.3
3) Utilities and Transportations	Cambodia Air Traffic Services Co., Ltd.	100	854.6	4.3	913.8	5.5	1,078.7	4.8
	Other subsidiaries	-	200.8	1.0	218.4	1.3	766.5	3.5
	Sub Total		1,055.4	5.3	1,132.2	6.8	1,845.2	8.3
4) Technology Related	One To One Contacts Pcl.	99.11	846.0	4.3	822.1	4.9	630.3	2.8
	Other subsidiaries	-	867.3	4.4	392.1	2.3	395.8	1.8
	Sub Total		1,713.3	8.7	1,214.2	7.2	1,026.1	4.6
Total Sales and Service income			19,766.9	100.00	16,732.9	100.00	22,315.3	100.0

Remark : ^(*) Direct & Indirect stake holding on December 31, 2013.

Changes during the year

In 2013, the Company had faced with several challenges including internal and external factors such as the uncertainty of fiscal policy in the United States, the rapid fund inflow and outflow which caused Thai Baht volatile and the political instability in Thailand, etc. However, Samart Corporation PCL., still did an excellent performance by achieved the revenues of THB 22,434 million and net profit of THB 1,468 million, 31% and 36% consecutively growth from the previous year. The success of the Company came from our four main business lines as follow;

- Mobile Multimedia
- ICT Solutions and Services
- Technology Related
- Utilities and Transportations

Mobile Multimedia

2013 was the turnaround year for Mobile Multimedia business. It reported the total revenues of THB 10,300 million, 46% growth compare to the previous year, which accounted for 46% of the total revenues for the Company.

- **Handset Business**

There were three key improvement areas in year 2013 for handset business;

1. Product Improvement

Since, we have successfully launched i-Mobile smart phone in late 2012, the Company's "i-Mobile" brand could assure the position of the local leader brand in the Thai market. Since 2012, we clarified our product category to be more explicitly into 5 categories; Zaa, Hitz, i-Note, i-Style and iQ. Moreover, the product specifications and software have been developed continuously. In 2013, we introduced the devices along with new technologies to the market such as quad-core processor, full high-definition screen, scratch resistant screen, front camera with flash, and smart gesture control. Moreover, smart phone has been classified into two types, which are i-Style and iQ. For i-Style series, an affordable smart phone price range between THB 2,500 to 4,000 suited for the new smart phone users (shift from featured phone to smart phone) or middle to low income consumers. Furthermore, for iQ series, this is the high-end product price range between 5,500 to 10,000 baht. We use superior components and fashionable design to compete with other international.

Example of "i-Mobile" smart phone launched in 2013



2. After-sale service channel enlargement

In addition to product improvement, we maintain and improve our after-sale service quality to satisfy our clients. To ensure the convenience of our customers, we have increased the number of after-sale service center to 72 service centers nationwide by the end of 2013. We also created new after-sale service program; for instance, the expansion of software upgrade channels, trade-in program, etc.

3. Market Expansion

Although our main market is Thailand, we also placed our products in other markets such as Laos, Myanmar and Malaysia. In 2013, we have expanded our distribution channel to Middle East. Even though the internationals' sale portion was still small, but we expect it will dramatically increase in the next couple of years. Besides, the local mobile operators are considered as one of our channels. The mobile operators are in the process of migration their clients to new 2.1 GHz spectrum; therefore it was the good opportunity for us to enlarge our sale channels.

As a consequence of the mentioned improvement, the number of smart phone unit sold has been increased dramatically from 537,036 units in 2012 to 1,733,358 units in this year. The portion of smart phone unit sold to featured unit sold increased from 13.3% to 45.8%. Hence, the blended average selling price shifted from 1,505 Baht to 2,616 Baht.

• Content Business

Content business recorded the revenues of THB 947 million in 2013. The Company's content business has transformed from content aggregator to content owner for coping with the technology change which resulted in the shift of consumer behavior. Being the content owner provides us more flexible to develop the content through many channels; for example, website, mobile application, publishing and television. In 2013, the Company has attempted to sustain the traditional voice services such as BUG1113, BUG1900, BUG1110 and BUG2Mobile etc., while putting the content on others media. Moreover, the Company still continuously improves the content in many areas such as horoscope, sport and lifestyle. The example of our popular products and services are EDTguide.com, HOROworld.com, EDT guide book and EDT mobile application etc.

Example of content business products and services



- **MVNO Business**

This business involves wholesale and distribution of mobile service on 3G networks at a frequency of 2.1 GHz - a service purchased from TOT Public Company Limited - known as "i-Mobile 3GX". The year 2013 has seen an increase of 300 percent in number of active subscribers as compared to the previous year. Product bundling between i-Mobile 3GX SIM card and i-Mobile devices was one effective marketing strategy that contributed greatly to the tremendous success. The significant rise in i-Mobile product adoption also had a lot to do with improvements made to product reach by means of continuous expansion of direct sales department and reseller networks, which in turn heightened efficiency and timeliness of sales and delivery processes.

To raise awareness towards i-mobile 3GX brand, promotional activities have been constantly carried out, aiming specifically at target customers. A number of clear market segments were identified and tailored SIM cards invented to communicate to respective groups. "Good Fortune SIM", "Football SIM" and "Lottery SIM", for example, cater to the like-minded users with contents that appeal to their interests. In year 2013, TOT's network coverage is covered throughout Bangkok as well as in the capital's outskirts - altogether 5,320. Having received overwhelming responses from 3G-network customers, i-Mobile is set to expand its TOT service coverage in other parts of Thailand on 2.1 GHz frequency in effort to tap upon the fast-growing 3G market.

ICT Solutions and Services

Samart Telcoms PCL. or "SAMTEL" is one of the largest IT Solutions and Services Company in Thailand. In order to best serve our client's needs, the Company works closely with various international suppliers such as SITA, Huawei, Alcatel-Lucent, etc. Apart from solid relationships, the key success factors for the Company to be one of the largest IT company is a large number of qualified staffs together with service centers nationwide, we have over a thousand staffs of which half of them are engineer and technical staff. Moreover, the Company also has a good track record. Ninety percent of our projects have been completed on time and within the budget.

In 2013, the Company faced difficulties due mainly to the political instability. However, by our reputation and credibility, we overcame those obstacles and achieved our target. For this year, the Company has been signed for over 70 new projects with the total value of THB 7,107 million from various customers for instance: IT System from Ministry of Justice, Set-up CCTV for Chonburi Province, E-title Deeds project from Department of Land, etc. The total revenues in this year were THB 9,367 million, 21% growth compare to the previous year, which accounted for 42% of the total revenues for the Company. Moreover, the Company has a backlog by the year-end 2013 of THB 7,549 million.

Technology Related Business

One To One Contacts Pcl. ("OTO")

OTO is one of the leading contact center companies in Thailand. It provides outsourced contact center services and offers design, development and installation of turnkey total solutions to government and corporate clients. In 2013, OTO handled over 28 million calls by over a thousand professional contact center staff. OTO aims becoming a regional contact center player serving Cambodia, Laos, Myanmar and Vietnam (CLMV) in the next five years. OTO is planning to list the company on the MAI (Market Alternative for Investment) in early 2014. The process of raising its fund will be used for support the domestic and international expansion. SEC (Securities and Exchange Commission) was already approved the filing on November 2013.

Samart Engineering Co., Ltd. (“SE”)

Almost 60 years back, SE was the first established company of SAMART’s group. SE is one of the leading set-top-box and TV antenna producers in Thailand. As a result of the announcement from NBTC (The National Broadcasting and Telecommunications Commission) to completely transform the broadcasting system from analogue terrestrial television to digital terrestrial television in the next couple of year, the Company spent over a year to develop the new digital TV set-top-box and digital TV antenna to support the new era of broadcasting. Currently, the Company is successfully developed the new DVB-T2 set-top-box and digital TV antenna. With 22 million of households in Thailand and the subsidize plan by NBTC, the Company sees the great coming opportunity and expected to sell at least 1.5 million units of DVB-T2 set-top-box in year 2014.

Vision and Security System Co., Ltd. (“VSS”)

VSS had faced a difficulty for a couple of years due to the political instability and the government agencies and state enterprises focused on the flood prevention plan. Therefore, the public security budget has been cut. In 2013, the government agencies were more concerned on the public security. Hence, the total revenue for VSS increased to THB 658 million, grew by 224% YoY. The main clients are including AOT (Airport of Thailand), BMA (Bangkok Metropolitan Administration) and Phuket International Airport etc.

Utilities and Transportations

Samart U-Trans Co., Ltd. (“SUT”)

The Company has been successfully acquired a new company (“TEDA”) in the first half of this year with an intention to expand our business into utility business. TEDA offers variety kinds of services such as High Voltage Substation Installation, Design and Construction of Transmission and Distribution Lines, and Mechanical and Electrical Installation Service. The main clients are three main electricity authorities in Thailand; Metropolitan Electricity Authority (MEA), Provincial Electricity Authority (PEA), and Electricity Generating Authority of Thailand (EGAT). The received benefits from acquiring TEDA were the client base expansion and support existing business. Also the track record and expertise of TEDA can be used in receiving others projects in the future.

Cambodia Air Traffic Services Co., Ltd. (“CATS”)

CATS is considered to be one of the main sources of recurring income for the Company which contributes revenue to the group approximately a billion baht a year. In 2013, the Company recognized the total revenue of THB 1,079 million, increased by 17% YoY. Additionally, the number of flights rose sharply by 20% or from 60,828 flights in year 2012 to 72,694 flights.

Kampot Power Plant Co., Ltd. (“KPP”)

KPP provides a consistent revenue streams to the Company over a concession period. The Company generates electricity supply to Kampot Cement Company (a subsidiary company of Siam Cement Group) with the contracted capacity to deliver to Kampot Cement is 16 MWe a year.

Industry and Competitive Analysis

Macro Economy

In the beginning of 2013, the weakened in global economy growth was affected by the remaining of Euro zone crisis, the economy slow down in Japan and the uncertainty about fiscal policy in the United States. However, there was a recovery sign since the beginning of the 2Q/2013, especially in the United States and Japan. The United States economy growth was mainly driven by private consumption particularly in durable goods such as house and car which has been stimulated by QE. Moreover, the delay in QE tapering by The Federal Reserve (Fed) to 2014 was to ensure a stronger economy. Nonetheless, the U.S. economy still fragile even the Congress temporarily allowed the government to increase the nation's debt ceiling and extended the country's borrowing power to early of 2014, this issue will reoccur again as the date approaches. The Euro Zone economy has shown a recovery sign after a long period of recession and stagnation, boosted by external demand. In contrast, domestic demand stayed weak resulted from the high rate of unemployment. Since, the weak public finance still remains; therefore public investment and government spending continue to be limited. China economy faced a slowdown in the first half of 2013 because of decreasing rate growth in export and investment. However, the China economy has been improving since 3Q/2013 as a result of the expansion in export, investment and domestic consumption.

In the first half of 2013, the expansion of Thai economy was driven mainly by private consumption and investment. While the global economic was facing in an unfavorable situation, Thai's market was being in an expansion period. Therefore, a large amount of fund flow into the Thai market resulting in a rapid Thai baht appreciation which harmed Thai export. In the 2H/2013, Thailand faced a weaker-than-expected economy due to the slow down of private consumption, lower-than-targeted government spending, and the political turmoil. Private consumption has been decelerated arising from the rising of household debt, the rapid spending on the first car buying in 2012, fall in farmer's income due to the decline in agricultural commodities price and the volatility in asset price (i.e. gold and stock). Government spending, the total disbursement in 2013 accounted for only 90.5% of the total annual budget, lower than the Cabinet agreed on 94%. Additionally, the disbursement on investment budget showed a lower-than-targeted by 12%. Consequently, it resulted in lower-than-anticipated government expenditure for the year 2013 (Source: SCB Economic Intelligence Center - Thailand Economic Outlook 4Q/2013). Moreover, Thailand has faced with the political turmoil in 4Q/2013 and the rally was expected to prolong to 1H/2014.

While the global pictures are becoming more positive in 2014, Thai economy, on another hand, has faced with the extended political instability and deteriorating confidence. Government spending will likely be hit, as will private investment and domestic consumption.

Telecommunication Industry: ICT and Broadcasting Infrastructure Perspective

This year was the transformation year for ICT sector in Thailand, ranges from the ongoing migration on mobile service from 2G to 3G, the continue of Smart Thailand project, and the preparation for the launch of terrestrial digital television in early 2014. The government aims to develop information technology infrastructure by accelerating the establishment of a high-speed communications network and promoting free Internet access in public area under Smart Thailand project, resulting in an increase on the internet penetration rate to 30%. However, according to the goal of Smart Thailand project, the expansion of network infrastructure based on broadband over fiber-optic cable has to cover 80% of the population in the next 3 years, and 95% by 2020.

Apart from Smart Thailand project, a huge amount of investment in the next couple of years will come from the transformation of analogue to digital terrestrial TV broadcasting. The digital TV broadcasting coverage is expected to cover most areas of the country in 2017, starting from 50% in 2014, increase to 80% in 2015, rise to 90% in 2016 and cover 95% of the country by 2017. The emergence of digital terrestrial TV will be the new catalyst to the market.

Telecommunication Industry: Mobile Handset Perspective

Currently, mobile phones have become an important part of our daily lives. According to the NBTC survey (as of July 2013), mobile penetration rate has reached 131.84% with the total mobile subscribers of 89.98 million subs. According to Goldman Sachs Global Investment Research, the popularity among smart phone has been increasing dramatically with the penetration rate of 29% in 2013 and 39% by the end of 2014. Previously, people used smart phones for just calling, emailing or surfing information on the Internet. However, since the 3G service is available in the market, along with an advancement of smart phone technology, the smart phones can provide more functions such as accessing the social network, shopping online or trading the stocks etc. As a result, the proportion of smart phone unit sold to featured phone unit sold has been rising overtime from 15.0% in 2010 to 53.0% in 2013.

Thailand handset market	2010	2011	2012	2013E	2014E	2015E
% of total handset sold						
Smart phone	15%	43%	43%	53%	66%	77%
Feature phone	85%	57%	57%	47%	34%	23%
Cumulative smart phones (mn)	4.0	10.0	16.5	25.0	36.1	49.3
Smart phone penetration	6%	13%	20%	29%	39%	51%

Source: Goldman Sachs Global Investment Research

Telecommunication Industry: Mobile Service Perspective

With the grant of 2100 MHz (3G) licenses in 2011 and the coming of the expiration of existing 900 MHz and 1800 MHz frequencies, the three main private operators have intensively expanded their 3G network on 2100 MHz frequency and aggressive focused on their subscriber migration while TOT (Telephone of Thailand), the new entrant, was almost completed the installation of over 5,000 based station on 2100 MHz throughout the country. The increasing in smart phone penetration in the next couple of years may faster the subscriber migration for the three operators and wider the opportunity for expanding the subscriber for others. Competitive intensity to remain slightly high in 2014 as the mobile service operators focuses on the subscriber acquisition and migration. Within 2014 and 2015, it is increasing likelihood that the unoccupied 900 MHz and 1800 MHz may be conducted.

Risk Factors

Currently, Samart Corporation Public Company Limited has its portfolio in four different businesses namely: Mobile Multimedia; ICT Solutions and Services; Technology Related; and Utilities and Transportations. These individual industries present the Company with different sets of risk factors, internal and external, capable to affect its financial and operational performances. To effectively manage risks faced by the Company, Risk Management Committee has been formed to establish policies, prioritize risk factors and continuously review strategies in place as well as risks identified. Risk factors can be classified as follows.

1. Operational risks

Risks to Mobile Multimedia business

- **Handset business**

The previous year has seen all three mobile phone service providers officially offering 3G network. The extensive coverage of 3G service has resulted in an increase in consumer demand for data usage which in turn reduced the size of feature phone market and on the other hand gave rise to the popularity, hence sales, of smart phones. The Company carried out a close market monitoring scheme by its in-house market research team and also outsourcing to other research company to understand and respond effectively to the fast-changing behaviors of consumers. Besides keeping up with usage pattern, the Company has as consciously been watching movements in technological development for they potentially affect the sales of mobile devices. To stay on top of the game, the Company continued to maintain close relationships with suppliers of mobile phone components and established a software development team who successfully invented an up-to-date application to cater to the need of existing market. The handset business also experienced a challenge in inventory management as a consequence of the rapid rise of smart phone sales and continuous fall in that of feature phones. Having excessive leftover inventory would cause the Company damage therefore risks had to be spread out by increasing the number of smart phone models and limiting the availability of each model.

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

Being a Mobile Virtual Network Operator, the Company does not own the network but offers to customers one that is purchased from TOT Public Company Limited, the owner of the network, then resell the purchased capacity to clients. This means Samart Corporation has no control over an expansion of network coverage in places without access to the service.

- **Content**

When dealing with content, risks mainly come from the transformation and development of different media by which content can be accessed. From a basic phone, to internet for PCs and laptops, to mobile phones operating on 2G to 3G and onto 4G in the near future, content accessibility have experienced a vast improvement. Coupled with increasingly high-speed connectivity and mobility of content sources, challenges of the past are non-existent today. The market which previously was segmented according to means of access has become a large integrated one with unique competitors. User's ability at sharing content among themselves through numerous social media platforms has put the Company in a less important position. Realizing that both voice and non-voice versions of content were on average being used less and for shorter duration when used, the Company in response devised the forms of content which consumers of today identify with. For instance, light-hearted informative content was made available on websites, applications as well as the use of mainstream media - television and print - which still remained its prominent platforms by

which existing customers, of all demographic groups, could be reached. At the same time the Company still maintained its existing businesses which have a number of customers.

Moreover, the increasingly borderless digital world has left quite an impact on the role of content provider to disseminate their content as content creators can now share their works directly to users. This is possible when such companies have their own investments in network, information system and connectivity with mobile phone service providers under an affordable investment budget. In effort to tackle the issue, Samart Corporation approached providers of mobile phones to discuss customer incentives. Some of the methods include sending ongoing messages to the target customers to stimulate usage under this circumstances the small-sized businesses would not be able to negotiate. Furthermore, the Company also offering fair revenue sharing and close technical support which helps the Company keeps healthy relations with all content creators and ensures smooth collaborative efforts.

Another noteworthy point is the Company's overreliance on other content creators. Having to share revenue among external content creators, network provider and the Company itself, rewards gained from such partnership format would be lower than the case of generating content in-house. Moreover, using content by external developers naturally puts the Company in a less favorable position when it comes to negotiation which risks itself at losing the very content to other competitor who is looking to outbid. Informed of the aforementioned risks, the Company has focused on developing and redesigning contents under its own license to answers the needs of existing customers. On top of incomes received directly from users, the Company tapped upon other opportunities to boost revenue. Various media channels of Samart Corporation were utilized for paid promotional activities and joint campaigns with partners from different industries were run to entice customers with privileges.

Risks to ICT Solutions and Services business

ICT Solutions and Services business involves installation and provision of integrated ICT system, mainly to government offices and state enterprises. Changes in the government's budget for information technology and communication would have a direct implication on the Company's operation. In order to reduce risks to the business, expansion of customer base was deemed appropriate a solution. Not merely reaching out to as many ministries as possible but also increasing the number of state enterprises customers to prevent severe impact should policies be revised, bidding process prolong or budget cut occurred in any of the government departments. Furthermore, the Company devised a plan to increase sources of recurring revenue for heightened financial security. Challenges faced by certain projects have to do with possibility of faulty products. Check-in counters at Suvarnabhumi Airport, for example, have to operate smoothly at all times. Cases of system failure would not only bring damages to the customers but the Company would also be charged for their losses in accordance to the signed agreement. Technicians are therefore present at the airport 24 hours daily to monitor and attend to any issues timely. Maintenance of all machines and the system is also conducted regularly to ensure highest performance.

Risks to Technology Related business

- **Contact Center business**

Human resources is key to customer relations or call center business therefore the operational risks are mainly employee related. Due to the high rate of turnover in this business presents the Company with a set of challenges. To keep employee resignation rate at minimum, some of the implementations include offering reasonably high salary, attractive welfare benefits and giving informative talks on career prospects. Apart from human resources risk, in case of emergency such as fire hazard or flooding, the Company also assured itself against losses by setting up information center and emergency operation center to minimize the effect of those emergencies.

- **Production and distribution of set-top-box and TV digital antenna**

The business of production and distribution of set-top-box and TV digital antenna faces with risks in managing inventory. Digital TV was completely new to the market as it would be officially available in the year 2014; therefore the Company had to project a forecast of market demand. A thorough research was conducted to derive at the most probable demand, along with stringent guidelines on inventory management to ensure minimal risks to the Company.

Risks to Utilities and Transportations business

- **Air Traffic management business**

The Company's air traffic business is a concession granted by the government of Cambodia which is valid until the year 2032, with a ten-year extendable, under the agreed terms. Risks encountered by this business are related to safety as operation system, pilot communication system and various computer systems cannot afford to fail. The Company safeguards its users with the installation of two other systems on standby. Technical teams are provided to assist, where required, 24 hours, as well as equipment maintenance service done every three months.

- **Small-sized power plant**

For the power plant business, the Company has signed a long-term trading contract with K Cement Company Limited, a cement manufacturer in Cambodia. This business sees risks coming from possible defects in power generating machines which would affect the operations and incur losses to the Company. To prevent such damages from occurring, the Company has prepared spare machines to continue operation in times of emergency. Moreover, regular checks on engines are run and experienced technicians are present to monitor the process at all times.

2. Financial Risks

Foreign Exchange risks

Certain businesses of the Company generate revenue in foreign currencies. The Air Traffic and Power Plant businesses are earning the Company income in US dollar. On the other hand, some other businesses are incurring costs in non-local currencies such as mobile phone business, Production and distribution of set-top-box and TV digital antenna and ICT Solutions and Services. Aware of exchange rate fluctuation over the years, the Company has all along been cautious in this regard by signing forward contracts and keeping a close watch on foreign exchange rate in the markets.

Interest Rate Risk

The Company and its subsidiaries have both short term loans and long-term loans with financial institutions therefore the fluctuation in the interest rate do pose risks to the Company's financial management. However, majority of loans (89%) taken are on short-term and the change in interest rate will rely mainly on the market condition therefore interest rate risks are relatively low. 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 outlook on interest rates. Given any signs of volatility, the Company may use derivative financial instruments to hedge against such risks.

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, 2013 were THB 7,669 million of which THB 527 million were more than 12 months outstanding. This amount comprises of overdue account receivable in group subsidiaries. In any case, the company has also set aside THB 112 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.

Risks from operating as a Holding Company

As a holding company, financial results depend on operational performances of subsidiaries in which it possesses shares. The Company's dividend is also calculated based on results and cash flow of all subsidiaries, meaning that dividend payment would be affected should any subsidiaries underperform. The Company addresses this concern by the policy to invest in businesses that are high potential in terms of growth and revenue generation, coupled with low risks and high return on investment. All companies in the Group are required to do up a business plan including operation and annual budget proposal which would be considered and approved by the Board of Directors. Performances of every business are constantly monitored in order to deal with risks timely and effectively.

Dividend payments by subsidiaries and the Group are made in line with applicable laws and/or other conditions including all financial contracts.

Risks from Short term Investments in Marketable Securities

As of 2013 year end, the company has short term investments of THB 23 million. As these investments are listed in the Stock Exchange of Thailand, any adverse movements in the equity market as a result of economic and political instability would have direct impact on the pricing of these securities. In order to mitigate such risks, the Company monitors and updates information on such investment and takes appropriate action as and when necessary.

Shareholders

1. The Shareholders of the Company

The top ten major shareholders of the Company are :

Name of shareholders	No. of shares held (Shares)	% of Total Shares
1. Vilailuck Group	442,107,745	44.12
- Vilailuck International Holding Co., Ltd. ⁽¹⁾	174,355,200	17.40
- Mr. Watchai Vilailuck ⁽²⁾	120,846,035	12.06
- Mr. Charoenrath Vilailuck ⁽²⁾	118,724,960	11.85
- Mr. Thananan Vilailuck ⁽²⁾	15,113,150	1.51
- Ms. Sirirak Vilailuck	5,015,000	0.50
- Mrs. Siripen Vilailuck	5,960,250	0.59
- Mrs. Sukanya Vanichjakvong	2,093,150	0.21
2. THAI NVDR Co., Ltd.	43,721,538	4.36
3. Mr. Thaweechat Jurangkul	20,100,000	2.01
4. Bualuang Long - Term Equity Fund	15,514,000	1.55
5. K Flexible Equity RMF	12,580,700	1.26
6. Bualuang Long - Term Equity Fund 75/25	12,359,600	1.23
7. The Bank of Newyork (Nominees) Limited	12,300,865	1.23
8. Mr. Nutthapon Jurangkul	10,717,300	1.07
9. MFC Hi-Dividend Fund	10,592,900	1.06
10. CHASE NOMINEES LIMITED 15	9,010,608	0.90
Total of top ten Major Shareholders	589,005,256	58.78

Source : Major Shareholders' report as of December 27, 2013 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 13.50% each;
- Mr. Cherdchai Vilailuck has 4.93%.

⁽²⁾ Includes holding by spouse and minor child.

2. The Shareholders of major subsidiaries which its revenue represent over 10% of Group revenue.

2.1 The top ten major shareholders of Samart I-Mobile Pcl. are :

Name of shareholders	No. of shares held (Shares)	% of Total Shares
1. Vilailuck Group	2,660,684,800	60.83
- Samart Corporation Pcl. ^(*)	2,518,539,400	57.59
- Samart Telcoms Pcl.	65,293,200	1.49
- Vilailuck International Holding Co., Ltd.	41,811,200	0.96
- Mrs. Sukanya Vanichjakvong	22,900,000	0.52
- Mr. Watchai Vilailuck	6,221,000	0.14
- Samart U-Trans Co.,Ltd.	2,620,000	0.06
- Mr. Thananan Vilailuck	1,800,000	0.04
- Mr. Tankaseam Vanichjakvong	1,500,000	0.03
2. Axiata Group Berhad	1,053,000,000	24.08
3. THAI NVDR Co., Ltd.	40,619,600	0.93
4. Mr. Kullawut Viratmalee	24,800,000	0.57
5. Mrs. Chomkamol Pumpanmung	24,000,000	0.55
6. Caceis Bank Luxembourg	20,714,500	0.47
7. Mr. Somruay Saelim	18,874,100	0.43
8. Mr. Prin Chirathivat	17,575,200	0.40
9. Mr. Somchai Vimokcharoensuk	16,992,200	0.39
10. Mr. Thaweechat Jurangkul	12,437,700	0.28
Total of top ten Major Shareholders	3,889,698,100	88.93

Source : Major Shareholders' report as of December 27, 2013 prepared by Thailand Securities Depository Co., Ltd.

^(*) A holding company and Major Shareholder as follows :

- Vilailuck International Holding Co., Ltd. has 17.40%;
- Vilailuck Family has 26.72%.

2.2 The top ten major shareholders of Samart Telcoms Pcl. are :

Name of shareholders	No. of shares held (Shares)	% of Total Shares
1. Vilailuck Group	441,975,600	71.64
- Samart Corporation Pcl. ⁽¹⁾	433,064,590	70.20
- Vilailuck International Holding Co., Ltd.	6,111,000	0.99
- Mrs. Sukanya Vanichjakvong ⁽²⁾	1,150,000	0.19
- Mr. Watchai Vilailuck ⁽²⁾	900,010	0.15
- Mr. Charoenrath Vilailuck ⁽²⁾	650,000	0.11
- Mr. Thananan Vilailuck ⁽²⁾	50,000	0.01
- Lobburi Industrial Estate Co.,Ltd.	50,000	0.01
2. Bangkok Bank Pcl.	29,966,560	4.86
3. Bualuang Long - Term Equity Fund	13,854,300	2.25
4. THAI NVDR Co., Ltd.	11,585,524	1.88
5. Bualuang Long - Term Equity Fund 75/25	8,374,700	1.36
6. Bualuang Flexible RMF	6,926,000	1.12
7. Electricity Generating Authority of Thailand Registered Provident Fund	5,019,600	0.81
8. Bualuang Thanakom Open-end Fund	4,883,400	0.79
9. Bualuang Infrastructure RMF	3,207,300	0.52
10. Bualuang Equity RMF	3,038,600	0.49
Total of top ten Major Shareholders	528,831,584	85.72

Source : Major Shareholders' report as of December 27, 2013 prepared by Thailand Securities Depository Co., Ltd.

⁽¹⁾ A holding company and Major Shareholder as follows :

- Vilailuck International Holding Co., Ltd. has 17.40%;
- Vilailuck Family has 26.72%.

⁽²⁾ Includes holding by spouse.

2.3 The shareholders of Samart Communication Services Co., Ltd. are :

Name of shareholders	No. of shares held (Shares)	% of Total Shares
1. Samart Telcoms Pcl. ⁽¹⁾	4,999,994	99.9998
2. Mr. Charoenrath Vilailuck	2	0.00004
3. Mr. Watchai Vilailuck	2	0.00004
4. Mr. Thananan Vilailuck	2	0.00004
Total of Shareholders	5,000,000	100.00

Source : Shareholders' register book as of December 27, 2013.

⁽¹⁾ The Listed Company operating on design, implement and installation of telecommunication system business with its major shareholder as follows:

- Samart Corporation Pcl. has 70.20%;
- Bangkok Bank Pcl. has 4.86%;
- Bualuang Long - Term Equity Fund has 2.25%.

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.

Details of dividend payment

Financial Ratio	2011	2012	2013*
Earning Per share (Baht)	0.86	1.09	1.47
Dividend Per Share (Baht)	0.52	0.60	0.80
Dividend payout ratio (%)	60.89	55.64	54.73

Remark : * The Company has returned profit to its shareholders by way of dividend payment. Dividend for 2013 has been proposed for consideration of the shareholders at 0.80 Baht per share. Interim dividend for first six month performance was paid on September 2013 at Baht 0.35 per share. The balance of Baht 0.45 will be paid on May 2013 of which subject to the approval of the shareholders. Total dividend payment will be 54.73% 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.

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	4,373,470,000	2,518,539,400	57.59
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. Provide content services via fully integrated wire and wireless technologies both voice service via Audiotext and Call Center, and non voice services 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 at HoroWorld shop and via website, provide training and selling products related to horoscope and fortunetelling	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)	50	5,000,000	4,999,993 ⁽²⁾	99.99
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. 18B, Jalan Mutiara Raya, Taman Mutiara, 56000 Kuala Lumpur, Malaysia Tel. 603-9131-6403 Fax. 603-9133-4941	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. 621-5744-555 Fax. 621-5744-777	Distribution of mobile phones with content services and provider of entertainment content and interactive multimedia services in Indonesia	6,420,000 (USD)	6,420,000	6,419,000 ⁽³⁾	99.98
10.	Teleconnex Co., Ltd.* 23/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong Tel. 852-2980-1888 Fax. 852-2956-2192	Distribution of mobile phones 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 services, 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.	Entertainment Tree Co., Ltd. 99/12 Moo 4, Software Park, 24 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6103 Fax. 0-2502-6361	Manufacturer, distribute and provide entertainment media through television, telephone, internet system, satellite system and others both local and overseas, installation of several equipments and network including facilities and other related services	5	500,000	225,000 ⁽²⁾	45.00
15.	I-Sport 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	Operate business relating to sport advantages such as competition provider, live broadcasting, others activities and benefit management to sport player	1	100,000	99,997 ⁽⁴⁾	99.99
16.	I-Mobile Direct Co., Ltd. 99/3 Moo 4, Software Park, 33 rd Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6000 Fax. 0-2502-6900	Provide and distribute communication and information technology equipment and accessories through direct selling	9	90,000	89,998 ⁽⁵⁾	99.99

No.	Company	Type of Business	Registered Capital (Million Baht)	Outstanding Ordinary Share	Samart's Holdings	
					Amount	%
17.	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. 0-2502-6648	1. Multimedia communication service via satellite 2. High Speed Multimedia Network rental service 3. IT and Communication system distribution and installation service	738	616,936,000	433,064,590	70.20
18.	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. 0-2502-6648	Communication network, telecommunications and information technology service including procurement, operations, maintenance and repair of telecom equipment	500	5,000,000	4,999,994 ⁽⁶⁾	99.99
19.	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. 0-2502-6648	Design and Installation of Telecommunication network	225	2,250,000	2,249,995 ⁽⁶⁾	99.99
20.	Samart Broadband Services Co., Ltd. 99/7 Moo 4, Software Park, 29 th Fl., Chaengwattana Rd., Klong Gluar Pak-kred, Nonthaburi 11120 Tel. 0-2502-6610 Fax. 0-2502-6648	Data service on local high-speed network	221	22,100,000	22,099,993 ⁽⁶⁾	99.99
21.	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. 0-2502-6648	Electronic Data Interchange (EDI) and total value added services	53	5,300,000	5,299,993 ⁽⁶⁾	99.99
22.	Posnet Co., Ltd. 99/4 Moo 4, Software Park, 32 nd Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6610 Fax. 0-2502-6648	Fully-integrated consultancy and installation service for Electronic Payment network	72	7,200,000	7,199,993 ⁽⁶⁾	99.99
23.	Samart 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. 0-2502-6648	Total E-education business by providing instructional design, courseware production, outsourcing and consulting, on-line e-learning software	20	200,000	199,997 ⁽⁶⁾	99.99
24.	Samart Infonet Co., Ltd. 99/12 Moo 4, Software Park, 24 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6610 Fax. 0-2502-6648	Internet services	62	6,200,000	6,173,494 ⁽⁶⁾	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. 0-2502-6610 Fax. 0-2502-6648	Software Developer and provide service and consultation for telecommunication hardware and software	10	100,000	99,993 ⁽⁶⁾	99.99
26.	Net Media Co., Ltd. 99/2 Moo 4, Software Park, 34 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6610 Fax. 0-2502-6648	Satellite TV service by providing video compression broadcasting via satellite	10.32	103,200	103,198 ⁽⁶⁾	99.99
27.	IT Absolute Co., Ltd. 119 Mahesak Rd., Suriyawong, Bang Rak, Bangkok 10500 Tel. 0-2502-6610 Fax. 0-2502-6648	Distributor of IT and telecommunication equipment	225	22,500,001	22,485,595 ⁽⁸⁾	99.94
28.	Portalnet Co., Ltd. 73 Soi Sukhumvit 62, M-Link Building, 5 th Fl., Sukhumvit Rd., Bang Jak, Phrakhanong, Bangkok 10260 Tel. 0-2502-6610 Fax. 0-2502-6648	For the design and construction services for enterprise resource planning of the organization	3,370	33,700,000	33,699,990 ⁽⁶⁾	99.99
29.	One To One Contacts Pcl. 1 Eastwater Building, 10 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	280	210,000,000	201,600,000 4,200,000 ⁽⁷⁾ 2,100,000 ⁽⁶⁾ 2,100,000 ⁽¹⁰⁾	96.00 2.00 1.00 1.00
30.	One To One Cambodia Co., Ltd. 18-E4, 4 th floor, The Icon Professional Building 216, Norodom Blvd., Tonle Bassac, Chamkarmorn, Phnom Penh, Kingdom of Cambodia Tel. 023-932-222 Fax. 023-932-223	Total customer management solutions both turnkey implementation as well as outsourced contact center management in Cambodia	5,000 (USD)	1,000	1,000 ⁽⁹⁾	100
31.	One To One Professional Co., Ltd. 126/92-95 C.M. Tower, 24 th Fl., Krungthonburi Rd., Banglumphulang, Klong San, Bangkok 10600 Tel. 0-2685-0059 Fax. 0-2685-0050	Provide consult recruitment and staffing management for customer service business	1	100,000	99,997 ⁽⁹⁾	99.99
32.	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 ⁽¹¹⁾	100.00

No.	Company	Type of Business	Registered Capital (Million Baht)	Outstanding Ordinary Share	Samart's Holdings	
					Amount	%
33.	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 ⁽¹¹⁾	100.00
34.	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	Land Lease	50,000,000 (Riel)	100	49	49.00
35.	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	500	100,000,000	99,999,994	99.99
36.	Suvarnabhumi Environment Care Co., Ltd.** 99/2 Moo 4, Software Park, 34 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2134-3556-8 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
37.	Vision and Security System Co., Ltd. 99/2 Moo 4, Software Park, 34 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6999 Fax. 0-2502-6393	Distribution, installation and maintenance of Security Systems and Communication System	20	2,000,000	1,400,000	70.00
38.	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 as well as Broadcast Network Solution	250	2,500,000	2,499,994	99.99
39.	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. 0-2516-4581	Institution for satellite dishes installation training	1	100,000	99,993 ⁽¹⁰⁾	99.99
40.	Samart Inter Holding Co., Ltd. Level 54 Hopewell Centre, 183 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

No.	Company	Type of Business	Registered Capital (Million Baht)	Outstanding Ordinary Share	Samart's Holdings	
					Amount	%
41.	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	Radiation technology business: Trading of radiation measurement equipments, radiation measurement service, radiation safety training and radiation project management	80	8,000,000	7,999,993	99.99
42.	Samart Digital TV Co., Ltd. 99/2 Moo 4, Software Park, 34 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6100 Fax. 0-2502-6174	Broadcast Network Service Provider	1	100,000	99,997	99.99
43.	Teda Co., Ltd. 99/2 Moo 4, Software Park, 34 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6000 Fax. 0-2502-6904	Engineering, Procurement and Construction (EPC) Contractor and maintenance services for Power Substations and Power Transmission	407.5	40,750,000	32,600,000 ⁽¹²⁾	80.00
44.	Teda Construction Co., Ltd. 60, 62, 64, 66 Soi Charan Sanitwong 83/1, Charansanitwong Rd., Bang O, Bangphlat, Bangkok 10700 Tel. 0-2502-6000 Fax. 0-2502-6904	Contractor : Civil Construction & Civil Engineering services for Power Substation and Power Transmission projects	4	40,000	39,994 ⁽¹³⁾	99.99
45.	Transec Power Services Co., Ltd. 99/2 Moo 4, Software Park, 34 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6000 Fax. 0-2502-6904	Contractor : Installation & Commissioning and Maintenance services for Power Substation & any High Voltage system	15	150,000	149,998 ⁽¹³⁾	99.99

Remarks
⁽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 I-Sport Co., Ltd.

⁽⁵⁾ Held by I-Mobile Inter Trade Co., Ltd.

⁽⁶⁾ Held by Samart Telcoms Pcl.

⁽⁷⁾ Held by Samart Comtech Co., Ltd.

⁽⁸⁾ Held by Samart Broadband Services Co., Ltd.

⁽⁹⁾ Held by One To One Contacts Pcl.

⁽¹⁰⁾ Held by Samart Engineering Co., Ltd.

⁽¹¹⁾ Held by Samart Inter Holding Co., Ltd.

⁽¹²⁾ Held by Samart U-Trans Co., Ltd.

⁽¹³⁾ Held by Teda Co., Ltd.

* Formerly named "Samart I-Mobile (Hong Kong) Limited.

** 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.

Management Structure

Board of Directors as of December 31, 2013

Mr. Cherdchai Vilailuck	Honorable Chairman
1. Dr. Tongchat Hongladaromp	Chairman / Independent Director / Audit Committee Member / Chairman of the Nominating & Compensation Committee
2. Mr. Pradang Prichayangkun	Independent Director / Chairman of the Audit Committee / Vice Chairman / Corporate Governance Committee Member / Nominating & Compensation Committee Member
3. Mr. Seri Suksathaporn	Independent Director / Audit Committee Member / Chairman of the Corporate Governance Committee / Nominating & Compensation Committee Member
4. Mrs. Siripen Vilailuck(*)	Director
5. Mr. Charoenrath Vilailuck	Director / Executive Chairman / CEO / Chairman of the Risk Management Committee
6. Mr. Watchai Vilailuck	Director / President / Chairman of the Sustainable Development Committee
7. Mr. Sirichai Rasameechan	Director / Executive Vice Chairman / Corporate Governance Committee Member / Sustainable Development Committee Member
8. Mr. Prinya Waiwatana	Independent Director / Corporate Governance Committee Member

Remark : () Representative director from Vilailuck International Holding Co., Ltd; a major shareholder with 17.40% stake holding from total number of voting rights of the Company (as of December 31, 2013).*

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. Audit Committee members comprise of no less than 3 members, all of them have sufficient experience to review the Company's financial statement. Details of the Curriculum Vitae, Roles and Responsibilities of the Audit Committee are provided under **"Directors, Managements and Company Secretary"** and **"Corporate Governance"**

Restriction of Power of the Directors

"Mr. Charoenrath Vilailuck, Mr. Watchai Vilailuck, Mr. Sirichai Rasameechan, two of these three Directors, authorized to jointly sign and affix the Company's seal."

Qualifications of Director

- 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;
- 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;
- Should have leadership, vision, and independent consideration for best benefit of the Company and the shareholders;
- Has various knowledge, experience, and specific skill that suitable for the Company business;
- Integrity;
- 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, its parent company, subsidiary, associate, major shareholder or controlling person, in a manner that may interfere with his/her independent judgment, and neither is nor has ever been a significant shareholder or controlling person of any person having a business relationship with the Company, its parent company, subsidiary, associate, major shareholder or controlling person, unless the foregoing relationship has ended not less than two years prior to the date of appointment.;
5. Neither being nor used to be an auditor of the Company, its parent company, subsidiary company, associate company, major shareholder or controlling person, and not being a significant shareholder, controlling person, or partner of an audit firm which employs auditors of the Company, its parent company, subsidiary company, associate company, major shareholder or controlling person, unless the foregoing relationship has ended not less than two years prior to the date of appointment.
6. Neither being nor used to be a provider of any professional services including those as legal advisor or financial advisor who receives service fees exceeding two million baht per year from the Company, its parent company, subsidiary company, associate company, major shareholder or controlling person, and not being a significant shareholders, controlling person or partner of the provider of professional services, unless the foregoing relationship has ended not less than two years prior to the date of appointment.
7. Not being a director who has been appointed as a representative of the Company's director, major shareholder or shareholders who is related to the Company's major shareholder;
8. Not undertaking any business in the same nature and in significant competition to the business of the Company or subsidiaries or not being a partner in a partnership or being an executive director, employee, staff, advisor who receives salary or holding shares exceeding 1 percent of the total number of shares with voting rights of other company which undertakes business in the same nature and in significant competition to the business of the Company or subsidiaries;
9. Not having any characteristic which 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 the first Annual General Meeting of Shareholders after the registration of the Company and at the first Annual General Meeting of Shareholders in every subsequent year one-third of the directors, who have been longest in office, shall retire. The retired directors are eligible to be re-elected for another term by obtaining majority vote from the Nominating & Compensation Committee. However the independent directors shall be in post no longer than 3 terms except getting a unanimous approval from the Nominating & Compensation Committee due to his/her contribution to the Company and the Committee ensures that the extra term will not cause or impact to the independent of such director as well as obtain an approval from Board of Directors and the Company's shareholders.

Roles and Responsibilities of Directors

1. Conduct business with responsibility, due care, and integrity 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. Review and approve the company's vision and mission annually;
4. Consider and approve the Company's investment and annual budget;
5. Appoint directors and Committee members to replace of those who will 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;
6. 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, Nominating & Compensation Committee and Sustainable Development 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;
7. Appoint and consider remuneration package, proposed from the Nominating & Compensation Committee, for top executives of the Company, and Company Secretary;
8. Summarize Profit & Loss Statement and Statement of Financial Position 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;
9. Nominate appropriated persons with remuneration for further consideration and approval of shareholders for the appointment of the Company's auditors;
10. 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;
11. 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;
12. 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.

The Company determines to make its directors and executives express their intentions on performing the Company's business operations with transparently and morality as well as perform their duties pursuant to the ethical standards on integrity, with carefulness and cautiously for benefits of all shareholders and the stakeholders. Hence, the ethics which shall be used as practical guidelines for the directors and the executives have been specified. The Company discloses the **Ethics of the directors and the Executives** in the Company's website (www.samartcorp.com).

Delegation of Authorities between the Board of Directors and the Management

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

Delegation of Authorities of the Board of Directors

1. Approve the annual budget and business plan of the Company;
2. Approve the undertaking of financial obligations of the Company, i.e. execution of loan agreement, loan guarantee;
3. Approve the investment project in large business;
4. Approve the establishment of new company;
5. Approve the purchase and disposal of the Company's assets pursuant to the Capital Market Supervisory Board;
6. Approve the undertaking the related transaction of the Company pursuant to the Capital Market Supervisory Board;
7. Approve the policy on increase of annual remuneration and bonus.
8. Approve financial statement of the Company;
9. Approve the opening or closing accounts with the banks;
10. Approve the appointment of the Committee;
11. Approve the appointment of new director to replace the director who is retired by rotation.

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

In addition, since nature of the Company is a Holding Company, therefore, it has to disclose information of the directors of 3 of its subsidiaries of which its revenue represent over 10% of Group revenue as of December 31, 2013 as follows:

1) Board of Directors of Samart I-Mobile Pcl. ("SIM")

- | | |
|---|--|
| 1. Prof. Suphachai Phisitvanich | Chairman / Independent Director / Audit Committee Member |
| 2. Dr. Chotivid Chayavadhanangkur | Independent Director / Chairman of Audit Committee / Chairman of Corporate Governance Committee / Nominating and Compensation Committee Member |
| 3. Mr. Kunthit Arunyananda | Independent Director / Audit Committee Member / Chairman of Nominating and Compensation Committee / Corporate Governance Committee Member |
| 4. Mr. Charoenrath Vilailuck ⁽¹⁾ | Director |
| 5. Mr. Watchai Vilailuck ⁽¹⁾ | Director / Executive Chairman / CEO / Chairman of the Risk Management Committee |
| 6. Mr. Thananan Vilailuck ⁽¹⁾ | Director / Executive Chairman / Chairman of Risk Management Committee / Chairman of the Sustainable Development Committee |
| 7. Mr. Jong Diloksombat ⁽¹⁾ | Director / Executive Director / Corporate Governance Committee Member / Risk Management Committee Member |
| 8. Mr. Azwan Khan Bin Osman Khan ^{(2) (3)} | Director |
| 9. Mr. Ausnis Bin Sheikh Mohamed ⁽²⁾ | Director / Nominating and Compensation Committee Member |

Remark : ⁽¹⁾ Representative director from Samart Corporation Pcl., a major shareholder with 59.14%;

⁽²⁾ Representative director from Axiata Group Berhad, a major shareholder with 24.08;

⁽³⁾ Has resigned from Directorship on February 17, 2014. The Board of Directors' meeting No. 1/2014 on February 25, 2014 has resolved to appoint Mr. Simon John Perkins as a director in replacement of Mr. Azwan Khan bin Osman Khan with remaining term of the director whom he replaces.

2) Board of Directors of Samart Telcoms Pcl. ("SAMTEL")

- | | |
|-----------------------------|--|
| 1. Mr. Sombut Uthaisang | Chairman / Independent Director |
| 2. General Sumpun Boonyanun | Independent Director / Chairman of Audit Committee / Chairman of Nominating and Compensation Committee / Corporate Governance Committee Member |
| 3. Mr. Vichai Pokasamrit | Independent Director / Audit Committee Member / Nominating and Compensation Committee Member / Chairman of Corporate Governance Committee |

4. Ms. Rapeepan Luangaramrut Independent Director / Audit Committee Member / Nominating and Compensation Committee Member
5. Mr. Kajornvut Tayanukorn⁽¹⁾ Director / Corporate Governance Committee Member
6. Mr. Charoenrath Vilailuck⁽²⁾ Executive Director
7. Mr. Watchai Vilailuck⁽²⁾ Executive Director / Executive Chairman
8. Mr. Sirichai Rasameechan⁽²⁾ Executive Director
9. Mr. Jong Diloksombat⁽²⁾ Executive Director / President / Chairman of the Risk Management Committee / Corporate Governance Committee Member / Chairman of the Sustainable Development Committee

Remark : ⁽¹⁾ Representative director from Bangkok Bank Pcl., a major shareholder with 4.86%;

⁽²⁾ Representative director from Samart Corporation Pcl., a major shareholder with 70.20%.

3) Board of Directors of Samart Communication Services Co., Ltd. ("SCS")

1. Mr. Charoenrath Vilailuck Chairman
2. Mr. Watchai Vilailuck Director
3. Mr. Jong Diloksombat Director
4. Mr. Pornchai Krivichian Director

Report of Directors attendance of the Company and Major Subsidiaries in 2013 ⁽¹⁾

Director	Number of Attendance / Total Number of Meeting			
	Samart Corporation Pcl.	Samart I-mobile Pcl.	Samart Telcoms Pcl.	Samart Communication Service Co., Ltd.
1. Dr. Tongchat Hongladaromp	6/6	-	-	-
2. Mr. Pradang Prichayangkun	6/6	-	-	-
3. Mr. Seri Suksathaporn	5/6 ⁽²⁾	-	-	-
4. Mr. Prinya Waiwatana	6/6	-	-	-
5. Mrs. Siripen Vilailuck	6/6	-	-	-
6. Mr. Sirichai Rasameechan	6/6	-	6/6	-
7. Mr. Charoenrath Vilailuck	6/6	7/7	6/6	3/4 ⁽³⁾
8. Mr. Watchai Vilailuck	6/6	7/7	6/6	4/4
9. Prof. Suphachai Phisitvanich	-	7/7	-	-
10. Dr. Chotivid Chayavadhanangkur	-	7/7	-	-
11. Mr. Kunthit Arunyananda	-	7/7	-	-
12. Mr. Thananan Vilailuck	-	7/7	-	-
13. Mr. Jong Diloksombat	-	7/7	6/6	4/4
14. Mr. Azwan Khan Bin Osman Khan	-	2/7 ⁽³⁾	-	-
15. Mr. Ausnis Bin Sheikh Mohamed	-	5/7 ⁽³⁾	-	-
16. Mr. Sombut Uthaisang	-	-	6/6	-
17. General Sumpun Boonyanun	-	-	6/6	-
18. Mr. Vichai Pokasamrit	-	-	6/6	-
19. Ms. Rapeepan Luangaramrut	-	-	6/6	-
20. Mr. Kajornvut Tayanukorn	-	-	6/6	-
21. Mr. Pornchai Krivichian	-	-	-	4/4

Remark : ⁽¹⁾ Major subsidiaries which its revenue represent over 10% of Group revenue;

⁽²⁾ The meeting date has been changed while such director has been aboard;

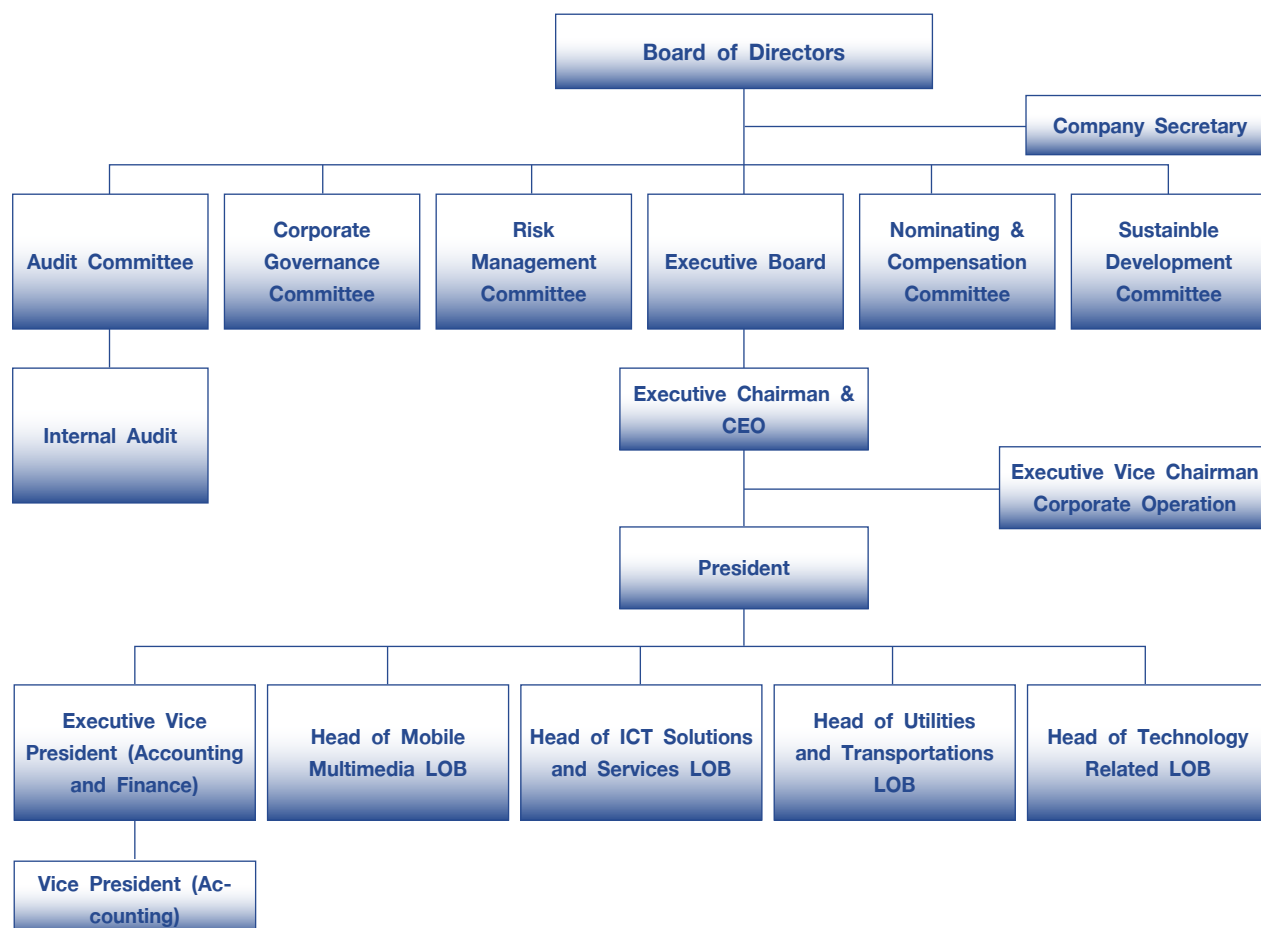
⁽³⁾ Went abroad for business trip.

Curriculum Vitae of Directors are provided on page 232.

Management

The Company's management structure comprised of 7 Committees, Board of Directors, Audit Committee, Executive Board, Corporate Governance Committee, Nominating & Compensation Committee, Risk Management Committee and Sustainable Development Committee. Corporate Structure and the Management of the Company and major subsidiaries which its revenue represent over 10% of Group revenue as of December 31,2013 as follows:

The Company's Corporate Structure



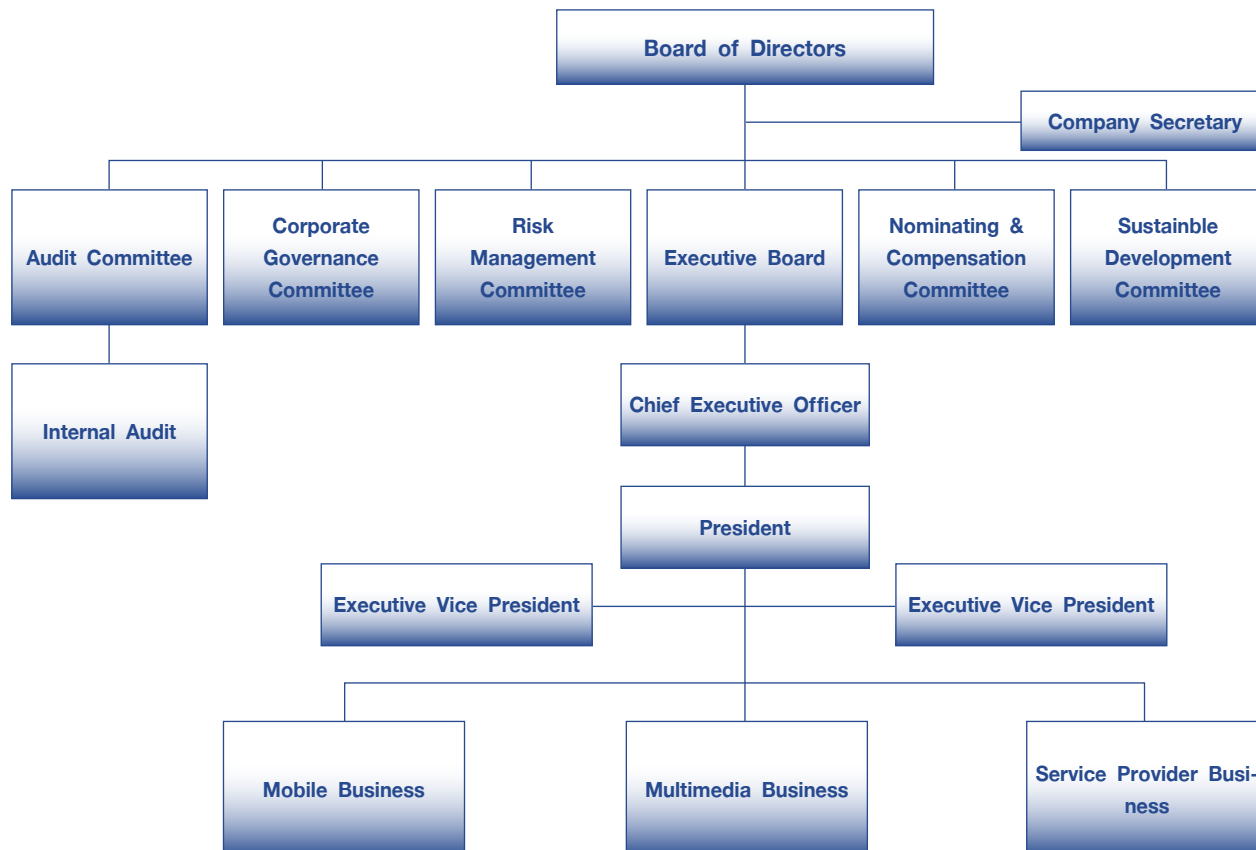
Management of the Company

- | | |
|------------------------------|--|
| 1. Mr. Charoenrath Vilailuck | Executive Chairman & CEO |
| 2. Mr. Watchai Vilailuck | President / Acting Chief Operating Officer of Technology Related LOB / Acting Chief Operating Officer of Utilities and Transportations LOB |
| 3. Mr. Sirichai Rasameechan | Executive Vice Chairman |
| 4. Mr. Jong Diloksombat | Executive Director / President of ICT Solutions and Services LOB |
| 5. Mr. Thananan Vilailuck | President of Mobile Multimedia LOB |
| 6. Mr. Pracha Phathayakorn | Executive Vice President (Accounting & Finance) |

Corporate Structure and the Management of the Company and major subsidiaries which its revenue represent over 10% of Group revenue have 3 companies as follows:

1) Samart I-mobile Pcl.

Corporate Structure of Samart I-mobile Pcl.



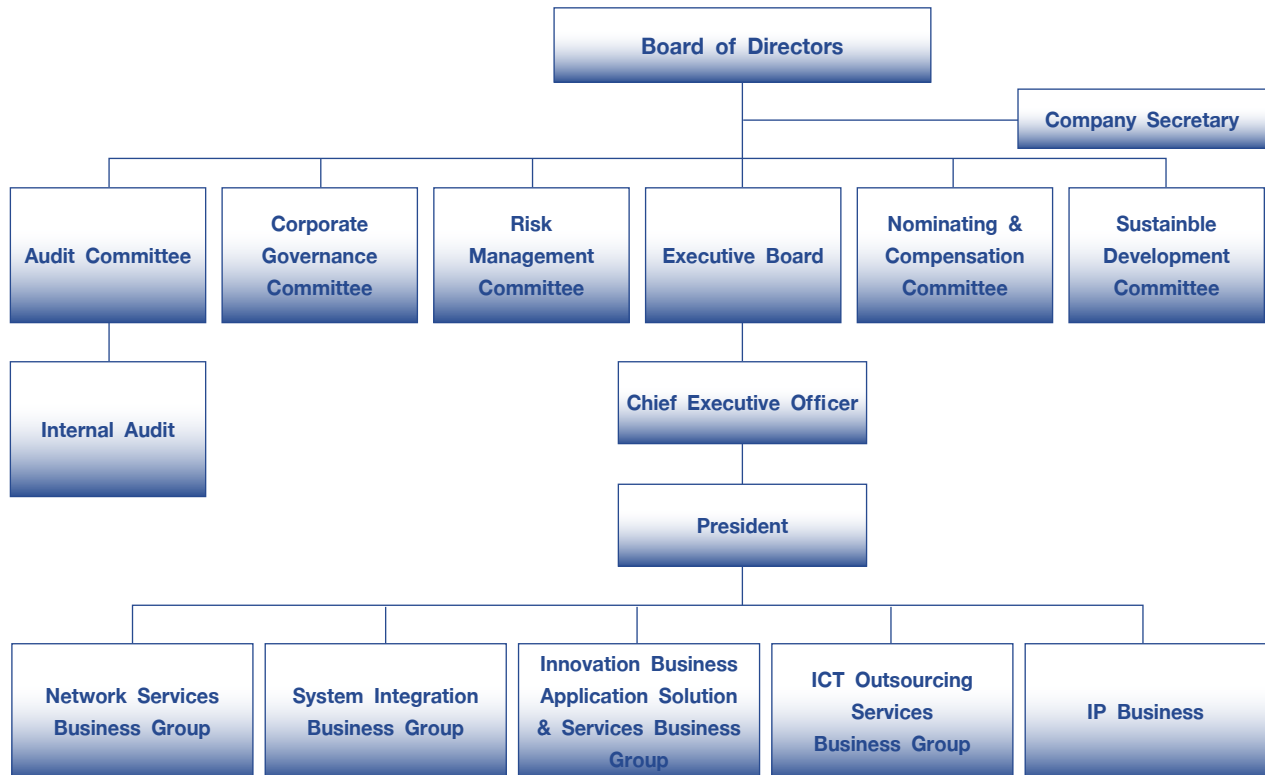
Remark: Vice President - Account and Vice President - Finance are under Executive Vice President.

Management of Samart I-mobile Pcl.

- | | |
|--------------------------------|--|
| 1. Mr. Watchai Vilailuck | Chief Executive Officer Acting Managing Director - Service Provider Business |
| 2. Mr. Thananan Vilailuck | President Acting Managing Director - Mobile Business |
| 3. Mr. Lai Ki Tong | Executive Vice President |
| 4. Mr. Pracha Phathayakorn | Executive Vice President |
| 5. Mr. Subhasiddhi Rakkasikorn | Managing Director - Multimedia Business, Seconded to be Managing Director, Samart Multimedia Co., Ltd. |

2) Samart Telcoms Pcl.

Corporate Structure of Samart Telcoms Pcl.



Remark : Corporate Accounting and Corporate Treasury are under President

Management of Samart Telcoms Pcl.

- | | |
|---|--|
| 1. Mr. Watchai Vilailuck | Chief Executive Officer |
| 2. Mr. Jong Diloksombat | President |
| 3. Mr. Prasitchai Veerayuttwilai ⁽¹⁾ | Executive Vice President - Network Services Business Group, Outsourcing Services Business Group and IP Business Group / Sustainable Development Committee Member |
| 4. Mr. Pornchai Krivichian | Executive Vice President - Network Services Business Group and System Integration Business Group |
| 5. Mr. Apichat Sirisalipochna | Vice President - Network Services Business Group and Business Application Solution & Service Business Group |
| 6. Mrs. Aroonluck Dilokwanich | Vice President - Corporate Accounting |
| 7. Mr. Wongkrit Jiamsripong ⁽²⁾ | Vice President - Corporate Treasury |

Remark : ⁽¹⁾ Has resigned from SAMTEL effective on January 1, 2014;

⁽²⁾ Mr. Wongkrit Jiamsripong has been rotated to Business Development of Samart Group. Mr. Dhilokpat Nisamaneevong has been appointed on February 1, 2014 for replacement of Chief finance Officer and Investor Relation.

3) Samart Communication Services Co., Ltd.

Corporate Structure of Samart Communication Services Co., Ltd.



Management of Samart Communication Services Co.,Ltd.

1.	Mr. Pornchai Krivichian	Managing Director
2.	Mr. Suchat Satprasert	Manager - Sale Group 1
3.	Mr. Bordin Larbnongsang	Manager - Sale Group 2
4.	Mr. Taradon Deeprasird	Manager - Sale Group 3
5.	Mr. Montree Kitbancha	Manager - Service

Details of the managements of the Company are provided under **“Directors, Managements and Company Secretary”**

Company secretary

The Nominating & Compensation Committee considered and appointed a potential and experienced person as the Company Secretary proposed for further approval of the Board of Directors. The Board of Directors has appointed Mrs. Vorapin Isaradharm as the Company Secretary. Ms. Vorapin Isaradharm has joined the Company Secretary since 1999. The Board of Directors appointed Ms. Vorapin Isaradharm to be the Company Secretary Officially on August 14, 2008 to comply with the new Securities and Exchange Act. B.E. 2551 (“The Securities Act 4.”),

In addition, apart from being appointed from the Board of Directors to be the Company Secretary, Mrs. Vorapin Isaradharm has also appointed to be the Secretary of all Committees, such as Audit Committee, Executive Board, Corporate Governance Committee, Nominating & Compensation Committee Risk Management Committee and Sustainable Development Committee

Curriculum Vitae of Company Secretary are provided under **“Directors, Managements and Company Secretary”** and **“Company Secretary’s Role and Responsibilities”** on page 240 - 241.

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 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.

- **Non-executive Director's Remuneration**

The remuneration for the directors comprises meeting allowance and bonus. Meeting allowance shall be approved by the Shareholders' Meeting and it shall be paid to the directors who attended the meeting only. Members of the Board of Directors and the Audit Committee shall receive the meeting allowance at the same amount, however, the Chairman shall receive 2 times higher than other directors. The Chairman of the Nominating & Compensation Committee and the Chairman of the Corporate Governance Committee shall receive 33.33 percent higher than other members. The Executive Committee, the Risk Management Committee and the Sustainable Development Committee shall not receive any meeting allowance because they are the Company's executives. The provision of bonus to the directors shall be considered based on appropriateness in various aspects and by compared with other organizations in the same industry which have the same or similar size of business including business operations of the Company, performance and responsibility of the directors and overall business conditions.

The Shareholders in the Annual General Meeting 2013 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.

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

In 2013, the Company paid Remuneration to directors and managements of the Company and major subsidiaries which its represent over 10% of Group revenue as follows.

1. Total Remuneration in 2013 : Total remuneration paid to directors and management in 2013 was as follows :

1.1) 2013 Cash & Non-Cash Remuneration for Directors and Committees' Members

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

Directors	Cash Remuneration						Non - Cash Remuneration
	Meeting Allowance ⁽¹⁾ (Baht)				Performance Bonus (Baht)	Total Amount (Baht)	Warrant ⁽³⁾ (Unit)
	Board of Directors ⁽²⁾	Audit Committee	Corporate Governance Committee	Nominating & Compensation Committee			
1. Dr. Tongchat Hongladaromp Chairman / Independent Director	210,000	60,000	-	60,000	350,000	680,000	500,000
2. Mr. Pradang Prichayangkun Vice Chairman / Independent Director	105,000	120,000	30,000	45,000	300,000	600,000	500,000
3. Mr. Seri Suksathaporn ⁽⁴⁾ Director / Independent Director	90,000	45,000	40,000	30,000	300,000	505,000	500,000
4. Mrs. Siripen Vilailuck Director	105,000	-	-	-	300,000	405,000	500,000
5. Mr. Charoenrath Vilailuck Director	105,000	-	-	-	300,000	405,000	500,000
6. Mr. Watchai Vilailuck Director	105,000	-	-	-	300,000	405,000	500,000
7. Mr. Sirichai Rasameechan Director	105,000	-	30,000	-	300,000	435,000	500,000
8. Mr. Pairote Varophas ⁽⁵⁾ Director	-	-	-	-	300,000	300,000	500,000
9. Mr. Prinya Waiwatana Director/ Independent Director	105,000	-	30,000	-	300,000	435,000	275,000 ⁽⁶⁾
Total	930,000	225,000	130,000	135,000	2,750,000	4,170,000	4,275,000

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

⁽²⁾ The 2013 meeting allowance is for 6 meetings of the Board of Directors and 1 meeting of the Annual General Meeting of Shareholders 2013;

⁽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 12.58 percent of total issued warrants;

⁽⁴⁾ Different amount of meeting allowance for each director depended on number of participated meetings;

⁽⁵⁾ Has resigned from Directorship on February 28, 2013;

⁽⁶⁾ The Annual General Meeting of Shareholders 2012 held on April 27, 2012 has approved the allocation of 275,000 warrants (the unexercised warrant portion of the resigned director) to Mr. Prinya Waiwatana.

1.2) 2013 Cash & Non-Cash Remuneration of the Executive Directors and Management

Remuneration	Number of Persons	Total Amount
Salary ⁽¹⁾	6	11,856,000 (Baht)
Bonus ⁽¹⁾	6	3,368,000 (Baht)
Provident Fund ^{(1) (2)}	6	1,202,040 (Baht)
Warrants ⁽³⁾	6	9,850,000 (Units)

Remark ⁽¹⁾ The figures presented Salary, Bonus and Provident Fund for executive directors and managements paid by the Company only. There were total 2 executives and management in 2013 with payment paid by the Company while other 4 executive directors and managements received from other listed subsidiaries. i.e. Mr. Watchai Vilailuck received partial payment from the Company, Samart I-Mobile Pcl. and Samart Telcoms Pcl., Mr. Pracha Phathayakorn received partial payment from the Company and Samart I-Mobile Pcl. as well as Mr. Jong Diloksombat and Mr. Thananan Vilailuck received payment from other listed subsidiaries under other line of businesses ;

⁽²⁾ Provident fund to executive directors and management have been provided by the Company at the rate of 3-10 percent of salary related to year of services;

⁽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. The managements have been allocated 9,850,000 units of which equivalent to 32.83 percent of the total issued warrants.

2. Total Remuneration of Major subsidiaries in 2013 :

2.1) 2013 Cash & Non-Cash Remuneration for Directors and Committees' Members of Samart

I - Mobile Pcl.

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

Directors	Cash Remuneration						Non - Cash Remuneration
	Meeting Allowance ⁽¹⁾ (Baht)				Performance Bonus (Baht)	Total Amount (Baht)	Warrant ⁽¹⁾ (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	150,000	40,000	45,000	250,000	590,000	3,000,000
3. Mr. Kunthit Aranyakanonda Director / Independent Director	105,000	75,000	30,000	60,000	250,000	520,000	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	-	30,000	-	250,000	385,000	3,000,000
8. Mr. Azwan Khan Bin Osman Khan Director	30,000	-	-	-	250,000	280,000	3,000,000
9. Mr. Ausnis Bin Sheikh Mohamed ⁽²⁾ Director	75,000	-	-	15,000	-	90,000	-
10. Mr. Donald James Rae ⁽³⁾ Director	-	-	-	-	250,000	250,000	-
11. Mr. Pairote Varophas ⁽⁴⁾ Committee member	-	-	-	-	250,000	250,000	-
12. Mr. Sirichai Rasameechan Committee member	-	-	-	45,000	250,000	295,000	-
Total	945,000	300,000	100,000	165,000	2,800,000	4,310,000	24,000,000

Remark: ⁽¹⁾ SIM had issued 100,250,000 units of warrant offering to the SIM's directors and the employees of SIM 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;

⁽²⁾ Has been appointed as a SIM's Director and the member of the Nominating & Compensation Committee on December 17, 2012;

⁽³⁾ Has resigned from directorship and a member of the Nominating & Compensation Committee on December 6, 2012;

⁽⁴⁾ Has resigned from a member of Corporate Governance Committee on February 28, 2013.

- **2013 Cash & Non-Cash Remuneration of the Executive Board and Management of Samart I-Mobile Pcl.**

Remuneration ⁽¹⁾	Number of Persons	Total Amount
Salary	4	11,754,241 (Baht)
Bonus	4	1,395,000 (Baht)
Provident Fund ⁽²⁾	4	773,640 (Baht)
Warrants ⁽³⁾	4	13,922,881 (Units)

Remark ⁽¹⁾ The figures presented Salary, Bonus and Provident Fund for executive directors and managements paid by Samart I-Mobile Pcl;

⁽²⁾ Provident fund to executive directors and management have been provided by the Company at the rate of 3-10 percent of salary related to year of services;

⁽³⁾ SIM had issued 100,250,000 units of warrant offering to the SIM's directors and the employees of SIM 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 managements have been allocated 19,800,000 units of which equivalent to 19.75 percent of the total issued warrants.

2.2 2013 Cash & Non-Cash Remuneration for Directors and Committees' Members of Samart Telcoms Pcl.

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

Directors	Cash Remuneration						Non - Cash Remuneration
	Meeting Allowance (Baht)				Performance Bonus (Baht)	Total Amount (Baht)	Warrant ⁽²⁾ (Unit)
	Board of Directors ⁽¹⁾	Audit Committee	Corporate Governance Committee	Nominating & Compensation Committee			
1. Mr. Sombut Uthaisang Chairman / Independent Director	210,000	-	-	-	350,000	560,000	500,000
2. General Sumpun Boonyanun Director / Independent Director	105,000	150,000	30,000	60,000	300,000	645,000	500,000
3. Mr. Vichai Pokasamrit Director / Independent Director	105,000	75,000	40,000	45,000	300,000	565,000	225,000 ⁽⁶⁾
4. Ms. Rapeepan Luangaramrut ⁽³⁾ Director / Independent Director	90,000	75,000	15,000	15,000	300,000	495,000	500,000
5. Mr. Kajornvut Tayanukorn ⁽⁴⁾ Director	105,000	-	15,000	30,000	300,000	450,000	500,000
6. Mr. Charoenrath Vilailuck Director	105,000	-	-	-	300,000	405,000	500,000
7. Mr. Watchai Vilailuck Director	105,000	-	-	-	300,000	405,000	500,000
8. Mr. Sirichai Rasameechan Director	105,000	-	-	-	300,000	405,000	500,000
9. Mr. Pairote Varophas ⁽⁵⁾ Director	-	-	-	-	300,000	300,000	500,000
10. Mr. Jong Diloksombat Director	105,000	-	30,000	-	300,000	435,000	125,000 ⁽⁶⁾
Total	1,035,000	300,000	130,000	150,000	3,050,000	4,665,000	4,350,000

Remark : ⁽¹⁾ The 2013 meeting allowance is for 6 meetings of the Board of Directors of SAMTEL and 1 meeting of the Annual General Meeting of Shareholders 2013;

⁽²⁾ SAMTEL had issued 18,000,000 units of warrant offering to the SAMTEL's directors and the employees of SAMTEL 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 24.17 percent of total issued warrants;

⁽³⁾ Has resigned from a member of Corporate Governance Committee and has been appointed as The Nominating & Compensation Committee Member on May 10, 2013;

⁽⁴⁾ Has resigned from The Nominating & Compensation Committee Member and has been appoint as a member of Corporate Governance Committee on May 10, 2013;

⁽⁵⁾ Has resigned from Directorship on February 28, 2013;

⁽⁶⁾ The Annual General Meeting of Shareholders 2012 held on April 27, 2012 has approved the allocation of 350,000 warrants (the unexercised warrant portions of the resigned director) to Mr. Vichai Pokasamrit at the amount of 225,000 units and Mr. Jong Diloksombat at the amount of 125,000 units.

- **2013 Cash & Non-Cash Remuneration of the Executive Directors and Management of Samart Telcoms Pcl.**

Remuneration	Number of Persons	Total Amount
Salary	5	18,798,000 (Baht)
Bonus	5	2,201,250 (Baht)
Provident Fund ⁽¹⁾	5	1,594,500 (Baht)
Warrants ⁽²⁾	5	3,700,000 (Units)

Remark: ⁽¹⁾ Provident fund to executive directors and managements have been provided by the Company at the rate of 3-10 percent of salary related to year of services;

⁽²⁾ SAMTEL had issued 18,000,000 units of warrant offering to the SAMTEL'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 managements have been allocated 3,700,000 units of which equivalent to 20.56 percent of the total issued warrants.

2.3) 2013 Cash & Non-Cash Remuneration for Directors of Samart Communication Services Co., Ltd.

- Meeting allowance shall not be paid to the Board of directors of SCS because the directors who have remuneration as the executives already.
- **2013 Cash & Non-Cash Remuneration of the Management of SCS**

Remuneration	Number of Persons	Total Amount
Salary	5	9,518,400 (Baht)
Bonus	5	1,452,675 (Baht)
Provident Fund	5	696,528 (Baht)
Warrants ⁽¹⁾	5	561,000 (Units)

Remark: ⁽¹⁾ The executives have been allocated warrants of Samart Telcoms Pcl. which is a SCS's major shareholder. Details of warrants are provided under **"The remuneration of the Executive of Samart Telcoms Pcl."**

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)		
	2011	2012	2013
1. Mobile Multimedia	971	837	956
2. ICT Solutions and Services	1,139	1,246	1,369
3. Technology Related	3,617	3,438	2,645 ⁽¹⁾
4. Utilities and Transportations	- N/A -	- N/A -	503
Total	5,727	5,521	4,970

Remark: ⁽¹⁾ The main reason that the number of employees decreased from 2012 was because in 2013, most of the employment contract of employees in One To One Contacts Public Co., Ltd, a Company's subsidiary engaging in call center business, were expired due to expiry of the contracts with major projects. Additionally, in 2013, the Company listed the number of personnel by separating Utilities and Transportations Business from Technology Related, thus the number of employees in Technology Related has been decreased.

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:

(Unit : Million Bath)

Remuneration	Total Amount		
	2011	2012	2013
1. Salary	1,087.34	1,079.78	1,172.85
2. Bonus	89.03	123.59	137.43
3. Provident Fund	32.62	35.65	42.27
4. Other remuneration (over time, special subsidy and commission)	100.20	95.90	148.75

Human Resources Management and Development Policy

The Company always regards that our employees are valuable and crucial fundamental for the Company's sustainable success as a leading Telecommunication and Technology related company in the industry. Since The Company achievement depends on qualified and high caliber employees, SAMART group practically creates HRM & HRD policy emphasizing on increasing performance efficiency and improving working procedure to cope with business working environmental as well as performance evaluation and potential assessment, developing individual capabilities at all levels progressively and proper manpower analyzing and planning to prepare for business extension and competition, and any changes. Indeed, these have to be compatible to SAMART group's business vision, missions, operation, and corporate culture as synergy simultaneously.

1. Human Resources Management Policy

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

- **Recruitment & Selection Policy**

The Company continuously applies proactive approaches in recruiting capable people at all levels including of apprentice program for university student, sourcing and attracting new graduated candidate by not only launching Campus Tour and Activities Programs in leading universities but coordinating with business recruitment agency and allied business network to build SAMART group's branding and recognizing Company's career opportunity in joining SAMART group for experienced or professional candidate as well. These assure that would lead them to success in their owned career at all levels at SAMART.

- **Performance Development Policy:**

SAMART ensures an equitable and appropriate performance evaluation system through applying KPIs approach and corporate competencies methodologies aligning to business strategic planning at all levels throughout SAMART.

- **Human Resources Management and Development Information Systems Policy:**

The Company conducts application of technology developed by Human Resources Information Systems to support both HRM & HRD functions by increasing speed of work, lower operation cost, and data accuracy. Apart from applying technology to HR Portal services, manhour and workload monitoring systems and benefit services, we also applied for personnel recruitment and development, such as candidate application online and knowledge management systems, including managing competency assessment systems and individual development plan (IDP) system. Furthermore, the Company would fully utilize hris data to support in HRM & HRD Policy decision making for sustainable organization achievement.

- **Compensation & Benefit Policy:**

The Company formulates compensation, benefit and welfare scheme by job analyzing and evaluating all positions, responsibilities and their performances at all levels throughout SAMART. By the way, Company essentially determines corporate compensation, benefit and welfare policy being compatible to organizational position including of skill, accountability, knowledge, and competence related to business operation and economic situation with comparative analysis among businesses in the same and different industry. These might ensure that our employees would receive appropriate compensation, benefit and welfare package being competitive in labor market or among leading companies in the industry.

- **Employee Relation & Engagement Policy:**

Company concentrates on the employee relation and engagement at all levels of employees throughout SAMART and also implants them into corporate value along with corporate culture by building synergy working-style. Hence, these initiate the best cooperation among individual level through Company level. In 2013, there were a various ER&EE programs and activities to build synergy among employees, executives and organization i.e., SAMART athletic activities, Build to Build program and other activities (focused on Employee Relation) of Company and D-Club (CSR program) etc.

2. **Human Resources Development Policy**

The Company has a consolidated HRD policy to continuously develop the knowledge and ability of employees at all levels for achieving business's needs. Due to the Company believes our employees as valuable and fundamental success factors leading the Company achieving business missions. Therefore, the Company aspires to develop employees in all careers at all levels by harmonizing all aspects of development tools for increasing their skill, knowledge, capability through corporate culture and code of conduct according with SAMART strategy and business operation.

- **Career Development Policy:**

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

- **Employee Training & Development Policy:**

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

In-house Training

To encourages and develop the employees to facilitate the organization's strategies and goals most effectively and efficiently. The Company therefore conducts training courses deem necessary, as follows:

For top and management executives:

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

For operational staffs:

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

For all employees:

The Generic Competency Program, courses have been designed to ensure that the employees could perform their work in accordance with the corporate culture at the most efficiency such as Orientation course for new employees, Effective communication, Courses for corporate culture, etc.

External Training

In addition to In-house Training, SAMART supports all executives and employees to acquire knowledge and skill from training certified courses conducted or instructed by external reputable institutes both local and international in order to enhance their expertise, knowledge, ability and also making relationship through associated network in the same business and occupation.

- **Talent Management Policy:**

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

Personal Development Policies

Company attaches high importance to personal development so the Company has formulated personal development policies to ensure that executive and employees are equipped with the requisite competencies and readiness in the face of competition, which would aid the sustained advancement and strengthening of the Company. The aim is to encourage and give opportunities for self-development and the realization of one's full potential along with the creation of a proactive working environment focused on skills training and knowledge building. These developments would improve confidence and readiness for change and challenges in the future Due to business expansion, Company must transform itself to be a leader in technology in order to accelerate the development of their competitiveness from the increasingly intensive business competition and preparing for AEC.

The Company has formulated an approach to creating and preparing key personnel and successive generation of new leader for the Company's future growth. This include program for continuous training and acquisition of new knowledge thus creating pool of specialists and subject matter experts for new and future requirements, such as new marketing trend, financial management, future technology and human management. Company has been selected the Executives who having the proper qualification to participate in the Executive Development Program (EDP 2013)) .Those who were selected were given an opportunity to learn and develop their competencies. The Company has also created environment for Executives to utilize their potentials by assigning especially challenging projects to their responsibilities. This provides an opportunity for new Executive to achieve recognition for their performances in line with the organization's direction.

The Company has provided the training continuously and systematically in order to promote opportunities for them to have knowledge, management skill, problem solving skill and making effective decision. In addition, Company has arrange internal and external training course and has also been sending staff to training with following institutions.

Summary of Training to management and employees of the Company and its subsidiaries in 2013

Training	Frequency	Number of Participants
In-House Training		
Managements	49	575
Employees	55	1,615
Sub-Total	104	2,190
External Training		
Managements	97	113
Employees	157	264
Sub-Total	254	377

Training Expenses in 2013

In 2013, total expenses concerning the employees' participation in the trainings domestically and abroad of the Company and its subsidiaries were Baht 11.329 million. Total employees' training hours were 24,099.30 hours per year or averagely 9.39 hours/person/year which is more than the standard hours specified by the Department of Skill Development which equaled to 6 hours/person/year. Example of training courses internally, externally and abroad were as follows:

Internal Training Courses

- Executive Development Program (EDP 2013)
- Business English for International Communication
- Project Modern Supervisory Skill
- Negotiation Strategies
- To be Good Coach
- Magic English to Success
- Logical Thinking for Management and Modern Employees
- SAMART WE STRONG A (Team Work & Team Building)
- The Successful Administrative Staffs
- Applications for technical program e-mail
- Applications for technical program Lotus Notes mail
- Applications for technical program Open Office
- Orientation Samart Group
- CMMI Appraisal Method for Process Improvement
- Revenue and Expense Account by the Revenue Department
- Surviving Customs Audit 2013
- We know that you did in the last summer!
- Rules on Connected Transactions and Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets
- Problem Solving & Decision Making ...Key Success Factor for working Professional
- Spark up "Creative Thinking" for Excellent Work and life
- CMMI Training (Role : Project Manager, Sales, Presales, Human Resources / Learning & Development, Configuration Manager, Procurement)
- Systems Applications Products (SAP)

External and international Courses

- The 5th Training Course on Administrative Justice for Executive : AJE
- Thailand HR Forum 2013 : Re-Visioning HR.
- The Issue of New Tax Law and Accounting
- Anti-Corruption : The Practice Guide
- Fundamental Laws and Regulations associated with the Company
- Control Internal Auditor
- HR Challenge in 2013 : Moving Forward to the Future
- HROD Intelligence
- Human Resource Management International
- Training course 12 hours a Tax Auditor
- Agreement on Thai Government Procurement
- Finance for Strategic Procurement
- Social Media Marketing Strategy
- English for Lawyer
- Happy Workplace
- 8 Step of Professional Selling Skills
- Forklift Operator and Safety
- Practical Fraud Awareness, Fraud Detection & Fraud Prevention Strategies
- Monitoring Technology under COBIT5 Framework in your organization
- Surviving Customs Audit 2013
- TFRS Interim Financial Statements and Disclosures of Transactions between Parties
- Strategies Cash Budgeting for Management
- NLP for Sale and Service Excellence
- The 12th Cyber Defense Initiative Conference 2013 : CDIC for Management
- The Week for Safety and Health at Work
- Smart Grids and Renewable Energy
- Becoming Project Management Professional

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

1. Corporate Governance Policy & Business Ethics

1.1 Corporate Governance Policy

The Board of Directors is aware of the importance of good Corporate Governance. Therefore, the written Policy of Corporate Governance both in Thai and English have been set and approved by the Board since 2005 to create more transparency, competitiveness and strengthen the confidence of all shareholders, investors and other related parties. The Corporate Governance Policy had also been posted on the Company's website for information of the Company's employees and for public. Internal audit and Internal control system have been emphasized to monitor the management to follow the Company's policy with more efficiency in order to increase long-term benefit to the shareholder under the law and Business Ethics. The Corporate Governance Committee will monitor and have the employees to strictly comply with such policy. The CG Policy will be annually reviewed and revised to comply with new regulations. The latest revision which complied with the 2012 Corporate Governance Principle of SET, has been resolved by the Board of Directors of the Company on February 26, 2014. Corporate Governance Policy covers the following:

1. Rights of Shareholders

The Company emphasizes and recognizes the importance of the rights of all shareholders equitably, no matter such shareholder is a minority shareholder, a major shareholder, an institute investor or a foreigner. All rights that the Company's shareholders obtained in 2013 were as follows:

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

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

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

The Company is aware of the shareholders' rights and equitable treatment to the shareholders under the good corporate governance and to comply with laws. It's the Company policy to allow the shareholders to propose matter(s) for consideration of the Board of Directors as agenda of the shareholders' meeting starting from 2009 Annual General Meeting of shareholders. The shareholders have been granted an opportunity to submit the enquiries for consideration prior the meeting since 2011 provided that they must comply with criteria on proposing of meeting agenda for shareholders' meeting as per specified by the Company's Board of Directors. In 2014 Annual General Meeting of Shareholders, the Company shall allow the minority shareholders to propose the matter for consideration as agenda and submit the enquiries at least 3 months in advance prior to the ending date of the fiscal year since September 30, 2013 and explain the detailed procedures on proposing the matter for consideration as agenda including an advance submission of the enquiries in the Company's website (www.samartcorp.com) in the section of the "Investor Relations" under the title of "Enquiries submission prior to the Annual General Meeting of Shareholders 2014".

- **Participation in the Shareholders' Meeting**

The Company is aware of the shareholders' rights and equitable treatment to participate in the shareholders' meeting, be informed conditions and procedures of meeting as well as having proxy to vote and comment in the meeting on behalf of the shareholder. With realize on convenience to shareholders and to encourage them to attend the shareholders' meeting, the Company is prior to notify and specify date, time and place that comfort the shareholders to participate in the meeting. There was only one meeting in 2013, an Annual General Meeting of Shareholders 2013 which held on April 25, 2013 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 2013, the shareholders have been informed on the date and agenda of the meeting via SET's communication system 49 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) in the section "Investor Relations" under the title of "the Annual General Meeting of Shareholders" 35 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 14 days prior to the meeting date to be in line with law.

For convenience on registration for attending the shareholders' meeting of the institutional investors, the Company shall coordinate on preparation of proxy for them prior to the meeting date.

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 2013, there were 8 directors. Chairman of all committees including Chairman of the audit committee, the Company's management, external auditors and Investor Relation also presented in the meeting. Chairman of the Board of Directors who was Chairman of the meeting introduced all Board members to the shareholders and declared to the meeting that there were 488 shareholders with voting rights attended the meeting for the Annual General Meeting of Shareholders 2013. 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 will return profit to its shareholders by way of dividend payment. (Details are provided under "Dividend Policy")

In addition, apart from such shareholders' rights, the Company does not prevent or obstruct any opportunities to allow the shareholders to communicate with each other.

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. All the Company's shares are the ordinary shares. 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 including identify the document, evidence and proxy method in the meeting invitation which has been prepared in Thai and English for convenience of the shareholders. In the Annual General Meeting of Shareholders 2013, there were 255 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. More over, the Company will inspect to insure no inside information of which is material, undisclosed and confidential leak to public or be used from unauthorized for personal benefit. (Details are provided under **"5. Inside Information"**)

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 for directors, managements, and employees to perform and disclosed on the Company's website (www.samartcorp.com) as well as providing more channels for the stakeholders to contact directly to the Company in order to provide either comments or recommendations which will be benefit to the Company. (Details are provided under **"Ethic Business"**)

4. Disclosure and Transparency

The Company has strong determination to reveal accurate complete, consistent and updated information, both financial and general information that related to Company's business. The Complete, consistent and updated information will truly reflect Company's financial performance and future business direction. The Company has a disclosure policy to disclose information of any significant and future business operation directions, so that the shareholders and the stakeholders to access information conveniently and speedily for

- To submit the financial report and the Management Discussion and Analysis (MD&A) to the Stock Exchange of Thailand ("SET") and the Securities and Exchange Commission Thailand ("SEC") within the specified timeframe. The financial report did not have any transactions where the auditor opined with qualified, the financial statement has also never been revised under the order of the SET and SEC. In order to make the investors are more well informed and understand the changes occurred to the financial position and operating results of the Company in each quarter, **MD&A has been quarterly provided via SET online and the Company website.**
- Criteria on provision of remuneration to the directors and the executives have been clearly disclosed. (Details are provided under **"Management Structure in the topic of the Remuneration of Directors and Management"**)

- 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.

The 2013 securities holding information of the directors and the executives

Number of shares held in Company

Directors / Executives	Before acquisition / disposition	Acquisition in 2013		Disposition in 2013	31 Dec. 2013	Variance
		Warrants exercised	Buy via SET			
1. Dr. Tongchat Hongladaromp	-	150,000	50,000	100,000	100,000	100,000
2. Mr. Pradang Prichayangkun	350,000	150,000	-	-	500,000	150,000
3. Mr. Seri Suksathaporn	777,750	150,000	100,000	100,000	927,750	150,000
4. Mrs. Siripen Vilailuck	5,460,250	500,000	-	-	5,960,250	500,000
5. Mr. Charoenrath Vilailuck	139,263,360	1,250,000	681,600	22,500,000	118,694,960	(20,568,400)
Spouse	30,000	-	-	-	30,000	-
6. Mr. Watchai Vilailuck	139,967,660	2,200,000	1,150,000	22,500,000	120,817,660	(19,150,000)
Spouse	28,375	-	-	-	28,375	-
7. Mr. Sirichai Rasameechan	-	600,000	-	-	600,000	600,000
8. Mr. Prinya Waiwatana	125,000	150,000	-	125,000	150,000	25,000
9. Mr. Thananan Vilailuck	13,903,150	-	-	-	13,903,150	-
Spouse	1,210,000	-	-	-	1,210,000	-
10. Mr. Jong Diloksombat	-	-	-	-	-	-
11. Mr. Pracha Phathayakorn	100,000	210,000	-	-	310,000	210,000
12. Ms. Numthip Burapapongsanon	-	174,000	-	74,000	100,000	100,000

- Details on connected transactions have been clearly disclosed to prevent a conflict of interest. (Details are provided under **"Connected Transactions"**)

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 the Audit Committee within 7 business days from the date the Company received such report.

The Company were disclosed to shareholders, investors and any related parties via SET's Communication system, Company's website (www.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 Relations 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. The investor relations ethics prescribed by the Company are as follows:

The investor relations ethics

1. Conduct duties with integrity;
2. Disclose necessary information completely and fairly to all relevant groups equally;
3. Allow all relevant groups to access and enquire the information;
4. Perform duties by mainly adhering to benefits of the shareholders and the stakeholders;
5. Preserve confidential information of the Company and must not use inside information for personal gain;
6. Perform duties at his/her best and professionally;
7. Keep on studying to develop efficiency of the work;
8. Observe the principle on not accepting the appointment during the period close to financial statement announcement and the practical guidelines on securities trading specified by the Company.

In addition to above, the 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 2013 were summarized as follows:

- | | | |
|---|----|-------|
| - One on One Meeting with Analyst & Investors | 4 | Times |
| - Announcement of Company's Performance | 4 | Times |
| - Road Show | 60 | 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 has been disclosed in the Company's Annual Report and the Annual Information Disclosure (56-1). (Details are provided under **"Management Structure"** in the topic of the **"Remuneration of Directors and 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

For best benefit of the strike a balance of power within the Company, the Company has a policy to put emphasis on responsibilities of the Committee members with regards to their components, qualifications including roles & duties as the following:

5.1) Directors' Qualifications

The Company's Board of Directors comprises of the members who are knowledgeable, skillful and have transparent work experiences, good moral, and responsibility. The Board must comprise of members of various professions and experiences which are beneficial to business operations of the Company, i.e. accounting/finance, management, strategic planning, legal and corporate governance without having any gender discrimination and achieve its objectives. The Company has 8 directors who complied with the qualification that been described in the Company's **"Management Structure"**. All of the Directors have contributed their best to the Company which may concern from their participation in the meeting. Details are provided under **"5.5.4 Board of Directors and Committees' 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. Chairman of the Board and CEO have Roles and Responsibilities as follows:

Roles and responsibilities of the Chairman of the Board

1. To be responsible as the leader of the Board of Directors to oversee, monitor and supervise the operations of the Executive Board and other Committees to make them achieve the objectives pursuant to the specified plan;
2. To act as the Chairman of the Board of Directors' meeting and the Shareholders' meeting;
3. To have a casting vote in case the Board of Directors' meeting has a tie vote.

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 and/or shareholders' meeting to be complied to regulations of SET/SEC or any related laws and regulations.

- **Balance of Power**

The Board of Directors of the Company comprised of 8 members with various qualifications, skills, experience and expertise. Composition of the members is as follow:

- 4 Independent directors (50% of the Board of Directors)
- 3 Executive Directors
- 1 Non-Executive Directors (Representative from major shareholders)

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.

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 5 companies. However, there is not any of the existing directors of the Company is being the director in listed companies over than 5 companies and also could participate and contribute to the Company with efficiency.

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

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

5.4) Transparency of Nomination

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

5.5) Board of Directors' Activities in 2013

5.5.1) Set Policy and Business Direction

The Board of Directors has clearly established the Company's Vision & Mission are which details are provided under the **"Vision & Mission"**.

Monitoring on Business Ethics

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

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

Moreover, the Company also has one more channel to receive the misconduct information or complaint or opinion on violation of law or ethics including on the behavior which may lead to the corruption or inequality treatment, the details on procedures and methods on informing such information, as well as the protection of the informant can be found in the Subject of **Procedures and methods on "Notifying the information on misconduct and the protection of the informant"**.

5.5.2) Leadership and Vision

The Board of Directors 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
- Sustainable Development Committee

Roles and responsibilities of each committee are provided under **"2. Committee"**. 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 annual 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 at least 5 working days prior to the meeting date for consideration. The average length of the meeting is approximately 2 hours. Details of directors' attendance for 2013 with total 6 meetings, were as follows:

Directors			Directorship in the Company	Term of Directorship (Year- month)	Number of Attendance /Total Number of Meeting	Summary of consideration
1.	Dr. Tongchat	Hongladaromp	Apr. 2008	5-8	6/6	<ul style="list-style-type: none"> - Considered the Company Operating Performance and Financial Statements for 2012 as well as quarterly performance of 2013; - Considered the sufficiency of the Company's Internal Control System; - Acknowledged the 2012 Committees' activities; - Acknowledged Assessment Result on Quality on Arrangement of AGM of Shareholders for 2013, Assessment Result on Corporate Governance of Thai Listed Companies for 2013 and The company won SET AWARDS 2013 on Top Corporate Governance Report Awards; - Acknowledged the 2012 Board Self-Assessment CEO and Company Secretary Assessment Result as well as consider the criteria of the Board Self Assessment, CEO, Committees and Company Secretary Assessment Form for 2013; - Considered the interim payment for six months of 2013; - Considered the dividend payment for year 2012; - Considered matters concerning to 2013 AGM agenda and provide opinions to shareholders for consideration; - Considered the appointment of Committees' members; - Considered Annual Salary increase for 2014, 2013 Bonus and 2014 Bonus Payment Policy; - Considered the Directors & Officer Liabilities and Corporate Reimbursement Insurance; - Reviewed and revised the Company's Corporate Governance Policy, Business Ethics and Committee Charter; - Considered the Company's 2014 business plan; - Considered to allow the minority shareholders to propose matter in the agenda and enquiries prior to the meeting date of AGM 2014; - Considered the investment in new business; - Considered to subsidiary listed in MAI - To Acknowledge the securities holding report of the Company's directors and the executives which has been changed from the previous meeting; - Reviewed and revised the criteria of normal business transactions and the supporting for normal business transactions with related parties; - Considered to appointment Sustainable Development Committee and CSR Policy.
2.	Mr. Pradang	Prichayangkun	Apr. 2008	5-8	6/6	
3.	Mr. Seri	Suksathaporn	Feb. 1999	14-11	5/6 ^(*)	
4.	Mrs. Siripen	Vilailuck	Feb. 1993	20-10	6/6	
5.	Mr. Charoenrath	Vilailuck	Feb. 1993	20-10	6/6	
6.	Mr. Watchai	Vilailuck	Feb. 1993	20-10	6/6	
7.	Mr. Sirichai	Rasameechan	Feb. 1996	17-10	6/6	
8.	Mr. Prinya	Waiwatana	Apr. 2010	3-8	6/6	

Remark : ^(*) The meeting date has been changed while such director has been aboard.

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 2013, the committee conducted 4 meetings, were as follows:

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 3/4 ⁽¹⁾	<ul style="list-style-type: none"> - Reviewed the financial statement of the Company and the consolidated financial statement of the Company and its subsidiaries to ensure that the financial reporting system is accuracy and completeness and information is adequately disclosed; - Reviewed the related transactions, or transactions that may lead to conflicts of interest to ensure that they are reasonable, transparent and information is adequately disclosed as well as compliance with the laws and regulations of the Stock Exchange of Thailand; - Reviewed the Company's operations to ensure that they are compliance with the laws on securities and exchange and the laws related to the Company's business; - Reviewed the Company's internal control systems to ensure that they are adequate, suitable, transparent and effective by considering from results of the internal audit performance report and evaluation results of the internal control system and risk management pursuant to the international standard of 2013; - Supervised the Internal Audit Department to ensure that its activities have been effectively performed and qualified pursuant to the international standards, including consider on approval of the Internal Audit Department Charter, Internal Audit Operating Manual as well as Annual Internal Audit Plan for 2014 by focusing on auditing the efficiency of the operations which are the main focal points; - Selected and propose on appointment including fix remuneration of the Company's auditor for 2014 to propose to the Company's Board of Directors and the shareholders for their consideration; - Assessed performances concerning duty and responsibility, independency, meeting attendance, reviewing operations and provision of comment and/or recommendation which are beneficial to the Company pursuant to the prudent practices of the Office of the Securities and Exchange Commission and the Audit Committee Charter.

Remark : ⁽¹⁾ The meeting date has been changed while such director has been aboard.

3) Executive Board

In 2013, the committee conducted 12 meetings, were as follows:

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. Jong Diloksombat 5. Mr. Thananan Vilailuck	12/12 12/12 12/12 11/12 ⁽¹⁾ 11/12 ⁽¹⁾	<ul style="list-style-type: none"> - Quarterly consider business operation plan and solutions 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 2014 Strategic Implementation Plan; - Considered Annual Salary increase for 2014, 2013 Bonus and 2014 Bonus Payment Policy for the employees and the management of the Company proposed for further consideration to the Nominating & Compensation Committee; - Considered new hire and promotion of manpower; - Considered to subsidiary listed in MAI; - Acknowledged the Internal Audit report of subsidiaries.

Remark : ⁽¹⁾ Went abroad for business trip.

4) Corporate Governance Committee

In 2013, the committee conducted 2 meetings, were as follows:

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 Waiwatana	2/2 2/2 2/2 2/2	<ul style="list-style-type: none"> - Reviewed Acknowledged to allow the minority shareholders to propose matter in the agenda and enquiries prior to the meeting date of AGM 2013; - Acknowledged the Board Self-Assessment, CEO and Company Secretary Assessment Evaluation for 2012; - Reviewed and considered the amendment of Company's Corporate Governance Policy, Business Ethics and Committee Charter in line with the international corporate governance criteria; - Considered the 2012 Corporate Governance Committees' activities; - Considered Corporate Governance Report to disclosed Annual Report 2012; - Acknowledged the 2013 Corporate Governance survey result and The Company won SET AWARDS 2013 on Top Corporate Governance Report Awards; - Consider the criteria of Corporate Governance evaluation for 2014; - Consider the Board and Committees Self Assessment Form for 2013; - Consider the criteria of CEO and Company Secretary Assessment for 2013; - Arranged the meetings between the Company's Independent Directors without the participation of the Company's Management to discuss the management problems of the Company.

5) Nominating & Compensation Committee

In 2013, 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 2/3 ⁽¹⁾	<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 Annual Salary increase for 2014, 2013 Bonus and 2014 Bonus Payment Policy; - Considered the 2013 Nominating & Compensation Committees' activities.

Remark : ⁽¹⁾ Went abroad for business trip.

6) Risk Management Committee

In 2013, the committee conducted 3 meetings, were as follow:

Directors	Number of Attendance/ Total Number of Meeting	Summary of consideration
1. Mr. Charoenrath Vilailuck	3/3	<ul style="list-style-type: none"> - Considered risk management policies and guidelines as well as risk management plans and preventive/corrective measures including monitor results regularly in order to minimize risks or to prepare for handle impacts from such risks; - Assigned the management of all companies comply with the risk management policies and report to the Risk Management Committee so that the Committee shall be well aware of the existing risks and their preventive measures; - Determined and ensure that the Company shall have good corporate governance principle and efficient risk management in place as well as to control risks for business operations in the specified scope and to set up the internal control system which is adequate and suitable with business operations of the Company; - Prepared readiness in all aspects in advance, so that business operations of the Company can efficiently achieve the targets as planned.
2. Mr. Watchai Vilailuck	3/3	
3. Mr. Sirichai Rasameechan	3/3	
4. Mr. Sommai Damneonkiat	3/3	
5. Mrs. Sukanya Vanichjakvong	3/3	
6. Mr. Thananan Vilailuck	3/3	
7. Mr. Jong Diloksombat	3/3	
8. Mr. Prasitchai Veerayuttwilai	3/3	
9. Mr. Pracha Phathayakorn	3/3	

7) Sustainable Development Committee

In 2013, the committee conducted 1 meeting, was as follow:

Directors	Number of Attendance/ Total Number of Meeting	Summary of consideration
1. Mr. Watchai Vilailuck	1/1	<ul style="list-style-type: none"> - Considered the Sustainable Development Committee Charter; - Considered the CSR Policy.
2. Mr. Sirichai Rasameechan	1/1	
3. Mr. Jong Diloksombat	1/1	
4. Mr. Thananan Vilailuck	1/1	
5. Mr. Pracha Phathayakorn	1/1	
6. Mr. Teerachai Phongpanangam	1/1	
7. Mrs. Rosalin Charoenwong	1/1	
8. Mrs. Phongsri Saluckpetch	1/1	
9. Ms. Kanokwan Chanswangpuvana	1/1	
10. Mrs. Vorapin Isaradharm	1/1	

Remark : Sustainable Development Committee has been appointed on November 12, 2013.

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

Meeting among members of the Independent Directors In 2013, 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 (Details are provided under “Business Ethics”).

5.7) Internal Control System and Internal Audit

(Details are provided under “Internal Control, Risk Management and Anti-Corruption”)

5.8) Board, Committee, CEO and Company Secretary Assessment

5.8.1 Board Self-Assessment

The Corporate Governance Committee has initiated the Self Assessment form for Board members to review and evaluate their performance for 2013 as a whole. The assessment form, which has been approved by the Board of Directors in its meeting No. 6/2013 on December 18, 2013 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 (8) agreed that for the above area, the Board of Directors of the Company has an **excellent** evaluation by obtaining average score **97.16%**.

5.8.2 Directors Self-Assessment

For improvement and more efficiency of the meeting Corporate Governance Committee has all directors to evaluate themselves by individual through the Board self Assessment form for 2013. The assessment form, which has been approved by the Board of Directors in its meeting No. 6/2013 on December 18, 2013. The questionnaire covers the following area:

- Qualification Knowledge Abilities
- Role & Responsibilities
- Board meeting
- Self- Development

From the assessment which been completed by the Board members individually, total number of directors (8) agreed that for the above area, the Board of Directors of the Company has an **excellent** evaluation by obtaining average score **98.19%**.

5.8.3 Audit Committee Self-Assessment

In order to make the Audit Committee to be able to evaluate its own performance during the previous year with regards to the compliance with prudent practices and the effectiveness, so the evaluation which covered the following topics has been conducted:

- Component of the Audit Committee
- Authority, duty and responsibility
- Training and resources
- Meeting
- Activities of the Audit Committee
- Relationship with the Director of Internal Audit Department, the auditor and the executives
- Roles of the Internal Audit Committee in the future

From the assessment which been completed by 3 Audit Committee Members, the members agreed that the Audit Committee has an **excellent** evaluation by obtaining average score **97.14%**.

5.8.4 Committee Self-Assessment

The Corporate Governance Committee has initiated the Self Assessment form for Committee members to review and evaluate their performance for 2013 were as follows: Executive Board Member, Corporate Governance Committee, Nominating & Compensation Committee and Risk Management Committee. Results of the self-assessment of each sub-committee will use to develop working performance of them for more efficiency and to be in line with the responsibilities assigned from the Board of Directors. The Committee assessment form, which has been approved by the Board of Directors in its meeting No. 6/2013 on December 18, 2013 was sent to all directors for assessment. The questionnaire covers the following area:

- Board Structure
- Role & Responsibilities
- Performance Monitoring
- Meeting
- Training & Development

From the assessment which been completed were as follows:

1. Executive Board Member has an **excellent** evaluation by obtaining average score **94.89%**;
2. Corporate Governance Committee has an **excellent** evaluation by obtaining average score **97.63%**;
3. Nominating & Compensation Committee has an **excellent** evaluation by obtaining average score **99.09%**;
4. Risk Management Committee has an **excellent** evaluation by obtaining average score **97.60%**.

5.8.5 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. 6/2013 on December 18, 2013 and sent to all directors for assessment. Assessment result will be considered for remuneration adjustment. The questionnaire covers the following area:

- Leadership
- Formulation and compliance with the strategic plan
- Planning and the financial performance
- Board Relations
- Risk Management and Internal Control
- Administration and relationship with the personnel
- Succession of the position
- Knowledge on products and services
- Good Corporate Governance and Code of Business Conduct

From the assessment which been completed by 7 directors, the directors agreed that the CEO has an **excellent** evaluation by obtaining average score **97.28%**.

5.8.6 Company Secretary Assessment

In order to develop the working efficiency of the Company Secretary, the Company has also been assessed by using the assessment form which has been approved by the Board of Directors in its meeting No. 6/2013 on December 18, 2013 and sent to all directors for assessment. Assessment result will be considered for remuneration adjustment. The questionnaire covers the following area:

- Skill, Knowledge and Capacity of Company Secretary
- Compliance
- Contact and Coordination
- Documentation
- Meeting Arrangement
- Corporate Governance

From the assessment which been completed by 8 directors, the directors agreed that the Company Secretary has an **excellent** evaluation by obtaining average score **97.14%**.

5.9) Development of Directors and Managements

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 /CEO 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 one director joined DAP program. Each year, the Company shall submit the training courses arranged by various institutes to the Committee members for their consideration on attendance pursuant to their needs. In 2013, the directors have attended the additional training courses as follows:

Directors	Courses
1. Mr. Pradang Prichayangkun	- Seminar on "Conflict of Interest: Fighting abusive RPT", The Stock Exchange of Thailand and The Securities and Exchange Commission.
2. Mr. Watchai Vilailuck	- ASEAN Executive Management Programme (Class 2), The Secretariat of the Prime Minister, Office of the Civil Service Commission (OCSC), Office of the National Economic and Social Development Board, Ministry of Foreign Affairs and Sasin Graduate Institute of Business Administration, Chulalongkorn University. - The 5 th Training Course on Administrative Justice for Executives, Institute of Administrative Justice, The Office of the Administrative Courts of Thailand.

1.2 Business Ethics

The Company is conducting the business with great awareness in ethical and moral issues. The handbook concerning business ethics for all members of the Board of Directors, managerial team and our employees has been provided in both Thai and English since 2005 as a guideline to continue his/her duty with honesty, integrity, morality, and, of course, highest quality. It also reminds the Company to bring fair treatment in accordance with legal restrictions, to maximize shareholder value, and to prevent plausible conflicts of interest. The Business Ethics had also been posted on the Company's website for information of the Company's employees and for public acknowledgement. The Business Ethics will be annually revised. The latest revision has been reviewed by the Board of Directors of the Company on February 26, 2014 for compliance with the revised Corporate Governance Policy. Business Ethics covers the following area:

- **Conflicts of Interest**

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

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

On any conflict of interest transaction, before entering into the transaction, the Company specified that the Board of directors, Management, Employees and relevant parties must disclose the transactions with interest to the Audit Committee to consider the appropriateness of such transactions. The Audit Committee will carefully review prior to submit with opinion 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 both in the Board of Director's and the Shareholders' Meeting. Details of the transactions which may have any conflict of interest are provided under **"Connected Transactions"**.

- **Accountability to shareholder**

The Company aware of its role to protect and due care for the interests of all major and minor shareholders by granting rights to every shareholders to attend, vote and have comments in the shareholders' meeting, to share in profits, to propose agenda and enquiries for the Shareholder's meeting, regularly and timely obtained adequate information, business performance and management policy. Details of shareholders' rights are provided under **"Rights of Shareholders"**.

- **Employee policies**

The Company highly regards all of the employees as valuable resources and is a major factor to drive the business performance to achieve its goals. As a result, it is the Company's policy to treat employees fairly in all respects, employment opportunity, reasonable remuneration, promotion, welfare i.e. There is always be the nurse(s) stationed in the infirmary everyday at the Company's office building and the doctor shall visit and treat sick employees twice a week. The company also has the medical treatment welfare for the employees (in case of out-patient) who are treated at the government and private hospitals. The employees shall be entitled to the annual medical treatment fee pursuant to their level. In 2013, total amount of medical treatment fee reimbursed by the employees of the Company and its subsidiaries amounted to Baht 2.27 Million. Moreover, the Company also has group health insurance (in case of in-patient) for the Company's employees which is made with the American International Assurance Company Limited (AIA) as well as group life insurance which covers all kinds of death, annual medical check-up and provident fund to secure their working life security under the name of "The Registered Samart Group Provident Fund". The Company also has the social security fund and provision of loan in case of the accident or sickness to the employees as well, loan for employees, 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. (Details about the employees are provided under **"Management Structure"** in the topic of **"Human Resource"**). In addition, the Company has provided educational support by awarding scholarship to employees with aims to enhance their knowledge and skills. Furthermore, in 2013, the Company has awarded 2 scholarships at master degree levels to the employees, i.e. on Department of Computer Science, King Mongkut's University of Technology North Bangkok, and Business Administration, Kasetsart University etc.

In addition, the Company emphasizes on the safety of life and health of the employees as the following policies:

1. The Company is committed to developing and creating safety and health of employees in accordance with the requirements of the law;
2. Company has implemented all kinds of safety operations for the sake of safety of life and health of the employees;
3. Company has issued to control and prevent loss due to accident, fire and occupational illness. Security equipments and fire drill as well as promoting and raising awareness of health care workers;
4. The Company will support adequate and appropriate resources in accordance with the requirements of the law and commit to develop human resources with knowledge and awareness of safety and health of employees;
5. The Company is aware that a safety and health of employees is very important, it was the duties and responsibilities of executive, supervisors at all levels and employee to comply with the rules and the requirements of the law.

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

1. To appoint the safety officers and the relevant persons in all levels to take responsibility, supervise and monitor the strictly compliance with safety, occupational health and working environmental policy;
2. To fortify the employees at all levels with knowledge, consciousness and joint responsibility, for instance, to arrange for the training and cultivate consciousness on safety, occupational health and working environment for the employees, as well as to arrange for the training on health by arranging the Healthy Week and the Safety Week and etc;
3. To conduct the annual evacuation drill in case of fire as well as to designate the assembly points of all offices;

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

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

- **Customer policies**

The Company believes in values on the creation of satisfaction and confidence on continued basis to the Company's valued customers by determining to procure, develop and manufacture the qualified and modern products and services at the reasonable prices to respond to their needs as well as to procure the products and equipment which have been manufactured from the factories which have been certified by the international standards, new products and services have been developed by the subsidiaries and also having control and inspection of product's quality prior release for satisfaction in goods and services of customers. 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" care for the complete mobile phone sales and repair services. The technicians have been stationed at the repair center to oversee the repair work, software upgrade and other services, as well as having the guarantee on replacement of new device immediately if there is a problem within 7 days. In addition, the Company provides training course to our employees who work at service centers through the country continuously in order to give more understanding of products and services as well as to expertise to answer questions and problem solutions associated with its use to customers in a timely manner. The Company also has the authorized service centers. At present, the Company has the service and repair centers nationwide. However, 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. The Company considers fair and reasonable compensation to dealers and keeps in touch with dealers in order to share each other opinion and work together to meet the same targets. Training center is set in many areas to facilitate dealers and gain understanding of the Company's products and services. Dealer Conference is organized to express gratitude to the dealers and meet with the Company's management as well as update new products, acknowledge the Company's operating results and set target in the next year.

Furthermore, in 2013, Samart Communication Services Co., Ltd., a subsidiary can maintain their service standards pursuant to the ISO 9001:2008 Standards, which made the customer gain more confidence in their work system. Samart Telcoms Public Co., Ltd. has provided the integrated services throughout chain of business to the groups of business in order to render services to end-user customers as B2B2C (Business to Business to Customer). Call service centers have been established throughout the country under supervision of Samart Communication Services Co., Ltd. for flexibility, conveniently and speedily in provision of ICT Solutions and Services to the customers. Currently, there are 38 service centers. Smarterware Co., Ltd. has invented a software development process which has been accredited

as CMMI Level 5, the uppermost level standard, from the Software Engineering Institute (SEI). Trainings and performance monitoring have been regularly conducted to ensure that all personnel have thorough knowledge and understanding on program development as per specified by CMMI Level 5 Standard.

- **Trade partners policies**

The Company has the policy to equitably and fairly treat its trade partners by taking into consideration of the Company's interest and on mutual benefits basis. Clearly define in evaluation and selection of trade partners as well as developing and maintaining good relationship between all partners with trust and confidence. The Company regularly visits partners to exchange opinions and they must trust with each other. It will not take personal benefits from business partner or partner of contract and it will not publicize a false advertisement to mislead business partner including avoid purchase product which violates human rights or intellectual property. It will not deal business with a business partner who has illegal behavior or has behavior which is against public order and good morals.

Moreover, the Company has strictly complied with the business partner treatment policy by selecting the qualified business partner to enter into the Approved Vendor List and prices have been compared before the purchase order has been made. The business partner has been evaluated by using the auditable standard criteria pursuant to the international standards of ISO 9001 and CMMI. The Company also has the policy not to corrupt, extort, embezzle or not tolerate such action. The business partner must not propose or take bribery or any illegal reward from the Company and the business partner must not give the reward or propose personal benefit in whatsoever form to the employee as a result of business undertaking. Such policy has been inspected by the management under the document and the supporting particulars and it also has been audited by the neutral auditor both from the inside and outside the organization.

- **Creditor policies**

The Company is conforming to its Principle of Business Operation in order to the respect and admission of the Creditors and strictly complied with terms and conditions agreed upon in the agreements i.e. repayment of debt, loan, interest and other guarantee in time and specific conditions. In the event that any covenanted condition could not be met, the Company will prior inform the Creditors and seeking mutual accepted solution.

- **Counterpart/Competitor policies**

The Company conducts all business under rules and fair competitions to encourage trading without fraudulently or inappropriately seeking confidential information of its competitors, or damage competitor's reputation by abusive accusation. Refuse to violate intellectual property rights of business' counterparts /competitor and not intervene or have a secret transaction that give negative impact to competitor and give benefit to the Company.

- **Receiving and giving present, property or other benefits policies**

Receiving or giving any benefits as tradition and morality to express gratitude or maintaining business relation as usual should be done with appropriateness. The Company will not encourage or expect the receiving person to ignore his/her duty and/or return favor from giving inappropriate present, property or other benefits. Details of Receiving and giving present, property or other benefits policies are provided under **"Internal Control, Risk Management and Anti-Corruption"**.

- **Responsibility to Societies and Communities**

The Company recognizes that it can survive and grow in a society that is vigorous Communities and prosperous. Therefore to bring about societal progress the Company participated in societal improvements with financial support to all activities that aim to maintain beneficial cultures, customs and rituals. Moreover, the Company will involve in religious activities regularly. The Company also participated in many activities for development of social, education, vocation, athletic ability as well as sanction for outreach people and victims. In addition, the Company has strengthened the closed relationship with the surrounding and nearby communities by building up good relationship with the private and public organizations as well as the community leaders in many levels, so that the cooperation from all parties can be smoothly coordinated for sustainable and concreted development of the communities. In 2013, Samart Group has also specified the guidelines on promoting the “Qualified People and Virtue Society” campaign via many projects and activities which were beneficial to the societies. Details are provided under **“Corporate Social Responsibilities Report”**.

- **Responsibility to environment**

The Company conducts business with recognition of environmental conservation and standard management of safety. It is also the Company’s policy to become a responsible corporate citizen to comply with all relevant laws and regulations and be responsible for utilizing natural resources in prudent manners. The Company has a policy to strengthen and provide knowledge and training on environment to the employees in the organization, 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 2013, the Company were committed to develop products and services with regard to conservation of the environment and its safety standards. Environmentally friendly telecommunication services were offered and the optimal use of energy was promoted for public agencies and enterprises with similar vision were included for joint projects such as AMR Project (Automatic Meter Reader) of the Provincial Electricity Authority, etc. Moreover the stimulation of their consciousness to pay attention on the environment and use resources through the annual energy-saving campaign. 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).

(Details are provided under **“Corporate Social Responsibilities Report”**)

- **Corporate Social Responsibility Report / Sustainable Development Report**

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

- **Non-violation of human rights policy**

The Company deems that human rights principles are practices that must be jointly observed. All employees are strictly prohibited to perform any acts which shall cause or encourage for violation of human rights. These practical policies have been specified in the Code of Business Ethics Manual of the Company. The Company shall keep all personal information of the employees confidential and shall not disclose or distribute personal information, i.e. personal health record, working experiences and etc. to any unrelated

persons. Disclosure or distribution of such information can be done after it has been consent from the employee who is the owner of the information only. Moreover, the Company shall treat all employees equally without any discrimination with regards to race, nationality, language, religion, gender, age and education. The Company shall provide opportunity to the employees to allow them to express their potential at fullest extent. The remuneration shall be provided as appropriated pursuant to regulations of the Company. The employees shall also be provided opportunity to further their education, both at the university level and short-term or long-term training courses. Consideration on work performance shall be made fairly and appropriately and any expression of opinion or others which may lead to conflict shall be avoided.

Furthermore, the Company shall communicate such policies via the Company HR's website (www.samarthre.com) for the employees' acknowledgement and compliance. In case any employee deemed that he/she has not been treated fairly in any matter, such employee is allowed to submit complaint, recommendation on right violation including any other problems to the Company. The Company shall solve such problem by taking into account maximum benefits of all parties and good relationship of team work.

- **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.

- **Opinion or suggestion**

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.

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

The Company adheres to good corporate governance principles and encourages its employees to examine and oversee any action which is against the corporate governance principles, ethics, rules and regulations of the Company, laws or any action which might cause damages to the Company including rights violation. If such action is found, the employee can notify the clue on misconduct behavior to the Company by sending document and/or evidence to Chairman of the Audit Committee. Such document and/or evidence may be sent by the employees themselves or via the postal service, however name and surname of the sender must also be notified for convenience on enquiry and/or contact for more information.

Chairman of the Audit Committee shall then investigate and analyze such matter and if it is found that it has factual basis, it shall be sent to the Company's Audit Committee for further consideration.

The Company shall protect the employee who notifies such information (the informant or whistle blower) by not disclosing the name of the informant to any person. Only Chairman of the Audit Committee and the Audit Committee shall know such information. (If the name has not been identified, this matter shall not be considered).

The employee can find the method on informing the clue and the protection of the informant at the public relations media of the Company, i.e. the Company's website (www.samartcorp.com) and HR's website (www.samarthre.com) and etc.

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.

2. Committees

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

1) **Audit Committee members** ^(*) as of December 31, 2013

- | | |
|------------------------------|--|
| 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) |
| Mrs. Vorapin Isaradharm | Secretary of the Audit Committee |

***Remark :** ^(*) Audit Committee members comprise of no less than 3 members, all of them have sufficient experience to review the Company's financial statement. Curriculum Vitae of Audit Committee are provided on page 232.*

Qualifications of Audit Committee

- Has been appointed from the Board of Directors and/or the shareholders;
- The Members of the Audit Committee have to be the Independent directors qualification from the SEC;
- 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, Subsidiaries or affiliated Companies, Same-Level of Subsidiaries as well as any juristic person, major shareholder, or controlling person of the Company;
- Not being a director in Parent Company, Subsidiaries and any same-Level of Subsidiaries which is a listed Company;
- Having sufficient knowledge, experience, and time to perform duties as the Audit Committee members;
- 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 Form. 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 independent of such director as well as obtain an approval from Board of Directors and/or the Company's shareholders.

Roles and Responsibilities of the Audit Committee

1. Review the Company's financial statement to ensure its accuracy 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. Propose for consideration and approval of the Board of Directors and shareholders on the appointment, termination or reappointment 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.

2) Executive Board members as of December 31, 2013

- | | |
|------------------------------|--|
| 1. Mr. Charoenrath Vilailuck | Executive Chairman / Chief Executive Officer |
| 2. Mr. Watchai Vilailuck | Member |
| 3. Mr. Sirichai Rasameechan | Member |
| 4. Mr. Jong Diloksombat | 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.

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 and/or the shareholders' meeting to be complied to regulations of SET/SEC or any related laws and regulations.

3) Corporate Governance Committee members as of December 31, 2013

- | | |
|------------------------------|--|
| 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.

4) Nominating & Compensation Committee members as of December 31, 2013

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 Board 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. Recruit, select, and nominate appropriate candidates for members of the committee, 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, committee, CEO 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. Screen and verify the list of the candidates proposed to the director with the relevant agencies to ensure that they are not blacklisted or have been revoked from the list of such agencies;
7. In case the director who is retired on rotation is proposed to be re-elected to resume the position, his/her contribution and track record on attendance of the Board of Directors' meeting and the Shareholders' meeting must also be taken into consideration.

5) Risk Management Committee members as of December 31, 2013

1. Mr. Charoenrath Vilailuck Chairman of the Risk Management Committee
2. Mr. Watchai Vilailuck Chief Operating Member
3. Mr. Sirichai Rasameechan Member
4. Mr. Sommai Damnoenkiat Member
5. Mrs. Sukanya Vanichjakvong Member
6. Mr. Thananan Vilailuck Member
7. Mr. Jong Diloksombat Member
8. Mr. Prasitchai Veerayuttwilai^(*) Member
9. Mr. Pracha Phathayakorn Member

Remark : ^() Has resigned from a member of the Risk Management Committee on January 1, 2014.*

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 the 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.

6) Sustainable Development Committee members as of December 31, 2013

- | | |
|---------------------------------|--|
| 1. Mr. Watchai Vilailuck | Chairman of the Sustainable Development Committee |
| 2. Mr. Sirichai Rasameechan | Vice Chairman of the Sustainable Development Committee |
| 3. Mr. Jong Diloksombat | Member |
| 4. Mr. Thananan Vilailuck | Member |
| 5. Mr. Pracha Phathayakorn | Member |
| 6. Mr. Teerachai Phongpanangam | Member |
| 7. Mrs. Rosalin Charoenwong | Member |
| 8. Mrs. Phongsri Saluckpetch | Member |
| 9. Ms. Kanokwan Chanswangpuvana | Member |
| 10. Mrs. Vorapin Isaradharm | Member / Secretary |

Terms of positions

Term of members of the Sustainable Development 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.

Roles and Responsibilities of the Sustainable Development Committee

1. Set policy, framework and practice of the Company's CSR;
2. Consider and endorse CSR strategies and activities to meet the Company's CSR policy;
3. Monitor progress of CSR activities and evaluate the effectiveness of the implementation of the Company's CSR activities;
4. Report the Company's CSR activities to the Board of Directors.

In addition, the Committees have regularly arranged the meetings and the written minutes of meeting have been taken. For more details on summary of essence of the meetings and number of meeting attended during the past year, details are provided under "Board & Committees' Meeting".

3. Nomination and appointment the Directors and Management

- **Nomination of Independent Directors, 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 and Compensation Committee shall search for information on directors by using Director Pool Database of the Thai Institute of Directors as well as recruit the personnel who have qualifications as per specified by the law and the specified criteria, i.e. qualifications, experiences, knowledge and capability beneficial to the Company including necessary skills which the Company's Board of Directors is still lack at that moment 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. **In addition, the Company also allows the shareholders to vote for the individual director where the Company shall propose the name of each nominated director, so that the eligible shareholders can truly elect their preferred director.** 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, Nominating & Compensation Committee and Sustainable Development 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.

4. Supervision on Operation of the Subsidiaries and Affiliated Companies

Before establishment of any new company, the responsible managing department shall propose such matter to the meeting of the Board of Directors for consideration and approval before the registration of the new company is arranged. The Board of Directors shall consider on appointment of the executives who shall hold positions of director and management of such subsidiaries and affiliated companies including scope of authority and responsibility of the directors and the management who shall be the Company's representatives in such company. The management of the subsidiaries and affiliated companies shall report business performance of the company they are responsible to the Executive Committee every month. Any investments or substantial operations as per specified in the delegation of authorities must be performed pursuant to the specified policies and they must be presented to the meeting of the Executive Committee as well. The management of the subsidiaries and affiliated companies must present the annual business plan to the meeting of Executive Committee and the Board of Directors for consideration and approval every year. If performance of any company has not achieved as per the

targeted plan, the management must clarify to the meeting of Executive Committee. In case business operation encountered a lot of problems, the management is required to clarify to the Executive Committee as the watch list so that precaution and corrective measures can be closely monitored and taken.

The subsidiaries and affiliated companies must have the internal control system or measure that the Company's Internal Audit Department can audit and report to the Audit Committee and the Executive Committee. If internal control system of any company is defective which may likely cause risks and damage to the Company, the Executive Committee shall order such company to make good and rectify defects in such internal control system immediately. In addition, if the subsidiary has to conduct any transaction which is required to comply with the regulations of the Company or of the relevant laws and which is required to be approved from the shareholders' meeting of such subsidiary, i.e. capital increase, capital decrease or dissolution of subsidiary and etc., such transaction shall be proposed for the Executive Committee's consideration and approval on voting guideline during the shareholders' meeting of such subsidiary.

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

5. Inside Information

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** and to ensure that such policy has been acknowledged and complied, the Company has prepared the notice informing the securities trading prohibited period for the whole year before disclosing the financial statement to the directors and the management in advance. **The Company shall also send such notice to the directors and the management for their acknowledgement once again every quarter. However during the past year, the Company did not encounter the case where its directors or executives traded their securities by using inside information.** 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 SEC within 3 business days from the transaction date according to the Securities and Exchange Act B.E. 2535 in section 59. 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. **However, in case there is any mistake and the executive violates such rules, the Company shall issue a warning notice to prevent reoccurrence of such incident.**

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 director who has conflict of interests shall not present in the meeting to consider and vote, both in the Board of Directors' meeting and the Shareholders' meeting.** 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 **"5. Roles and Responsibilities of the Board" under "5.6 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.

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.

Internal Control, Risk Management and Anti-Corruption

1. Internal Control

1.1 Opinions of the Board of Directors and the Audit Committee regarding the Company's Internal Control System

The Company's Board of Directors puts emphasis on internal control system on continued basis as it can prevent and reduce risks which may cause damage to the Company. Therefore, the Audit Committee of which all members are the Independent Directors is assigned to assess the internal control system. The Internal Audit Department, the organization that directly report to the Audit Committee, has duty to audit performance of all units such as accounting, finance, management and operations of all departments with regards to efficiency, effectively and compliance with the related rules, regulations and laws pursuant to the annual audit plan which must have been approved by the Audit Committee.

Apart from assessment of its internal control pursuant to assessment guidelines of the Office of the Securities and Exchange Commission which has been newly revised in 2013, the Company also refers to the international standard of the Committee of Sponsoring Organization of the Tread way Commission Enterprise Risk Management (COSO – ERM) which composes of 8 components. The Audit Committee has opinions on such components as follows:

1) Internal Environment

The Company has set up a good internal control environment with clear and appropriate organizational structure, line of command and written delegation of authority.

The Company also has a Corporate Governance Policy and Code of Conduct for employee and management practice.

2) Objectives Setting

The Company has clearly defined its traceable objectives and business goals which are corresponding to strategic goal of the Company. Each department will also has sub-goal to support such strategic goal.

More over, such strategic and goal will be delivered to the employees via the Management Meeting twice a year.

3) Risk Identification

Risk factors which may impact or cause damage to the Company will be analyzed and identified to cover all business processes as well as external risks.

4) Risk Assessment

Risk Management Committee has been appointed to conduct, manage and monitor the management of the Company and subsidiaries to assess, evaluate and planning for risk management solution then report to the Committee quarterly. The Internal Audit will also check and confirm the adequately of internal control systems to prevent and mitigate impact from operating risks as well as conduct auditing in any fraud area.

5) Risk Management

The Company has processes of risks management. Each risk will be managed and reported to Risk Management Committee with various and appropriate measures such as avoidance, reduction, sharing or acceptance.

Moreover, with an efficient internal control system, the Company can manage, reduce as well as minimize impacts from risks. Such Internal Control System will be reviewed and revised by the internal audit unit for appropriate fix with the change of environment and risks.

6) Control Activities

Control systems of the Company are appropriated with risks and also cover comprehensive operating procedures, i.e. financial transaction, procurement and general administration. Moreover, delegation of authority for approval has been clearly specified. In addition, operating performance of the Company and its subsidiaries have been monthly reviewed and monitored by the Executive board for accomplishment of the Company's objectives. On the other hand, the internal audit and the Audit Committee have also audited, evaluated and improved the organization's operations as well as the compliance of laws and regulations.

7) Information & Communication

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. 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 & regulations or various policies but also implemented Human Resource Information System (HRIS) for human resource management.

8) Monitoring

The Executive Board meeting is regularly held every month to consider and monitor performance of the Company in order to achieve its target. Additional, the strategies and targets can be changed to make them corresponding to the changing circumstances as well as consider changing strategy as appropriate.

The internal auditing for operations of all functions of the Company and subsidiaries has been handled by the Internal Audit unit to ensure the internal control system has been followed. The audit results will be conveyed to head of each function for further developing within a specific period as been consulted.

The internal control system must be assessed and reported to the Board. During the Board of Directors' Meeting No. 1/2557 on February 26, 2014, the Meeting has considered and deemed correspond with the Audit Committee that the Company and its subsidiaries had a sufficient internal control system. In addition, the Company's auditor, Miss. Kamolthip, an auditor license no. 4377 audited the Company's financial statements for period ending December 31, 2013 without any comment on the Company's internal control system as significant error.

1.2 Internal Audit

Internal Audit Department has its Audit Charter which clearly defines scope and responsibility. They independently work under the audit manual and directly report to the Audit Committee. Such manual will be reviewed and updated constantly.

Internal Audit Department has duty to audit operations and control system as well as monitor, assurance and consulting activities designed to add value and improve an organization's operations. The yearly audit plan has to be approved by the Audit Committee. The Audit Committee shall provide advice, recommendation and control in various aspects to ensure that the audit plan shall be achieved as per the specified scope and objectives.

It performs work by adherence to the International Standards for the Professional Practices of Internal Auditing, as well as complying with rules, regulations and laws related to the Compliance Audit.

In addition, the Internal Auditing has based on risks assessment and audit by priority which including fraud audit and Anti-corruption. The preventive solution will be considered to mitigate impact from such risks in order to ensure the Company to achieve its objective every year.

1.3 Head of Internal Audit and Head of Compliance of the Company

The Audit Committee's Meeting No. 2/2554 dated August 11, 2011 has appointed Mrs. Vorapin Isaradharm to be the Company's head of internal audit. The Committee opined that even though the head of internal audit did not have much experiences but she has attended many internal audit courses including auditing skills, management, anti-corruption prevention courses which would adequately to make her perform duties satisfactorily. Additionally, she also attended the training courses relevant to the audit operations continually. For the past period, the head of internal audit has performed duties with honesty, transparently and has developed auditing works regularly. She also has operation plans in place before conducting the auditing work and determined to make the work achieve as per the specified plan as well as tried to find new operating measures to prevent corruption and to make operations conform to the Internal Standards for Professional Practice of Internal Auditing.

In addition, any consideration and approval, appointment, removal and transfer of the head of internal audit are required to have an approval from the Audit Committee. Curriculum Vitae of the Head of Internal Audit are provided on page 262.

Moreover, the Company does not have a separate Compliance Division but the Company's compliance operations are taken care by the Corporate Secretary Division to ensure that the Company has correctly complied with regulations of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand including other relevant laws under supervision of the Company Secretary.

2. Risk Management

Risk management is one of the important processes supporting the Company to achieve its objectives and goals that shall add value to the Company, shareholders and stakeholders as well as supporting to sustainability growth of the Company's businesses.

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

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

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

During the end of 2013, the country has a prolonged political demonstration, Risk Management Committee has carefully monitored and handled all the potential risks impacted from the crisis to prevent and correct in all aspects. In addition, the committee has to ensure the risk management plan has been delivered and managed with cooperation from all functions of the Company.

3. Anti-Corruption

The Company realizes how severity the Company can be impacted from corruption, therefore, during the meeting of the Board of Directors No. 1/2554 on February 25, 2011, the Board has approved the anti-corruption policies and ordered to add them in the Company's Code of Business Ethics Manual under topic of **"Receiving and Giving Present, Property or Other Benefits"**, so that the employees can use them as operating guidelines and comply accordingly as the following:

Receiving or giving any benefits as tradition and morality to express gratitude or maintaining business relation as usual should be done with appropriateness. The Company will not encourage or expect the receiving person to ignore his/her duty and/or return favor from giving inappropriate present, property or other benefits with the following practices:

1. Receiving and giving property or other benefits that could improperly influence decision making;
 - The employee of company shall not receive or give money, property, merchandise or any benefits involving anyone whose intention is to persuade the employee to commit or omit anything contrary to duty.
 - Receiving present or property shall be compliance with morals, and shall not be illegal as well as such gift or property shall not be illegal.

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

Details are disclosed on the Company's website (www.samartcorp.com).

General Operating Guidelines

1. Risk management. The Company has an Internal Audit Department to audit operations which may tend to have risks of all departments of each company, including risks from corruption to ensure that all departments have appropriated internal control system in place, both on preventive control and defective control. If it is found that any department does not have adequate internal control system or there is a corruption case, such matter shall be reported to the Audit Committee and the high level executives. Preventive guidelines must have also been reported in order to improve the internal control system.
2. To ensure that the remuneration provided to the employees is adequate, focused on creation of consciousness and it must not be the source for corruption. The Human Resource Department shall compile the survey results report on wage adjustment in each year from the well-known institutes, both domestically and internationally as well as exchange information with the Human Resource Department of other companies in the telecommunication and computer businesses. The information gained shall be used for consideration on provision of remuneration to the employees.
3. To encourage operations pursuant to anti-corruption policies by providing training to the employees to promote honesty, integrity and operating guidelines for standard on good conduct and ethics for the employees including code of business ethics of the Company during the orientation of the new employees. All employees can access to such information via HR Website (www.samarthre.com).

4. To supervise on compliance with anti-corruption policies. The Company urges the employees and the stakeholders to report about any policy violations as well as unfair practices or any misconduct, i.e. against good governance principles, code of business ethics, rules & regulations of the Company or the laws. Such matter can be reported to the Chairman of the Audit Committee via postal services at the designated address provided in the Company's website or it can be submitted by person. The Chairman of the Audit Committee shall proceed pursuant to procedures and then forward to the members of the Audit Committee for further consideration. The Company shall protect the whistle blower by not disclosing name of such whistle blower to any person.
5. The Internal Audit Department shall summarize the audit result only about the corruption issues of each department during the previous year and report to the Audit Committee every year as well as to provide recommendations for solving the problems.

For the past year, the Company has found 2 corruption cases occurred in its 2 subsidiaries. The first case was about stealing of the Company's goods and request for fraud overtime payment. The Company has already penalized the guilty employee pursuant to the Company's regulations and the measure to prevent goods from being stolen as well as measure on overtime payment have been stricter specified. In addition, maximum penalty clause has also been imposed in case of reoccurrence of wrongdoing act. The second case was the embezzlement of repair service fee and such wrongdoer has also been penalized pursuant to the Company's regulations and the internal control systems have been revised to make them have more stringent measures. Furthermore, no director or executive was found to break the rules or was forced to resign on the ground of violation of corporate governance principles and the Company did not encounter the problem on having negative reputation caused by failure of the Committees on supervision their duties.

Furthermore, the Company is also aware of importance on anti-corruption, so the Company's representatives were encouraged to attend the meetings and training courses relevant to the corruption, such as the National Conference on Collective Action against Corruption, Practical Fraud Awareness, Fraud Detection & Fraud Prevention Strategies and Fraud Audit training courses, as well as participated in the Collective Action Coalition on Anti-Corruption in order to recognize concept and operating procedures on promotion of anti-corruption measures and etc.

Connected Transactions

1. Related transactions which might have conflicts of interest in 2013

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 17.40% stake owner.</p> <p><u>Director of VIH</u> (related person)</p> <p>1. Mrs. Siripen 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 Jan. - Apr. 2013 = 2,617,578.11, May. - Dec. 2013 = 2,696,230.08 and property tax of Baht 1,565,287.50)</p> <p>Remarks : The rate of Service Fee will be increased 5% annually in accordance with the service conditions in the Services Agreement.</p>	33.605	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. 1/2014 on February 25, 2014)
	- Rental, Service charge and Property Tax for SC (for the period during August 1, 2012 - July 31, 2015 with monthly rental and service charge of Baht 914,831.34)	10.978	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).
	- Rental, Service charge and Property tax: (mezzanine floor) for SC (for the period during August 1, 2012 - July 31, 2015 with monthly rental and service charge of Baht 262,053.27)	3.144	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. meters).
	- Rental, Service charge and Property Tax for SC (for the period during August 1, 2012 - July 31, 2015 with monthly rental and service charge of Baht 138,794.76)	1.665	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 244.87 sq. meters).
	- One to One Contacts PCL. (OTO) (Subsidiaries of SC) Rental, Services charge for public utilities and property tax. (For the period during August 1, 2012 - July 31, 2015 with monthly rental and service charge of Baht 740,154.69 and yearly property tax of Baht 415,183.68) (Total outstanding as of December 31, 2013 was Baht 69,265)	9.297	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 1,366.86 sq. meters).
			The Audit Committee in its meeting No. 1/2014 on February 25, 2014, resolved that such rental has the same rate charged to other customers.

Related Parties	Transaction Type	Value of Transaction (Million Baht)	Necessity of Transactions
	- Miscellaneous expenses paid to VIH i.e. service charge for public utilities, overtime air condition and parking by OTO. (Total outstanding as of December 31, 2013 was Baht 4,370)	0.330	The Audit Committee in its meeting No. 1/2014 on February 25, 2014, resolved that such service charge was the actual payment, which was the same rate charged to other customers.
	- Telephone preventive-maintenance	0.005	It was a normal business transaction, which been charged in proportion of actual usage. The Audit Committee in its meeting No. 1/2014 on February 25, 2014, 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, 2013 was Baht 1,468)	-	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. 1/2014 on February 25, 2014, resolved that it was the real advanced expense.
	- Miscellaneous expenses paid for entertain to VIH by SC. (Total outstanding as of December 31, 2013 was Baht 32,556)	0.312	The Audit Committee in its meeting No. 1/2014 on February 25, 2014, resolved that it was a normal business transaction, which been charged in proportion of actual usage.
	Miscellaneous transactions of SC and its subsidiaries paid to VIH during Jan. - Dec. 2013. Actual miscellaneous payments i.e. service charge for public utilities, overtime air condition and parking lots were as follows:		The Audit Committee in its meeting No. 1/2013 on February 26, 2013, resolved that Such service charge was the actual payment, which was the same rate charged to other customers.
	- Samart Corporation PCL. (SC)	0.457	
	- Samart Engineering Co., Ltd. (Subsidiary of SC)	0.002	
	- Vision and Security System Co., Ltd. (Subsidiary of SC)	0.039	
	- Samart Raditech Co., Ltd. (Subsidiary of SC)	0.002	
	- Teda Co., Ltd. (Subsidiary of SC)	0.017	
	- Transec Power Services Co., Ltd. (Subsidiary of SC)	0.002	
	- Samart Telcoms PCL. (STC) (SC is a major shareholder)	5.101	
	- Samart Communication Services Co., Ltd. (Subsidiary of STC)	5.976	
	- Posnet Co., Ltd. (Subsidiary of STC)	0.013	
	- Thai Trade Net Co., Ltd. (Subsidiary of STC)	0.045	
	- Samart Infonet Co., Ltd. (Subsidiary of STC)	2.760	
	- Samart Comtech Co., Ltd. (Subsidiary of STC)	10.363	

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Related Parties	Transaction Type	Value of Transaction (Million Baht)	Necessity of Transactions
<p>3. Vilailuck Development Co., Ltd. (VLX) whose major shareholder of 42.38% is VIH and VIH is the major shareholder of SC.</p> <p><u>Director of VLX</u> (related person)</p> <p>1. Mrs. Siripen Vilailuck 2. Mr. Charoenrath Vilailuck 3. 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 Medical fee. (Total outstanding as of December 31, 2013 was Baht 2,317) - Miscellaneous expenses paid for house cleaning to VLX (Total outstanding as of December 31, 2013 was Baht 35,640) - Samart Telecom PCL. (SC is a major shareholder) Miscellaneous paid for service ie. Service charge for public utilities, house cleaning, to VLX (Total outstanding as of December 31, 2013 was Baht 35,640) - Smarterware Co., Ltd. (Subsidiary of STC) provided System Development service to VLX (Total outstanding as of December 31, 2013 was Baht 100,537) - Vision and Security System Co., Ltd. (VSS) (Subsidiary of SC) sold CCTV to VLX - Samart I-Mobile PCL. (SIM) (SC is the major shareholder of SIM) sold mobile phone to VLX (Total outstanding as of December 31, 2013 was Baht 15,000) 	<p>0.001</p> <p>0.078</p> <p>0.104</p> <p>-</p> <p>0.185</p> <p>0.014</p>	<p>Advanced payment for normal business of which repayment will be settled from time to time (monthly /quarterly basis).</p> <p>The Audit Committee in its meeting No. 1/2014 on February 25, 2014, resolved that it was the real advanced expense.</p> <p>The Audit Committee in its meeting No. 1/2014 on February 25, 2014, resolved that it was a normal service business transaction, according to the general trade conditions.</p> <p>The Audit Committee in its meeting No. 1/2014 on February 25, 2014, resolved that it was a normal service business transaction, according to the general trade conditions.</p> <p>The Audit Committee in its meeting No. 1/2014 on February 25, 2014, 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.1/2014 on February 25, 2014, 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. 1/2014 on February 25, 2014, 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. whose indirect shareholder of 42.38% is Vilailuck International Holding Co., Ltd. (VIH) and VIH is the major shareholder of SC.</p> <p><u>Director of Phupa Tara</u> (related person)</p> <p>1. Mr. Charoenrath Vilailuck 2. Mr. Watchai Vilailuck</p>	<p>SC paid for the seminar at The Marriott Rayong Resort and Spa to Phupa Tara Co., Ltd. (Total outstanding as of December 31, 2013 was Baht 8,239)</p> <ul style="list-style-type: none"> - Vision and Security System Co., Ltd. (VSS) (Subsidiary of SC) sold CCTV to Phupa Tara Co., Ltd. (Total outstanding as of December 31, 2013 was Baht 703,643) - Vision and Security System Co., Ltd. (VSS) (Subsidiary of SC) paid for the seminar at The Marriott Rayong Resort and Spa to Phupa Tara Co., Ltd. (Total outstanding as of December 31, 2013 was Baht 84,000) 	<p>3.238</p> <p>0.854</p> <p>0.078</p>	<p>The Audit Committee in its meeting No. 1/2014 on February 25, 2014, resolved that it was a normal service business transaction, according to the general trade conditions.</p> <p>The Audit Committee in its meeting No. 1/2014 on February 25, 2014, 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. 1/2014 on February 25, 2014, resolved that it was a normal service business transaction, according to the general trade conditions.</p>

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Related Parties	Transaction Type	Value of Transaction (Million Baht)	Necessity of Transactions
	- Samart I-Mobile PCL. (SC is a Major shareholder) buy a used computer from Best Cellar Co., Ltd.	0.392	The Audit Committee in its meeting No. 1/2014 on February 25, 2014, resolved that it was a asset trading which for used in the Company's to market price.
7. Wine Gallery (Phuket) Co., Ltd. has Executive Director of SC is related person. <u>Director of Wine Gallery (Phuket)</u> 1. Mr. Thananan Vilailuck	- Vision and Security System Co., Ltd. (VSS) (Subsidiary of SC) sold CCTV to Wine Gallery (Phuket) Co., Ltd.	0.198	The Audit Committee in its meeting No. 1/2014 on February 25, 2014, resolved that it was a normal business transaction, for sale and purchase of goods, according to the general trade conditions
8. Ascon Construction PCL. has Director of SC is a major shareholder. <u>Director of SC</u> (related person) 1. Mr. Charoenrath Vilailuck 2. Mr. Watchai Vilailuck	- Samart Engineering Co., Ltd. (Subsidiary of SC) sold DTH satellite dish and Antenna to Ascon Construction PCL. (Total outstanding as of December 31, 2013 was Baht 309,111.78)	-	The Audit Committee in its meeting No. 1/2014 on February 25, 2014, resolved that it was a normal business transaction, for sale and purchase of goods, according to the general trade conditions.

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, managements and the stakeholders who had conflict of interest would not participate in the such connected transactions. The approval on the connected transaction would be complied with the regulations and notifications of the Stock Exchange of Thailand (SET).

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

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

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

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

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

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

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

2.3 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.

Financial Ratios

Financial Positions and Operating Results of Samart Corporation Pcl. and its Subsidiaries

(Unit: Baht Thousand)

Transation	As of December 31		
	2013	2012 (Restate) ^(*)	2011 (Restate) ^(*)
Cash and cash equivalents	1,677,224	1,118,274	1,069,104
Trade and other receivables	7,844,678	5,867,363	5,146,170
Accrued income	4,168,404	5,295,965	4,202,921
Inventories	2,288,801	1,193,696	1,519,036
Property, plant and equipment	4,962,525	5,164,930	4,164,133
Total assets	23,761,931	21,237,422	18,431,276
Bank overdrafts and short-term loans from financial institutions	6,311,638	6,376,181	6,445,834
Trade and other payables	4,140,762	3,345,577	2,994,161
long-term loans from financial institutions - net of current portion	1,057,981	1,576,995	1,464,003
Total liabilities	15,469,231	14,326,027	12,422,231
Issued and fully paid - up	1,002,096	990,647	985,629
Unappropriated Retained earning	4,403,292	3,680,582	3,000,850
Non - controlling interests of subsidiaries	1,988,291	1,504,231	1,327,331
Shareholders' equity	6,304,409	5,407,164	4,681,713
Revenues from sales and services	22,315,307	16,732,895	19,766,876
Total revenues	22,433,562	17,096,667	19,964,276
Cost of sales and services sold	16,933,039	13,040,798	15,986,874
Selling and admin expenses	2,583,325	1,916,550	2,132,079
Finance cost	509,713	485,991	390,941
Gain (Loss) on exchange	(31,439)	49,970	22,513
Total costs and expenses	19,603,389	15,082,108	18,166,791
Profit attributable to equity holders of the Company	1,468,148	1,083,473	904,859
Basic earning per share (Baht/share)	1.47	1.10	0.94
Cash flows from operating activities	2,075,394	1,739,129	(772,316)
Cash flows from investing activities	(811,620)	(2,140,832)	(1,046,604)
Cash flows from financing activities	(705,477)	478,121	2,141,017
Par value (Baht / share)	1	1	1
Common shares outstanding (Thousand shares)	1,002,096	990,647	985,629
Weighed average number of ordinary shares (Thousand shares)	997,970	984,741	967,123
Book value (Baht / share)	6.32	5.49	4.84
Dividend per share (Baht / share)	0.80 ^(**)	0.60	0.52

Remarks ^(*) The Company and its subsidiaries applied Thai Accounting Standard No. 12: Income Tax for their operations in 2013 and for improvement in 2011 and 2012 as well.

^(**) Dividend per share comprised of interim dividend for January - June 2013 of Baht 0.35 and Baht 0.45 which will be proposed for consideration of shareholders in the Annual General Meeting 2014.

Financial Ratios of Samart Corporation Pcl. and its Subsidiaries

Financial Ratio	Samart Corporation Pcl. and Subsidiaries		
	2013	2012 (Restate) ^(*)	2011 (Restate) ^(*)
<u>LIQUIDITY RATIO</u>			
Current ratio (Times)	1.23	1.15	1.21
Acid test ratio (Times)	1.07	1.06	1.07
Cash turnover (Times)	0.16	0.15	(0.09)
Receivable turnover ratio (Times)	3.25	2.99	4.21
Average collection period (Days)	110.77	120.40	85.51
Inventory turnover ratio (Times)	15.54	15.64	15.39
Days sales outstanding (Days)	23.17	23.02	23.39
Payable turnover ratio (Times)	5.45	5.07	9.49
Payment period (Days)	66.06	71.01	37.93
Cash cycle (Days)	67.88	72.41	70.97
<u>PROFITABILITY</u>			
Gross Profit Margin (%)	24.12	22.06	19.12
Operating Profit Margin (%)	12.54	11.86	8.98
Other revenue - to - Total revenues (%)	0.53	2.13	0.99
cash-to-income (Times)	0.74	0.88	(0.44)
Net profit margin (%)	6.54	6.34	4.53
Return On Equity (%)	25.07	21.48	20.11
<u>EFFICIENCY RATIO</u>			
Return On Assets (%)	6.53	5.46	5.66
Return On Fixed Assets (%)	53.08	45.43	46.37
Assets Turnover (Times)	1.00	0.86	1.25
<u>FINANCIAL POLICY RATIO</u>			
Debt to equity (Times)	1.87	2.07	2.07
Interest coverage (Times)	5.93	5.14	(0.56)
Debt serviceability (Times)	0.68	1.08	(0.35)
Dividend payout ratio (%)	54.59	55.00	56.24

Remark ^() The Company and its subsidiaries applied Thai Accounting Standard No. 12: Income Tax for their operations in 2013 and for improvement in 2011 and 2012 as well.*

Management Discussion and Analysis 2013

Economic Overview

Thai's economy had greatly expanded during the first half of 2013 mainly from 2 factors which are household consumption as well as private investment. However, as a consequence of rising on household debt, lower-than-targeted government spending and political instability, Thai's economic in the second half of 2013 was weaker-than-expected especially in the last quarter of the year.

Operation Overview

Ssmart Corporation Public Company Limited or "SAMART" recorded the total consolidated revenues of Baht 22,434 million, rose by Baht 5,337 million or 31% compared to Baht 17,097 million in year 2012. Revenue from sales and services were Baht 22,315 million, expanded by 33% YoY thanks to a great improvement on Mobile Multimedia group.

The total consolidated expenses were Baht 19,603 million compared to Baht 15,082 million in the previous year, or increased by 30%. The total expenses are divided into cost of sales and services, selling and administrative expenses and other expenses. For cost of sales and services in 2013, the Company recorded of Baht 16,933 million compared to Baht 13,041 million in year 2012, or grew by 30% YoY as a result of an increase in revenue from Mobile Multimedia as well as ICT Solutions and Services groups. However, with better cost control strategy from Utilities and Transportations and Technology Related groups together with a growing popularity of smart phone, a higher cost of sales and services were at a decreasing rate compared to the increase in revenue from sales and services. As a result, gross profit margin for the Company increased gently from 22% to 24%. Additionally, selling and administrative expenses were Baht 2,583 million, rose from Baht 1,917 million or up by 35% YoY due to an increase in revenues.

The consolidated financing cost was Baht 510 million compared to Baht 486 million in the previous year. A slightly increase in financing cost mainly came from ICT Solutions and Services group which rose from Baht 295 million to Baht 368 million in 2013. The escalation in loan from banks for ICT Solutions and Services group were to support the new projects signed.

The consolidated income tax expenses were Baht 281 million in this year compared to Baht 151 million in the previous year. The increased in income tax expenses resulted from the greater earnings of the Company in this year together with the adoption of new accounting standard (TFRS 12: Income tax).

The consolidated net profit attributable to equity holders of the Company were Baht 1,468 million compared to Baht 1,083 million in the previous year, grew significantly by Baht 385 million or up by 36% YoY due largely to a great improvement in handset business under Mobile Multimedia group.

Consolidated Operating Results

Revenue from sales and services in 2013 were Baht 22,315 million, significantly increased by 33% from a previous year.

Sales and Services Revenue Breakdown

Line of Business	Revenue from Sales and Services in 2013 (MB)	Revenue from Sales and Services in 2012 (MB)	%YoY Growth
Mobile Multimedia	10,238	6,940	48%
ICT Solutions and Services	9,251	7,530	23%
Utilities and Transportations	1,982	1,135	75%
Technology Related	1,625	1,443	13%
Revenue from sales and services (after eliminated of related parties transaction)	22,315	16,733	33%

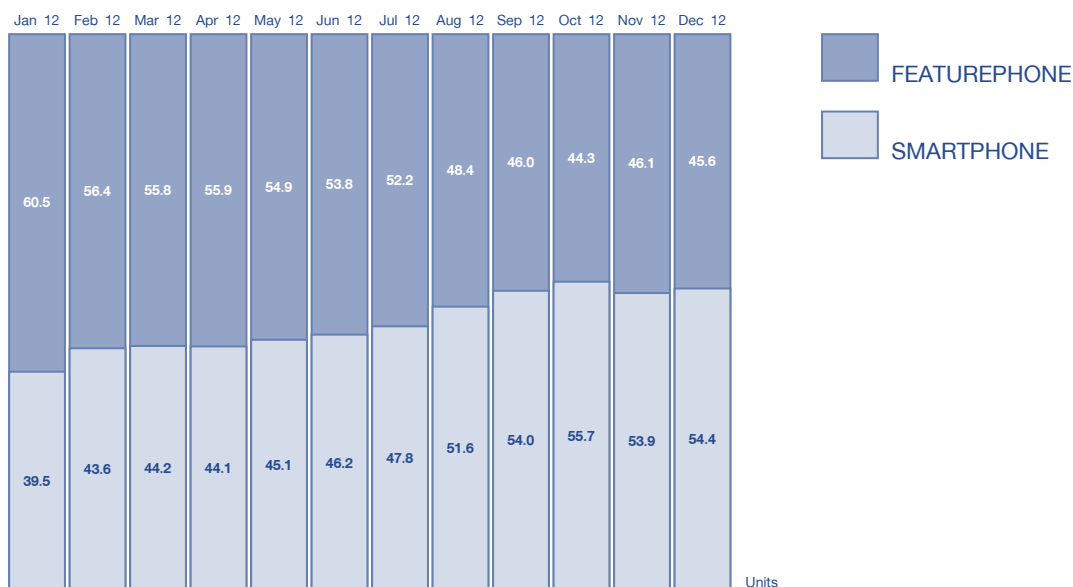
Mobile Multimedia

Sales and Services revenues from Mobile Multimedia group were Baht 10,238 million in 2013 compared to Baht 6,940 million in 2012, with the gross profit margin of 25% and 19% respectively. Mobile Multimedia group comprises of three business lines:

- Handset Business:**

Year 2013, the overall (featured phone + smart phone) mobile handset market in Thailand has expanded moderately from 15.9 million units sold in 2012 to 18.7 million units sold in 2013 (GFK Research 2014) or up by 18% YoY. A decrease in feature phone market was totally compensated by a big jump in smart phone market. Compared to year 2012, the featured phone unit sold dropped from 11.3 million units to 9.7 million units this year, diminished by 14%. In contrast, as a consequence of the migration from 2G services to 3G services by three main service operators, the smart phone market has grown significantly from 4.6 million units sold to 9.1 million units sold, or rose by 98% YoY. Even there is a dramatic increase in smart phone sale in year 2013, the smart phone penetration rate still at a low rate or approximately 29% (Goldman Sachs Global Investment).

Market portion of smart phone sale to feature phone sale in 2013



Source: GFK Research 2014

This year was one of the best year for handset business, the revenue contribution from handset business to Mobile Multimedia group accounted for 89%. A major improvement on handset business resulted from a shift in the portion of smart phone sale. The totals of 3.8 million units (only i-Mobile brand) were sold in this year. Moreover, the smart phone units sold have increased from 0.5 million units to 1.7 million units, or rose by 223% YoY while the number of feature phone units sold decreased from 3.5 million units to 2.1 million units, or drop by 42% YoY. As a consequence of the rise in smart phone unit sold, the average selling price increased substantially from 1,505 Baht to 2,616 Baht which leads to a sharp increase in gross profit margin. The success of the handset business in 2013 resulted from the following key improvement areas;

- Product improvement
- Value-to-money
- Countrywide after-sale service
- Market expansion

In 2013, i-Mobile handset had a market share of 20%.

- **Content Business:**

As a result of the new 2.1 GHz spectrum, people are easily getting their wanted information from the Internet which affected to content business. This year, content business provided revenue of Baht 947 million compared to Baht 1,047 million in the previous year, or dropped by 11% YoY. The Company is coping with new technology trend by changing business strategy from being a content aggregator to being a content owner which provides us more flexible to develop the content through many media channels.

- **MVNO Business:**

The success of bundling strategies with i-Mobile handset surged the number of active subscriber by 300% YoY. Moreover, the expectation to complete the TOT's 3G network installation phase1 by the first quarter of 2014 together with the Company's plan to expand sale channels by increase the number of sale promoters and direct sales will benefit to MVNO business in year 2014.

ICT Solutions and Services

Sales and Services revenues from ICT Solutions and Services group were Baht 9,251 million in year 2013 compared to Baht 7,530 million in year 2012, or an increase by 23% YoY.

The increase in sales and services revenues came from revenue recognition on IT system from Ministry of Justice, CCTV installation from Bangkok Metropolitan Administration and ERP Project from Provincial Electricity Authority. In this year, more than 70 projects were signed with the total value of Baht 7,107 million. Moreover, the ICT Solutions and Services' recurring revenues were climbed by 33% to Baht 3,009 million mainly from new projects signed by Portalnet Co., Ltd. (acquired by SAMTEL in 2012) and the backlog by year-end of 2013 was Baht 7,549 million.

Utilities and Transportations

Under Utilities and Transportation group, it comprises of Cambodia Air Traffic Services Co., Ltd. (“CATS”), Kampot Power Plant Co., Ltd. (“KPP”), Samart U-Trans Co., Ltd. (“SUT”) and Teda Co., Ltd. (a new acquired company by SUT). The Company reported the revenue from Utilities and Transportations business of Baht 1,982 million. The highest portion of revenue came from CATS which contributed more than 50% of the revenue from Utilities and Transportations group. The number of flights increased from 60,828 flights to 72,694 flights, or rose by 20% YoY. For KPP, it provides constant revenue streams to SAMART or approximately Baht 200 million per year. For SUT and TEDA, these two companies are the new opportunity for SAMART to expand our business into electricity and transportation.

Technology Related

Technology Related businesses comprise of Samart Engineering Co., Ltd. (“SE”), One To One Contacts Pcl. (“OTO”), Vision and Security System Co., Ltd. (“VSS”) and Suvannabhumi Environment Care Co., Ltd. (“SEC”). The revenue from technology related businesses were Baht 1,625 million compared to Baht 1,443 million in the previous year, or a slight increase by 13% due to the government is more concerned on public security which caused a substantial increase in revenue for VSS business. In this year, the majority income came from OTO and VSS, respectively.

Financial Statement

Assets

As of 31 December 2013, the total assets grew by 12% YoY from Baht 21,237 million in 2012 to Baht 23,762 million in 2013. Total current assets rose from Baht 14,460 million to Baht 17,397 million this year, or a significant growth by 20% YoY mainly from the increase in trade and other receivables as well as inventories due to the business’s growth in ICT Solutions and Services group and Mobile Multimedia group. However, non-current assets fell slightly by 6% YoY from Baht 6,777 million to Baht 6,365 million.

As of 31 December 2013, the Company recorded cash and cash equivalents of Baht 1,677 million compared to Baht 1,118 million in the previous year, increased by Baht 559 million.

Trade Account Receivables and Inventories

The Company’s total trade and other receivables grew moderately from Baht 5,867 million to Baht 7,845 million, or rose by 34% YoY. The increase in total trade and other receivables came from ICT Solutions and Services group on the government and state enterprise related projects and Mobile Multimedia group which resulted from the handset business’s growth.

In 2013, net inventories increased from Baht 1,194 million to Baht 2,289 million or up by Baht 1,095 million mainly due to a significant increase in inventory from Mobile Multimedia group to support the handset's business growth from Baht 682 million to Baht 1,670 million in 2013. Most of inventories are in the form of finished goods. Overall, Company's net inventories in 2013 accounted for 10% of total assets or Baht 2,289 million, compared to 6% of total assets or Baht 1,194 million in 2012.

D/E Ratio

On a consolidated basis, D/E ratio (total liabilities over total equity) decreased from 2.07 times to 1.87 times in 2013. The interest bearing D/E ratio (total interest bearing debts to total equity) fell from 1.38 times to 1.16 times in 2013. Most of the Company's debt came from ICT Solutions and Services Business for supporting various projects. However, in this year, liabilities in ICT Solutions and Services group decreased dramatically as a result of the loan repayment to financial institution which borrowed for an acquisition of Portalnet Co., Ltd. in 2012.

Liquidity

On a consolidated basis, current ratio (current assets over current liabilities) as of 2013 year end stood at 1.23 times, compared to 1.15 in 2012. As a consequence of less current liabilities together with higher current assets, the ability for the Company to pay back their loan is higher.

On a consolidated basis, the Company reported net cash flow from operating activities of Baht 2,075 million, compared to net cash flow from operating activities of Baht 1,739 million in the previous year. For investing activities, the Company used Baht 812 million in 2013 compared to Baht 2,141 million used in 2012. In terms of financing activities, the company used cash from financing activities of Baht 705 million as compared to net cash from financing activities of Baht 478 million a year earlier. As a result, cash and cash equivalents increased from Baht 1,118 million to Baht 1,677 million as of December 2013.

Sources of Fund

As of December 2013, consolidated shareholders equity was Baht 8,293 million as compared to Baht 6,911 million as of December 2012. On a separate financial statement, equity attributable to Company's shareholders remained stable at Baht 3,434 million as of December 2013. Consolidated inappropriate retained earnings jumped from Baht 3,681 million in 2012 to Baht 4,403 million in 2013. Issued and fully capital marginally rose from Baht 991 million to Baht 1,002 million due to exercise of employee stock options by employees and management team.

Consolidated total liabilities increased from Baht 14,326 million to Baht 15,469 million in 2013 mainly from the rise in trade and other payables from Mobile Multimedia group and short term debentures from ICT Solutions and Services group. The Company always closely monitors the level of debts for limiting any risks that might incur.

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, 2013, 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 & CEO

Samart Corporation Public Company Limited

Independent Auditor's Report

To the Shareholders of Samart Corporation Public Company Limited

I have audited the accompanying consolidated financial statements of Samart Corporation Public Company Limited and its subsidiaries, which comprise the consolidated statement of financial position as at 31 December 2013, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statements of Samart Corporation Public Company Limited for the same period.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Samart Corporation Public Company Limited and its subsidiaries and of Samart Corporation Public Company Limited as at 31 December 2013, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

Emphasis of matters

I draw attention to Note 4, Note 46.5 i) and Note 7 to the financial statements as the following:

- a) As discussed in Note 4 to the financial statements regarding the change in accounting policy as the result of adoption of Thai Accounting Standard 12 Income Taxes. The Company has restated the consolidated and separate financial statements for the year ended 31 December 2012, presented herein as comparative information, to reflect the adjustments resulting from such change. The Company has also presented the consolidated and separate statements of financial position as at 1 January 2012 as comparative information, using the newly adopted accounting policy for income taxes.

- b) As discussed in Note 46.5 i) to the financial statements, on 26 October 2006, Samart Communication Services Company Limited, 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 one 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 company could not make the network available at 1,000 sites because such subsidiary has not 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 2013 the subsidiary has not set up provision for fine from the project delay.
- c) As discussed in Note 7 to the financial statements regarding the related party transactions. During the year, Samart Corporation Public Company Limited and its subsidiaries had significant business transactions with related parties, principally in respect of the purchase and sales of goods, services and loans. Such transactions have been concluded on terms and bases agreed upon between Samart Corporation Public Company Limited and those related parties.

My opinion is not qualified in respect of the above matters.



Kamontip Lertwitworatep
Certified Public Accountant (Thailand) No. 4377
Ernst & Young Office Limited
Bangkok: 24 February 2014

Statement of financial position

Samart Corporation Public Company Limited and its subsidiaries

As at 31 December 2013

(Unit: Baht)

	Note	Consolidated financial statements			Separate financial statements		
		31 December 2013	31 December 2012	1 January 2012	31 December 2013	31 December 2012	1 January 2012
			(Restated)			(Restated)	
Assets							
Current assets							
Cash and cash equivalents	8	1,677,223,502	1,118,273,670	1,069,103,744	60,436,739	48,178,618	31,148,515
Temporary investments	9	23,490,085	26,884,533	2,927,698	7,029,451	9,220,902	614,882
Trade and other receivables	10	7,844,677,628	5,867,362,783	5,146,170,049	110,444,154	106,620,862	95,101,451
Accrued income		4,168,404,186	5,295,965,365	4,202,920,896	3,861,504	1,579,051	1,399,010
Short-term loans	11	46,549	234,871	18,951,117	232,401,333	177,502,825	181,170,533
Inventories	12	2,288,800,537	1,193,696,366	1,519,036,229	134,553,000	-	-
Current portion of long-term finance lease receivable	13	-	16,522,583	47,879,487	-	-	-
Other current assets	14	1,394,278,521	941,409,268	1,046,014,937	174,193,011	16,978,211	29,561,153
Total current assets		17,396,921,008	14,460,349,439	13,053,004,157	722,919,192	360,080,469	338,995,544
Non-current assets							
Restricted bank deposits	15	130,894,370	245,481,832	128,792,599	-	-	-
Available-for-sale investments	16	173,103,058	78,959,138	88,456,496	-	-	-
Investments in subsidiaries	17	-	-	-	4,182,482,758	4,174,298,909	3,653,430,862
Other long-term investment	19	-	116,840,451	-	-	-	-
Long-term finance lease receivables - net of current portion	13	-	-	9,460,583	-	-	-
Property, plant and equipment	20	4,962,525,333	5,164,929,814	4,164,133,037	302,779,450	334,715,815	378,461,232
Prepaid rental to a related company	21	192,008,600	204,530,900	217,053,200	192,008,600	204,530,900	217,053,200
Goodwill		329,611,624	324,313,581	217,907,888	-	-	-
Intangible assets	22	256,962,602	305,348,913	311,457,218	-	-	-
Assets held for future projects	23	61,967,255	62,213,396	62,459,541	43,267,255	43,513,396	43,759,541
Deferred tax assets	39	124,231,233	153,442,085	79,695,684	-	-	-
Other non-current assets							
Deposits		79,389,325	72,974,747	60,733,949	4,308,408	4,283,408	3,610,223
Others		54,317,075	48,037,885	38,121,666	7,987,388	9,021,315	9,451,505
Total other non-current assets		133,706,400	121,012,632	98,855,615	12,295,796	13,304,723	13,061,728
Total non-current assets		6,365,010,475	6,777,072,742	5,378,271,861	4,732,833,859	4,770,363,743	4,305,766,563
Total assets		23,761,931,483	21,237,422,181	18,431,276,018	5,455,753,051	5,130,444,212	4,644,762,107

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

Statement of financial position (continued)

Samar Corporation Public Company Limited and its subsidiaries

As at 31 December 2013

(Unit: Baht)

	Note	Consolidated financial statements			Separate financial statements		
		31 December 2013	31 December 2012	1 January 2012	31 December 2013	31 December 2012	1 January 2012
			(Restated)			(Restated)	
Liabilities and shareholders' equity							
Current liabilities							
Bank overdrafts and short-term loans							
from financial institutions	24	6,311,637,643	6,376,180,598	6,445,834,218	195,597,000	129,000,000	165,000,000
Trade and other payables	25	4,140,761,617	3,345,577,077	2,994,161,011	103,933,028	75,480,864	62,468,995
Short-term loans	26	-	495,000	495,000	372,000,000	364,526,852	99,376,852
Short-term debentures	27	1,460,000,000	-	-	-	-	-
Current portion of long-term loans from financial institutions	28	730,549,034	1,534,939,423	629,259,111	53,839,592	1,248,817	1,148,855
Current portion of liabilities under finance lease agreements	29	9,028,104	7,842,296	7,665,722	1,642,163	1,566,555	1,374,118
Income tax payable		63,669,843	39,285,273	91,846,483	-	-	-
Accrued project cost		761,729,858	927,455,754	332,318,103	1,341,011	-	-
Other current liabilities	30	703,872,891	293,389,312	269,377,817	243,193,379	2,959,752	3,985,645
Total current liabilities		14,181,248,990	12,525,164,733	10,770,957,465	971,546,173	574,782,840	333,354,465
Non-current liabilities							
Long-term loans from subsidiary companies	7	-	-	-	628,000,000	628,000,000	534,775,920
Long-term loans from financial institutions - net of current portion	28	1,057,980,994	1,576,994,944	1,464,002,965	356,951,683	410,797,325	412,061,873
Liabilities under finance lease agreements - net of current portion	29	34,397,067	36,188,150	26,910,471	6,204,668	7,846,831	8,374,261
Provision for long-term employee benefits	31	113,733,013	91,661,716	89,819,208	20,112,078	19,371,536	20,216,889
Deferred tax liabilities	39	71,530,263	86,266,003	66,023,751	22,450,472	18,145,107	20,330,092
Other non-current liabilities							
Deposits		7,101,610	6,122,839	3,673,866	16,362,448	14,346,090	14,185,517
Others		3,239,027	3,628,604	843,755	-	1,100	2,300
Total other non-current liabilities		10,340,637	9,751,443	4,517,621	16,362,448	14,347,190	14,187,817
Total non-current liabilities		1,287,981,974	1,800,862,256	1,651,274,016	1,050,081,349	1,098,507,989	1,009,946,852
Total liabilities		15,469,230,964	14,326,026,989	12,422,231,481	2,021,627,522	1,673,290,829	1,343,301,317

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

Statement of financial position (continued)

Samart Corporation Public Company Limited and its subsidiaries

As at 31 December 2013

(Unit: Baht)

Note	Consolidated financial statements			Separate financial statements		
	31 December 2013	31 December 2012	1 January 2012	31 December 2013	31 December 2012	1 January 2012
Liabilities and shareholders' equity (continued)		(Restated)			(Restated)	
Shareholders' equity						
Share capital 32						
Registered						
1,006,503,910 ordinary shares of Baht 1 each (1 January 2012: 1,006,601,830 ordinary shares of Baht 1 each)	1,006,503,910	1,006,503,910	1,006,601,830	1,006,503,910	1,006,503,910	1,006,601,830
Issued and fully paid-up						
1,002,095,910 ordinary shares of Baht 1 each (31 December 2012: 990,647,410 ordinary shares of Baht 1 each, 1 January 2012: 985,629,410 ordinary shares of Baht 1 each)	1,002,095,910	990,647,410	985,629,410	1,002,095,910	990,647,410	985,629,410
Share premium	223,788,411	172,842,586	90,427,113	223,788,411	172,842,586	90,427,113
Share premium of subsidiary companies	1,297,709,737	1,219,907,414	1,204,123,948	-	-	-
Retained earnings						
Appropriated - statutory reserve 33	100,660,183	100,660,183	100,660,183	100,660,183	100,660,183	100,660,183
- treasury shares reserve 41	-	-	88,260,052	-	-	88,260,052
Unappropriated	4,403,291,871	3,680,581,627	3,000,850,450	1,979,682,853	2,061,592,401	1,989,820,650
Other components of shareholders' equity	(723,137,018)	(757,475,085)	(699,977,608)	127,898,172	131,410,803	134,923,434
Equity attributable to owners of the Company	6,304,409,094	5,407,164,135	4,769,973,548	3,434,125,529	3,457,153,383	3,389,720,842
Less: Treasury shares 41	-	-	(88,260,052)	-	-	(88,260,052)
Equity attributable to owners of the Company - net	6,304,409,094	5,407,164,135	4,681,713,496	3,434,125,529	3,457,153,383	3,301,460,790
Non-controlling interests of the subsidiaries	1,988,291,425	1,504,231,057	1,327,331,041	-	-	-
Total shareholders' equity	8,292,700,519	6,911,395,192	6,009,044,537	3,434,125,529	3,457,153,383	3,301,460,790
Total liabilities and shareholders' equity	23,761,931,483	21,237,422,181	18,431,276,018	5,455,753,051	5,130,444,212	4,644,762,107

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

Income statement

Ssmart Corporation Public Company Limited and its subsidiaries

For the year ended 31 December 2013

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
			(Restated)		(Restated)
Revenues					
Sales		15,001,748,347	11,182,692,300	2,149,540	-
Service income	35	7,313,558,925	5,550,203,092	16,422,196	16,211,504
Other income	36	118,254,645	363,771,383	1,084,664,462	890,178,106
Total revenues		22,433,561,917	17,096,666,775	1,103,236,198	906,389,610
Expenses	37				
Cost of sales		11,447,099,089	9,115,066,908	2,066,719	-
Cost of services		5,485,939,596	3,925,730,845	15,929,547	15,723,227
Selling expenses		1,371,787,343	900,453,855	-	-
Administrative expenses		1,211,537,295	1,016,096,145	312,987,753	307,594,419
Other expenses	38.1	87,025,584	124,760,724	21,244,130	14,215,308
Total expenses		19,603,388,907	15,082,108,477	352,228,149	337,532,954
Profit before finance cost and income tax expenses		2,830,173,010	2,014,558,298	751,008,049	568,856,656
Finance cost	38.2	(509,712,644)	(485,990,941)	(42,631,630)	(52,117,584)
Profit before income tax expenses		2,320,460,366	1,528,567,357	708,376,419	516,739,072
Income tax expenses	39	(280,881,526)	(150,808,245)	(45,191,646)	(42,714,180)
Profit for the year		2,039,578,840	1,377,759,112	663,184,773	474,024,892
Profit attributable to:					
Equity holders of the Company		1,468,147,612	1,083,472,616	663,184,773	474,024,892
Non-controlling interests of the subsidiaries		571,431,228	294,286,496		
		2,039,578,840	1,377,759,112		
Earnings per share (Baht)	40				
Basic earnings per share					
Profit attributable to equity holders of the Company		1.47	1.10	0.66	0.48
Diluted earnings per share					
Profit attributable to equity holders of the Company		1.46	1.09	0.66	0.48

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

Statement of comprehensive income

Samart Corporation Public Company Limited and its subsidiaries

For the year ended 31 December 2013

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
Profit for the year		2,039,578,840	(Restated) 1,377,759,112	663,184,773	(Restated) 474,024,892
Other comprehensive income:					
Actuarial losses	31	(536,013)	(3,386,949)	-	(665,936)
Income tax effect	39	107,203	677,390	-	133,187
		(428,810)	(2,709,559)	-	(532,749)
Exchange differences on translation of financial statements in foreign currencies		40,004,409	(15,010,388)	-	-
Income tax effect		-	-	-	-
		40,004,409	(15,010,388)	-	-
Loss on changes in value of available-for-sale investments	16	(12,356,080)	(5,132,309)	-	-
Income tax effect	39	2,471,216	1,026,462	-	-
		(9,884,864)	(4,105,847)	-	-
Other comprehensive income for the year, net of tax		29,690,735	(21,825,794)	-	(532,749)
Total comprehensive income for the year		2,069,269,575	1,355,933,318	663,184,773	473,492,143
Total comprehensive income attributable to:					
Equity holders of the Company		1,500,297,583	1,055,592,830	663,184,773	473,492,143
Non-controlling interests of the subsidiaries		568,971,992	300,340,488		
		2,069,269,575	1,355,933,318		

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

Statement of cash flows

Samarat Corporation Public Company Limited and its subsidiaries

For the year ended 31 December 2013

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
Cash flows from operating activities					
Profit before tax		2,320,460,366	1,528,567,357	708,376,419	516,739,072
Adjustments to reconcile net income before tax to net cash provided by (paid from) operating activities					
Gain on disposal of investments in related parties	36	-	(59,606,554)	(14,551,674)	(32,694,080)
Loss on the subsidiaries' liquidation		-	-	1,615,905	-
Gain on disposal of temporary investments in trading securities	9, 36	(4,068,998)	(9,377,281)	(1,156,933)	(6,168,499)
Gain on disposal of available-for-sale investment	16, 36	-	(1,423,049)	-	-
Gain on sales of property, plant and equipment, intangible assets and assets held for future projects	36	(14,191,024)	(7,164,016)	(46,819)	(796,188)
Income from debt reduction from supplier	36	(295,000)	(68,342,140)	-	-
(Gain) loss on change in value of short-term investment in trading securities	9, 36, 38	3,080,597	(10,273,434)	55,772	(3,432,839)
Unrealised (gain) loss on exchange		7,435,546	(31,597,989)	(421,704)	244,154
Gain on change in fair value of forward contracts		(27,081,642)	(3,841,251)	-	-
Bad debts and doubtful accounts (reversal)		(711,191)	34,625,063	-	-
Allowance for diminution in value of advance for purchase of inventories		9,490,501	355,987	-	-
Write off advance purchase for goods		908,044	-	-	-
Write off other current assets	14	36,252,251	-	-	-
Allowance for diminution in value of deposits		3,319,987	-	-	-
Allowance for diminution in value of sales promotion receivables (reversal)		(3,148,258)	1,081,380	-	-
Allowance for withholding tax deducted at source and refundable value added tax (reversal)		(5,540,240)	21,198,368	(10,044,079)	14,215,308
Write off withholding tax deducted at source		4,035,504	-	2,481,391	-
Provision for employee benefit	31	11,241,115	10,673,638	2,276,542	2,158,711
Reduction cost of inventories to net realisable value (reversal)		29,972,688	(39,762,839)	-	-
Depreciation and amortisation		1,387,963,208	1,185,700,524	50,885,955	62,730,119
Allowance for impairment loss of investment in subsidiaries (reversal)	17, 36, 38.1	-	-	19,572,454	(37,767,132)

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

Statement of cash flows (continued)

Samarit Corporation Public Company Limited and its subsidiaries

For the year ended 31 December 2013

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
Cash flows from operating activities (continued)					
Reversal of allowance for impairment of assets		(1,298,557)	(3,853,110)	-	-
Increase (decrease) in allowance for warranty		12,701,000	(572,000)	-	-
Loss on write off equipment		53,715	889,575	-	-
Transfer equipment to expense		14,810,479	5,452,919	-	-
Gain on compensation receipt from insurance		(4,125,032)	(26,562,409)	-	(4,066,413)
Amortisation of deferred interest expense under finance lease	38.2	2,209,087	4,772,141	410,955	438,254
Interest income	36	(9,098,710)	(10,893,066)	(12,386,216)	(13,423,772)
Interest expense		475,801,116	451,524,099	41,996,105	51,443,319
Income from operating activities before changes in operating assets and liabilities		4,250,176,552	2,971,571,913	789,064,073	549,620,014
Operating assets (increase) decrease					
Trade and other receivables		(1,755,555,590)	(280,009,890)	(3,627,600)	(12,082,765)
Inventories		(1,243,254,648)	(38,186,473)	(134,553,000)	-
Accrued income		1,221,989,179	(1,057,077,306)	(2,282,453)	(180,041)
Other current assets		(270,535,202)	54,942,773	(149,398,180)	347,963
Other non-current assets		(18,418,877)	33,129,414	(661,456)	(1,448,123)
Operating liabilities increase (decrease)					
Trade and other payables		575,799,423	642,132,042	23,676,841	16,867,904
Other current liabilities		362,392,457	(2,242,627)	240,232,526	(1,025,893)
Other non-current liabilities		(15,343,985)	5,233,822	2,016,358	159,373
Cash flows from operating activities		3,107,249,309	2,329,493,668	764,467,109	552,258,432

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

Statement of cash flows (continued)

Samar Corporation Public Company Limited and its subsidiaries

For the year ended 31 December 2013

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
Cash flows from operating activities (continued)					
Proceed from sale of temporary investments in trading securities	9	55,404,957	65,099,842	26,318,672	36,508,595
Cash paid for purchase of temporary investments in trading securities	9	(157,227,646)	(69,600,424)	(22,831,598)	(35,707,739)
Cash paid for employee retirement benefit	31	(2,984,200)	(7,618,019)	(1,536,000)	(3,670,000)
Cash received from repayment from short-term loans to employees		273,462	6,851,897	-	779,708
Cash paid to provide short-term loans to employees		(85,140)	(2,135,650)	-	(262,000)
Cash received from insurance claims for inventories and equipment		31,702	88,594,238	1,492	4,066,413
Cash paid for interest expenses		(474,784,463)	(451,948,936)	(42,648,846)	(55,129,273)
Cash paid for corporate income tax		(516,800,668)	(384,801,454)	(51,541,196)	(45,955,659)
Cash received from income tax refundable		64,316,233	165,193,578	12,562,611	-
Net cash flows from operating activities		2,075,393,546	1,739,128,740	684,792,244	452,888,477
Cash flows from investing activities					
Cash received for interest income		8,970,266	9,324,676	11,949,639	14,143,287
Decrease (increase) in restricted bank deposits		195,864,462	(116,689,233)	-	-
Cash paid to provide short-term loans to related parties	7	-	-	(59,400,000)	(28,800,000)
Cash received from repayment from short-term loans to related parties	7	-	-	4,500,000	31,950,000
Cash received from repayment from short-term loans to unrelated parties		-	14,000,000	-	-
Cash received from finance lease receivables		16,595,700	42,372,000	-	-
Net cash inflows from disposal of investments in subsidiaries	17	70,434,994	59,893,769	17,619,839	42,662,559
Cash paid for additional purchase of investments in subsidiaries	17	(39,868,471)	(92,069,424)	(30,736,849)	(493,069,394)
Net cash outflows from purchase of investments in subsidiaries	17	(109,723,380)	(1,597,150,777)	-	-
Cash received from subsidiary liquidation	17	-	-	4,884,095	-
Proceeds from sales of available-for-sale investments	16	-	5,788,098	-	-
Proceeds from sales of property, plant and equipment, intangible assets and assets hold for future projects		17,290,228	22,244,665	42,354	1,094,147

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

Statement of cash flows (continued)

Samart Corporation Public Company Limited and its subsidiaries

For the year ended 31 December 2013

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
Cash flows from investing activities (continued)					
Cash paid for property, plant and equipment		(932,627,700)	(444,007,452)	(6,018,346)	(5,408,572)
Cash paid for intangible assets		(33,706,875)	(56,899,808)	-	-
Cash received from non-controlling interest of the subsidiaries from establishment of a new subsidiary		-	2,750,000	-	-
Increase (decrease) in non-controlling interests of subsidiaries		(4,849,403)	9,611,738	-	-
Net cash flows used in investing activities		(811,620,179)	(2,140,831,748)	(57,159,268)	(437,427,973)
Cash flows from financing activities					
Increase (decrease) in bank overdrafts		20,267,404	(60,982,631)	-	-
Proceeds from short-term loans from financial institutions		9,113,593,218	12,637,519,115	680,597,000	940,400,000
Cash paid to settle short-term loans from financial institutions		(9,848,669,793)	(13,108,294,059)	(614,000,000)	(926,400,000)
Proceeds from bill of exchange		90,000,000	553,672,878	90,000,000	50,000,000
Cash paid to settle bill of exchange		(1,090,000,000)	(233,131,108)	(90,000,000)	(100,000,000)
Increase in trust receipts		1,650,451,295	145,147,478	-	-
Cash received from debentures	27	1,760,000,000	-	-	-
Cash paid to settle debentures	27	(300,000,000)	-	-	-
Proceeds from long-term loans from financial institutions		-	1,634,500,000	-	-
Cash paid to settle long-term loans from financial institutions		(1,342,811,028)	(599,158,146)	(1,254,866)	(1,164,586)
Cash paid for repayment of loans from unrelated parties		(200,000)	(68,787,355)	-	-
Cash received from short-term loans from related parties	7	-	-	324,000,000	523,427,400
Cash paid to settle short-term loans from related parties	7	-	-	(316,526,852)	(258,277,400)
Cash received from long-term loans from related parties		-	-	-	628,000,000
Cash paid to settle long-term loans from related parties		-	-	-	(534,775,920)
Cash paid to settle liabilities under finance lease agreements		(13,315,226)	(13,161,789)	(1,977,510)	(1,840,345)
Cash received from sales of treasury share		-	148,345,425	-	148,345,425
Dividend paid	42	(748,606,952)	(493,493,075)	(748,606,952)	(493,493,075)
Cash received from additional ordinary share from warrants exercised of the Company and subsidiaries		225,919,951	60,062,850	62,394,325	27,348,100
Increase in non-controlling interest of the subsidiary from additional of share capital of subsidiary		48,900,000	-	-	-
Cash paid for return share capital of subsidiary to non-controlling interests		(2,629,897)	-	-	-
Decrease in non-controlling interests of the subsidiaries from dividend payment		(268,376,018)	(124,119,031)	-	-
Net cash flows from (used in) financing activities		(705,477,046)	478,120,552	(615,374,855)	1,569,599
Increase (decrease) in translation adjustments		653,511	(27,247,618)	-	-
Net increase in cash and cash equivalents		558,949,832	49,169,926	12,258,121	17,030,103
Cash and cash equivalents at beginning of the year		1,118,273,670	1,069,103,744	48,178,618	31,148,515
Cash and cash equivalents at end of the year		1,677,223,502	1,118,273,670	60,436,739	48,178,618

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

Statement of cash flows (continued)

Samart Corporation Public Company Limited and its subsidiaries

For the year ended 31 December 2013

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
Supplement disclosures of cash flows information					
Non-cash items					
Account receivable from sales of temporary investments in trading securities		-	194,462	-	194,462
Account payable from purchase of investment in related parties		6,587,619	-	6,587,619	-
Transfer inventories to equipment		80,754,810	375,595,488	-	-
Transfer equipment to intangible assets		10,709,531	26,932,661	-	-
Transfer advance for purchase of equipment to equipment		-	56,259,137	-	-
Acquisitions of equipment under finance leases agreements		9,385,864	18,804,924	-	1,067,098
Increase in receivable from sale of equipment		-	-	24,000	-
Increase in fixed asset payable		-	5,262,004	181,456	17,960
Transfer temporary investment to available-for-sale investments	9, 16	106,500,000	-	-	-
Transfer other long-term investment to investment in subsidiary		116,840,451	-	-	-

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

Statement of changes in shareholders' equity

Samart Corporation Public Company Limited and its subsidiaries

For the year ended 31 December 2013

(Unit: Baht)

Consolidated financial statements																	
Equity attributable to owners of the Company																	
	Issued and fully paid-up share capital	Share premium	Share premium of subsidiary companies	Retained earnings						Other components of shareholders' equity					Treasury shares	Non-controlling interest of the subsidiaries	Total
				Appropriated			Unappropriated reserve	Other comprehensive income		Surplus on revaluation of land, buildings and improvement of subsidiary companies	Difference on investments in subsidiary companies arising as a result of acquisition and disposals of shares at a price higher than the net book value at the acquisition and disposal date	Total other components of shareholders' equity					
				Statutory reserve	Treasury shares reserve	Exchange differences on translation of financial statements in foreign currencies											
						Surplus (deficit) on change in value of available-for-sale investments		Surplus on revaluation of land, buildings and improvement of subsidiary companies									
Balance as at 31 December 2011 - as previously reported	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	
Cumulative effect of change in accounting policy for deferred tax (Note 4)	-	-	-	-	-	68,196,123	755	(466,931)	(33,730,859)	(45,973,604)	-	(80,170,639)	(11,974,516)	-	25,646,449	13,671,933	
Balance as at 31 December 2011 - as restated	985,629,410	90,427,113	1,204,123,948	100,660,183	88,260,052	3,000,850,450	(169,507,869)	1,867,722	134,923,434	155,866,235	(823,127,130)	(699,977,608)	4,769,973,548	(88,260,052)	1,327,331,041	6,009,044,537	
Profit for the year	-	-	-	-	-	1,083,472,616	(2,021,047)	(2,064,009)	-	-	-	(25,858,739)	(27,679,786)	-	6,053,992	(21,825,794)	
Other comprehensive income for the year	-	-	-	-	-	1,081,451,569	(23,794,730)	(2,064,009)	-	-	-	(25,858,739)	1,055,592,830	-	300,340,488	1,355,933,318	
Total comprehensive income for the year	-	-	-	-	-	(493,493,075)	-	-	-	-	-	-	(493,493,075)	-	-	(493,493,075)	
Dividend paid (Note 42)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Increase share capital and share premium from warrant exercised	5,018,000	22,330,100	-	-	-	-	-	-	-	-	-	-	27,348,100	-	-	27,348,100	
Treasury shares sold during the year	-	60,085,373	-	-	(88,260,052)	88,260,052	-	-	-	-	-	-	60,085,373	88,260,052	-	148,345,425	
Increase in share premium of subsidiary companies	-	-	15,783,466	-	-	-	-	-	-	-	-	-	15,783,466	-	-	15,783,466	
Difference on investments in subsidiary companies arising as a result of acquisition and disposals of shares at a price higher than the net book value at the acquisition and disposal date	-	-	-	-	-	-	-	-	-	-	(26,007,376)	(26,007,376)	(26,007,376)	-	-	(26,007,376)	
Transferred surplus on land, buildings and building improvement to retained earnings	-	-	-	-	-	3,512,631	-	-	(3,512,631)	-	-	(3,512,631)	-	-	-	-	
Transferred surplus on land, buildings and building improvement of subsidiaries to retained earnings	-	-	-	-	-	-	-	-	-	(2,118,731)	-	(2,118,731)	(2,118,731)	-	(5,513)	(2,124,244)	
Decrease in non-controlling interests of the subsidiaries from dividend payment of subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(124,119,030)	(124,119,030)	
Increase in non-controlling interests of the subsidiaries from establishment of a new subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,750,000	2,750,000	
Decrease in non-controlling interest in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,065,929)	(2,065,929)	
Balance as at 31 December 2012	990,647,410	172,842,586	1,219,937,414	100,660,183	-	3,680,581,627	(193,302,599)	(196,287)	131,410,803	153,747,504	(849,134,506)	(757,475,085)	5,407,164,135	-	1,504,231,057	6,911,395,192	

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

Statement of changes in shareholders' equity (continued)

Samart Corporation Public Company Limited and its subsidiaries

For the year ended 31 December 2013

(Unit: Baht)

	Consolidated financial statements (continued)													
	Equity attributable to owners of the Company													
	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 shareholders of the Company	Non-controlling interest of the subsidiaries	Total
						Other comprehensive income		Surplus on revaluation of land, buildings and improvement of subsidiary companies	Surplus on revaluation of land, buildings and improvement of subsidiary companies	Difference on investments in subsidiary companies arising as a result of acquisition and disposals of shares at a price higher than the net book value at the acquisition and disposal date				
Exchange differences on transition of financial statements in foreign currencies						Deficit on changes in value of available-for-sale investments								
Balance as at 31 December 2012 - as previously reported	990,647,410	172,842,586	1,219,907,414	100,660,183	3,600,751,944	(194,450,504)	(245,359)	164,263,504	200,188,828	(849,134,506)	(679,378,037)	5,405,431,500	1,468,248,383	6,873,679,883
Cumulative effect of charge in accounting policy for deferred tax (Note 4)	-	-	-	-	79,829,683	1,147,905	49,072	(32,852,701)	(46,441,324)	-	(78,097,048)	1,732,635	35,982,674	37,715,309
Balance as at 31 December 2012 - as restated	990,647,410	172,842,586	1,219,907,414	100,660,183	3,680,581,627	(193,302,599)	(196,287)	131,410,803	153,747,504	(849,134,506)	(757,475,085)	5,407,164,135	1,504,231,057	6,911,395,192
Profit for the year	-	-	-	-	1,468,147,612	-	-	-	-	-	-	1,468,147,612	571,431,228	2,039,578,840
Other comprehensive income for the year	-	-	-	-	(343,048)	37,462,140	(4,969,121)	-	-	-	32,493,019	32,149,971	(2,459,236)	29,690,735
Total comprehensive income for the year	-	-	-	-	1,467,804,564	37,462,140	(4,969,121)	-	-	-	32,493,019	1,500,297,583	568,971,992	2,069,269,575
Dividend paid (Note 42)	-	-	-	-	(748,606,952)	-	-	-	-	-	-	(748,606,952)	-	(748,606,952)
Increase share capital and share premium from warrant exercised (Note 32)	11,448,500	50,945,825	-	-	-	-	-	-	-	-	-	62,394,325	-	62,394,325
Increase in share premium of subsidiary companies	-	-	77,802,323	-	-	-	-	-	-	-	-	77,802,323	-	77,802,323
Difference on investments in subsidiary companies arising as a result of acquisition and disposals of shares at a price higher than the net book value at the acquisition and disposal date	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transferred surplus on buildings and building improvement to retained earnings	-	-	-	-	-	-	-	-	-	5,814,784	5,814,784	5,814,784	-	5,814,784
Transferred surplus on buildings and building improvement of subsidiaries to retained earnings	-	-	-	-	3,512,632	-	-	(3,512,632)	-	-	(3,512,632)	-	-	-
Decrease in non-controlling interests of the subsidiaries from dividend payment of subsidiary	-	-	-	-	-	-	-	-	(457,104)	-	(457,104)	(457,104)	(5,497)	(462,601)
Increase in non-controlling interest of the subsidiary from acquisition of investment	-	-	-	-	-	-	-	-	-	-	-	-	(268,376,018)	(268,376,018)
Increase in non-controlling interest from increase in registered capital of the subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	41,985,200	41,985,200
Increase in non-controlling interest in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	48,900,000	48,900,000
Decrease in non-controlling interest from liquidation in subsidiary	-	-	-	-	-	-	-	-	-	-	-	(2,629,897)	95,214,588	95,214,588
Decrease in non-controlling interest from liquidation in subsidiary	-	-	-	-	-	-	-	-	-	-	-	(2,629,897)	(2,629,897)	-
Balance as at 31 December 2013	1,002,095,910	223,788,411	1,297,709,737	100,660,183	4,403,291,871	(155,840,459)	(5,165,408)	127,898,171	153,290,400	(843,319,722)	(725,137,018)	6,304,409,094	1,988,291,425	8,292,700,519

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

Statement of changes in shareholders' equity (continued)

Samart Corporation Public Company Limited and its subsidiaries

For the year ended 31 December 2013

(Unit: Baht)

	Separate financial statements							
	Share capital issued and fully paid	Share premium	Retained earnings			Other components of shareholders' equity	Treasury stock	Total
			Appropriated		Unappropriated			
			Statutory reserve	Treasury stock reserve		Surplus on property, plant and equipment revaluation		
Balance as at 31 December 2011 - as previously reported	985,629,410	90,427,113	100,660,183	88,260,052	1,976,419,883	168,654,293	(88,260,052)	3,321,790,882
Cumulative effect of change in accounting policy for deferred tax (Note 4)	-	-	-	-	13,400,767	(33,730,859)	-	(20,330,092)
Balance as at 31 December 2011 - as restated	985,629,410	90,427,113	100,660,183	88,260,052	1,989,820,650	134,923,434	(88,260,052)	3,301,460,790
Profit for the year	-	-	-	-	474,024,892	-	-	474,024,892
Other comprehensive income for the year	-	-	-	-	(532,749)	-	-	(532,749)
Total comprehensive income for the year	-	-	-	-	473,492,143	-	-	473,492,143
Dividend paid (Note 42)	-	-	-	-	(493,493,075)	-	-	(493,493,075)
Increase share capital and share premium from warrant exercised (Note 32)	5,018,000	22,330,100	-	-	-	-	-	27,348,100
Treasury shares sold during the year (Note 41)	-	60,085,373	-	(88,260,052)	88,260,052	-	88,260,052	148,345,425
Transferred revaluation surplus on land, buildings and building improvement to retained earnings	-	-	-	-	3,512,631	(3,512,631)	-	-
Balance as at 31 December 2012	990,647,410	172,842,586	100,660,183	-	2,061,592,401	131,410,803	-	3,457,153,383

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

Statement of changes in shareholders' equity (continued)

Samart Corporation Public Company Limited and its subsidiaries

For the year ended 31 December 2013

(Unit: Baht)

	Separate financial statements (continued)					
	Share capital issued and fully paid	Share premium	Retained earnings		Other components of shareholders' equity	Total
			Appropriated - statutory reserve	Unappropriated		
Balance as at 31 December 2012 - as previously reported	990,647,410	172,842,586	100,660,183	2,046,884,807	164,263,504	3,475,298,490
Cumulative effect of change in accounting policy for deferred tax (Note 4)	-	-	-	14,707,594	(32,852,701)	(18,145,107)
Balance as at 31 December 2012 - as restated	990,647,410	172,842,586	100,660,183	2,061,592,401	131,410,803	3,457,153,383
Profit for the year	-	-	-	663,184,773	-	663,184,773
Total comprehensive income for the year	-	-	-	663,184,773	-	663,184,773
Dividend paid (Note 42)	-	-	-	(748,606,952)	-	(748,606,952)
Increase share capital and share premium from warrant exercised (Note 32)	11,448,500	50,945,825	-	-	-	62,394,325
Transferred surplus on land, buildings and building improvement revaluation to retained earnings	-	-	-	3,512,631	(3,512,631)	-
Balance as at 31 December 2013	1,002,095,910	223,788,411	100,660,183	1,979,682,853	127,898,172	3,434,125,529

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

Notes to consolidated financial statements

Samarit Corporation Public Company Limited and its subsidiaries

For the year ended 31 December 2013

1. General information

Samarit Corporation Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the design and installation of telecommunications systems, and the sales of telecommunications equipment. The registered office of the Company is at 99/1 Moo 4, Software Park Building, 35th Floor, Chaengwattana Road, Klong Gluar, Pak-Kred, Nonthaburi.

2. Basis of preparation

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 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 Samarit Corporation Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”):

Subsidiaries directly held by the Company

Company's name	Nature of business	Country of incorporation	Percentage of shareholding (direct and indirect)	
			2013 Percent	2012 Percent
The Samarit Engineering Co., Ltd.	Manufacture and distribution of television and radio antenna and satellite antenna dishes	Thailand	100	100
Samarit U-Trans Co., Ltd.	Provision for system integrator for transportation energy and utilities system (2012: Distribution of telecommunications products in international market)	Thailand	100	100
Samarit Research & Development Co., Ltd.	Deregister its business in 2013, currently is in process of liquidation (2012: Research and development of telecommunications products)	Thailand	100	100
Samarit Telcoms Public Co., Ltd.	Sale of Telecoms equipment including designation, installation and communications system services	Thailand	70.20	70.89
Samarit I-Mobile Public Co., Ltd.	Distribution of communication and electronic equipment	Thailand	58.74	59.89
One to One Contacts Public Co., Ltd.	Provision for customer contact center services	Thailand	99.11	99.13
Vision and Security System Co., Ltd.	Provide services, sale, installation of security system, audio and video conference, wire and wireless communication system	Thailand	70	70

Company's name	Nature of business	Country of incorporation	Percentage of shareholding (direct and indirect)	
			2013 Percent	2012 Percent
Suvarnabhumi Environment Services Co., Ltd.	Provision of waste management services in vicinity of Suvarnabhumi Airport	Thailand	90	90
Suvarnabhumi Environment Care Co., Ltd.*	Provision of waste management services in vicinity of Suvarnabhumi Airport	Thailand	90	90
Samart RadiTech Co., Ltd.	Provision for nuclear technology services and use of radiation for commercial purposes	Thailand	100	100
Newly established company	Liquidated business in 2013 (2012: Not yet started operation)	Thailand	-	65
Samart Digital TV Co., Ltd.	Provision for services of audio and video system	Thailand	100	100
Cambodia Samart Co., Ltd. (The Company has control over this company's operations)	Distribution of communication and electronic equipment in Cambodia	Cambodia	49	49
Samart Inter Holding Co., Ltd.	The holding company for investing in public utilities in the Indochina region	Hong Kong	100	100

* Suvarnabhumi Environment Care Co., Ltd. is in process of transferring its operation to Suvarnabhumi Environment Services Co., Ltd.

Indirect subsidiaries held by the Company's subsidiaries

Company's name	Nature of business	Country of incorporation	Percentage of indirect shareholding	
			2013 Percent	2012 Percent
Subsidiaries directly held by One to One Contacts Public Co., Ltd.				
One to One Professional Co., Ltd.	Provide company personnel to perform work regarding providing information, news and information center on-site and off-site	Thailand	99.11	99.13
One to One (Cambodia) Co., Ltd.	Provision of customer contact service	Cambodia	99.11	-
Subsidiaries held by Samart Inter Holding Co., Ltd.				
Cambodia Air Traffic Services Co., Ltd.	Provision of air traffic control services in Cambodia	Cambodia	100	100
Kampot Power Plant Co., Ltd.	Production and sale of electricity to Kampot Cement factory in Cambodia which produces cement, an affiliate of Siam Cement Group	Cambodia	100	100
Subsidiary held by The Samart Engineering Co., Ltd.				
Contact-In-One Co., Ltd.	Institute of telecommunication mechanic	Thailand	100	100
Subsidiaries held by Samart Telcoms Public Co., Ltd.				
Samart Communication Services Co., Ltd.	Design and installation of communication network, public rural telephone project	Thailand	70.20	70.89
Posnet Co., Ltd.	Electronic fund transfer	Thailand	70.20	70.89
Thai Trade Net Co., Ltd.	Electronic data interchange	Thailand	70.20	70.89
Samart Broadband Services Co., Ltd.	Ceased its operation since 2008	Thailand	70.20	70.89
Samart Comtech Co., Ltd.	Design and installation of telecommunications networks	Thailand	70.20	70.89

Company's name	Nature of business	Country of incorporation	Percentage of indirect shareholding	
			2013 Percent	2012 Percent
Subsidiaries held by Samart Telcoms Public Co., Ltd. (continued)				
Smarterware Co., Ltd.	Manufacture production of software packages and provision of software development services	Thailand	70.20	70.89
Samart Telecommunication (Cambodia) Co., Ltd.	Ceased business in 2010, currently is in processing of liquidation	Cambodia	70.20	70.89
Samart Infonet Co., Ltd.	Provision for internet services	Thailand	70.20	70.89
Samart eD Tech Co., Ltd.	E-learning courseware development consultation	Thailand	70.20	70.89
Net Media Co., Ltd.	Distribution of Information system and communications equipment	Thailand	70.20	70.89
Portalnet Co., Ltd.	Design and installation of Enterprise Resource Planning (ERP) system and fully integrate ERP solution for government and public sectors	Thailand	70.20	70.89
Subsidiary held by Samart Broadband Services Co., Ltd.				
IT Absolute Co., Ltd.	Distribution of information system and communications equipment	Thailand	70.20	70.89

In addition, these consolidated financial statements include transactions of the following consortium, in which Portalnet Co., Ltd is a participant:

<u>Name</u>	<u>Objective</u>	<u>Consortium Type</u>	<u>Country</u>
Consortium SPIES	The leasing of an application software for core business operations to the Provincial Electricity Authority	Joint control	Thailand

Company's name	Nature of business	Country of incorporation	Percentage of indirect shareholding	
			2013 Percent	2012 Percent
Subsidiaries held by Samart I-Mobile Public Co., Ltd.				
Samart Multimedia Co., Ltd.	Provision content services via audiotext and call center	Thailand	58.74	59.89
Samart Mobile Services Co., Ltd.	Distribution of information technology devices	Thailand	57.21	58.33
I-Mobile International Co., Ltd.	Invest in distribution of mobile phones bundled with content business in overseas territories	Thailand	58.74	59.89
Brain Source Co., Ltd.	Research and development of mobile phone applications	Thailand	58.74	59.89
I-Mobile Plus Co., Ltd.	Provision of wireless telecommunication business	Thailand	58.74	59.89
Subsidiaries held by Samart Multimedia Co., Ltd.				
Take A Look Co., Ltd.	Provision of consulting services related to smart phone product design and development (2012: Provision of advertising and billboard advertisement services and preparation)	Thailand	58.74	40.12

Company's name	Nature of business	Country of incorporation	Percentage of indirect shareholding	
			2013 Percent	2012 Percent
Samart Interactive Media Co., Ltd.	Distribution of goods and provision of services related to horoscopes and astrology	Thailand	58.74	59.89
I-Sport Co., Ltd.	Provision of information of sports via full option interactive multimedia	Thailand	29.37	29.95
Entertainment Tree Co., Ltd. (Samart I-Mobile Public Co., Ltd. has control and sets policies for operation and financial management over this company)	Production, sale and provision of all kinds of entertainment-related control through multiple channels	Thailand	26.43	26.95
Subsidiaries held by I-Mobile International Co., Ltd.				
Samart I-Mobile (Malaysia) Sdn. Bhd.	Distributor of mobile phones and provider of entertainment content	Malaysia	58.74	59.89
I-Mobile (Cambodia) Co., Ltd.	Ceased business in 2006, currently is in process of liquidation	Cambodia	-	-
Pt. Samart I-Mobile Indonesia	Distributor of mobile phones and accessories	Indonesia	58.74	59.89
Teleconnex Co., Ltd. (formerly known as "Samart I-Mobile (Hong Kong) Ltd.")	Distributor of mobile phones and accessories	Hong Kong	58.74	59.89
I-Mobile Inter trade Co., Ltd.	Provision of mobile phone development services (2012: Export I-Mobile products)	Thailand	58.74	59.89
Subsidiary held by Samart I-Mobile (Malaysia) Sdn. Bhd.				
Pemata Benar Sdn. Bhd.	Not yet operation	Malaysia	58.74	59.89
Subsidiary held by I-Mobile Intertrade Co., Ltd.				
I-Mobile Direct Co., Ltd. (formerly known as "The Sky Place Co., Ltd.)	Ceased its temporary operation	Thailand	58.74	-
Subsidiary held by I-Sport Co., Ltd.				
I-Sport Media Co., Ltd.	Operation in digital TV channels	Thailand	29.37	-

- 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 currencies" in the statement 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 statement of financial position.
- g) In recording the acquisition of additional shares of subsidiaries (repurchase of shares from non-controlling interests) when the fair value of the net assets acquired is lower than the cost of the investment the difference has been presented in other components of 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 other components of shareholders' equity in the statement of financial position under the caption of "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 under the cost method, have been prepared solely for the benefit of the public.

3. New accounting standards

Below is a summary of accounting standards that became effective in the current accounting year and those that will become effective in the future.

- (a) Accounting standards that became effective in the current accounting year

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

Financial Reporting Standard:

TFRS 8	Operating Segments
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Accounting Standard Interpretations:

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

Accounting Treatment Guidance for Transfers of Financial Assets

These accounting standards, financial reporting standard, accounting standard interpretations and accounting treatment guidance do not have any significant impact on the financial statements, except for the following accounting standard.

TAS 12 Income Taxes

This accounting standard requires an entity to identify temporary differences between the carrying amount of an asset or liability in the statement of financial position and its tax base and recognise the tax effects as deferred tax assets or liabilities subjecting to certain recognition criteria. The Company and its subsidiaries have changed this accounting policy in this current period and restated the prior year's financial statements, presented as comparative information, as though the Company and its subsidiaries had initially recognised the tax effects as deferred tax assets or liabilities. The cumulative effect of this change in accounting policy has been presented in Note 4 to the financial statements.

- (b) Accounting standards that will become effective in the future

		<u>Effective date</u>
Accounting Standards:		
TAS 1 (revised 2012)	Presentation of Financial Statements	1 January 2014
TAS 7 (revised 2012)	Statement of Cash Flows	1 January 2014
TAS 12 (revised 2012)	Income Taxes	1 January 2014
TAS 17 (revised 2012)	Leases	1 January 2014
TAS 18 (revised 2012)	Revenue	1 January 2014
TAS 19 (revised 2012)	Employee Benefits	1 January 2014
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates	1 January 2014
TAS 24 (revised 2012)	Related Party Disclosures	1 January 2014
TAS 28 (revised 2012)	Investments in Associates	1 January 2014
TAS 31 (revised 2012)	Interests in Joint Ventures	1 January 2014
TAS 34 (revised 2012)	Interim Financial Reporting	1 January 2014

		<u>Effective date</u>
TAS 36 (revised 2012)	Impairment of Assets	1 January 2014
TAS 38 (revised 2012)	Intangible Assets	1 January 2014
Financial Reporting Standards:		
TFRS 2 (revised 2012)	Share-based Payment	1 January 2014
TFRS 3 (revised 2012)	Business Combinations	1 January 2014
TFRS 4	Insurance Contracts	1 January 2016
TFRS 5 (revised 2012)	Non-current Assets Held for Sale and Discontinued Operations	1 January 2014
TFRS 8 (revised 2012)	Operating Segments	1 January 2014
Accounting Standard Interpretations:		
TSIC 15	Operating Leases - Incentives	1 January 2014
TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	1 January 2014
TSIC 29	Service Concession Arrangements: Disclosures	1 January 2014
TSIC 32	Intangible Assets - Web Site Costs	1 January 2014
Financial Reporting Standard Interpretations:		
TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	1 January 2014
TFRIC 4	Determining whether an Arrangement contains a Lease	1 January 2014
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	1 January 2014
TFRIC 7	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies	1 January 2014
TFRIC 10	Interim Financial Reporting and Impairment	1 January 2014
TFRIC 12	Service Concession Arrangements	1 January 2014
TFRIC 13	Customer Loyalty Programmes	1 January 2014
TFRIC 17	Distributions of Non-cash Assets to Owners	1 January 2014
TFRIC 18	Transfers of Assets from Customers	1 January 2014

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

TFRIC 4 Determining whether an Arrangement contains a Lease

This TFRIC requires an entity to determine whether an arrangement is, or contains, a lease, based on the substance of the arrangement. If an arrangement is, or contains, a lease, the payments for the lease should be separated from payments for any other elements in the arrangement. The management of the Company expects the adoption of this TFRIC to have the effect of decreasing the subsidiaries' brought-forward retained earnings of the year 2014 by approximately USD 0.5 million (equivalent to Baht 16 million) (Separate financial statement: Not relevant to the Company).

TFRIC 12 Service Concession Arrangements

This TFRIC gives guidance on the accounting by operators for recognising and measuring the obligations and related rights in public-to-private service concession arrangement. The operators shall recognise the consideration received or receivable at its fair value to be rights to a financial asset or to an intangible asset, depending on the conditions of service concession arrangement. The management of the Company expects the adoption of this TFRIC to have the effect of increasing its subsidiaries' brought-forward retained earnings of the year 2014 by approximately USD 10 million (equivalent to Baht 344 million) (Separate financial statements: Not relevant to the Company).

4. Cumulative effect of changes in accounting policies due to the adoption of new accounting standard

During the current year, the Company and its subsidiaries made the changes described in Note 3 to the financial statements to its significant accounting policies, as a result of the adoption of Thai Accounting Standard 12 Income Taxes. The cumulative effect of the changes in the accounting policies has been separately presented in the statements of changes in shareholders' equity.

The amounts of adjustments affecting the statements of financial position, income statements and the statements of comprehensive income are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	31 December 2013	31 December 2012	1 January 2012	31 December 2013	31 December 2012	1 January 2012
Statements of financial position						
Increase in deferred tax assets	124,231	153,442	79,695	-	-	-
Increase in deferred tax liabilities	71,530	86,266	66,023	22,450	18,145	20,330
Increase in non-controlling interests of the subsidiaries	42,057	35,983	25,647	-	-	-
Increase in unappropriated retained earnings	86,292	79,830	68,196	9,524	14,707	13,401
Decrease in other components of shareholders' equity	(75,648)	(78,097)	(80,171)	(31,974)	(32,852)	(33,731)

(Unit: Thousand Baht)

	For the year ended 31 December			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Income statements				
Increase (decrease) in income tax expenses	21,419	(51,025)	4,305	(2,052)
Decrease in profit attributable to non-controlling interest of the subsidiaries	(3,482)	14,992	-	-
Increase (decrease) in profit attributable to equity holders of the Company	(17,937)	36,033	(4,305)	2,052
Increase (decrease) in basic earnings per share (Baht)	(0.0179)	0.0365	(0.0043)	0.0021
Increase (decrease) in diluted earnings per share (Baht)	(0.0179)	0.0365	(0.0043)	0.0021
Statements of other comprehensive income				
Gain on changes in value of available-for-sale investments	2,471	1,026	-	-

5. Significant accounting policies

5.1 Revenue recognition

Sales of goods

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.

Rendering of services

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

Transponder rental income

Transponder rental income is recognised as revenue on a monthly accrual basis, in accordance with the payments due under the agreement.

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.

Selling support income

Selling support income, is recognised as income on an accrual basis.

Entrance fee on franchise agreement

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

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.

Revenue from telephone services

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

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.

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 effective interest rate.

Interest income

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

Dividends

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

5.2 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.

5.3 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.

5.4 Inventories

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

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

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

5.5 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 available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded in other comprehensive income, and will be recorded in profit or loss when the securities are sold.
- c) Investments in subsidiaries are accounted for in the separate financial statements using the cost method.

The fair value of marketable securities is based on the latest bid price of the last working day of the year as quoted on the Stock Exchange of Thailand. 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 and its subsidiaries 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 and its subsidiaries reclassify investments from one type to another, such investments will be readjusted to their fair value as at the reclassification date. The difference between the carrying amount of the investments and the fair value on the date of reclassification are recorded in profit or loss or recorded as other components of shareholders' equity, depending as the type of investment that is reclassified.

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

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

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

All items of property and plant 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 fair value at the end of reporting period.

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

- When an asset's carrying amount is increased as a result of 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 "Revaluation surplus". However, a revaluation increase is recognised as income to the extent that it reverses a revaluation decrease in respect of the same asset previously recognised as an expense.
- When an asset's carrying amount is decreased as a result of a revaluation of the Company and subsidiaries' assets, the decrease is recognised in profit or loss. However, the revaluation decrease

is charged to the other comprehensive income to the extent that it does not exceed an amount already held in "Revaluation surplus" in respect of the same asset.

Depreciation of plant is calculated by reference to the revalued amounts. Depreciation of equipment is calculated by reference to their costs. Depreciation is calculated on a straight-line basis over the following estimated useful lives:

Buildings and improvement	-	3 - 33 years
Office equipment	-	3 - 10 years
Machinery and equipment	-	2 - 15 years
Motor vehicles	-	5 years

Depreciation is included in determining income.

No depreciation is provided on land and assets under installation.

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

5.7 Intangible assets

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
Computer software	5 and 10 years and contract periods
Right under the distribution agreement	2 years
Right under license agreement	
for audio-visual of football match	3 years
Right under license for provide	
communications via satellite	5 years

5.8 Business combinations and goodwill

Business combinations are accounted for using the acquisition method with the cost of the acquisition being the fair value at the acquisition date of consideration transferred, and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest, if any, in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets.

Acquisition-related costs are accounted for as expenses in the periods in which the costs are incurred and the services are received.

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

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

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the 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.

5.9 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.

5.10 Long-term leases

Finance leases

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

Operating leases

Leases of property, plant and equipments which do not transfer substantially all the risks and rewards of ownership are 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.

5.11 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.

5.12 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

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.

5.13 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 carry 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 and its subsidiaries estimate the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case the reversal, which exceeds the carrying amount that would have been determined, is treated as a revaluation increase.

5.14 Employee benefits

Short-term employee benefits

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

Post-employment benefits

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.

The defined benefits liability comprises the present value of the defined benefit obligation less unrecognised past service cost and unrecognised actuarial gains or losses.

Provision for vacation

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

5.15 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.

5.16 Income tax

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

Current income tax

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

Deferred tax

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

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

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

The Company and its subsidiaries record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

5.17 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.

6. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

Construction contracts

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

Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgement 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 judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

Reduction of inventories to net realisable value

Determining the reduction cost of inventories to net realisable value 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 reduction cost of inventories for obsolete, slow-moving and deteriorated inventories, and taking into account the approximate useful life of each type of inventory and current changes in technology.

Allowance for diminution in value of withholding tax deducted at sources

The Company and its subsidiaries regard withholding tax deducted at sources as an asset since they have the right to claim for a refund of it. The net realisable value of tax depends on the exercise of the right to claim it, and the results of any tax audit by the Revenue officials. However, the management has used judgement to assess the outcome of the refund claim and believes that the provision made as at the reporting period would be sufficient.

Impairment of equity investments

The 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 judgement 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 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 judgements 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.

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that the Company and its subsidiaries are probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

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

7. Related party transactions

During the years, the Company and its subsidiaries had significant business transactions with related parties, principally in respect of the purchase and sales of goods, services and loans. Such transactions, which were summarised below, were concluded on terms and bases agreed upon between the Company and its related parties. The pricing policies with its related parties summarised as follows:

1. Sales prices are determined at market price, if there is unknown market price, sales price will be determined at cost plus a margin not over 15 percent. However, the pricing policy is subject to change depending on the type of business and market competition at the time being.
2. Management fees and rental income are charged at the amount stated in the agreement.
3. IT service fees income from subsidiary companies are charged at the amount stated in the agreement based on cost plus a margin not over five percent.
4. Other service income and expenses are charged at a mutually agreed price.
5. Interest on loans are charged at cost plus margin as follows:
 - 5.1 The Minimum Loan Rate (MLR) of a local commercial bank plus one percent per annum.
 - 5.2 Cost of fund plus 0.25 percent per annum.
 - 5.3 Average saving deposit rate of the big five commercial banks 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. Guarantee fee is charged between the parties at a rate of 0.3 percent per annum.
8. Management benefit expenses are charged as approved by the shareholders' meeting or contractually agreed price.
9. Dividend income is recognised when declared and the right to receive the dividend is established.

Significant business transactions between the Company and its related parties were summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Transactions with subsidiary companies				
(eliminated from the consolidated financial statements)				
Purchase of goods and services	-	-	152	16
Purchases of fixed assets	-	-	1	2
Management fee income	-	-	366	316
IT Service fee income	-	-	96	96
Dividend income (Note 17)	-	-	513	289
Interest income	-	-	12	13
Guarantee fee income	-	-	2	2
Other income	-	-	67	69
Other expenses	-	-	10	4
Interest expenses	-	-	9	19
Transactions with related companies				
Sales and service income	1	4	-	-
Purchase of goods and service	19	17	-	-
Purchases of fixed assets	6	3	-	-
Other expenses	91	79	55	49

As at 31 December 2013 and 2012, the balances of the account between the Company and those related parties were as follows:

((Unit: Thousand Baht))

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Trade accounts receivable - related parties (Note 10)				
Related companies (related by shareholder)	920	174	-	-
Total trade accounts receivable - related parties	920	174	-	-
Amount due from and advance to related parties (Note 10)				
Subsidiary companies	-	-	47,438	63,018
Related companies (related by shareholder)	708	752	238	282
Total amount due from and advance to related parties	708	752	47,676	63,300
Trade accounts payable - related parties (Note 25)				
Subsidiary company	-	-	56,852	41,530
Related companies (related by shareholder)	69	-	-	-
Total trade accounts payable - related parties	69	-	56,852	41,530
Other payables and accrued interest expenses - related parties (Note 25)				
Subsidiary companies	-	-	3,041	2,887
Related companies (related by shareholder)	6,606	9,183	1,147	148
Total other payables and accrued interest expenses - related parties	6,606	9,183	4,188	3,035

Loans to related parties and loans from related parties

As at 31 December 2013 and 2012, the balances of loans between the Company and those related parties and the movements were as follows:

Loans to subsidiary companies

(Unit: Thousand Baht)

Short-term loans to subsidiary companies	Separate financial statements			
	31 December 2012	During the year		31 December 2013
		Increase	Decrease	
Suvarnabhumi Environment Care Co., Ltd.	77,001	59,400	-	136,401
Samart Telcoms Public Co., Ltd.	93,000	-	-	93,000
Samart Digital TV Co., Ltd.	3,000	-	-	3,000
Samart RadiTech Co., Ltd.	4,500	-	(4,500)	-
Total	177,501	59,400	(4,500)	232,401

Loans from subsidiary companies

(Unit: Thousand Baht)

Short-term loans to subsidiary companies	Separate financial statements			
	31 December 2012	During the year		31 December 2013
		Increase	Decrease	
Samart U-Trans Co., Ltd.	338,000	324,000	(295,000)	367,000
The Samart Engineering Co., Ltd.	8,500	-	(3,500)	5,000
Samart Research and Development Co., Ltd.	10,627	-	(10,627)	-
Newly established company	7,400	-	(7,400)	-
Total	364,527	324,000	(316,527)	372,000

(Unit: Thousand Baht)

Long-term loans to subsidiary companies	Separate financial statements			
	31 December 2012	During the year		31 December 2013
		Increase	Decrease	
Cambodia Air Traffic Services Co., Ltd.	442,000	-	-	442,000
Kampot Power Plant Co., Ltd.	186,000	-	-	186,000
Total	628,000	-	-	628,000

- On 27 November 2012, the Company obtained a Baht loan from Cambodia Air Traffic Services Co., Ltd., amounting to Baht 442 million which bears interest at the average saving deposit rate of the big five commercial banks plus 0.25 percent per annum. This loan will be mature in full in the fifth year (26 November 2017) from the date of first drawdown (27 November 2012).
- On 7 December 2012, the Company obtained a Baht loan from Kampot Power Plant Co., Ltd., amounting to Baht 186 million which bears interest at the average saving deposit rate of the big five commercial banks plus 0.25 percent per annum. This loan will be mature in full in the fifth year (6 December 2017) from the date of first drawdown (7 December 2012).

Directors and management's benefits

During the year ended 31 December 2013 and 2012, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Short-term employee benefits	86.6	90.0	24.6	23.4
Post-employment benefits	0.7	0.7	0.3	0.3
Total	87.3	90.7	24.9	23.7

Significant agreements with related party*Long-term rental agreements*

On 1 August 2012, the Company and its subsidiary companies entered into a three-year office rental agreements with Vilailuck International Holding Co., Ltd., a related company, for use in their operations. The Company and its subsidiary companies have to pay a monthly rental fee approximately Baht 2 million (Separate financial statements: Baht 1 million).

The commitment under the operating lease agreements with the related party was disclosed in Note 46.2.1 to the financial statements.

Service agreement

On 1 May 2011, the Company and its subsidiary companies entered into the three-year facility service agreements with Vilailuck International Holding Co., Ltd., a related company, under which they have to pay monthly facility service fees approximately Baht 4 million (Separate financial statements: Baht 2 million).

Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its related parties, as described in Note 46.4.2 to the financial statements.

8. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Cash	2,702	7,485	20	20
Bank deposits	1,805,416	1,356,270	60,417	48,159
Restricted bank deposits	(130,894)	(245,481)	-	-
Total	1,677,224	1,118,274	60,437	48,179

As at 31 December 2013, bank deposits carried interests at the rate between 0.05 and 2.50 percent per annum (2012: between 0.05 and 2.50 percent per annum).

9. Temporary investments

As at 31 December 2013 and 2012, the Company and its subsidiary companies had temporary investments in trading securities as follows:

Common stock/Warrant	Consolidated financial statements					
	2013			2012		
	Shares	Cost	Fair value	Shares	Cost	value
	(Thousand Shares)	(Thousand Baht)	(Thousand Baht)	(Thousand Shares)	(Thousand Baht)	(Thousand Baht)
Siam Inter Multimedia Plc.	373	852	485	350	851	777
Diamond Building Products Plc.	-	-	-	3,086	22,568	22,680
Ascon Construction Plc.	6,478	40,745	-	6,478	40,745	-
Wattana Capital Plc. (formerly known as "Living Land Capital Plc.")	2,010	2,089	121	2,010	2,438	623
Thaicom Plc.	350	11,164	13,825	100	771	2,310
S.E.C. Auto Sales and Services Plc.	1,290	4,058	-	1,290	4,058	-
Capital Engineering Network Plc.	1,900	7,880	5,852	-	-	-
EMC plc.	3,800	6,331	2,052	-	-	-
Warrant No. 3 of Siam Sport Syndicate Plc.	372	565	1,003	372	565	495
Warrants of Wattana Capital Plc. (formerly known as "Living Land Capital Plc.")	335	348	10	-	-	-
SCB Munkhong Open End Fund	10	100	142	-	-	-
Total		74,132	23,490		71,996	26,885
Less: Change in value		(50,642)			(45,111)	
Total temporary investments in trading securities		23,490			26,885	

Common stock/Warrant	Separate financial statements					
	2013			2012		
	Shares	Cost	Fair value	Shares	Cost	value
	(Thousand Shares)	(Thousand Baht)	(Thousand Baht)	(Thousand Shares)	(Thousand Baht)	(Thousand Baht)
Thaicom Plc.	100	3,384	3,950	-	-	-
Capital Engineering Network Plc.	500	2,076	1,540	-	-	-
Warrant No. 3 of Siam Sport Syndicate Plc.	330	502	891	330	502	439
EMC Plc.	1,200	2,040	648	-	-	-
Diamond Building Products Plc.	-	-	-	1,195	8,793	8,782
Total		8,002	7,029		9,295	9,221
Less: Change in value		(973)			(74)	
Total temporary investments in trading securities		7,029			9,221	

Movements of the temporary investments in trading securities account for the year ended 31 December 2013 and 2012 were summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Balance at beginning of the year	26,885	2,928	9,221	615
Purchase during the year	157,228	69,600	22,832	35,708
Increase from purchase of investment in subsidiary (Note 17.1.2)	100	-	-	-
Disposals during the year				
Decrease (increase) in account receivable for sales	194	(194)	194	(194)
Proceed from sales	(55,405)	(65,100)	(26,319)	(36,509)
Gain on disposals (Note 36)	4,069	9,377	1,157	6,168
Total	(51,142)	(55,917)	(24,968)	(30,535)
Gain (loss) on change in value (Note 36 and Note 38.1)	(3,081)	10,274	(56)	3,433
Reclassification of investment (Note 16)	(106,500)	-	-	-
Balance as at end of the year	23,490	26,885	7,029	9,221

10. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Trade accounts receivable - related parties (Note 7)				
Aged on the basis of due date				
Not yet due	715	-	-	-
Past due				
Up to 3 months	42	10	-	-
Over 12 months	473	473	-	-
Total	1,229	483	-	-
<u>Less:</u> Allowance for doubtful debts	(309)	(309)	-	-
Total trade accounts receivable - related parties, net	920	174	-	-
Trade accounts receivable - unrelated parties				
Aged on the basis of due date				
Not yet due	4,214,614	2,028,021	1,568	1,407
Past due				
Up to 3 months	2,586,764	2,075,476	4,642	4,279
3 - 6 months	319,234	1,504,570	4,172	4,292
6 - 12 months	132,791	43,021	8,388	8,535
Over 12 months	526,275	282,019	41,996	24,889
Total	7,779,678	5,933,107	60,766	43,402
<u>Less:</u> Allowance for doubtful debts	(111,312)	(114,430)	(588)	(588)
Total trade accounts receivable - unrelated parties, net	7,668,366	5,818,677	60,178	42,814
Total trade accounts receivable - net	7,669,286	5,818,851	60,178	42,814

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Other receivables				
Amount due from and advance to related parties (Note 7)	708	752	47,676	63,300
Security business receivables	1,022,626	1,022,626	-	-
Other receivables - unrelated parties	175,494	51,664	2,644	561
Total	1,198,828	1,075,042	50,320	63,861
Less: Allowance for doubtful debts	(1,023,436)	(1,026,530)	(54)	(54)
Total other receivables - net	175,392	48,512	50,266	63,807
Total trade and other receivables - net	7,844,678	5,867,363	110,444	106,621

- a) The Company and four subsidiary companies (Samart Telcoms Public Co., Ltd., Samart Communication Services Co., Ltd., Samart Comtech Co., Ltd. and One to One Contacts Public Co., Ltd.), have transferred their collection rights from projects to banks as collateral for loans and bank guarantee as described in Note 24, 28 and 46.4.1 to the financial statements. As at 31 December 2013, the balance of the above accounts receivable included the receivables that were transferred their collection rights to banks totaling Baht 2,255 million (2012: Baht 658 million) (Separate financial statements: Baht 60 million (2012: Baht 43 million)).
- b) As at 31 December 2013, trade accounts receivable of Samart Telcoms Public Co., Ltd., a subsidiary company included amounts of Baht 3.9 million (2012: 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.
- c) Securities business receivables
As at 31 December 2013, IT Absolute Co., Ltd., a subsidiary company (formerly operate securities business) had securities business receivables which are under legal proceedings, undergoing restructuring or being settled in installments, to Baht 1,022.6 million (2012: Baht 1,022.6 million), on which the subsidiary already fully set up allowance for doubtful account.

In addition during the year 2009, the subsidiary company has filed lawsuits with the Civil Court and the Bankruptcy Court, seeking to have the seven customers settled their total outstanding debts of Baht 978.4 million to the subsidiary company. The seven debtors are under absolute receivership by the Central Bankruptcy Court and these are being carried out in accordance with the process laid down under bankruptcy laws. The Civil Court dismissed the lawsuits of seven debtors so that the subsidiary company could receive settlement in the bankruptcy cases.

The share purchase agreement of shares in IT Absolute Co., Ltd., on 3 February 2012, states that if the company receives any repayment or benefit subsequent to share transfer date (all together called "repayment") arising from obligation before or at share transfer date, the subsidiary (buyer) shall order the company to transfer the repayment to the previous shareholder (a bank) at the rate of 99.7888 percent as formula which was described in the agreement.

- d) As at 31 December 2013, allowance for doubtful debts had not been set aside in full amount for the outstanding balances of the Company and its subsidiaries' trade accounts receivable - unrelated parties that were aged more than 12 months past due totaling Baht 526 million (2012: Baht 282 million) and separate financial statements totaling Baht 41 million (2012: Baht 24 million). This is because such accounts receivable are government units and private companies, that obtained government projects, who have no uncollectable experience and the process of payment approval for such receivables normally take a long time. The management of the Company and its subsidiaries believe that the allowance for doubtful debts is adequate.

11. Short-term loans

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Short-term loans to related parties (Note 7)	-	-	232,401	177,501
Short-term loans to employees	47	235	-	2
Total short-term loans	47	235	232,401	177,503

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. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories-net	
	2013	2012	2013	2012	2013	2012
Finished goods	1,441,880	737,251	(115,469)	(70,441)	1,326,411	666,810
Work in process	324,403	227,063	(3,625)	(6,876)	320,778	220,187
Raw materials and supplies	286,854	66,349	(7,442)	(4,025)	279,412	62,324
Goods in transit	362,200	244,375	-	-	362,200	244,375
Total	2,415,337	1,275,038	(126,536)	(81,342)	2,288,801	1,193,696

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories-net	
	2013	2012	2013	2012	2013	2012
Finished goods	78,502	-	-	-	78,502	-
Work in process	56,051	-	-	-	56,051	-
Total	134,553	-	-	-	134,553	-

In November 2013, a vessel transportation foundered, resulting in damage to Samart I-Mobile Public Co., Ltd., a subsidiary company, inventories which were loaded in that vessel. The subsidiary company surveyed the damage and wrote off inventories of Baht 39 million.

However, the loss from this incident is covered by a subsidiary company's insurance. The subsidiary company has lodged an insurance claim and is virtually certain by received a confirmation letter from an insurance company to compensate this loss in respect of damaged inventories totaling a minimum of Baht 43 million. Therefore the subsidiary company recorded the insurance compensation in other receivable and recognised net compensation claim from the write down of damaged inventories of Baht 4 million in the income statement for the year ended 31 December 2013.

13. Finance lease receivable

(Unit: Thousand Baht)

	Consolidated financial statements	
	2013	2012
Finance lease receivable (contractual value)	127,116	127,116
Less: Receipts	(127,116)	(110,520)
Finance lease receivable	-	16,596
Less: Unearned interest income	-	(73)
Finance lease receivable - net of unearned interest income	-	16,523
Less: Current portion of finance lease receivable	-	(16,523)
Finance lease receivable - net of current portion	-	-

Vision and Security System Co., Ltd., a subsidiary company, entered into the finance lease 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 three years and ended within March 2013. The subsidiary has assigned the right to receive collection from such finance leases to a bank as a loan guarantee. During the current year, the subsidiary had full repaid the loan (2012: the balance of the above accounts receivable included the receivable that were transferred their collection rights to bank totaling Baht 8 million).

During the year 2013, the subsidiary company transferred the CCTV system for the Baggage Handling System (BHS) to Airports of Thailand Public Co., Ltd. (Suvarnabhumi Airport Branch) in accordance with the terms of the agreement.

14. Other current assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Withholding tax and prepaid tax expenses	424,226	207,966	9,006	1,190
Refundable value added tax	143,184	281,495	5,358	-
Prepaid expenses	410,254	174,088	14,669	11,444
Advance for purchase of inventories and equipment	239,163	147,550	139,894	-
Advance payments	37,992	30,582	38	3
Others	154,540	104,962	5,228	4,341
Less: Allowance for diminution in value of advance for purchase of inventories	(15,080)	(5,234)	-	-
Total other current assets - net	1,394,279	941,409	174,193	16,978

During the year ended 31 December 2013, Teleconnext Company Limited (formerly known as "Samart I-Mobile (Hong Kong) Limited") wrote down appropriately Baht 36 million of other current assets as it cancelled purchase orders of the former manufacturer and ordered from a new manufacturer instead. This expense was included in other expenses in the income statement.

15. Restricted bank deposits

These represent bank deposits pledged by some subsidiaries with the banks to secure credit facilities and guarantees obtained from the banks.

In addition, the balance of restricted bank deposit as at 31 December 2012 of Baht 117 million was an escrow account as discussed in Note 17.1.2 to the financial statements.

16. Available-for-sale investments

As at 31 December 2013 and 2012, the subsidiary companies have available-for-sale investments as the followings:

(Unit: Thousand Baht)

Common stock/Warrant	Consolidated financial statements					
	2013			2012		
	No. of shares	Fair value as at the reclassification date	Fair value	No. of shares	Fair value as at the reclassification date	Fair value
	(Thousand shares)			(Thousand shares)		
Siam Sport Syndicate Public Co., Ltd.	27,213	77,829	99,600	27,213	77,829	76,741
Warrants No. 3 of Siam sport Syndicate Public Co., Ltd.	1,668	1,618	4,503	1,668	1,618	2,218
M-Link Asia Corporation Public Co., Ltd.	25,000	106,500	69,000	-	-	-
Total		185,947	173,103		79,447	78,959
Less: Change in value		(12,844)			(488)	
Total available-for-sale investments		173,103			78,959	

On 14 November 2013, a meeting of Board of Executive Directors of Samart I-Mobile Public Co., Ltd., a subsidiary company, passed a resolution approving the reclassification of investment in M-Link Asia Corporation Public Co., Ltd. from trading investment to available-for-sale investment. 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 company recorded the value of available-for-sale investments of fair value as at the reclassification date.

Movements of other long-term investments account during the year ended 31 December 2013 and 2012 were summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	
	2013	2012
Net book value at beginning of the year	78,959	88,456
Reclassification of investments (fair value as reclassification date) (Note 9)	106,500	-
Disposals during the year:		
Proceed from sales	-	(5,788)
Less: Gain on sales (Note 36)	-	1,423
Total	-	(4,365)
Loss on changes in value	(12,356)	(5,132)
Net book value at end of the year	173,103	78,959

17. Investments in subsidiaries

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

Company's name	Paid-up capital		Direct shareholding percentage		Cost		Dividend received during the year	
	2013 Million Baht	2012 Million Baht	2013 Percent	2012 Percent	2013 Thousand Baht	2012 Thousand Baht	2013 Thousand Baht	2012 Thousand Baht
The Samart Engineering Co., Ltd.	250	250	100	100	287,258	287,258	-	-
Samart U-Trans Co., Ltd.	500	500	100	100	500,135	500,135	-	-
Samart Research and Development Co., Ltd.*	20	20	100	100	20,936	20,936	-	-
Samart Telcoms Public Co., Ltd.	617	610	70.20	70.89	1,531,054	1,522,351	324,596	263,477
Samart I-Mobile Public Co., Ltd.	437	430	57.63	58.56	1,124,329	1,104,776	188,725	25,139
One to One Contacts Public Co., Ltd.	210	100	96	96	94,286	94,286	-	-
Samart RadiTech Co., Ltd.	46	40	100	100	46,000	40,000	-	-
Vision and Security System Co., Ltd.	20	20	70	70	14,000	14,000	-	-
Cambodia Samart Co., Ltd. (The Company has control over this company's operation)	USD 25,000	USD 25,000	40	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	-	65	-	6,500	-	-
Samart Digital TV Co., Ltd.	1	1	100	100	1,000	1,000	-	-
Total investments in subsidiaries					4,272,286	4,244,530	513,321	288,616
Less: Allowance for diminution in value of investments					(89,803)	(70,231)		
Total investments in subsidiaries - net					4,182,483	4,174,299		

* The subsidiary companies registered their liquidation during 2013.

17.1 Change in investments in subsidiaries held by the Company

17.1.1 Acquisition and disposal investments in Samart Telcoms Public Co., Ltd. and Samart I-Mobile Public Co., Ltd.

During the year 2013 and 2012, the Company had purchase and disposal transactions of investment in related parties are as followings:

Addition of investments of the Company

Share's name	Number of shares		Purchase price	
	2013 (Million shares)	2012 (Million share)	2013 (Million Baht)	2012 (Million Baht)
Samart Telcoms Public Co., Ltd.	0.5	5.1	8.7	66.9
Samart I-Mobile Public Co., Ltd.	7.0	12.8	22.6	25.1

Disposal of investments of the Company

Share's name	Number of shares		Selling price	
	2013 (Million shares)	2012 (Million share)	2013 (Million Baht)	2012 (Million Baht)
Samart Telcoms Public Co., Ltd.	-	2.9	-	42.7
Samart I-Mobile Public Co., Ltd.	7.0	-	17.6	-

Addition of investments of the subsidiary

Share's name	Number of shares		Purchase price	
	2013 (Million shares)	2012 (Million shares)	2013 (Million Baht)	2012 (Million Baht)
Samart I-Mobile Public Co., Ltd.	5.0	-	15.1	-

Disposal of investments of the subsidiary

Share's name	Number of shares		Selling price	
	2013 (Million shares)	2012 (Million shares)	2013 (Million Baht)	2012 (Million Baht)
Samart I-Mobile Public Co., Ltd.	16.5	-	52.8	-

As a result of such addition and disposal 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 2013 were 70.20 percent and 58.74 percent, respectively (2012: 70.89 percent and 59.89 percent, respectively) (the percentage of direct shareholding by the Company: 70.20 percent and 57.63 percent, respectively (2012: 70.89 percent and 58.56 percent, respectively), and excess of investments in subsidiary company arising as a result of difference on investments in subsidiary companies arising as a result of acquisition and disposals of shares at a price higher than the net book value at the acquisition and disposal date has increased approximately Baht 6 million (2012: decreased approximately Baht 26 million).

17.1.2 Acquisition of investment

On 27 September 2012, the Board of Director's meeting of Samart U-Trans Co., Ltd., a subsidiary company, passed a resolution approving the acquisition of an investment and increase in share capital of Teda Co., Ltd. totalling approximately Baht 300 million. In this regard, the subsidiary holds 80 percent of all issued ordinary shares of Teda Co., Ltd. The purchasing price of the shares was based on the calculation formula as stated in the sales and purchase of shares agreement. On 2 December 2012, the subsidiary signed an agreement with the shareholders (sellers) of such company; and on 7 December 2012, the subsidiary transferred the first installment of 50 percent of the investment, or Baht 116.84 million to an escrow account. According to the sales and purchase of shares agreement, the seller shall manage in compliance with the conditions that had been agreed upon by both parties such as increasing the proportion of shares in the group subsidiaries (Transec Power Services Co., Ltd. and Teda Construction Co., Ltd.) of Teda Co., Ltd.

Later in February 2013, the Company's directors were appointed as authorised directors of Teda Co., Ltd. The change in the authorised directors was registered with the Ministry of Commerce on 4 February 2013 (the acquisition date which control exists). On 7 February 2013 and 20 March 2013, the subsidiary transferred the second and third installments of Baht 48.90 million and Baht 7.4 million, respectively to the seller, totalling purchase of investment in Teda Group is Baht 173.18 million, in accordance with the conditions under the sales and purchase of shares agreement.

As a result of the acquisition of investment in that company, under the acquisition method, the Company represents the excess of the cost of acquisition in the ordinary shares of the subsidiary over the fair value as goodwill amounting to approximately Baht 5 million in other non-current asset in the consolidated financial statements.

The fair value of the assets and liabilities of Teda Group acquired as at the acquisition date can be summarised as follows:

(Unit: Thousand Baht)

Cash and cash equivalents	63,962
Temporary investment	100
Trade and other receivables	144,669
Inventories - net	1,716
Other current assets	156,111
Restricted bank deposits	81,277
Deferred tax assets	7,252
Equipment - net	5,530
Other non-current assets	466
Trade and other payables	(144,575)
Accrued project cost and accrued expenses	(21,900)
Other current liabilities	(54,450)
Provision for long-term employee benefits	(13,278)
Other non-current liabilities	(16,956)
Net assets from acquisition of subsidiary company	209,924
Proportion of non-controlling interests in subsidiaries at 20 percent	(41,985)
Net assets from acquisition of subsidiary company in proportion of shareholding at 80 percent	167,939
Cash used in purchase of investment in subsidiary company	173,185
Goodwill	5,246

Net cash outflows from acquisition of ordinary shares of Teda Group were presented below.

(Unit: Thousand Baht)

	Consolidated financial statements
Cash used in acquisition of investment in subsidiary company	173,185
<u>Less:</u> Cash and cash equivalents of the subsidiary company	(63,962)
Net cash outflows from purchase of ordinary shares in subsidiary	109,223

For the period as from 1 February 2013 to 31 December 2013, Teda Group has contributed revenue and profit of approximately Baht 551.7 million and Baht 10.1 million, respectively, to the consolidated income statement. There is no significant difference had Teda Group been included in the consolidated financial statements from 4 February 2013 to 31 December 2013.

17.1.3 Change in share capital

- On 22 February 2013, the extraordinary meeting of the shareholders of Teda Co., Ltd., a subsidiary company under Samart U-Trans Co., Ltd., another subsidiary company, passed a special resolution approving the increase in registered capital from Baht 163.0 million (16.30 million ordinary shares of Baht 10 each) to Baht 407.5 million (40.75 million ordinary shares of Baht 10 each), through the issuance of 24.45 million additional ordinary shares with a par value of Baht 10 each. Teda Co., Ltd. registered the increase of its share capital with the Ministry of Commerce on 1 March 2013.

Samart U-Trans Co., Ltd. received 19.56 million shares that were allocated according to the proportion of 80 percent shareholding or equivalent to Baht 195.6 million. Teda Co., Ltd. called up 25 percent of the shares, and Samart U-Trans Co., Ltd. made a payment on 28 February 2013. Subsequently, on 25 March 2013, Teda Co., Ltd. fully called up the shares, and Samart U-Trans Co., Ltd. made a full payment on 1 April 2013.

- b) On 18 December 2013, the extraordinary meeting of the shareholders of Teda Construction Co., Ltd., a subsidiary passed a special resolution approving an increase in its registered capital from Baht 1 million (10,000 ordinary shares of Baht 100 each) to Baht 4 million (40,000 ordinary shares of Baht 100 each), through the issuance of 30,000 additional ordinary shares with a par value of Baht 100 each. Teda Construction Co., Ltd. registered the increase of its capital with the Ministry of Commerce on 24 December 2013.

Because the other shareholders of Teda Construction Co., Ltd. waived their rights to subscribe to this issue of additional shares, the extraordinary general meeting of the shareholders of Teda Construction Co., Ltd. also passed a resolution approving the allocation of all additional share capital to Teda Co., Ltd., (a subsidiary company) which is the major shareholder of Teda Construction Co., Ltd. Teda Co., Ltd. completed payment for the shares on 20 December 2013.

17.1.4 Establishment of new companies

- a) On 7 March 2013, a meeting of Board of Directors of the Company passed a resolution approving One to One Contacts Co., Ltd., a subsidiary company, to establish a new subsidiary in the Republic of the Union of Myanmar for expansion the business and customer to Asian with a registered capital of 50,000 US dollars. As at 31 December 2013, the subsidiary has not established such new company.

On 12 June 2013, the meeting of Board of Executive Director of One to One Contacts Public Company Limited, a subsidiary company, passed a resolution approving the establishment of a new subsidiary in Cambodia named One to One (Cambodia) Company Limited to expand service provision of customer contact center to Cambodia. The new company has registered capital of 5,000 US dollars in with the subsidiary company holds 100 percent interest. The subsidiary registered the establishment on 13 September 2013. One to One (Cambodia) Company Limited called for the first capital payment at 25% of its registered share capital. As at 31 December 2013, a subsidiary company paid for such share subscription of 1,250 US dollars.

- b) On 11 January 2012, a meeting of the Board of Directors of Samart U-Trans Co., Ltd., a subsidiary company, passed a resolution approving the joint with a private company to establish SW Consortium as a partnership for bidding projects of the procurement and installation road blockers of the State Railway of Thailand, namely Kaeng Khoi Project (LX-12) for 11 sites and Lam Chi Project (LX-13) for 8 sites. On 12 January 2012, a memorandum of establishment the partnership had been made. Subsequently, on 10 April 2012, the Consortium had been proceeded the awarding of Lam Chi Project (LX-13) for 8 sites. SW Consortium entered into an agreement with State Railway of Thailand on 23 April 2012. Currently, the SW Consortium had fulfilled the service contract and had already delivered the work in September 2012. Therefore the SW Consortium is be no longer valid.
- c) On 12 November 2012, a meeting of the Board of Directors of the Company passed a resolution approving the establishment of a new company named Samart Digital TV Co., Ltd. The business operations of the new company is to provide services of audio and video system. The Company has a 100 percent shareholding. It registered the establishment of such new company with the Ministry of Commerce on 12 November 2012.

17.1.5 Convert into a Public Company Limited of One to One Contacts Company Limited

- a) On 27 March 2013, the Annual General Meeting of One to One Contacts Co., Ltd., a subsidiary company, passed resolutions as follows:
1. To approve the transformation of company into a public limited company and list the company on the MAI

2. To change the par value of the ordinary shares from Baht 10 per share to Baht 1 per share, resulting in an increase in the number of ordinary shares from 10 million shares to 100 million shares

The subsidiary company registered its transformation to One to One Contacts Public Company Limited and change in the par value of its ordinary shares with the Ministry of Commerce on 26 April 2013.

- b) On 22 May 2013, the Extraordinary Meeting of One to One Contacts Public Co., Ltd., a subsidiary company, passed a resolution to approve the increase in its registered share capital from Baht 100 million (100 million ordinary shares of Baht 1 per share) after the par value is changed as discussed in Note 17.1.5 a 2) to Baht 280 million (280 million ordinary shares of Baht 1 per share) by issuing 180 million new ordinary shares with a par value of Baht 1 each to be reserved for a stock dividend payment and initial public offering as follows:
 - 1) Allotment of 110 million ordinary shares of Baht 1 per share to be reserved for a stock dividend to the existing shareholders at the meeting date.
 - 2) Allotment of 70 million ordinary shares of Baht 1 per share to be reserved for initial public offering by considering granting the right to shareholders of the Company to subscribe the additional shares of the subsidiary company based on shareholding ratio of totaling not exceeding 20 million shares at a par value of Baht 1 each or equivalent to 28.57 percent of 70 million shares that are offered to the public and at the same price offered to the public.

The subsidiary company registered the increase of its registered share capital with the Ministry of Commerce on 27 May 2013.

Following the distribution of the above stock dividend payment, the subsidiary company registered the increase in its issued and fully paid up share capital to Baht 210 million (210 million ordinary shares of Baht 1 per share) with the Ministry of Commerce on 28 May 2013.

17.1.6 Call-up additional share capital of subsidiary company

On 9 April 2013, a meeting of the Board of Directors of Samart RadiTech Co., Ltd., a subsidiary company, passed a resolution to call up the remaining uncalled portion of its registered capital of 8 million shares of Baht 0.75 per share, or equivalent to Baht 6 million, from its shareholders. The subsidiary company received the payment on 3 May 2013. As a result, the subsidiary company's paid up share capital is Baht 46 million, or 57.5 percent of the registered share capital.

17.1.7 Dissolution of subsidiary companies

- a) On 17 July 2013, an extraordinary meeting of Samart Research and Development Co., Ltd., a subsidiary company, passed a special resolution to dissolve the company. The subsidiary company registered its dissolution with the Ministry of Commerce on 30 July 2013 and is in process of liquidation.
- b) On 24 September 2013, an extraordinary meeting of a company incorporated in 2009, a subsidiary company, passed a special resolution to dissolve the Company. The subsidiary company registered its dissolution with the Ministry of Commerce on 26 September 2013 and approved its financial statements at the liquidation date on 28 November 2013.

17.1.8 Change in share capital of subsidiary

On 22 June 2012, the extraordinary meeting of Shareholders of Samart U-Trans Co., Ltd., a subsidiary company, passed a special resolution approving the increase in registered capital from Baht 100 million (20 million ordinary shares of Baht 5 each) to Baht 500 million (100 million ordinary shares of Baht 5 each), through the issuance of 80 million additional ordinary shares with a par value of Baht 5 each. The subsidiary registered the increase of its capital with the Ministry of Commerce on 25 June 2012. The Company paid the increase of subsidiary's share capital in June 2012.

17.2 Change in investments in subsidiaries held by Samart Telcoms Public Co., Ltd.

17.2.1 Establishment of new company

On 9 March 2006, a meeting of Board of Directors of Samart Telcoms Public Co., Ltd., a subsidiary company, passed a resolution to establish a new subsidiary named Telecom Clearing House Co., Ltd. to conduct telecommunications including network maintenance and satellite communications both domestically and overseas. This new subsidiary has an initial registered capital comprising 500,000 shares of Baht 100 per share, or a total of Baht 50 million which is 25 percent called up, 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 2013, the subsidiary company had not established such new subsidiary.

17.2.2 Acquisition of investments

a) On 27 April 2012, the Annual General Meeting of Shareholders of Samart Telcoms Public Co., Ltd., a subsidiary company, passed resolutions to approve the purchase of the business of Portalnet Co., Ltd., with the subsidiary company to acquire all of the shares of that company in issue and provide financing to enable Portalnet to settle its various liabilities. On 15 May 2012, the subsidiary company entered into a business acquisition agreement with a listed company, which was the parent company of Portalnet (seller company), whereby the purchase price was Baht 1,552 million (divided into Baht 478 million for the ordinary shares and a loan to Portalnet Co., Ltd. of Baht 1,074 million).

In addition, on 24 August 2012 (the purchase date) the subsidiary company received the transfer of 33,699,940 shares, which represented 99.99 percent of the registered and issued capital of that company. During 2012, the subsidiary company fully paid to the seller company, totaling Baht 1,552 million, in accordance with the conditions in the business acquisition agreement.

Under the acquisition method, the subsidiary company recorded the goodwill amounting to approximately Baht 108.1 million resulting from this investment as non-current assets in the consolidated financial statements.

The fair value of the assets and liabilities acquired as at the acquisition date can be summarised as follows:

(Unit: Thousand Baht)

Cash and cash equivalents	12,133
Trade and other receivables	472,470
Accrued income	39,471
Other current assets	93,358
Equipment - net	1,220,857
Trade and other payables	(188,235)
Short-term loans	(1,155,691)
Accrued project cost	(103,767)
Other current liabilities	(32,631)
Provision for long-term employee benefits	(965)

(Unit: Thousand Baht)

Net assets from acquisition of subsidiary company	357,000
<u>Add:</u> Received loan transfer of subsidiary company	1,074,000
Debt reduction from the seller company	12,904
Assets and liabilities acquired as at the acquisition date	1,443,904
Cash used in purchase of investment in subsidiary company	1,552,000
Goodwill	108,096

Net cash outflows from purchase of ordinary shares and debts of Portalnet Co., Ltd.

(Unit: Thousand Baht)

	Consolidated financial statements
Cash used in purchase of investment in Portalnet Co., Ltd.	1,552,000
<u>Less:</u> Cash and cash equivalents of Portalnet Co., Ltd.	(12,133)
Net cash outflows from purchase of ordinary shares and debts in Portalnet Co., Ltd.	1,539,867

In addition, these consolidated financial statements include transactions of the following consortium, in which Portalnet Co., Ltd is a participant and signed the consortium contract.

Portalnet Co., Ltd., a subsidiary company, signed the “Consortium SPIES” contract on 22 August 2003, establishing a consortium in the name of “Consortium SPIES”, drawn up among Portalnet, Siemens Co., Ltd., Siemens AG, and IBM Thailand Co., Ltd (Consortium SPIES). The parties to the contract have mutually agreed responsibilities and interests thereunder, and the objective of the consortium establishment is to tender a bid with the Provincial Electricity Authority (PEA) for the lease of computer software for core business operations. The consortium contract terminates when rights and obligations under the contract are fulfilled. On 17 March 2004, the Consortium SPIES signed a contract with the Provincial Electricity Authority to lease computer software for core business operations. The total value of the lease is Baht 3,192 million, with an installation period of up to 3 years and a lease term of 5 years (with rental charge of Baht 53.2 million per month). The term of the lease can be extended, with the Provincial Electricity Authority in that case to notify the lessor in writing not less than 30 days prior to the end of the lease term per the contract.

Under the conditions of the contract, Consortium SPIES had to complete installation within 16 March 2007, but was unable to do so. Consortium SPIES therefore requested several extensions and the final extension granted by Provincial Electricity Authority was until 30 March 2010.

On 21 November 2011, the Provincial Electricity Authority received the system from the Consortium SPIES, which is therefore liable for daily fines from the end of the last extension period to the date before the delivery date (31 March 2010 - 20 November 2011), or a total of 600 days. Consortium SPIES notified the Provincial Electricity Authority of the causes of it being unable to complete the work within the contracted period, and requested that the Provincial Electricity Authority waive the fines. The Provincial Electricity Authority considered the request and decided that it was appropriate to extend the contract period by 579 days. As a result, Consortium SPIES has to pay fines for 21 days at a rate of 0.15% of the rental charge under the contract, or a total of Baht 100.5 million. Subsequently, on 27 September 2012, the Provincial Electricity Authority charged this penalty and the Consortium SPIES recorded the full amount in the income statement for the year ended 31 December 2012. The fine was paid in full in October 2012.

In 2013, the Provincial Electricity Authority imposed fines and penalty charges of approximately Baht 51.1 million for interruptions to the computer software for core business operations

occurring during the period of November 2011 to September 2013. The Provincial Electricity Authority already deducted this amount from the monthly rental payments made to Consortium SPIES. However, Consortium SPIES notified the Provincial Electricity Authority of the causes of problem and requested that it waive the fines. On 22 January 2014, the Provincial Electricity Authority considered the request and decided that it was appropriate to waive fines totaling approximately Baht 44.9 million of the amounts which it had already notified to Consortium SPIES. Total fines were thus approximately Baht 6.2 million. Under conditions in the business acquisition agreement, fines, penalty charges and any benefits occurring after the acquisition date as a result of events occurring before the acquisition date can be charged or returned to the former shareholder (seller company). The subsidiary company therefore charged approximately Baht 5.3 million of the fines to the former shareholder, while fines of approximately Baht 0.9 million are recorded in the profit and loss for the year ended 31 December 2013.

- b) On 16 December 2011, a meeting of the Board of Directors Samart Telcoms Public Co., Ltd., a 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 (a private company), 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, Samart Broadband Services Co., Ltd., entered into a share purchase and sale of share agreement of this company. As a result of the purchase of investment in the subsidiary, under the acquisition method, Samart Broadband Services Co., Ltd., recorded the excess of the cost of acquisition of the ordinary shares in the subsidiary over the fair value, amounting to approximately Baht 56.1 million in non-current assets in the consolidated financial statements.

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

(Unit: Thousand Baht)

	Consolidated financial statements
Net acquired assets	3,526
<u>Add:</u> Excess of cost of investment over the book value of IT Absolute Co., Ltd.	56,060
Cash used in purchase of investment in IT Absolute Co., Ltd.	59,586
<u>Less:</u> Cash and cash equivalents of the IT Absolute Co., Ltd.	(2,304)
Net cash outflows from purchase of investment in IT Absolute Co., Ltd.	57,282

According to share purchase and transfer agreement, the former shareholder (a seller company) shall assign rights and responsibilities and/or benefits in whole or part of the seller liable with the previous shareholder (a bank) to Samart Broadband Services Co., Ltd., whereby Samart Broadband Services Co., Ltd. commits and receives the assignment of rights and responsibilities of the seller and is obliged to, just like the seller, comply with all requirements under the share purchase agreement.

- c) On 17 December 2013, a meeting of Samart Telcoms Public Co., Ltd., a subsidiary company, Board of Directors passed a resolution to approve the purchase by Samart Comtech Co., Ltd., another subsidiary company, of approximately 1.2 million ordinary shares with a par value of Baht 10 (50 percent called up) of Net Services (Thailand) Co., Ltd. from an existing shareholder, representing 60 percent interest in that company. This company is to be a developer of information technology systems for government agencies and private companies.

Subsequently, on 2 January 2014, Samart Comtech Co., Ltd. purchased that company's share

with mutually agreed price as stipulated in a share transfer document at Baht 5.05 per share, totaling approximately Baht 6.1 million and entered into an agreement with the remaining shareholders, to jointly determine the company's management structure. On 13 January 2014, the subsidiary company fully paid to the former shareholder (the seller). In addition, this company called up the remaining 50 percent of shares in proportion to the subsidiary company's holding, and the subsidiary company has already paid up the full value of shares at a price of Baht 10 per share, totaling approximately Baht 6.0 million.

17.2.3 Disposal of investment

- a) On 24 February 2012, the meeting of the Board of Directors of Samart Telcoms Public Co., Ltd., a subsidiary company, passed a resolution approving the disposal of investment of 0.62 million ordinary shares of IT Gen Co., Ltd., another subsidiary company, to third party at a price of Baht 25.5 per share, or for a total of Baht 15.9 million. Samart Telcoms Public Co., Ltd. signed the shares transfer agreement on 1 March 2012.

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

(Unit: Thousand Baht)

	Consolidated financial statements
Proceeds from disposal of investment in subsidiary company	15,921
<u>Less:</u> Cash and cash equivalents of subsidiary company at disposal date	(15,017)
Net cash flow from disposal of investment in subsidiary company	904
<u>Less:</u> Net assets of subsidiary company at disposal date	(1,513)
<u>Add:</u> Realised gain on sale of inventory and fixed assets	40,728
Gain on disposal of investment in subsidiary company	40,119

- b) Samart Telcoms Public Co., Ltd., a subsidiary company, disposed of investment of 70,000 ordinary shares of Oasis Consulting Co., Ltd., another subsidiary company, to third party at a price of Baht 243 per share, or for a total of Baht 17 million. Samart Telcoms Public Co., Ltd. signed the shares transfer agreement on 18 June 2012.

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

(Unit: Thousand Baht)

	Consolidated financial statements
Proceeds from disposal of investment in subsidiary company	17,010
<u>Less:</u> Cash and cash equivalents of subsidiary company at disposal date	(683)
Net cash flow from disposal of investment in subsidiary company	16,327
<u>Add:</u> Net assets of subsidiary company at disposal date	8,333
<u>Less:</u> Losses on excess of investment over book value of subsidiary at the date of acquisition (goodwill)	(2,878)
Adjustment of non-controlling interests of the subsidiary	(2,296)
Gain on disposal of investment in subsidiary company	19,486

17.2.4 Change in share capital

On 24 May 2012, an Extraordinary Meeting of the shareholders of Net Media Co., Ltd., a subsidiary company, passed a special resolution to decrease its registered share capital from Baht 41.25 million (0.41 million ordinary shares of Baht 100 each) to newly share capital Baht 10.32 million (0.10 million ordinary shares of Baht 100 each) by decreasing the ordinary shares of 0.31 million shares of Baht 100 each, totaling Baht 30.9 million. The subsidiary company registered the decrease in share capital with the Ministry of Commerce on 26 June 2012.

17.2.5 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 2013, the process of deregistration and liquidation of the Company is in progress.

17.3 Change in investments in subsidiaries held by Samart I-Mobile Public Co., Ltd.

17.3.1 Establishment of new company

a) On 1 June 2012, a meeting of the Board of Directors of Samart Multimedia Co., Ltd., a subsidiary company, passed a resolution approving the establishment of a new company named Entertainment Tree Co., Ltd. with a registered share capital of Baht 5 million. The business operations of the new company will comprise production, sale and provision of all kinds of entertainment-related content through multiple channels; television, telephone, internet, satellite and various means of communication, for both domestic and international markets. It also provide equipment and network installation services, together with a full range of facilities and other related services. The subsidiary company has a 45 percent shareholding. It registered the establishment of such new company with the Ministry of Commerce on 14 June 2012.

Samart Multimedia Co., Ltd. treats its investment in Entertainment Tree Co., Ltd. as investment in a subsidiary since it has control and set policies for operation and financial management over such company.

b) On 24 July 2013, a meeting of Board of Directors of I-Sport Co., Ltd., a subsidiary company, passed a resolution approving the establishment of a new company named "I-Sport Media Co., Ltd.". The business of the new company is to bid for and operate digital TV channels, with a registered capital of Baht 1 million. The subsidiary company has a 100 percent shareholding. The subsidiary company registered the establishment of this company with the Ministry of Commerce on 8 August 2013.

17.3.2 Purchase of additional ordinary shares of a subsidiary

On 26 February 2013, a meeting of the Board of Directors of Samart I-Mobile Public Co., Ltd., a subsidiary company, passed a resolution approving the purchase by Samart Multimedia Company Limited, an another subsidiary company, of 3,333,334 ordinary shares of Take A Look Company Limited, another subsidiary company, from a former shareholder at a price of Baht 0.03 each, for a total Baht 0.1 million which will increase the percentage of shareholding from 67% to 100% in Take A Look Co., Ltd.

Subsequently, on 1 April 2013, Samart Multimedia Company Limited entered into a share transfer agreement with the former shareholder of Take A Look Company Limited, and has paid for the shares in full.

17.3.3 Purchase of investment

On 12 November 2013, a meeting of the Board of Directors of Samart I-Mobile Public Co., Ltd., a subsidiary company, passed a resolution to approve the purchase by I-Mobile Inter trade Co., Ltd., an another subsidiary company, of approximately 90,000 million ordinary shares of The Sky Place Co., Ltd. from existing shareholders, representing 100 percent of the issued and paid up share capital of this company. The purchase price will be Baht 5.56 per share, or a total of approximately Baht 0.5 million (as stipulated in the purchase and sale of share agreement).

Subsequently, on 13 November 2013, I-Mobile Inter trade Co., Ltd. entered into a share purchase and sale of share agreement of this company. As a result of the purchase of investment in the subsidiary, under the acquisition method, the subsidiary company recorded the excess of the cost of acquisition in the ordinary share of The Sky Place Co., Ltd. over the fair value, amounting to approximately Baht 0.5 million resulting from this investment as non-current asset in the consolidated financial statements.

Their fair value of liabilities were summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements
Other payable	14
Total liabilities from acquisition of The Sky Place Co., Ltd.	14
Cash use in purchase of investment in subsidiary company	500
Excess of the cost of acquisition in the ordinary share of The Sky Place Co., Ltd. over the fair value	514

17.3.4 Change of name of subsidiary companies

- On 12 March 2013, the shareholder of Samart I-Mobile (Hong Kong) Limited, a subsidiary company, passed a written special resolution to change its name to "Teleconnex Company Limited". The subsidiary company registered the change of its name with the Companies Registry on 21 March 2013.
- On 26 November 2013, the Extraordinary Meeting of the shareholders of The Sky Place Co., Ltd., a subsidiary company, passed a special resolution approving the change in its name to be "I-Mobile Direct Co., Ltd.". It registered the change of its name with the Ministry of Commerce on 9 December 2013.

17.3.5 Change in share capital of subsidiary companies

Reduction of share capital

- On 26 April 2013, the Meeting of the shareholders of Take A Look Co., Ltd., a subsidiary company, passed a special resolution to reduce its share capital from Baht 100 million (10 million ordinary shares of Baht 10 each) to Baht 50 million (5 million ordinary shares of Baht 10 each) by canceling 5 million ordinary shares of Baht 10 each. The subsidiary company registered the reduction in its share capital with the Ministry of Commerce on 11 June 2013.
- On 26 November 2013, the Extraordinary Meeting of the shareholders of The Sky Place Co., Ltd., a subsidiary company, passed a special resolution to reduce its share capital from Baht 9 million (90,000 ordinary shares of Baht 100 each) to Baht 2.25 million (22,500 ordinary shares of Baht 100 each) by canceling 67,500 ordinary shares of Baht 100 each. The subsidiary company registered the reduction in its share capital with the Ministry of Commerce on 14 January 2014.

Increment of registered share capital

On 11 July 2013, a meeting of the shareholders of Pt. Samart I-Mobile Indonesia, a subsidiary company, passed a resolution approving the increment of its registered share capital from 0.50 million US dollars (0.5 million ordinary shares of 1 US dollar each) to 6.42 million US dollars (6.42 million ordinary shares of 1 US dollar each) by issuing 5.92 million ordinary shares with a par value of 1 US dollar each. The subsidiary company registered the increase of share capital on 2 August 2013 with Capital Investment Coordination Board and is waiting for the approval from Minister of Law and Human Rights of the Republic of Indonesia.

17.3.6 Additionally call-up share capital of subsidiary

On 12 December 2013, a meeting of the Board of Directors of I-Mobile International Co., Ltd., a subsidiary company, passed a resolution to call-up a further Baht 60 million of the uncalled portion of its capital, or equivalent to 30% of its registered share capital. The subsidiary received payment on 24 December 2013 and as a result its paid-up share capital amounts to Baht 185 million, or 92.5% of the registered share capital.

17.3.7 Disposal of investments in subsidiaries and restructuring of overseas business

On 13 August 2013, the Board of Directors of Samart I-Mobile Public Co., Ltd., a subsidiary company, passed the following resolutions:

1. Approving the sale by I-Mobile International Co., Ltd., a subsidiary company, of an investment in Pt. Samart I-Mobile Indonesia, another subsidiary company, to a third party at a price not lower than the book value of that another subsidiary company.
2. Approving the acquisition of three subsidiary companies, consisting of I-Mobile Inter trade Co., Ltd., Teleconnext Co., Ltd. (formerly known as “Samart I-Mobile (Hong Kong) Ltd.”) and Samart I-Mobile (Malaysia) Sdn. Bhd. from I-Mobile International Co., Ltd., another subsidiary company, at a price not lower than the book values of the subsidiaries.
3. Approving the disposal of an investment in I-Mobile International Co., Ltd., a subsidiary company, to a third party at a price not lower than the book value of that subsidiary company.

The subsidiary company is in process to performing in accordance with the resolutions of the Board of Directors.

Subsequent, on 12 December 2013, a meeting of the Board of Directors of I-Mobile International Co., Ltd., a subsidiary company, passed a resolution approving the sale of investments in I-Mobile Inter trade Co., Ltd., Teleconnext Co., Ltd. (formerly known as “Samart I-Mobile (Hong Kong) Ltd.”), and Samart I-Mobile (Malaysia) Sdn. Bhd. to the Samart I-Mobile Public Co., Ltd., a subsidiary company, at a price based on each company’s estimated book value as at 31 December 2013, as follows:

Company	No. of sharer (shares)	Agreed price per share	Amount
I-Mobile Inter trade Co., Ltd.	499,993	Baht 0.20	Baht 0.10 million
Teleconnext Co., Ltd. (formerly known as “Samart I-Mobile (Hong Kong) Ltd.”)	5,000,000	0.33 US dollars	1.65 million US dollars
Samart I-Mobile (Malaysia) Sdn. Bhd.	2,000,000	0.05 Malaysian Ringgit	0.10 million Malaysian Ringgit

Samart I-Mobile Public Co., Ltd., a subsidiary company, made full payment for the acquisition of these companies to I-Mobile International Co., Ltd., a subsidiary, on 31 January 2014.

17.3.8 Liquidation

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

17.4 The offering of warrants of subsidiary companies

17.4.1 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 2013 are summarised below.

(Number of unit: Thousand Units)

Warrants issuance to	Balance as at 31 December 2012	Exercised during the year	Balance as at 31 December 2013
Directors	2,275	(1,800)	475
Employees	5,502	(4,913)	589
Total	7,777	(6,713)	1,064

17.4.2 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 2013 are summarised below.

(Number of unit: Thousand Units)

Warrants issuance to	Balance as at 31 December 2012	Exercised during the year	Balance as at 31 December 2013
Directors	48,050	(29,490)	18,560
Employees	48,265	(40,045)	8,220
Total	96,315	(69,535)	26,780

17.5 The Company pledges some of the shares it holds in some subsidiary companies to secure payment under long-term loans of the Company and its subsidiary as discussed in Note 28 to the financial statements.

18. Investment in associate in the future

On 17 December 2013, a meeting of Samart Telcoms Public Co., Ltd., a subsidiary, Board of Directors passed a resolution to approve the Samart Communication Services Co., Ltd., subsidiary company, to jointly with a private company to establish a new company named "SLA Asia Co., Ltd." to operate an installation of telecommunication network project, and import and distribution of related equipments, with a registered capital of 300,000 ordinary shares of Baht 100 each for a total amount of Baht 30 million, which will be fully paid up. The proportion of shareholding in this company will be at 30 percent for the subsidiary, 60 percent for Loxley and AIT holding Co., Ltd. and 10 percent for other shareholders.

19. Other long-term investments

The balance in 2012 represented investment in Teda Co., Ltd. as discussed in Note 17.1.2 to the financial statements.

20. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements						
	Revaluation basis		Cost basis				Total
	Land	Buildings and improvement	Office equipment	Machinery and equipment	Motor vehicles	Assets under installation	
Cost/Revalued amount:							
As at 31 December 2011	518,109	600,472	2,145,582	6,965,597	194,009	170,120	10,593,889
Additions	-	17,835	22,079	220,809	31,621	175,730	468,074
Transfer in/(transfer out)	-	(495)	(91,859)	518,139	1,941	(117,327)	310,399
Disposals	-	-	(22,656)	(126,105)	(36,114)	(2,805)	(187,680)
Acquisitions of subsidiaries during the year	-	-	3,584	4,071,886	-	-	4,075,470
Disposal of subsidiaries during the year	-	-	(4,070)	-	(1,277)	-	(5,347)
Translation adjustment	(102)	(5,612)	(876)	(43,870)	(407)	(347)	(51,214)
As at 31 December 2012	518,007	612,200	2,051,784	11,606,456	189,773	225,371	15,203,591
Additions	-	44,704	35,986	653,521	31,936	173,173	939,320
Transfer in/(transfer out)	-	972	4,006	112,315	(3)	(66,435)	50,855
Disposals	-	-	(43,224)	(8,301)	(29,579)	-	(81,104)
Acquisitions of subsidiaries during the year	-	-	33,474	84,741	16,662	-	134,877
Translation adjustment	211	12,677	2,752	101,507	947	213	118,307
As at 31 December 2013	518,218	670,553	2,084,778	12,550,239	209,736	332,322	16,365,846

(Unit: Thousand Baht)

	Consolidated financial statements						
	Revaluation basis		Cost basis				Total
	Land	Buildings and improvement	Office equipment	Machinery and equipment	Motor vehicles	Assets under installation	
Accumulated depreciation:							
As at 31 December 2011	-	327,180	1,635,444	4,178,863	126,691	-	6,268,178
Depreciation for the year	-	32,063	164,171	836,638	23,449	-	1,056,321
Transfer in/(transfer out)	-	(1,328)	(87,000)	(4,588)	(322)	-	(93,238)
Accumulated depreciation on disposals	-	-	(19,402)	(124,979)	(28,277)	-	(172,658)
Acquisitions of subsidiaries during the year	-	-	3,037	316,883	-	-	319,920
Disposal of subsidiaries during the year	-	-	(4,035)	-	(1,185)	-	(5,220)
Translation adjustments	-	(808)	(528)	(25,394)	(329)	-	(27,059)
As at 31 December 2012	-	357,107	1,691,687	5,177,423	120,027	-	7,346,244
Depreciation for the year	-	31,041	136,790	1,059,790	24,574	-	1,252,195
Transfer in/(transfer out)	-	-	(2,493)	(619)	(29)	-	(3,141)
Accumulated depreciation on disposals	-	-	(43,076)	(8,158)	(26,723)	-	(77,957)
Acquisitions of subsidiaries during the year	-	-	32,853	82,955	13,539	-	129,347
Translation adjustments	-	4,940	2,054	57,807	713	-	65,514
As at 31 December	-	393,088	1,817,815	6,369,198	132,101	-	8,712,202
Allowance for impairment loss:							
As at 31 December 2011	-	7,680	8,717	128,260	-	16,921	161,578
Acquisition of subsidiaries during the year	-	-	-	2,534,692	-	-	2,534,692
Decrease during the year	-	-	-	-	-	(3,853)	(3,853)
As at 31 December 2012	-	7,680	8,717	2,662,952	-	13,068	2,692,417
Decrease during the year	-	-	-	(1,298)	-	-	(1,298)
As at 31 December 2013	-	7,680	8,717	2,661,654	-	13,068	2,691,119
Net book value:							
As at 31 December 2012	518,007	247,413	351,380	3,766,081	69,746	212,303	5,164,930
As at 31 December 2013	518,218	269,785	258,246	3,519,387	77,635	319,254	4,962,525
Depreciation for the year:							
2012 (Baht 866 million included in cost of sales and services, and the balance in selling expenses and administrative expenses)							1,056,321
2013 (Baht 1,092 million included in cost of sales and services, and the balance in selling expenses and administrative expenses)							1,252,195

(Unit: Thousand Baht)

	Separate financial statements						
	Revaluation basis		Cost basis				Total
	Land	Buildings and improvement	Office equipment	Machinery and equipment	Motor vehicles	Assets under installation	
Cost/Revalued amount:							
As at 31 December 2011	193,983	286,147	499,687	114,553	34,947	-	1,129,317
Additions	-	210	972	1,322	2,267	1,723	6,494
Transfer in/(transfer out)	-	1,723	-	-	-	(1,723)	-
Disposals	-	-	(609)	(3,077)	(2,676)	-	(6,362)
As at 31 December 2012	193,983	288,080	500,050	112,798	34,538	-	1,129,449
Additions	-	210	1,410	827	3,404	349	6,200
Transfer in/(transfer out)	-	256	-	93	-	(349)	-
Disposals	-	-	(6,059)	(88)	-	-	(6,147)
As at 31 December 2013	193,983	288,546	495,401	113,630	37,942	-	1,129,502
Accumulated depreciation:							
As at 31 December 2011	-	200,179	416,751	112,795	21,131	-	750,856
Depreciation for the year	-	17,708	27,927	721	3,605	-	49,961
Accumulated depreciation on disposals	-	-	(353)	(3,056)	(2,675)	-	(6,084)
As at 31 December 2012	-	217,887	444,325	110,460	22,061	-	794,733
Depreciation for the year	-	15,927	17,264	809	4,117	-	38,117
Accumulated depreciation on disposals	-	-	(6,039)	(88)	-	-	(6,127)
As at 31 December 2013	-	233,814	455,550	111,181	26,178	-	826,723
Net book value:							
As at 31 December 2012	193,983	70,193	55,725	2,338	12,477	-	334,716
As at 31 December 2013	193,983	54,732	39,851	2,449	11,764	-	302,779
Depreciation for the year:							
2012 (All depreciation included in administrative expenses)							49,961
2013 (All depreciation included in administrative expenses)							38,117

- As at 31 December 2013, the Company and its subsidiaries had machinery and vehicles and equipment under finance lease agreements with net book values amounting to Baht 36 million and Separate financial statements: Baht 6 million (2012: Baht 41 million and Separate financial statements: Baht 8 million).
- As at 31 December 2013, certain building and equipment items of the Company and its subsidiaries have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation and allowance for impairment loss of those assets amounted to approximately Baht 4,971 million and Separate financial statements: Baht 578 million (2012: Baht 4,370 million and Separate financial statements: Baht 561 million).
- The Company and two subsidiaries arranged for the independent professional valuers to appraise the value of certain 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 buildings. As a result of the reappraisal, the carrying amounts of total assets and surplus on revaluation of land, buildings and building improvement increased by approximately Baht 89 million in the consolidated financial statement (Separate financial statements: Baht 42 million). The Company and the subsidiaries had presented their assets at cost, the net book value as at 31 December 2013 and 2012 would have been as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Land	97,738	97,738	62,701	62,701
Buildings and improvement	72,969	81,869	43,377	54,484

- d) 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 46.5 a) to the financial statements.
- e) The Company and its subsidiary companies have mortgaged of assets with total net book value amounting to approximately Baht 33 million (2012: Baht 34 million) as collateral against credit facilities received from financial institution (Separate financial statement: Baht 12 million (2012: Baht 12 million)).

21. Prepaid rental to a related companies

(Unit: Thousand Baht)

	Consolidated financial statements/Separate financial statements	
	2013	2012
Prepaid rental	375,669	375,669
<u>Less:</u> Accumulated amortisation	(183,660)	(171,138)
Prepaid rental - net	192,009	204,531

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.

22. Intangible assets

(Unit: Thousand Baht)

	Consolidated financial statements					
	Right under the advertising agreement	Computer software	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 2011	27,500	91,129	4,530	8,587	235,499	367,245
Addition during the year	-	56,899	-	-	-	56,899
Transfer in	-	109,233	-	-	-	109,233
Disposals	-	(108)	-	-	-	(108)
Translation adjustment	-	(3,792)	-	-	-	(3,792)
31 December 2012	27,500	253,361	4,530	8,587	235,499	529,477
Addition during the year	-	33,707	-	-	-	33,707
Transfer in	-	10,709	-	-	-	10,709
Translation adjustment	-	8,838	-	-	-	8,838
31 December 2013	27,500	306,615	4,530	8,587	235,499	582,731

(Unit: Thousand Baht)

	Consolidated financial statements (Continued)					
	Right under the advertising agreement	Computer software	Right under the distribution agreement	Right under license agreement for audio-visual of football match	Right under license for provide communications via satellite	Total
Accumulated amortisation						
31 December 2011	23,300	12,683	2,495	2,862	14,448	55,788
Amortisation during the year	4,200	31,685	2,035	2,863	48,072	88,855
Accumulated amortisation on disposals	-	(49)	-	-	-	(49)
Transfer in	-	82,301	-	-	-	82,301
Translation adjustment	-	(2,767)	-	-	-	(2,767)
31 December 2012	27,500	123,853	4,530	5,725	62,520	224,128
Amortisation during the year	-	43,414	-	2,862	47,940	94,216
Translation adjustment	-	7,424	-	-	-	7,424
31 December 2013	27,500	174,691	4,530	8,587	110,460	325,768
Net book value						
31 December 2012	-	129,508	-	2,862	172,979	305,349
31 December 2013	-	131,924	-	-	125,039	256,963

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 had to make cash 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 was Baht 47 million. In addition, the subsidiary company was 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 had fallen upon Samart Multimedia Co., Ltd. since the date of entry into the memorandum of agreement which were consist of:

- 1) Samart Multimedia Co., Ltd. received 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. was 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. was required to make a payment of Baht 25.3 million to Take A Look Co., Ltd. so Samart Multimedia Co., Ltd. recorded the Right under the advertising agreement in the consolidated financial statements under the caption of intangible asset 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 ceased 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 two 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 three 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., a 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 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 2013, 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. 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 2013, 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.

23. Assets held for future projects

(Unit: Thousand Baht)

	Consolidated financial statements			
	Revaluation basis		Cost basis	Total
	Land	Building and improvement	Machinery and equipment	
Cost/Revalued amount:				
1 December 2011	60,696	4,923	21,479	87,098
Disposal	-	-	(10,001)	(10,001)
31 December 2012	60,696	4,923	11,478	77,097
31 December 2013	60,696	4,923	11,478	77,097

(Unit: Thousand Baht)

	Consolidated financial statements			
	Revaluation basis		Cost basis	Total
	Land	Building and improvement	Machinery and equipment	
Accumulated depreciation:				
31 December 2011	-	3,159	12,491	15,650
Depreciation for the year	-	246	-	246
Accumulated depreciation on disposals	-	-	(1,013)	(1,013)
31 December 2012	-	3,405	11,478	14,883
Depreciation for the year	-	247	-	247
31 December 2013	-	3,652	11,478	15,130
Allowance for impairment loss:				
31 December 2011	-	-	8,988	8,988
Decrease	-	-	(8,988)	(8,988)
31 December 2012	-	-	-	-
31 December 2013	-	-	-	-
Net book value:				
31 December 2012	60,696	1,518	-	62,214
31 December 2013	60,696	1,271	-	61,967
Depreciation for the years:				
2012 (All depreciation included in administrative expenses)				246
2013 (All depreciation included in administrative expenses)				247

(Unit: Thousand Baht)

	Separate financial statements			
	Revaluation basis		Cost basis	Total
	Land	Building and improvement	Machinery and equipment	
Cost/Revalued amount:				
31 December 2011	41,996	4,923	12,491	59,410
Disposal	-	-	(1,013)	(1,013)
31 December 2012	41,996	4,923	11,478	58,397
31 December 2013	41,996	4,923	11,478	58,397
Accumulated depreciation:				
31 December 2011	-	3,159	12,491	15,650
Depreciation for the year	-	246	-	246
Accumulated depreciation on disposals	-	-	(1,013)	(1,013)
31 December 2012	-	3,405	11,478	14,883
Depreciation for the year	-	247	-	247
31 December 2013	-	3,652	11,478	15,130
Net book value:				
31 December 2012	41,996	1,518	-	43,514
31 December 2013	41,996	1,271	-	43,267
Depreciation for the years:				
2012 (All depreciation included in administrative expenses)				246
2013 (All depreciation included in administrative expenses)				247

The Company and two subsidiaries arranged for the independent professional valuers to appraise the value of certain 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 buildings. As a result of the reappraisal, the carrying amounts of total assets and surplus on revaluation of land, buildings and building improvement decreased by approximately Baht 60 in the consolidated financial statement (Separate financial statement: increase Baht 0.3 million). The Company and the subsidiaries had presented their assets at cost, the net book value as at 31 December 2013 and 2012 on a cost basis would have been as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Land	73,823	73,823	24,948	24,948
Buildings and improvement	1,083	1,293	1,083	1,293

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

(Unit: Thousand Baht)

	Interest rate (percent per annum)		Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012	2013	2012
Bank overdrafts	6.88 - 7.78	6.25 - 7.90	83,129	62,862	-	-
Short-term loans from financial institutions	3.77 - 6.75	3.90 - 7.13	3,074,436	3,809,512	195,597	129,000
Bill of exchange	-	4.30 - 4.60	-	1,000,000	-	-
Trust receipts						
Baht	2.10 - 5.50	2.55 - 6.88	3,019,141	1,493,852	-	-
US dollars	1.49 - 1.64	1.69 - 1.70	134,932	9,955	-	-
Total			6,311,638	6,376,181	195,597	129,000

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

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

25. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Trade accounts payable - related parties (Note 7)	69	-	56,852	41,530
Trade accounts payable - unrelated parties	3,505,116	2,711,961	-	-
Other payables - related parties	6,606	9,183	2,609	727
Accrued interest expenses to related parties	-	-	1,579	2,308
Total other payables and accrued interest expenses - related parties (Note 7)	6,606	9,183	4,188	3,035
Other payables - unrelated parties	199,530	326,590	18,801	9,053
Other payables for purchase of machinery and equipment	2,992	5,874	243	49
Accrued expenses	403,882	270,555	23,447	21,488
Accrued interest expenses to unrelated parties	22,567	21,414	402	326
Total trade and other payables	4,140,762	3,345,577	103,933	75,481

26. Short-term loans

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Short-term loans from related parties (Note 7)	-	-	372,000	364,527
Short-term loan from unrelated party	-	495	-	-
Total short-term loans	-	495	372,000	364,527

Short-term loan from unrelated party

On 27 March 2013, Take A Look Co., Ltd., a subsidiary company, repaid Baht 0.2 million to Master Ad Public Co., Ltd. in settlement of a short-term loan that carries interest at Minimum Loan Rate (MLR) plus 1 percent per annum. The balance of Baht 0.3 million was forgiven by that company.

27. Short-term debentures

Debentures as at 31 December 2013 and 2012, which are unsubordinated, unsecured debentures with registered name, were summarised below.

Name of debenture	Fixed interest rate	Period	Maturity date	Consolidated financial statements			
				Unit		Amount	
				2013 (Thousand units)	2012 (Thousand units)	2013 (Thousand Baht)	2012 (Thousand Baht)
SAMTEL14220A	4.20% p.a.	265 days	20 February 2014	100	-	100,000	-
SAMTEL14403A	4.20% p.a.	266 days	3 April 2014	200	-	200,000	-
SAMTEL14219A	3.45% p.a.	188 days	19 February 2014	200	-	200,000	-
SAMTEL14612A	4.20% p.a.	267 days	12 June 2014	200	-	200,000	-
SAMTEL14403B	3.45% p.a.	190 days	3 April 2014	100	-	100,000	-
SAMTEL14612B	4.20% p.a.	260 days	12 June 2014	100	-	100,000	-
SAMTEL14724A	4.20% p.a.	265 days	24 July 2014	200	-	200,000	-
SAMTEL14507A	3.45% p.a.	182 days	7 May 2014	150	-	150,000	-
SAMTEL14514A	3.45% p.a.	181 days	14 May 2014	150	-	150,000	-
SAMTEL14807A	4.40% p.a.	266 days	7 August 2014	60	-	60,000	-
Total short-term debentures						1,460,000	-

Movements in the short-term debenture account for the year ended 31 December 2013 were as follows:

(Unit: Thousand Baht)

	Consolidated financial statements
Balance as at 31 December 2012	-
Add: Debentures issued during the year	1,760,000
Less: Redemption of debentures during the year	(300,000)
Balance as at 31 December 2013	1,460,000

During the current year, Samart Telcoms Public Co., Ltd., a subsidiary company, issued and offered totally 1.76 million debentures with a par value of Baht 1,000 each, or a total of Baht 1,760 million, under the quota authorised by resolution of a subsidiary company's Annual General Meeting of the shareholders held on 25 April 2013. These named, unsubordinated, unsecured debentures, without a debentureholder's representative are to be offered to the major and/or institutional investors and the interest will be paid in a lump sum on the maturity date. Subsequently, a subsidiary company settled the maturity debenture 0.3 million debentures with a par value of Baht 1,000 each, or of Baht 300 million with the interest rate 3.50 percent per annum on 14 November 2013.

28. Long-term loans from financial institutions

The detail of long-term loans from financial institutions as at 31 December 2013 and 2012 are summarised below:

(Unit: Thousand Baht)

No.	Lender	Credit facilities	Significant terms and conditions of loan agreements			Consolidated financial statements		Separate financial statements	
			Repayment term	Collateral	Interest rate	2013	2012	2013	2012
		(Million Baht)			(percent per annum)				
The Company									
1.	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	10,791	12,046	10,791	12,046
2.	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	400,000	400,000

(Unit: Thousand Baht)

No.	Lender	Credit facilities	Significant terms and conditions of loan agreements			Consolidated financial statements		Separate financial statements	
			Repayment term	Collateral	Interest rate	2013	2012	2013	2012
		(Million Baht)			(percent per annum)				
Subsidiaries									
One to One Contacts Public Co., Ltd.									
1.	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	-	38,000	-	-

(Unit: Thousand Baht)

No.	Lender	Credit facilities	Significant terms and conditions of loan agreements			Interest rate (percent per annum)	Consolidated financial statements		Separate financial statements	
			Repayment term	Collateral			2013	2012	2013	2012
		(Million Baht)								
Suvarnabhumi Environment Care Co., Ltd.										
2.	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 Airport and it is guaranteed by the Company, Professional Waste Technology (1999) Co., Ltd. and Siam Waste Management Consultants Co., Ltd.	MLR-1	-	35,058	-	-	-
Kampot Power Plant Co., Ltd.										
3.	Bank	USD 17 million	Quarterly installment within 8 years (from May 2008 to February 2015)	Assign the right to receive the payment for electricity and guaranteed by the Company. On 1 June 2012, the Company cancelled the guarantee in accordance with the conditions in the loan agreement.	LIBOR+1	122,900	202,027	-	-	-

(Unit: Thousand Baht)

No.	Lender	Credit facilities	Significant terms and conditions of loan agreements			Interest rate	Consolidated financial statements		Separate financial statements	
			Repayment term	Collateral			2013	2012	2013	2012
		(Million Baht)			(percent per annum)					
Cambodia Air Traffic Services Co., Ltd.										
4.	Bank	USD 14 million	Quarterly installment within 5 years and 3 months, from August 2008 to August 2013. Subsequently, during August 2013 the subsidiary has signed the amendment to extend period for a period of 2 years and 9 months effective from August 2013 and the principal is to be repaid on quarterly basis by installments of USD 0.5 million. The final payment is due in May 2016.	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 subsidiary's shares and the Company (until the outstanding loan reduces to 60percent of total loan amount), issue a negative pledge 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+275	159,793	204,305	-	-	-
Vision and Security System Co., Ltd.										
5.	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	-	7,888	-	-	-
Samart Telcoms Public Co., Ltd.										
6.	Financial institution	15	Monthly installments of Baht 0.2 million from April 2010 to April 2020. Full loan repayment must be made within 10 years.	Land with structures thereon	MLR-1.25	8,513	9,832	-	-	-

(Unit: Thousand Baht)

No.	Lender	Credit facilities	Significant terms and conditions of loan agreements			Consolidated financial statements		Separate financial statements	
			Repayment term	Collateral	Interest rate	2013	2012	2013	2012
		(Million Baht)			(percent per annum)				
Samart Telcoms Public Co., Ltd.									
7.	Bank	1,552	For the loan facility amount of Baht 600 million Quarterly installments of Baht 150 million. Full loan repayment must be made within 18 months. The first installment will be paid on 31 March 2013 For the loan facility amount of Baht 952 million Monthly installments of Baht 17.6 million. The first installment will be paid on 31 January 2013.	Samart Communication Services Co., Ltd. and shares of Portalnet Co., Ltd.	MLR-1.75	740,440	1,552,000	-	-
Samart Communications Services Co., Ltd.									
8.	Bank	755	Monthly installments of Baht 23.7 million, from March 2011 to February 2016 with a grace period of 3 months. Full loan repayment must be made within 5 years.	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	235,576	479,685	-	-
9.	Bank	190	Monthly installments of Baht 3.4 million from November 2010 to February 2016. Full loan repayment must be made within 5 years and 3 months.	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	68,252	106,137	-	-

(Unit: Thousand Baht)

No.	Lender	Credit facilities	Significant terms and conditions of loan agreements				Consolidated financial statements		Separate financial statements	
			Repayment term	Collateral	Interest rate		2013	2012	2013	2012
		(Million Baht)			(percent per annum)					
Samart Communications Services Co., Ltd. (continued)										
10.	Bank	75	Monthly installments of Baht 1.8 million from June 2012. Full loan repayment must be made within 42 months	Assign the right over collection of Baht 1.8 million of monthly service fee under a lease agreement a hotline news distribution center and it shall be guaranteed by Samart Telcoms Plc.	MLR-1		34,600	56,200	-	-
Samart I-Mobile Public Co., Ltd.										
11.	Bank	12	Monthly installment within 120 months, 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		7,665	8,756	-	-
Total loans from financial institutions							1,788,530	3,111,934	410,791	412,046
Less: Current portion							(730,549)	(1,534,939)	(53,839)	(1,249)
Long-term loans - net of current portion							1,057,981	1,576,995	356,952	410,797

29. Liabilities under finance lease agreements

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Liabilities under finance lease agreements	47,665	49,208	8,561	10,539
Less: Deferred interest expense	(4,240)	(5,178)	(714)	(1,126)
Total	43,425	44,030	7,847	9,413
Less: Portion due within one year	(9,028)	(7,842)	(1,642)	(1,566)
Liabilities under finance lease agreements - net of current portion	34,397	36,188	6,205	7,847

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 they are committed to pay rental on a monthly basis. The terms of the agreements are generally between 3 and 5 years.

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	
	2013	2012	2013	2012	2013	2012
Future minimum lease payments	10,818	9,696	36,847	39,512	47,665	49,208
Deferred interest expenses	(1,790)	(1,854)	(2,450)	(3,324)	(4,240)	(5,178)
Present value of future minimum lease payments	9,028	7,842	34,397	36,188	43,425	44,030

(Unit: Thousand Baht)

	Separate financial statements					
	Less than 1 year		1 - 5 years		Total	
	2013	2012	2013	2012	2013	2012
Future minimum lease payments	1,977	1,977	6,584	8,562	8,561	10,539
Deferred interest expenses	(335)	(411)	(379)	(715)	(714)	(1,126)
Present value of future minimum lease payments	1,642	1,566	6,205	7,847	7,847	9,413

30. Other current liabilities

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Deposits	260,557	40,998	241,266	143
Undue output tax	125,999	113,032	-	-
Value added tax payable	6,439	13,242	-	1,054
Others	310,878	126,117	1,927	1,763
Total	703,873	293,389	243,193	2,960

31. Provision for long-term employee benefits

Provision for long-term employee benefits, which is compensations on employees' retirement, was as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Provision for long-term employee benefits at beginning of year	91,662	89,819	19,372	20,217
Current service cost	7,654	7,374	1,467	1,424
Interest cost	3,587	3,300	809	735
Benefits paid during the year	(2,984)	(7,618)	(1,536)	(3,670)
Actuarial loss	536	3,387	-	666
Decrease in provision for long-term employee benefit from disposal of subsidiaries	-	(5,565)	-	-
Increase in provision for long-term employee benefit from acquisition of subsidiaries	13,278	965	-	-
Provision for long-term employee benefits at end of year	113,733	91,662	20,112	19,372

Long-term employee benefit expenses included in the profit or loss was as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Current service cost	7,654	7,374	1,467	1,424
Interest cost	3,587	3,300	809	735
Decrease in long-term employee benefit expenses from disposal of subsidiaries	-	(322)	-	-
Total expenses recognised in profit or loss	11,241	10,352	2,276	2,159
Line items under which such expenses are included in profit or loss				
Cost of services	2,244	1,614	-	-
Selling expenses	2,079	2,229	-	-
Administrative expenses	6,918	6,509	2,276	2,159

The cumulative amount of actuarial losses recognised in the other comprehensive income and taken as part of retained earnings of the Company and its subsidiaries as at 31 December 2013 and 2012 amounted to Baht 3.9 million and Baht 3.4 million (Separate financial statements: Baht 0.7 million and Baht 0.7 million), respectively.

Principal actuarial assumptions at the valuation date were as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013 (%per annum)	2012 (%per annum)	2013 (%per annum)	2012 (%per annum)
Discount rate	4.1	4.1	4.1	4.1
Future salary increase rate	4.0 - 6.0	4.0 - 6.0	4.0 - 6.0	4.0 - 6.0
Staff turnover rate (depending on age)	0 - 20	0 - 20	0 - 20	0 - 20

Amounts of defined benefit obligation for the current and previous three years are as follows:

(Unit: Thousand Baht)

	Defined benefit obligation	
	Consolidated financial statements	Separate financial statements
Year 2013	113,733	20,112
Year 2012	91,662	19,372
Year 2011	89,819	20,217
Year 2010	81,716	22,126

32. Share capital and warrants

32.1 Share capital

On 27 April 2012, the Annual General Meeting of the Company passed a resolution to decrease of the Company's registered capital. Due to the expiry of the first project of warrants offered to Company's directors and employees of the Company and its subsidiaries, there were 9,792 units of unexercised warrants had been cancelled. The Board of Directors has approved the decrease of the Company's registered capital of Baht 97,920 from Baht 1,006,601,830 to Baht 1,006,503,910 by reduction of 97,920 ordinary shares with par value of Baht 1. The Company has reserved the ordinary shares for exercise of such warrants for the whole project. Thus, 97,920 shares have also to be cancelled. Therefore, the Company required to decrease its registered capital by cancellation of the unused reserved shares.

32.2 Warrants

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.

On 15 May 2012, the Board of the Nomination and Remuneration Committee of the Company passed a resolution granting the Directors' approval of transfer the rights to 1,100,000 warrants to employees.

Up to 31 December 2013, the Company's directors, the Company and subsidiaries' employees had exercised their rights of the second project to convert 25,592,000 warrants (2012: 14,143,500 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 shares)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)	
Total for the second quarter of 2009 to the fourth quarter of 2011	9,126	9,126	9,126	40,608	49,734	
The first quarter of 2012	24	24	24	107	131	19 March 2012
The second quarter of 2012	3,772	3,772	3,772	16,785	20,557	19 June 2012
The third quarter of 2012	395	395	395	1,756	2,151	19 September 2012
The fourth quarter of 2012	827	827	827	3,682	4,509	19 December 2012
The first quarter of 2013	4,698	4,698	4,698	20,906	25,604	15 March 2013
The second quarter of 2013	6,405	6,405	6,405	28,504	34,910	18 June 2013
The third quarter of 2013	300	300	300	1,335	1,635	17 September 2013
The fourth quarter of 2013	45	45	45	200	245	17 December 2013
Total	25,592	25,592	25,592	113,883	139,476	

Movements of warrants for the year ended 31 December 2013 are summarised below.

(Number of unit: Thousand units)

Warrants issuance to	Balance as at 31 December 2012	Exercised the year	Balance as at 31 December 2013
Directors	9,000	(5,600)	3,400
Employees	6,857	(5,849)	1,008
Total	15,857	(11,449)	4,408

33. 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. At present, the statutory reserve has fully been set aside.

34. Revaluation surplus of land, building and improvement

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

(Unit: Thousand Baht)

	Consolidated financial statements/Separate financial statements	
	2013	2012
Revaluation surplus of land, building and building improvement of the Company		
Balance at beginning of the year	164,263	168,654
Less: Amortisation	(4,391)	(4,391)
Balance at end of the year	159,872	164,263

35. Service income

Service income for the years ended 31 December 2013 and 2012 summarised as followings:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Type-one telecom license	206,916	107,202	-	-
Type-two telecom license without its own network	353,716	27,059	-	-
Type-one internet license	121,208	112,727	-	-
Other service income	6,631,719	5,303,215	16,422	16,212
Total service income	7,313,559	5,550,203	16,422	16,212

36. Other income

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Management fee income	-	-	365,724	315,647
Income from debt reduction from suppliers	295	68,342	-	-
Selling support income	18,630	44,747	-	-
Interest income	9,099	10,893	12,386	13,424
Gain on exchange	-	49,970	2,545	16,125
Gain on disposal of equipment, intangible assets and assets held for future projects	14,191	7,164	47	796
Gain on change in value of temporary investments in trading securities (Note 9)	-	10,274	-	3,433
Reversal on allowance of impairment of asset	-	12,841	-	-

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Gain on disposal of investment in subsidiaries	-	59,607	14,552	32,694
Gain on disposal of temporary investment in trading securities (Note 9)	4,069	9,377	1,157	6,168
Gain on disposal of available-for-sale investment (Note 16)	-	1,423	-	-
Dividend income	389	-	513,493	288,616
Income from reversal of provision for diminution in value of investment in subsidiaries	-	-	-	37,767
IT service fee from subsidiary companies	-	-	96,404	96,404
Others	71,581	89,133	78,356	79,104
Total	118,254	363,771	1,084,664	890,178

During the year 2012, the Company and a subsidiary company had received compensation for the damage to inventories and assets from flood situation of Baht 88.5 million (Separate financial statements: Baht 4.1 million). The compensation in excess of the cost of inventories and assets amounting to Baht 26.6 million (Separate financial statements: Baht 4.1 million) was recognised as other income in the statement of income for the year 2012.

In addition, during the 2012, Portalnet Co., Ltd., a subsidiary company, had negotiated reductions of debts arising from purchase of goods, services and fines for late payment with two creditors. The two creditors agreed to give debt reductions totaling Baht 68.3 million. The subsidiary company recorded these as "Income from debt reduction from suppliers". The subsidiary company included this account in other income in the consolidated income statement for the year ended 31 December 2012.

37. Expenses by nature

Significant expenses by nature are as follows:

((Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Salaries, wages and other employee benefits	1,748,640	1,606,279	145,212	138,061
Promotion and advertising expenses	1,049,715	735,042	6,084	11,421
Changes in inventories of finished goods and work in progress - (increase) decrease		(802,170)	523,678	(134,553) -
Depreciation	1,252,442	1,056,567	38,364	50,207
Rental expenses from operating lease agreements	247,610	180,233	46,444	44,696
Raw materials and consumables used	29,962	37,458	-	-
Loss on change in value of temporary investments in trading securities	3,081	-	56	-
Amortisation expenses	135,522	118,063	12,522	12,522
Raw materials, equipment and cost of projects used	4,806,112	4,250,475	1,341	-
Purchase finished goods for sales	11,857,310	5,063,133	-	-

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.

38. Other expenses and finance cost

38.1 Other expenses

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Loss on exchange	31,439	-	-	-
Loss on change in value of temporary investments in trading securities (Note 9)	3,081	-	56	-
Loss on impairment of investments in subsidiary companies	-	56,950	19,572	-
Provision for doubtful debts and diminution in value of assets	47,202	35,797	-	-
Others	5,304	32,014	1,616	14,215
Total	87,026	124,761	21,244	14,215

38.2 Finance cost

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Interest expense on:				
Bank loans, overdrafts and trust receipts	475,801	451,524	33,489	32,196
Loans from related parties	-	-	8,507	19,248
Liabilities under finance lease agreements	2,209	4,772	411	438
Total interest expenses	478,010	456,296	42,407	51,882
Bank charges	31,702	29,695	225	236
Total finance cost	509,712	485,991	42,632	52,118

39. Income tax

Income tax expenses for the years ended 31 December 2013 and 2012 are made up as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
		(Restated)		(Restated)
Current income tax:				
Current income tax charge	259,024	200,138	40,886	44,766
Adjustment in respect of current income tax of previous year	439	1,695	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	21,419	(58,188)	4,306	(1,915)
Effects of changes in the applicable tax rates	-	7,163	-	(137)
Income tax expense reported in the income statement	280,882	150,808	45,192	42,714

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2013 and 2012 were as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
		(Restated)		(Restated)
Deferred tax relating to loss on change in value of available-for-sale investments	2,471	1,026	-	-
Deferred tax relating to loss on actuarial losses	107	677	-	133
Total	2,578	1,703	-	133

Reconciliation between income tax expenses and the product of accounting profit multiplied by the applicable tax rates for the years ended 31 December 2013 and 2012 was as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
		(Restated)		(Restated)
Accounting profit before tax	2,320,460	1,528,567	708,376	516,739
Applicable tax rate	0% - 25%	0% - 25%	20%	23%
Accounting profit before tax multiplied by applicable tax rate	457,277	335,179	141,675	118,850
Adjustment in respect of current income tax of previous year	439	1,695	-	-
Effects of changes in the applicable tax rates	-	7,163	-	(137)
Effects of:				
Promotional privileges (Note 44)	(122,221)	(60,458)	-	-
Utilisation of tax loss carry forward	(8,240)	(111,861)	-	-
Non-deductible expenses	38,821	52,143	8,011	(8,976)
Additional expense deductions allowed	(57,836)	(1,887)	(427)	(82)
Income not subject to tax	(16,784)	(3,365)	(104,067)	(66,941)
Others		9,034	(8,122)	-
Total	(157,226)	(133,550)	(96,483)	(75,999)
Income tax on loss carry forwards from acquisition of subsidiary company during the year	(41,470)	(74,467)	-	-
Deferred tax assets not recognised	21,862	14,788	-	-
Income tax expenses reported in income statement	280,882	150,808	45,192	42,714

The components of deferred tax assets and deferred tax liabilities were as follows:

(Unit: Thousand Baht)

	Statements of financial position					
	Consolidated financial statements			Separate financial statements		
	31 December 2013	31 December 2012	1 January 2012	31 December 2013	31 December 2012	1 January 2012
Deferred tax assets		(Restated)			(Restated)	
Loss on changes in value of available-for-sale investments	2,569	98	-	-	-	-
Allowance for doubtful accounts	6,737	6,406	6,517	-	-	-
Allowance for diminution in value of inventories	24,858	15,777	30,316	-	-	-
Allowance for asset impairment	10,439	13,536	12,285	71	3,497	655
Accumulated depreciation - Plant and equipment	31,327	18,421	14,473	4,740	6,958	8,173
Provision for long-term employee benefits	23,522	19,028	18,204	4,144	4,002	4,308
Unused tax loss	63,645	113,326	66,591	-	-	-
Others	26,036	31,082	28,014	570	251	265
Total	189,133	217,674	176,400	9,525	14,708	13,401
Deferred tax liabilities						
Gain on changes in value of available-for-sale investments	-	-	928	-	-	-
Accumulated amortisation - License	23,404	33,478	41,674	-	-	-
Accumulated depreciation - Plant and equipment	29,099	36,856	38,562	-	-	-
Surplus on revaluation of land, buildings and building improvements	77,843	79,052	80,262	31,975	32,853	33,731
Others	6,086	1,112	1,302	-	-	-
Total	136,432	150,498	162,728	31,975	32,853	33,731
Deferred tax, net	52,701	67,176	13,672	(22,450)	(18,145)	(20,330)

Deferred tax assets and liabilities in statement of financial position were as follows:

(Unit: Thousand Baht)

	Statements of financial position					
	Consolidated financial statements			Separate financial statements		
	31 December 2013	31 December 2012	1 January 2012	31 December 2013	31 December 2012	1 January 2012
		(Restated)			(Restated)	
Deferred tax assets	124,231	153,442	79,696	-	-	-
Deferred tax liabilities	(71,530)	(86,266)	(66,024)	(22,450)	(18,145)	(20,330)
Deferred tax, net	52,701	67,176	13,672	(22,450)	(18,145)	(20,330)

In October 2011, the cabinet passed a resolution to reduce the corporate income tax rate from 30 percent to 23 percent in 2012, and then to 20 percent from 2013. In addition, in order to comply with the resolution of the cabinet, in December 2011, the decreases in tax rates for 2012 - 2014 were enacted through a royal decree. The Company has reflected the changes in the income tax rates in its deferred tax calculation, as presented above.

As at 31 December 2013 the subsidiary companies has deductible temporary differences and unused tax losses totaling Baht 179 million and Indonesian Rupiah 4,352 million (2012: Baht 221 million and Indonesian Rupiah 3,776 million), on which deferred tax assets have not been recognised as the Company believes future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

40. Earnings per share

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.

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 according to the portion of warrant exercise.

40.1 Weighted average number of ordinary shares

(Unit: Thousand Baht)

	Consolidated financial statements/Separate financial statements	
	2013	2012
Balance brought forward (net of treasury shares)	990,647	969,563
Add: Weighted average number of treasury shares re-issued during the year	-	12,949
Add: Weighted average number of ordinary shares in issue during the year	7,323	2,229
Weighted average number of ordinary shares	997,970	984,741

40.2 Reconciliation of basic and diluted earnings per share

	Consolidated financial statements					
	Profit for the year		Weighted average number of ordinary shares		Earnings per share	
	2013 (Thousand Baht)	2012 (Thousand Baht)	2013 (Thousand Shares)	2012 (Thousand Shares)	2013 (Baht)	2012 (Baht)
Basic earnings per share		Restated				Restated
Profit attributable to equity holders of the Company	1,468,147	1,083,473	997,970	984,741	1.47	1.10
Effect of dilutive potential ordinary shares						
Warrants to the directors of the Company and employees of the Company and subsidiaries 4,408,000 warrants (2012: 15,856,500 warrants)			6,232	8,146		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of warrants to ordinary shares	1,468,147	1,083,473	1,004,202	992,887	1.46	1.09

	Separate financial statements					
	Profit for the year		Weighted average number of ordinary shares		Earnings per share	
	2013 (Thousand Baht)	2012 (Thousand Baht)	2013 (Thousand Shares)	2012 (Thousand Shares)	2013 (Baht)	2012 (Baht)
Basic earnings per share		(Restated)				(Restated)
Profit attributable to equity holders of the Company	663,185	474,025	997,970	984,741	0.66	0.48
Effect of dilutive potential ordinary shares						
Warrants to the directors of the Company and employees of the Company and subsidiaries 4,408,000 warrants (2012: 15,856,500 warrants)			6,232	8,146		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of warrants to ordinary shares	663,185	474,025	1,004,202	992,887	0.66	0.48

41. 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.

During the year 2012, the Company had set aside approximately Baht 88.3 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.

Up to 29 March 2012, the Company already disposed all of the remaining treasury shares.

The Company included the excess of the resale price over the carrying amount of treasury share in "Share premium" in the other components of shareholders' equity and reversed the retained earnings - reserve for treasury shares of Baht 88.3 million, during the year 2012.

42. Dividend payment

	Approved by	Total dividends	Dividend per share	Paid on
		(Million Baht)	(Baht)	
2013				
Dividends from 2012 earnings	Annual General Meeting of the shareholders on 25 April 2013	596	0.60	12 September 2012 10 May 2013
<u>Less:</u> Interim dividends from income for the six-month period ended 30 June 2012	A meeting of Board of Directors on 14 August 2012	(198)	(0.20)	
		398	0.40	12 September 2013
Interim dividend from income for the six-month period ended 30 June 2013	A meeting of Board of Directors on 14 August 2013	351	0.35	
Total dividend paid for the year 2013		749	0.75	
2012				
Dividends declared on 2011 operating result	Annual General Meeting of the shareholders on 27 April 2012	509	0.52	14 September 2011 11 May 2012 12 September 2012
<u>Less:</u> Interim dividend on earnings for the six-month period ended 30 June 2011	A meeting of Board of Directors on 15 August 2011	(213)	(0.22)	
		296	0.30	
Interim dividend from income for the six-month period ended 30 June 2012	A meeting of Board of Directors on 14 August 2012	198	0.20	12 September 2012
Total dividend paid for the year 2012		494	0.50	

43. 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 2013, the Company and its subsidiary companies contributed amounted to approximately Baht 46 million (2012: Baht 40 million) (Separate financial statement: Baht 6 million (2012: Baht 6 million)) to the fund.

44. Promotional privileges

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

Details	Brain Source Co., Ltd.	Smarterware Co., Ltd.	Samart eD Tech Co., Ltd.
1. Certificate No.	1690(7)/2550	1152(7)/2551	1713(7)/2553
2. Promotional privileges for	Research and development Software	Research and development Software	Research and development Software
3. The significant privileges are:	Commencing until 31 July 2015	Commencing until 29 April 2017	Commencing until 21 June 2019
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.			
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	Granted
3.3 Exemption from import duty on imported machinery for use in production as approved by the Board.	Ended on 20 January 2010	Ended on 19 August 2010	Throughout the period of promoted
4. Date of first earning operating income	1 August 2007	30 April 2009	22 June 2011

Revenues of those subsidiary companies for the years ended 31 December 2013 and 2012 could be divided between BOI promoted activities and Non-BOI promoted activities as follows:

(Unit: Thousand Baht)

	2013	2012
BOI promoted	667,451	340,910
Non-BOI promoted	5,435	8,630
Total service income	672,886	349,540

45. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

For management purposes, the Company and its subsidiaries are organised into business segments as follows:

1. Mobile Multimedia segment

Integrated mobile and interactive media business including infotainment service provider via advanced media and also provide media and multimedia equipment for local and international including MVNO virtual network operator.

2. ICT Solutions and Services segment

Provide 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.

3. Technology Related segment

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.

4. Utilities and Transportations segment

Provide air traffic control services in Cambodia, electric generating supply to Kampot Cement factory in Cambodia and also provide the design and installation of electrical engineering works.

No operating segments have been aggregated to form the above reportable operating segments.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and on a basis consistent with that used to measure operating profit or loss in the financial statements. However, the Company and its subsidiaries' financing activities (including finance costs and finance income) and income taxes are managed on a Group basis and are not allocated to operating segments.

The basis of accounting for any transactions between reportable segments is set out in Note 7 to the financial statement.

The following tables present revenue, profit and total assets information regarding the Company and its subsidiaries' operating segments for the year ended 31 December 2013 and 2012, respectively.

(Unit: Million Baht)

	For the years ended 31 December											
	Mobile Multimedia		ICT Solutions and Services		Technology Related		Utilities and Transportations		Adjustments and eliminating		Consolidated	
	2103	2012	2103	2012	2103	2012	2103	2012	2103	2012	2103	2012
Sales and services income												(Restated)
- Third parties	10217	6873	9226	7,513	1,026	1,211	1,845	1,132	-	-	22,314	16,729
- Related parties	21	67	25	17	599	232	137	3	(781)	(315)	1	4
Total sales and services income	10238	6940	9251	7,530	1,625	1,443	1,982	1,135	(781)	(315)	22,315	16,733
Cost of sales and services	7693	5622	7459	6,037	1,354	1,165	1,181	518	(754)	(301)	16933	13041
Gross profit	2545	1318	1792	1,493	271	278	801	617	(27)	(14)	5382	3692
Unallocated income (expenses):												
Other income											118	364
Selling expenses											(1,372)	(901)
Administrative expenses											(1,211)	(1,016)
Other expenses											(87)	(125)
Finance cost											(510)	(486)
Income tax expenses											(281)	(151)
Non-controlling interests of the subsidiaries											(571)	(294)
Profit for the year											1,468	1,083
Assets												
Trade accounts receivable	3,652	3,184	3,469	2,203	807	370	286	129	(545)	(67)	7,669	5,819
Inventories	1,670	682	341	401	278	109	16	2	(17)	-	2,288	1,194
Property, plant and equipment	615	602	2,851	3,026	807	878	689	659	-	-	4,962	5,165
Intangible assets	43	71	156	177	26	28	33	29	-	-	258	305
Others	1,302	950	5,502	6,482	8,324	7,295	1,874	1,487	(8,417)	(7,460)	8,585	8,754
Total assets	7,282	5,489	12,319	12,289	10,242	8,680	2,898	2,306	(8,979)	(7,527)	23,762	21,237
Additions to non-current assets other than financial instruments and deferred tax assets	183	227	643	214	59	44	88	40	-	-	973	525

Geographic information

Revenue from external customers is based on locations of the customers.

(Unit: Thousand Baht)

	Consolidated financial statements	
	2013	2012
Revenue from external customers		
Thailand	20,622,690	15,413,324
Cambodia	1,280,932	1,110,362
Others	411,685	209,209
Total	22,315,307	16,732,895
Non-current assets (other than financial instruments and deferred tax assets)		
Thailand	4,462,149	4,710,674
Cambodia	714,248	691,332
Others	43,091	68,273
Total	5,219,488	5,470,279

Major customers

For the year 2013, its subsidiaries had revenue from one major customer in amount of Baht 2,432.6 million, arising from sales by ICT Solutions and Services segment (2012: Baht 3,514.8 million derived from one major customer, arising from sales by ICT Solutions and Services segment) which amount to 10 percent or more of a group's revenues.

46. Commitments and contingent liabilities

The Company and its subsidiaries have commitments and contingent liabilities other than those disclosed in other notes as follows:

46.1 Capital commitments

As at 31 December 2013, Cambodia Air Traffic Services Co., Ltd., a subsidiary company, has capital commitments of approximately USD 0.02 million (2012: USD 0.3 million), rotating to the purchase of system and major maintenance service.

46.2 Operating lease commitments

46.2.1 The Company and its subsidiaries have entered into several lease agreements in respect of the lease of land, office building space, motor vehicles and equipment. The terms of the agreements are generally between 1 and 12 years.

Future minimum lease payments required under these operating leases contracts were as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Payable:				
In up to 1 year	83	71	9	9
In over 1 and up to 5 years	46	87	11	27

46.2.2 As at 31 December 2013, Samart I-Mobile Public Co., Ltd., a subsidiary company, has future minimum sublease payments expected to be received under non-cancellable totaled approximately Baht 14 million (2012: Baht 20 million). During 2013, the subsidiary company recognised rental expenses of Baht 5 million (2012: Baht 5 million) and subleasing revenue of Baht 5 million (2012: Baht 4 million).

46.2.3 As at 31 December 2013, Samart Communication Services Co., Ltd., a subsidiary company, entered into a rental agreement to sublet space from a private company for a period of 3 years from the date that each site is handed over. The space is to be used for installation of stanchions, advertising banners and 3G and/or 4G network equipment, and the subsidiary company is committed to pay rental of approximately Baht 5.2 million per month, totaling approximately Baht 141 million (2012: Nil).

46.3 Commitments in uncalled portions of investments

The subsidiaries are committed to pay the uncalled portions of their investments as follows:

	Amount			
	2013		2012	
The local subsidiary companies	Baht	235 million	Baht	318 million
The overseas subsidiary companies	Malaysian		Malaysian	
	Ringgit	3 million	Ringgit	3 million
	USD	3 million	USD	3 million

46.4 Guarantees

46.4.1 Bank guarantees

There were outstanding bank guarantees issued by the banks on behalf of the Company and its subsidiaries, in respect of certain performance bonds as required in the normal course of business. The details of bank guarantees are as follows:

(Unit: Million)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Baht				
Performance guarantees	4,356	3,206	430	-
Guarantee electricity use and others	210	136	1	1
Euro				
Performance guarantees	2	-	-	-
Swiss franc				
Performance guarantees	2	-	-	-
Yen				
Performance guarantees	2	-	-	-

46.4.2 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.

- 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	
	2013	2012
Subsidiary companies		
Vision and Security System Co., Ltd.	900	572
The Samart Engineering Co., Ltd.	832	832
Samart RadiTech Co., Ltd.	95	95
Suvarnabhumi Environment Care Co., Ltd.	72	189
Samart U-Trans Co., Ltd.	5	1
One to One Contacts Public Co., Ltd.	-	494
Teda Co., Ltd.	60	-
Transec Power Services Co., Ltd.	80	-
	2,044	2,183

- b) 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	
	2013	2012
Samart I-Mobile (Malaysia) Sdn. Bhd.	101	102
Samart Mobile Services Co., Ltd.	55	55
Samart Multimedia Co., Ltd.	116	115
I-Mobile Inter trade Co., Ltd.	20	20
Pt. Samart I-Mobile Indonesia	165	154
Samart Multimedia Co., Ltd. and Samart Interactive Media Co., Ltd. (joint use the same facilities with Samart I-Mobile Public Co., Ltd.)	10	10
Samart Mobile Services Co., Ltd., I-Mobile International Co., Ltd., I-Mobile Inter trade Co., Ltd. and Teleconnex Co., Ltd. (formerly known as "Samart I-Mobile (Hong Kong) Ltd.") (joint use the same facilities with Samart I-Mobile Public Co., Ltd.)	1,794	1,739
Teleconnex Co., Ltd. (formerly known as "Samart I-Mobile (Hong Kong) Ltd.") (joint use the same facilities with Samart I-Mobile Public Co., Ltd.)	2,985	2,985
Teleconnex Co., Ltd. (formerly known as "Samart I-Mobile (Hong Kong) Ltd."), I-Mobile Plus Co., Ltd. (joint use the same facilities with Samart I-Mobile Public Co., Ltd. which Samart I-Mobile Public Co., Ltd. guarantees credit facilities to I-Mobile Plus Co., Ltd. of Baht 200 million) and I-Mobile International Co., Ltd. (joint use the forward contract with Samart I-Mobile Public Co., Ltd. which Samart I-Mobile Public Co., Ltd. guarantees credit facilities to I-Mobile International Co., Ltd., of Baht 200 million)	700	700

(Unit: Million Baht)

	Guaranteed facilities	
	2013	2012
Brain Source Co., Ltd. (joint use the same facilities with Samart I-Mobile Public Co., Ltd.)	150	150
Samart Multimedia Co., Ltd. (joint use the same facilities with Samart I-Mobile Public Co., Ltd.)	140	140
I-Mobile Plus Co., Ltd.	20	10
I-Sport Co., Ltd.	5	5
I-Mobile Plus Co., Ltd. (joint use the same facilities with Samart I-Mobile Public Co., Ltd.)	105	-
Samart Multimedia Co., Ltd., Teleconnex Co., Ltd. (formerly known as "Samart I-Mobile (Hong Kong) Ltd."), I-Mobile International Co., Ltd. and I-Mobile Plus Co., Ltd. (joint use the same facilities with the Company)	1,000	-

- c) 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 credit facilities		Facilities used	
	2013	2012	2013	2012
Samart I-Mobile Public Co., Ltd., I-Mobile International Co., Ltd. and Samart Mobile Services Co., Ltd.	2,985	2,985	1,106	982
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	2,000	-	-
Samart I-Mobile Public Co., Ltd., I-Mobile International Co., Ltd., Samart Mobile Services Co., Ltd. and Teleconnex Co., Ltd. (formerly known as "Samart I-Mobile (Hong Kong) Ltd.")	1,000	1,000	500	498
Samart I-Mobile Public Co., Ltd. and I-Mobile Plus Co., Ltd.	6	6	6	6

The credit facility of Baht 2,985 million as mentioned above in Note 46.4.2 b), 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.

- d) Samart Telcoms Public Co., Ltd. and its subsidiaries have the following commitments to banks and leasing companies as a result of their guarantees of credit facilities and rental of equipment.
1. Samart Telcoms Public Co., Ltd. was guarantor of credit facilities of its subsidiary company from banks and a leasing company amounting to Baht 21,061.2 million (2012: Baht 22,218.1 million).
 2. Samart Communication Services Co., Ltd., a subsidiary company, is guarantor of credit facilities of Samart Telcoms Public Co., Ltd. from banks amounting to Baht 740.4 million (2012: Baht 1,552 million).
 3. Samart Telcoms Public Co., Ltd. is guarantor of credit facilities of the subsidiary company amounting to Baht 312 million (2012: None).

- e) The Company and The Samart Engineering Co., Ltd., a subsidiary company, have cross-guaranteed credit facilities of Baht 30 million granted by a commercial bank to the Company and The Samart Engineering Co., Ltd. (2012: Baht 30 million). In addition, the Company and another two 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 (2012: Baht 20 million and Baht 10 million, respectively).
- f) The Company and The Samart Engineering Co., Ltd., a subsidiary company, have cross-guaranteed the credit facility of Baht 65 million (2012: Baht 65 million) granted by a commercial bank to the Company and such subsidiary.
- g) The Company and Suvarnabhumi Environment Care Co., Ltd., a subsidiary company, have cross-guaranteed the credit facility of Baht 20 million (2012: Baht 20 million) granted by a commercial bank to such subsidiary.

46.5 Other commitments

- a) 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. On 18 June 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. Under the agreement, the subsidiary 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.
- b) 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.
- c) The Samart Engineering Co., Ltd, a subsidiary company, has entered into 9 satellite channels rental service agreements with two private companies. The 9 agreements will expire in the year 2017. As at 31 December 2013, the subsidiary company is obliged to pay the service fee of USD 0.3 million and Baht 107.5 million (2012: USD 0.8 million and Baht 137.3 million).
- d) On 15 February 2011, the Company entered into a life maintenance service agreement with a domestic contractual partner. Under the agreement, the Company had commitment to pay service fees to its contractual partner by quarterly installments, totaling approximately Baht 0.7 million per quarter (2012: Baht 0.6 million per quarter). The agreement is expiring in 2020.
- e) Teda Co., Ltd. and Transec Power Services Co., Ltd., subsidiary companies, entered into general contractors and equipment and service purchase agreements with various local and foreign companies in order to operate their construction of electrical stations and installation of electrical systems business. The subsidiary companies are obligated to comply with certain conditions and to make the following payments for equipment and services.

(Unit: Million)

Currency	2013	2012
Baht	247.7	213.0
US dollar	0.5	0.3
Euro	0.7	10.2
Swiss franc	7.3	-

Other commitments of Samart Telcoms Public Co., Ltd. group

- f) 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, totaling approximately USD 0.5 million per month (2012: USD 0.5 million per month). The agreements are expiring during 2014 to 2015.
- g) 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., a 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 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 2013, 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. However, the subsidiary company is still in the process of purchase back of the telecommunications equipment.
- h) 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.
- i) On 26 October 2006, Samart Communication Services Co., Ltd., a subsidiary company, entered into an agreement with a company (formerly a state enterprise), whereby they would provide an information technology network to The Department of Local Administration for a period of 1 year. The subsidiary company 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 company is unable to do so within the delivery period (22 February 2007), the counterparty will charge a penalty for any delays in the subsidiary company's work. However, as at 22 February 2007 the subsidiary company could not make the network available at 1,000 sites because such subsidiary company has not yet to receive the equipment from the counterparty and Bandwidth received is not adequate for actual usage. Since the subsidiary company could not accomplish the number of guaranteed users. The counterparty therefore could charge a penalty for delay work. However, the subsidiary company'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 company's fault. In addition, the subsidiary company's management believes that the negotiation with the counterparty will be successful therefore as at 31 December 2013 the subsidiary company has not set up provision for fine from the project delay.

- j) 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 company is obligated to comply with the conditions and pay for equipment and service fee totaling approximately Baht 41.3 million (2012: Baht 1,095.2 million).
- k) On 30 August 2004, Samart Infonet Co., Ltd., a subsidiary company, entered into an agreement with the Communications Authority of Thailand whereby the subsidiary company 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 0.1 million per month (2012: Baht 0.4 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 company notifies that it is ceasing use of the service.
- l) Samart Infonet Co. Ltd., a subsidiary company, entered into a contract with True International Gateway Co. Ltd. related to the provision of services to an international internet exchange center. This contract will expire on 17 March 2014. The subsidiary company is obliged to comply with the conditions stipulated in the contract and pay a service fee totaling approximately Baht 0.3 million per month (2012: Baht 0.3 million per month).
- m) Portalnet Company Limited, a subsidiary company, entered into a contract to use computer software application services with SAP (Thailand) Co., Ltd, effective until terminated by the subsidiary company. The subsidiary company is obligated to comply with the conditions stipulated in the contract and pay a service fee of approximately Baht 5.6 million per month (2012: Baht 4.7 million per month).
- n) On 3 November 2009, Samart Comtech Co., Ltd., a subsidiary company, entered into an agreement with government agency, whereby to provide development of information systems. The subsidiary company is obliged to install and deliver of hardware equipments and application software within 1,095 days from the contract date. If the subsidiary company is unable to do so within the delivery period (2 November 2012), the government contractor will charge a penalty for any delays in each period of delivery or the date that has been extended until entire of work delivered and completed workability. Subsequently, 7 November 2012, the counterparty issued letter to extended delivered period to the subsidiary company for another 180 days. Resulted scheduled of delivery period 5, 6 and 7 which is the final period, extended to 16 January 2012, 22 January 2012 and 1 May 2013, respectively. However, until the expiration of the extended delivery period of 5 and 6 the subsidiary company could not deliver for some parts of application software to complete the contract. During May 2013, the subsidiary company has already delivered all systems to the government agency and now is a waiting for inspection process. However, the subsidiary company set up a provision for penalty from the project delay of Baht 5.0 million in the subsidiary's account as at 31 December 2013.
- o) Portalnet Company Limited, a subsidiary company, entered into a contract with Siemens Co., Ltd, Siemens AG and SAP (Thailand) Co., Ltd. to provide system maintenance services for computer software applications for core business operations. The subsidiary company is obligated to comply with the conditions stipulated in the contract and pay service fee totaling approximately Baht 0.3 million, and Euro 0.05 million per month, respectively (2012: Baht 0.3 million, Euro 0.05 million per month and Euro 0.75 million per year, respectively).
- p) Portalnet Co., Ltd., a subsidiary company, entered into a contract with SAP (Thailand) Co., Ltd. to provide system maintenance services for computer software applications for core business operation.

The subsidiary is obligated to comply with the conditions stipulated in the contract and pay service fee of approximately between Baht 5.0 million and Baht 7.5 million per quarter (2012: Nil).

Other commitments of Samart I-MobilePublic Co., Ltd. group

- q) 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, during the year 2011 the subsidiary company transferred the right and duties under a memorandum of understanding to I-Mobile Plus Co., Ltd., another subsidiary company. I-Mobile Plus Co., Ltd. is obliged to comply with certain conditions and pay fees for the testing project as stated in the memorandum of understanding.

- r) On 20 December 2011, Samart I-Mobile Public Co., Ltd., a subsidiary company entered into an agreement with Dialog Axiata Public Co., Ltd. to together provide International Roaming services to TOT's 3G network for a period of 3 years, with the term of the agreement to begin when the service is ready to be launched (at present, the service has not yet to be launched). The subsidiary company is obliged to comply with certain conditions as stated in the agreement and to pay fees at the rates stated in the agreement.

On 4 May 2012, the subsidiary company, entered into an agreement with TOT Public Co. Ltd. to together provide International Roaming service on TOT's 3G network for a period of 2 years and 10 months, with the term of the agreement to begin on the date that the service is ready to be launched (at present the service has not yet to be launched). The subsidiary company is obliged to comply with certain conditions as stated in the agreement and to pay fees at the rates stated in the agreement.

- s) Samart Multimedia Co., Ltd., a subsidiary company, entered into an agreement with the TOT Public Co., Ltd. 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.

46.6 Litigation

- a) In the third quarter of 2009, The Samart Engineering Co., Ltd., a subsidiary company, had entered into sale and purchase agreement with Super Cheng Co., Ltd. ("the buyer"), to sell satellite receivers with the total contract value of Baht 40.0 million. The subsidiary company acknowledged the revenue and received the amount of Baht 26.0 million from the sale of aforementioned product of this agreement. Subsequently, in the fourth quarter of 2009. The authorised lawyer of the buyer gave a written notice to terminate such agreement and request a refund of the paid amount of Baht 26.0 million. Legal department of the subsidiary company found that entered into this agreement was not the intention by mistake in the essence of the agreement as claimed and the subsidiary company did not breach any provision which cause the termination. 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 will not need to pay the amount of Baht 26.0 million to the buyer and it has no related contingent liabilities.

On 19 March 2010, the subsidiary company brought criminal legal action against the buyer for the offences related to the use of cheques in the amount of Baht 14 million. Subsequently, on 24 October 2012 the Court of First Instance renderer the decision that Super Cheng Co., Ltd. and associates, as the buyer, had committed an offence under the Offence Arising from the Use of Cheque Act. Subsequently, on 28 May 2013, the Appeal Court overruled that Super Cheng Co., Ltd. and associates had not committed any offences under the Offence Arising from the Use of Cheque Act. On 28 October 2013, the Legal Department of subsidiary company filed a petition to the Supreme Court, seeking a judgement that Super Cheng Co., Ltd. and associates had committed

an offence, in accordance with the decision of Court of First Instance. The case is currently being considered by the Supreme 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).

A law firm was hired by the Company to be a legal consultant and responsible for this case, is of the opinion that the Company shall not be responsible for this claim for damages since the claimant has submitted the matter in dispute to the Arbitration Institution 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.

Subsequently, the Arbitration Institution completed examination of the evidence of both the Organizing Committee and on 22 August 2013 the Arbitration Institution found in favour of the Company, on the grounds that the Organizing Committee and the Sports Authority of Thailand had submitted the matter in dispute more than 10 years after the dispute arose, meaning that the statute of limitations had already expired. However, on 27 November 2013, Competition Management Committee and Sports Authority of Thailand submitted a petition to the Civil Court for the revocation of the arbitral award. The law firm of the Company in this case is of the opinion that the court is likely to dismiss the petition because there are no legal grounds for the court to revoke the arbitral award and orders the Company to make the payment. The Civil Court has scheduled the hearing for the preliminary examination of the petition in May 2014.

- c) In 2010, One To One Contacts Public Co., Ltd., a subsidiary company, was sued by a private company for payment of an equipment and call center system installation fee amounting to approximately Baht 1.3 million, together with interest at the rate of 7.5% per annum. Subsequently, on 11 August 2011, the court ordered the subsidiary company to make such payment and to pay legal fees to that subsidiary company. The subsidiary company lodged an appeal with the Court of Appeal, but the Appeal Court's verdict was same as that of the Court of First Instance. However, the subsidiary company lodged an appeal with the Supreme Court and the case is currently under consideration by the Supreme Court. As at 31 December 2013, the subsidiary company has set aside full provision of Baht 2.0 million for the above expense (2012: Baht 1.9 million).
- d) On 23 January 2007, Vision and Security System Co., Ltd., a subsidiary company, was sued by an individual (plaintiff) for compensation of Baht 28 million on the grounds that the subsidiary company had violated the "I-Vision" trademark. The court dismissed the case on 29 January 2010. However during the year 2010, the plaintiff then filed an appeal with the Supreme Court for a final judgment. The case is currently being considered by the Supreme Court. The subsidiary company's legal counsel is confident that no significant losses will be incurred as a result of this lawsuit. No provision has therefore been made against the contingent liability in the financial statements.
- e) On 5 January 2004 a civil lawsuit was filed against IT Absolute Co., Ltd., a subsidiary company, with the plaintiff lodging a claim for the return of assets and compensation totaling Baht 15.6 million. The subsidiary company was accused of failure to comply with the terms and conditions of a share sale agreement executed with a customer (the plaintiff). The alleged failure occurred while the subsidiary

company was operating under its former name, Yuanta Securities (Thailand) Company Limited.

The share purchase and sale agreement dated 7 January 2003 between the subsidiary company's former shareholders (the seller) and a bank (the purchaser), states that if any liabilities attributable to the activities of the seller occurred within two years after the shares were transferred to the purchaser and were not presented in the statement of financial position as at 31 December 2002, the seller would, if the case was finalised and the Court ordered the subsidiary company to settle such liabilities, pay compensation to the subsidiary company at a rate of 92.7329 percent of such liabilities.

On 29 September 2005, the Civil Court ordered the subsidiary company to return the securities to the plaintiff or pay Baht 8.4 million if the subsidiary company was unable to do so. Subsequently, the subsidiary company lodged an appeal with the Appeal Court, and on 16 March 2011 the Appeal Court affirmed the judgment of the Court of First Instance. The subsidiary company then lodged an appeal with the Supreme Court on 12 May 2011 and this case is in the process of being considered by the Supreme Court. However, as at 31 December 2013, the subsidiary company estimated its contingent liabilities at Baht 0.6 million (2012: Baht 0.6 million) and recorded this under the caption of "other non-current liabilities" in the statement of financial position.

- f) On 28 November 2012, a civil suit was filed against Samart Communication Services Co., Ltd., a subsidiary company, by a supplier, claiming damages of Baht 37.5 million for breach of contract and breach of an agency agreement, acknowledgment of debt and compensation for losses resulting from the defaulting on a debt. Subsequently, on 12 November 2013, the subsidiary company agreed to compromise and made a settlement with the plaintiff through the court. The subsidiary company already paid such debt for finished goods of Baht 5.1 million to the plaintiff.

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, debentures, 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 debentures, 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 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 (% p.a.)
	Within 1 year		Over 1 - 5 years		interest rate		bearing		Total		
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	
Financial Assets											
Cash and cash equivalents	30	1	-	-	1,422	1,157	225	77	1,677	1,235	0.05 - 2.50
Temporary investments	-	-	-	-	-	-	23	27	23	27	-
Trade and other accounts receivable	-	-	-	-	-	-	7,845	5,867	7,845	5,867	-
Finance leases receivable	-	17	-	-	-	-	-	-	-	17	5.25
Restricted bank deposits	105	105	-	-	26	24	-	-	131	129	0.10 - 1.75
	-	-	-	-	-	-	173	79	173	79	-
Total	135	123	-	-	1,448	1,181	8,266	6,050	9,849	7,354	
Financial liabilities											
Bank overdrafts	-	-	-	-	83	63	-	-	83	63	6.88 - 7.78
Short-term loans from financial institutions	196	600	-	-	2,879	3,210	-	-	3,075	3,810	3.77 - 6.75
Bill of exchange	-	-	-	-	-	1,000	-	-	-	1,000	4.30 - 4.60
Trust receipt											
Baht	2,177	1,286	-	-	842	208	-	-	3,019	1,494	2.10 - 5.50
US Dollar	135	10	-	-	-	-	-	-	135	10	1.49 - 1.64
Trade and other accounts payable	-	-	-	-	-	-	3,967	3,346	3,967	3,346	-
Short-term debentures	1,460	-	-	-	-	-	-	-	1,460	-	3.45 - 4.40
Long-term loans from financial institutions	-	-	-	-	1,789	3,112	-	-	1,789	3,112	5.13 - 6.00
Liabilities under finance lease agreements	8	8	35	36	-	-	-	-	43	44	4.63 - 4.75
Total	3,976	1,904	35	36	5,593	7,593	3,967	3,346	13,571	12,87	1.63 - 6.25
											4.50 - 6.35

(Units: Million Baht)

Separate financial statements											
Fixed interest rates				Floating interest rate		Non-interest bearing		Total		Effective interest rate (% p.a.)	
Within 1 year		Over 1 - 5 years		2013		2012		2013		2012	
2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Financial Assets											
Cash and cash equivalents	-	-	-	60	34	-	14	60	48	0.05 - 1.5	0.05 - 1.50
Temporary investments	-	-	-	-	-	7	9	7	9	-	-
Trade and other accounts receivable	-	-	-	-	-	110	107	110	107	-	-
Short-term loans	-	-	-	232	178	-	-	232	178	4,030, 7,875	4,295, 8,00
Total	-	-	-	292	212	117	130	409	342		
Financial liabilities											
Short-term loans from financial institution	129	-	-	-	-	-	-	196	129	3.77 - 4.20	3.90
Trade and other accounts payable	-	-	-	-	-	104	76	104	76	-	-
Short-term loans	-	-	-	372	364	-	-	372	364	0.73 - 7.096	0.869, 7,0644
Long-term loans from related parties	-	-	-	628	628	-	-	628	628	0.730	0.869
Long-term loans from financial institutions	-	-	-	411	412	-	-	411	412	5.875, 6.00	6.00, 6.125
Liabilities under finance lease agreements	2	6	7	-	-	-	-	8	9	4.75	4.75
Total	198	131	7	1,411	1,404	104	76	1,719	1,618		

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.

The Company and its subsidiaries have significant foreign currency assets and liabilities that were unhedged against foreign exchange risk, as summarised below.

Foreign currency	Consolidated financial statements		Separate financial statements		Exchange rate as at 31 December	
	2013	2012	2013	2012	2013	2012
	(Million)		(Million)		(Baht per 1 foreign currency unit)	
Financial assets						
US dollar	14	18	1	-	32.6778	30.4857
Financial liabilities						
US dollar	57	47	-	-	32.9494	30.7775
Euro	2	11	-	-	45.3223	40.8603
Swiss franc	1	-	-	-	36.9930	-

Forward exchange contracts

The outstanding balance of forward exchange contracts of the subsidiaries are summarised below.

Subsidiary in Thailand

Foreign currency	Amount	Contractual exchange rate	Contractual maturity date
	(Million)	(Baht per 1 foreign currency unit)	
As at 31 December 2013			
Bought amount			
US dollar	43	31.3096 - 33.1552	January - July 2014
Euro	2	42.7924 - 44.0182	January - April 2014
Sold amount			
US dollar	3	31.7550 - 33.0725	March - June 2014

Foreign currency	Amount	Contractual exchange rate	Contractual maturity date
	(Million)	(Baht per 1 foreign currency unit)	
As at 31 December 2012			
Bought amount			
US dollar	14	30.6425 - 31.2540	January - July 2013
Sold amount			
US dollar	11	30.6412 - 32.1800	January - July 2013

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 objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2013, the Group's debt-to-equity ratio was 1.87:1 (2012: 2.07:1) and the Company's was 0.59:1 (2012: 0.48:1).

49. Reclassification

Certain amounts in the financial statements of subsidiary companies have been reclassified to conform to the current year's classification.

(Unit: Thousand Baht)

	Consolidated financial statements	
	31 December 2012	
	As reclassified	As previously reported
Cash and cash equivalents	1,118,274	1,235,114
Restricted bank deposit	245,481	128,641

The reclassification had no effect to previously reported profit or shareholders' equity.

50. Approval of financial statements

These financial statements were authorised for issue by the Company's authorised Directors on 24 February 2014.

Remuneration of the Auditors

1) Audit Fee

Audit Fee in 2013 comprised of following details:

- Audit Fee for accounting period ended December 31, 2013 of the Company was Baht 2,300,000 of which excluded other miscellaneous payment of Baht 185,452 (i.e. auditors' traveling expenses, photo copy expenses).
- Audit Fee for accounting period ended December 31, 2013 of the subsidiaries that has the same auditor as the Company were Baht 3,780,000 of which excluded other miscellaneous payment of Baht 397,697 (i.e. auditors' traveling expenses, photo copy expenses).
- Audit Fee for accounting period ended December 31, 2013 of the subsidiaries pay to audit firm or other persons or firms that related to the audit firm were Baht 7,770,000 of which excluded other miscellaneous payment of Baht 391,690 (i.e. auditors' traveling expenses, photo copy expenses).

2) Non-Audit Fee

Non-Audit Fee in 2013 comprised of following details:

- Brain Source Co., Ltd., an indirect subsidiary with stakeholding 58.65%, 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, 2013 at Baht 120,000.
- I-Sport Co., Ltd., an indirect affiliated company with stakeholding 29.34%, paid professional fee to Ernst & Young Office Limited for preparation of the 2012 financial statements in English language totaling Baht 20,000 for Digital TV bidding project.
- Smarterware Co., Ltd., an indirect subsidiary with stakeholding 70.19%, 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, 2013 at Baht 70,000.
- Samart Ed-Tech Co., Ltd., an indirect subsidiary with stakeholding 70.19%, 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, 2013 at Baht 70,000.

The Board of Directors, Managements and Company Secretary of Samart Corporation Public Company Limited

- The Board of Directors of Samart Corporation Public Company Limited as of December 31, 2013

Name-Surname/Position/ Appointing Date	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 <i>(To be appointed as a director on Apr. 25, 2008)</i>	75	- 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 in 1989 Training courses from Thai Institute of Directors Association (IOD) : - Director Accreditation Program (DAP) in 2005 - Finance for Non-Finance Director Program in 2005	0.01% 100,000 shares	-	2008-Present	Chairman/ Independent Director/ Audit Committee Member	Samart Corporation Pcl.
					2008-Present	Chairman of the Nominating & Compensation Committee	Samart Corporation Pcl.
					2007-Present	Chairman	Linde (Thailand) Plc.
					2007-Present	Chairman	Chuchawal-Royal has Koning Co., Ltd.
					2006-Present	Chairman	C. T. Land Co., Ltd.
					2002-Present	Chairman	The University Council King Mongkut's University of Technology Thonburi
					1999-Present	Director	West Coast Engineering Co., Ltd.
					1994-Present	Independent Director	Sahaviriya Steel Industries Pcl.
					2007-Present	Chairman of the Risk Management Committee	Sahaviriya Steel Industries Pcl.
					2003-Present	Senior Advisor	PTT Pcl.
2. Mr. Pradang Prichayangkun - Vice Chairman - Independent Director - Chairman of the Audit Committee - Corporate Governance Committee Member - Nominating & Compensation Committee Member <i>(To be appointed as a director on Apr. 25, 2008)</i>	79	- Bachelor Degree in 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) in 2004 - Audit Certification Program (ACP) in 2005	0.05% 500,000 shares	-	Present	Senior Advisor	PTT Global Chemical Pcl.
					Present	Advisor to the Board of Directors	PTT Exploration and Production Pcl.
					2005-2011	Director, Assessment Committee	The Comptroller General's Department, Ministry of Finance
					2004-2010	Independent Director	Bangkok Polyethylene Pcl.
					2008-Present	Vice Chairman / Independent Director / Chairman of the Audit Committee	Samart Corporation Pcl.
					2008-Present	Corporate Governance Committee Member / Nominating & Compensation Committee Member	Samart Corporation Pcl.
					2007-Present	Director	Carpas Information Services Co., Ltd.

Remark : * Includes holding by spouse and minor children (See the securities holding information in the topic of the "Corporate Governance" under the item of the "4. Disclosure and Transparency")
% of total number of voting rights

Name-Surname/Position/ Appointing Date	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 <i>(To be appointed as a director on Feb. 12, 1999)</i>	77	- 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) in 2003	0.09% 927,750 shares	-	1999-Present	Independent Director / 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.
					Former Former Former Former	Budget Director Level 11 Budget Director for Security Affairs Budget Analyst Level 7 First Grade Budget Officer Public Service Division	Bureau of the Budget Thailand Bureau of the Budget Thailand Bureau of the Budget Thailand Bureau of the Budget Thailand
4. Mr. Prinya Waiwatana - Independent Director - Corporate Governance Committee Member <i>(To be appointed as a director on Apr. 27, 2010)</i>	66	- Bachelor Degree in Accounting, Chulalongkorn University Training courses from Thai Institute of Directors Association (IOD) : - Director Accreditation Program (DAP) in 2005 - Audit Committee Program (ACP) in 2005 - Director Certification Program (DCP) in 2006 - Monitoring the System of Internal Control and Risk Management (MIR) in 2008 - Role of Compensation Committee (RCC) in 2010	0.01% 150,000 shares	-	2010-Present	Independent Director / Corporate Governance Committee Member	Samart Corporation Pcl.
					2010-Present	Independent Director / Investment Committee Member / Nominating & Compensation Committee Member / Chairman of the Risk Management Committee	Ira Capital Pcl.
					2005-Present	Independent Director / Audit Committee Member / Compensation Committee Member	Thai Steel Cable Pcl.

Remark : * Includes holding by spouse and minor children (See the securities holding information in the topic of the "Corporate Governance" under the item of the "4. Disclosure and Transparency")
% of total number of voting rights

Name-Surname/Position/ Appointing Date	Age	Education	Shareholding in Company* (%)	Relationship	Working Experience last 5 years		
					During	Position	Company/Department
5. Mrs. Siripen Vilailuck - Director (To be appointed as a director on Feb. 25, 1993)	74	- Director Certification Program (DCP), Thai Institute of Directors Association (IOD) in 2004	0.59% 5,960,250 shares	Mr. Charoenrath's and Mr. Watchai's and Mr. Thananan's mother	1993-Present 1975-Present 1993-Present	Director Director Director	Samart Corporation Pcl. Samart Engineering Co., Ltd. Vilailuck International Holding Co., Ltd.
6. Mr. Charoenrath Vilailuck - Authorized Director - Executive Chairman & CEO - Chairman of the Risk Management Committee (To be appointed as a director on Feb. 25, 1993)	54	- 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 in 2005-2006 - Chief Executive Course for Urban Development Management, class 1, Urban Green Development Institute Bangkok in 2012 Training courses from Thai Institute of Directors Association (IOD) : - Director Certification Program (DCP) in 2004 - Director Accreditation Program (DAP) in 2004	11.85% 118,724,960 shares	Mrs. Siripen's son and Mr. Watchai's and Mr. Thananan's elder brother	1995-Present 1993-Present 2008-Present 2003-Present 1996-Present Apr. 2013-Present May 2013-Present 1993-Present Present 2000-Apr. 2013	Executive Chairman & CEO Director Chairman of the Risk Management Committee Director Director / Executive Directors Director Executive Director / Risk Management Committee Member Director Director Director	Samart Corporation Pcl. Samart Corporation Pcl. Samart Corporation Pcl. Samart I-Mobile Pcl. Samart Telecoms Pcl. One To One Contacts Pcl. One To One Contacts Pcl. Vilailuck International Holding Co., Ltd. Subsidiaries and Affiliated Companies (as details in Directors and Management in subsidiaries and affiliated companies) One To One Contacts Co., Ltd.

Remark : * Includes holding by spouse and minor children (See the securities holding information in the topic of the "Corporate Governance" under the item of the "4. Disclosure and Transparency")
% of total number of voting rights

Name-Surname/Position/ Appointing Date	Age	Education	Shareholding in Company* (%)	Relationship	Working Experience last 5 years		
					During	Position	Company/Department
7. Mr. Watchai Vialluck - Authorized Director - President - Chief Operating Member of the Risk Management Committee - Chairman of the Sustainable Development Committee <i>(To be appointed as a director on Feb. 25, 1993)</i>	51	- Bachelor Degree in Accounting, Thammasat University - Certificate of Management Program, United Kingdom in 1985 - Certificate of Strategic Planning & Implementation, University of Michigan Business School, USA in 2000 - Director Accreditation Program (DAP), Thai Institute of Directors Association (IOD) in 2004 - Diploma in National Defence for The Joint State-Private Sector Course (Class 21), National Defence College of Thailand in 2008-2009 - Leadership Program (Class 11), Capital Market Academy (CMA) in 2010-2011 - The Programme for Senior Executives on Justice Administration Batch 15, National Justice Academy, Office of Judiciary in 2011-2012 - ASEAN Executive Management Programme (Class 2), The Secretariat of the Prime Minister, Office of the Civil Service Commission (OCSC), Office of the National Economic and Social Development Board, Ministry of Foreign Affairs and Sasin Graduate Institute of Business Administration, Chulalongkorn University in 2013 - The 5 th Training Course on Administrative Justice for Executives, Institute of Administrative Justice, The Office of the Administrative Courts of Thailand in 2013-Present	12.06% 120,846,035 shares	Mrs. Siripen's son and Mr. Charoenrath's younger brother and Mr. Thananan's elder brother	2000-Present 1993-Present 2004-Present Nov. 2013-Present 2003-Present 2005-Present 2000-Present 1996-Present Apr. 2013-Present May 2013-Present 1993-Present Present 2000-Apr. 2013	President Director Chief Operating Member of the Risk Management Committee Chairman of the Sustainable Development Committee Director and CEO Chairman of the Risk Management Committee Executive Chairman & CEO Director Director Executive Chairman / Chairman of the Risk Management Committee Director Director Director	Samart Corporation Pcl. Samart Corporation Pcl. Samart Corporation Pcl. Samart Corporation Pcl. Samart I-Mobile Pcl. Samart I-Mobile Pcl. Samart Telcoms Pcl. Samart Telcoms Pcl. One To One Contacts Pcl. One To One Contacts Pcl. Vialluck International Holding Co., Ltd. Subsidiaries and Affiliated Companies (as details in Directors and Management in subsidiaries and affiliated companies) One To One Contacts Co., Ltd.

Remark : * Includes holding by spouse and minor children (See the securities holding information in the topic of the "Corporate Governance" under the item of the "4. Disclosure and Transparency")
 % of total number of voting rights

Name-Surname/Position/ Appointing Date	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 - Vice Chairman of the Sustainable Development Committee <i>(To be appointed as a director on Feb. 20, 1996)</i>	63	- Master of Accounting, Thammasat University - Bachelor Degree in Accounting, Thammasat University Training courses from Thai Institute of Directors Association (IOD) : - Director Certification Program (DCP) in 2000 - Finance for Non-Finance Director Program in 2000	0.06% 600,000 shares	-	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.
					Nov. 2013-Present	Vice Chairman of the Sustainable Development Committee	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 / Executive Director	Samart Telecoms Pcl.
					Apr. 2013-Present	Director	One To One Contacts Pcl.
					May 2013-Present	Executive Director / Risk Management Committee Member / Corporate Governance Committee Member	One To One Contacts Pcl.
					Present	Director	Subsidiaries and Affiliated Companies (as details in Directors and Management in subsidiaries and affiliated companies)
					Present	Speaker	Thai Institute of Directors Association (IOD)
					2000-Apr. 2013	Director	One To One Contacts Co., Ltd.

Remark : * Includes holding by spouse and minor children (See the securities holding information in the topic of the "Corporate Governance" under the item of the "4. Disclosure and Transparency")
% of total number of voting rights

● Executives & Managements of Samart Corporation Public Company Limited as of December 31, 2013

Name-Surname/Position/ Appointing Date	Age	Education	Shareholding in Company* (%)	Relationship	Working Experience last 5 years		
					During	Position	Company/Department
1. Mr. Charoenrath Vilailuck <i>(To be appointed as an executive director on Feb. 25, 1993)</i>						- See details in "The Board of Directors of Samart Corporation Pcl." -	
2. Mr. Watchai Vilailuck <i>(To be appointed as an executive director on Feb. 25, 1993)</i>						- See details in "The Board of Directors of Samart Corporation Pcl." -	
3. Mr. Sirichai Rasameechan <i>(To be appointed as an executive director on Feb. 20, 1996)</i>						- See details in "The Board of Directors of Samart Corporation Pcl." -	
4. Mr. Thananan Vilailuck - Executive Director - Risk Management Committee Member - Sustainable Development Committee Member - President of Mobile Multimedia LOB <i>(To be appointed as an executive director on Feb. 28, 2007)</i>	47	- Master of Engineering, University of Florida, USA - Bachelor Degree in Engineering, Kasetsart University - Director Accreditation Program (DAP), Thai Institute of Directors Association (IOD) in 2004	1.51% 15,113,150 shares	Mrs. Siripen's son and Mr. Charoenrath's and Mr. Watchai's younger brother	2007-Present 2009-Present Nov. 2013-Present 2006-Present 2006-Present 2003-Present 2005-Present Nov. 2013-present Apr. 2013-Present May 2013-Present 1993-Present 2011-Present Present	Executive Director Risk Management Committee Member Sustainable Development Committee Member President of Mobile Multimedia LOB President Director / Executive Director Risk Management Committee Member Chairman of the Sustainable Development Committee Director Risk management Committee member Director Director Director	Samart Corporation Pcl. Samart Corporation Pcl. Samart Corporation Pcl. Samart Corporation Pcl. Samart I-Mobile Pcl. Samart I-Mobile Pcl. Samart I-Mobile Pcl. Samart I-Mobile Pcl. One To One Contacts Pcl. One To One Contacts 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)

Remark : * Includes holding by spouse and minor children (See the securities holding information in the topic of the "Corporate Governance" under the item of the "4. Disclosure and Transparency")
% of total number of voting rights

Name-Surname/Position/ Appointing Date	Age	Education	Shareholding in Company* (%)	Relationship	Working Experience last 5 years		
					During	Position	Company/Department
5. Mr. Jong Diloksombat - Executive Director - Risk Management Committee Member - Sustainable Development Committee Member - President of ICT Solutions and Services LOB <i>(To be appointed as an executive director on Mar. 19, 2012)</i>	54	- Master of System Science, University of Louisville, USA - Bachelor Degree in Electrical Engineering, Chulalongkorn University - Certificate of Strategic Planning & Implementation, University of Michigan Business School (Executive Education Center), USA - Certificate of Crisis Management Master Class, Premier Provider of Business Intelligence VMAC Business Group (M) Sdn Bhd - Certificate of Executive Development program, Faculty of Commerce and Accountancy, Thammasat University - Director Accreditation Program (DAP), Thai Institute of Directors Association (IOD) in 2004	-	-	2012-Present	Executive Director	Samart Corporation Pcl.
					2009-Present	Risk Management Committee Member	Samart Corporation Pcl.
					Nov. 2013-Present	Sustainable Development Committee Member	Samart Corporation Pcl.
					2012-Present	President of ICT Solutions and Services LOB	Samart Corporation Pcl.
					2012-Present	Director / Executive Director / President / Corporate Governance Committee Member	Samart Telcoms Pcl.
					2012-Present	Chairman of the Risk Management Committee	Samart Telcoms Pcl.
					Nov. 2013-Present	Chairman of the Sustainable Development Committee	Samart Telcoms Pcl.
					2005-Present	Corporate Governance Committee Member / Risk Management Committee Member	Samart I-Mobile Pcl.
					2003-Present Present	Director / Executive Director	Samart I-Mobile Pcl. Subsidiaries and Affiliated Companies (as details in Directors and Management in subsidiaries and affiliated companies)
					2003-2012	Chief Operating Officer	Samart I-Mobile Pcl.

Remark : * Includes holding by spouse and minor children (See the securities holding information in the topic of the "Corporate Governance" under the item of the "4. Disclosure and Transparency")
% of total number of voting rights

Name-Surname/Position/ Appointing Date	Age	Education	Shareholding in Company* (%)	Relationship	Working Experience last 5 years		
					During	Position	Company/Department
6. Mr. Pracha Phathayakorn - Executive Vice President (Finance and Accounting) - Risk Management Committee Member - Sustainable Development Committee Member <i>(To be appointed as an executive director on May 1, 2011)</i>	50	- Master of Business Administration with major in Finance and International Business, Sasin Graduate Institute of Business Administration, Chulalongkorn University - 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) in 2009 - Monitoring the System of Internal Control and Risk Management (MIR) in 2008 - Monitoring the Internal Audit Function (MIA) in 2008 - Monitoring the Quality of Financial Reporting (MFR) in 2007 - Audit Committee Program (ACP) in 2006 - Director Accreditation Program (DAP) in 2005	0.03% 310,000 shares	-	2012-Present	Risk Management Committee Member	Samart Corporation Pcl.
					2011-Present	Executive Vice President (Finance and Accounting)	Samart Corporation Pcl.
					Nov. 2013-Present	Sustainable Development Committee Member	Samart Corporation Pcl.
					2012-Present	Executive Vice President	Samart I-Mobile Pcl.
					Nov. 2013-Present	Vice Chairman of the Sustainable Development Committee	Samart I-Mobile Pcl.
					Apr. 2013-Present	Director	One To One Contacts Pcl.
					May 2013-Present	Executive Director / Risk Management Committee Member	One To One Contacts Pcl.
					2013-Present	Director	Subsidiaries and Affiliated Companies (as details in Directors and Management in subsidiaries and affiliated companies)
					2005-2011	Independent Director and Audit Committee Member	Eternity Grand Logistics Pcl.
					2005-2011	President	Paresa Corporation Co., Ltd.

Remark : * Includes holding by spouse and minor children (See the securities holding information in the topic of the "Corporate Governance" under the item of the "4. Disclosure and Transparency")
 % of total number of voting rights

• Company Secretary of Samart Corporation Public Company Limited as of December 31, 2013

Name-Surname/Position/ Appointing Date	Age	Education	Shareholding in Company* (%)	Relationship	Working Experience last 5 years		
					During	Position	Company/Department
Mrs. Vorapin Isaradham - Company Secretary - Sustainable Development Committee Member - Vice President - Internal Audit <i>(To be appointed as the Company Secretary on Aug. 14, 2008)</i>	55	- Master of Economics Law, Chulalongkorn University - Bachelor Degree in Monetary Economics, Chulalongkorn University - Mini MBA, Thammasart University - Internal Audit Certificate Program (IACP), Federation of Accounting Professions - Accounting / Finance for Executive - Practical Fraud Awareness, Fraud Detection & Fraud Prevention Strategies, ASIA BUSINESS CONNECT Professional Training Institute in 2013 Training courses from Thai Institute of Directors Association (IOD) : - Director Certification Program (DCP) in 2004 - Company Secretary Program (CSP) in 2007 - Anti-Corruption : The Practical Guide (APCG) in 2013	0.01% 124,000 shares	-	1999-Present Nov. 2013-Present 2011-Present 1993-1998	Company Secretary Sustainable Development Committee Member Vice President - Internal Audit Company Secretary and Investor Relations	Samart Corporation Pcl. Samart Corporation Pcl. Samart Corporation Pcl. The Cogeneration Pcl.

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

Company Secretary's Role and Responsibilities

The Board of Directors has appointed Mrs. Vorapin Isaradharm as the Company Secretary.

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.

The Company has specified the qualifications of the Company Secretary as follows:

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

During the past year, the Company Secretary has attended the training courses and seminars to strengthen knowledge as follows:

- Development for Criteria on Arrangement of the Meeting of the Board of Directors and the Shareholders of the Listed Companies from SET
- Criteria on preparation of financial statement, financial position report and performance of the securities issuing Companies including preparation of the revised annual information disclosure form (56-1 Form) from SEC
- Seminar on "What's New in Corporate Governance Principles of the Listed Companies in 2012 (the latest version)" from SET
- CAE Forum 2013 "Good Governance to Sustainable Development" from The Institute of Internal Auditors of Thailand (IIA)
- Thaipat Mid-Year Forum GRI Global conference Debrief on Sustainability and Reporting from Thaipat Institute, Thai Rural Reconstruction Movement
- CSR & Sustainability 2013 "Sustainable Development 2.0" from SEC & SET
- Strategic CSR Management from Corporate Social Responsibility Institute (CSRI)
- CSR Knowledge Management from CSRI
- CSR Thailand Conference 2013 : "CSR ROADMAP FOR ASEAN" from Thai Listed Companies Association
- Sustainability Investment : Time for Benchmarking from SET, Government Pension Fund (GPF), CSRI, ROBECOSAM AG, S&P Dow Jones, Mercer and MSCI
- Viewpoint on Business Merger in Malaysia and Singapore from SET
- How to Participate in Private Sector Collective Action Coalition against Corruption from SET

SAMART's Directors and Managements in Subsidiaries, Affiliated and Related Companies as of December 31, 2013

[illegible]

Remarks : 1) x = Chairman, / = Directors, // = 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. | TCN | = | Teleconnext Co. Ltd. | 10. | BS | = | Brain Source Co. Ltd. | 11. | IMP | = | I-Mobile Plus Co., Ltd. | 12. | IMIT | = | I-Mobile Inter Trade Co., Ltd. |
| 13. | TAL | = | Take A Look Co. Ltd. | 14. | IMD | = | I-Mobile Direct Co., Ltd. | 15. | STC | = | Samart Telcoms Pcl. | 16. | SCS | = | Samart Communication Services Co., Ltd. |
| 17. | SCT | = | Samart Comtech Co., Ltd. | 18. | SBS | = | Samart Broadband Services Co., Ltd. | 19. | TTN | = | Thai Trade Net Co., Ltd. | 20. | PN | = | Posnet Co., Ltd. |
| 21. | SIF | = | Samart Infonet Co., Ltd. | 22. | STW | = | Smarterware Co., Ltd. | 23. | SAET | = | Samart Ed-Tech Co., Ltd. | 24. | PTN | = | Portanet Co., Ltd. |
| 25. | OTO | = | One To One Contacts Pcl. | 26. | OTP | = | One To One Professional Co., Ltd. | 27. | OTOC | = | One To One Cambodia Co., Ltd. | 28. | CAITS | = | Cambodia Air Traffic Services Co., Ltd. |
| 29. | KPP | = | Kampot Power Plant Co., Ltd. | 30. | SUT | = | Samart U-Trans Co., Ltd. | 31. | SEC | = | Suwanabhumi Environment Care Co., Ltd. | 32. | VSS | = | Vision and Security System Co., Ltd. |
| 33. | SE | = | Samart Engineering Co., Ltd. | 34. | OIO | = | Contact-In-One Co., Ltd. | 35. | SIH | = | Samart Inter Holding Co., Ltd. | 36. | SRT | = | Samart Raditech Co., Ltd. |
| 37. | SDT | = | Samart Digital TV Co., Ltd. | 38. | TEDA | = | Teda Co., Ltd. | 39. | TDC | = | Teda Construction Co., Ltd. | 40. | TS | = | Transec Power Services Co., Ltd. |
| 41. | NMD | = | Net Media Co., Ltd. | 42. | ITAB | = | IT Absolute Co., Ltd. | 43. | I-SPORT | = | I-Sport Co., Ltd. | 44. | I-SPORT M | = | I-Sport Media Co., Ltd. |
| 45. | CS | = | Cambodia Samart Co., Ltd. | 46. | ENT | = | Entertainment Tree Co., Ltd. | 47. | VIH | = | Vialluck International Holding Co., Ltd. | | | | |

- | | | | | | | | |
|-----|-----------------|------|-------------|------|--------------|------|--------------|
| (1) | Held by SIM | (2) | Held by BUG | (3) | Held by IMI | (4) | Held by IMIT |
| (5) | Held by I-SPORT | (6) | Held by STC | (7) | Held by OTO | (8) | Held by SE |
| (9) | Held by SH | (10) | Held by SUT | (11) | Held by TEDA | (12) | Held by SBS |

Board of Directors & Committees' list

Directors of Sub-Committees	Board of Directors	Executive Board	Audit Committee	Risk Management Committee	Corporate Governance Committee	Nominating and Compensation Committee	Sustainable Development 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	/	/		/			x
7. Mr. Sirichai Rasameechan	/	/		/	/		/
8. Mr. Prinya Waiwatana	/				/		
9. Mr. Thananan Vilailuck		/		/			/
10. Mr. Sommai Damnoenkiat				/			
11. Mrs. Sukanya Vanichjakvong				/			
12. Mr. Jong Diloksombat		/		/			/
13. Mr. Prasitchai Veerayuttwilai				/			
14. Mr. Pracha Phathayakorn				/			/
15. Mr. Teerachai Phongpanangam							/
16. Mrs. Rosalin Charoenwong							/
17. Mrs. Phongsri Saluckpetch							/
18. Miss Kanokwan Chanswangpuvana							/
19. Mrs. Vorapin Isaradharm							/

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

Directors' list of Major Subsidiaries^(*)

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. Prof. Suphachai Phisitvanich	x		
5. Dr. Chotivid Chayavadhanangkur	/		
6. Mr. Kunthit Arunyanonda	/		
7. Mr. Sombut Uthaisang		x	
8. General Sumpun Boonyanun		/	
9. Ms. Rapeepan Luangaramrut		/	
10. Mr. Vichai Pokasamrit		/	
11. Mr. Kajornvut Tayanukorn		/	
12. Mr. Thananan Vilailuck	//		
13. Mr. Jong Diloksombat	//	//	/
14. Mr. Pornchai Krivichian			/
15. Mr. Azwan Khan Bin Osman Khan	/		
16. Mr. Annis bin Sheikh Mohamed	/		

Remarks : 1) x = Chairman, / = Director, // = Executive Director

2) ^(*) Subsidiaries which its revenue represent over 10% of Group revenue.

The Board of Directors, Managements and Company Secretary of Major Subsidiaries^(*)

Samart I-Mobile Public Company Limited

- The Board of Directors of Samart I-Mobile Public Company Limited as of December 31, 2013

Name-Surname/Position/ Appointing Date	Age	Education	Shareholding in Company ^(**) (%)	Relationship	Working Experience last 5 years		
					During	Position	Company/Department
1. Professor Suphachai Phisitvanich - Chairman of the Board - Independent Director - Audit Committee Member <i>(To be appointed as a director on May 11, 2005)</i>	73	- Ph.D. honorary in Accounting, Thammasart University - Master Degree in MBA, Ohio State University, U.S.A. - Bachelor Degree in Accounting and Commerce, Thammasart University - National Defence course (Class 32), National Defence College of Thailand Training courses from Thai Institute of Directors Association (IOD) : - Director Accreditation Program (DAP) in 2003 - Director Certification Program (DCP) in 2003 - Board Performance Evaluation in 2004	0.09% 3,850,000 shares	-	2005-Present	Chairman of the Board of Directors and Independent Director	Samart I-Mobile Pcl.
					2009-Present 2010-Present 2009-Present 2007-Present 2006-Present 2003-May 2010	Audit Committee Member Chairman of the Board of Directors Independent Director Chairman of the Board of Directors Chairman of the Board of Directors Chairman of the Board of Directors / Chairman of the Audit Committee	Samart I-Mobile Pcl. Aira Capital Co., Ltd. CP All Plc. Aira Securities Plc. Sena Golden Sand Co., Ltd. Matching Studio Plc.
2. Dr. Chotivud Chayavadhanangkur - Independent Director - Chairman of the Audit Committee - Chairman of the Corporate Governance Committee - Nominating & Compensation Committee Member <i>(To be appointed as a director on Sep. 30, 2003)</i>	66	- Doctorate of Ph.D. in Electrical Engineering, University of Minnesota, USA - Master Degree in M.S. Electrical Engineering, University of Minnesota, USA - Bachelor Degree in Engineering (1 st Class Honour), Chulalongkorn University Director Accreditation Program (DAP), Thai Institute of Directors Association (IOD) in 2004	0.05% 2,100,000 shares	-	1994-Present	Director / Chairman of the Audit Committee / Chairman of the Corporate Governance Committee / Risk Management Committee	Bangkok Expressway Plc.
					2009-Present 2003-2009 2003-Present 2008-Present 2005-Present 2005-Present 2005-Present 2002-Present	Chairman of the Audit Committee Audit Committee Member Independent Director Chairman of the Corporate Governance Committee Nominating & Compensation Committee Member Director Director Chairman of the Board of Directors	Samart I-Mobile Pcl. Samart I-Mobile Pcl. Samart I-Mobile Pcl. Samart I-Mobile Pcl. Samart I-Mobile Pcl. Greens Spot Co., Ltd. BITIC Co., Ltd. Bangkok Servex Co., Ltd.

Remarks : ^(*) Subsidiaries which its revenue represent over 10% of Group revenue.

^(**) Includes holding by spouse and minor children (See the securities holding information in the Annual Report 2013 of Samart I-Mobile Pcl.)

% of total number of voting rights

Name-Surname/Position/ Appointing Date	Age	Education	Shareholding in Company ^(*) (%)	Relationship	Working Experience last 5 years		
					During	Position	Company/Department
3. Mr. Kunthit Arunyakanda - Independent Director - Audit Committee Member - Chairman of the Nominating & Compensation Committee - Corporate Governance Committee Member <i>(To be appointed as a director on Sep. 30, 2003)</i>	47	- Mini MBA, Business Administration, Thammasat University - Bachelor Degree in Accounting, The Rajamongkol Institute of Technology - Director Certification Program (DCP), Thai Institute of Directors Association (IOD) in 2004	0.02% 800,000 shares	-	2009-Present 2008-2009 2003-Present 2008-Present 2005-2008 2001-Present	Chairman of the Nominating & Compensation Committee Nominating & Compensation Committee Member Independent Director and Audit Committee Member Corporate Governance Committee Member Chairman of the Corporate Director	Samarat I-Mobile Pcl. Samarat I-Mobile Pcl. Samarat I-Mobile Pcl. Samarat I-Mobile Pcl. Samarat I-Mobile Pcl. Governance Committee Sam Nak-Ngan A.M.C. Co., Ltd.
4. Mr. Charoenrath Vilailuck - Authorized Director <i>(To be appointed as a director on Sep. 30, 2003)</i>		- See details in "The Board of Directors of Samarat Corporation Pcl." -	-		- See details in "The Board of Directors of Samarat Corporation Pcl." -		
5. Mr. Watchai Vilailuck - Authorized Director - Chief Executive Officer - Chairman of the Risk Management Committee - Acting Managing Director-Service Provider Business <i>(To be appointed as a director on Sep. 30, 2003)</i>		- See details in "The Board of Directors of Samarat Corporation Pcl." -	0.014% 6,221,000 shares		- See details in "The Board of Directors of Samarat Corporation Pcl." -		
6. Mr. Thananan Vilailuck - Authorized Director - President - Executive Director - Risk Management Committee Member - Chairman of the Sustainable Development Committee - Acting Managing Director-Mobile Business <i>(To be appointed as a director on Sep. 30, 2003)</i>		- See details in "Executives and Management of Samarat Corporation Pcl." -	0.04% 1,800,000 shares		- See details in "Executives and Management of Samarat Corporation Pcl." -		

Remarks : ^(*) Includes holding by spouse and minor children (See the securities holding information in the Annual Report 2013 of Samarat I-Mobile Pcl.)
% of total number of voting rights

Name-Surname/Position/ Appointing Date	Age	Education	Shareholding in Company ^(*) (%)	Relationship	Working Experience last 5 years		
					During	Position	Company/Department
7. Mr. Jong Diloksombat - Authorized Director - Executive Director - Corporate Governance Committee Member - Risk Management Committee Member <i>(To be appointed as a director on Sep. 30, 2003)</i>		- See details in "Executives and Management of Samart Corporation Pcl." -	0.04% 1,750,000 shares				- See details in "Executives and Management of Samart Corporation Pcl." -
8. Mr. Azwan Khan bin Osman Khan - Director <i>(To be appointed as a director on Oct. 30, 2008)</i>	43	- Bachelor Degree in Electrical Engineering (1 st Class Honours), Imperial College of Science & Technology, University of London, United Kingdom	-	-	2008-Present 2008-2010 2008-Present Present 2005-2008	Director Director Group Chief Strategy Officer Director Head of Corporate Strategy & Development	Samart I-Mobile Pcl. Samart Corporation Pcl. Axiata Group Berhad Subsidiaries and Related Companies of Axiata Group Berhad Celcom (Malaysia) Berhad
9. Mr. Annis bin Sheikh Mohamed - Director - Nominating & Compensation Committee Member <i>(To be appointed as a director on Dec. 17, 2012)</i>	42	- Bachelor Degree in Business Administration University of Wisconsin - Madison, USA	-		2013-Present 2012-Present 2011-Present Sep 2005-Jun. 2011	Director Nominating & Compensation Committee Member Head of Corporate Development Head of Investment Banking	Samart I-Mobile Pcl. Samart I-Mobile Pcl. Axiata Group Berhad Kuwait Finance House (M) Bhd

Remarks : ^(*) Includes holding by spouse and minor children (See the securities holding information in the Annual Report 2013 of Samart I-Mobile Pcl.)
% of total number of voting rights

● Executives & Managements of Smart I-Mobile Public Company Limited as of December 31, 2013

Name-Surname/Position/ Appointing Date	Age	Education	Shareholding in Company ^(*) (%)	Relationship	Working Experience last 5 years		
					During	Position	Company/Department
1. Mr. Watchai Vilailuck (To be appointed as Executive Director on Sep. 30, 2003)	- See details in "The Board of Directors of Smart Corporation Pcl." -	- See details in "The Board of Directors of Smart Corporation Pcl." -	0.014% 6,221,000 Shares	-	- See details in "The Board of Directors of Smart Corporation Pcl." -	-	-
2. Mr. Thananan Vilailuck (To be appointed as Executive Director on Sep. 30, 2003)	- See details in "Executives and Management of Smart Corporation Pcl." -	- See details in "Executives and Management of Smart Corporation Pcl." -	0.04% 1,800,000 shares	-	- See details in "Executives and Management of Smart Corporation Pcl." -	-	-
3. Mr. Lai Ki Tong - Executive Vice President (To be appointed as Executive Vice President on Feb. 1, 2011)	59	- Professional Qualification, Institute of Chartered Secretaries and Administration, United Kingdom - Director Accreditation Program (DAP), Thai Institute of Directors Association (IOD) in 2006	-	-	2011-Present 2005-Present 2003-2010 2004-2010 2006-2008 2006-2007	Executive Vice President Director Executive Vice President Risk Management Committee Member Director Nominating and Compensation Committee Member	Smart I-Mobile Pcl. Smart I-Mobile (Malaysia) Sdn.Bhd. Smart Corporation Pcl. Smart Corporation Pcl. TM International Cambodia Co., Ltd. Smart I-Mobile Pcl.
4. Mr. Pracha Phathayakorn - Executive Vice President - Vice Chairman of the Sustainable Development Committee (To be appointed as Executive Vice President on Jan. 11, 2012)	- See details in "Executives and Management of Smart Corporation Pcl." -	- See details in "Executives and Management of Smart Corporation Pcl." -	-	-	- See details in "Executives and Management of Smart Corporation Pcl." -	-	-
5. Mr. Subhasiddhi Rakkasikorn - Managing Director-Multimedia Business; Seconded to be Managing Director, Smart Multimedia Co., Ltd. (To be appointed as Managing Director - Multimedia Business on Jan. 1, 2010)	43	- Bachelor degrees in Marketing, Assumption University of Thailand (ABAC) - Young Executive Development Program, Faculty of Commerce and Accountancy, Thammasat University - Accounting Management, Faculty of Commerce and Accountancy, Chulalongkorn University	-	-	2010-Present 2007-2009 2003-2006 Present	Managing Director General Manager Assistant Vice President-Marketing & Marketing Communication Director	Smart Multimedia Co., Ltd. Smart Multimedia Co., Ltd. Smart Info Media Co., Ltd. Subsidiaries and Related Companies (as shown in The Position of Directors of the Company in Subsidiaries and Related Companies in 56-1 Form and the Annual Report 2013 of Smart I-Mobile Pcl.)

Remarks : ^(*) Includes holding by spouse and minor children (See the securities holding information in the Annual Report 2013 of Smart I-Mobile Pcl.)
% of total number of voting rights

● Company Secretary of Samart I-Mobile Public Company Limited as of December 31, 2013

Name-Surname/Position/ Appointing Date	Age	Education	Shareholding in Company ^(*) (%)	Relationship During	Working Experience last 5 years		
					Position	Company/Department	
Miss Boonrut Mongkolratanakorn - Assistant Vice President - Company Secretary - Secretary to Sub-Committees - Sustainable Development Committee Member <i>(To be appointed as the Company Secretary on Oct. 31, 2003)</i>	51	- Mini MBA, Business Administration, Thammasat University - Bachelor Degree in Accounting, Thammasat University - Graduation certificate in Advanced Accounting, Thammasat University in 1986 - Law and regulations for Corporate Secretary, Chulalongkorn University in 2003 - Internal Auditing Certificate Program (IACP), Federation of Accounting Professions in 2003 (Role and responsibilities of the Company Secretary, please see in the Annual Report 2013 of Samart I-Mobile Pcl.)	-	-	2003-Present	Assistant Vice President - Company Secretary	Samart I-Mobile Pcl.
					2003-Present (Nov. 2013-Present)	Secretary to Sub-Committees Sustainable Development Committee Member	Samart I-Mobile Pcl. Samart I-Mobile Pcl.
					2003-2012	Assistant Vice President - Internal Audit	Samart I-Mobile Pcl.

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

Directors and Managements in Major Subsidiaries^(*)

Samart I-Mobile Public Company Limited

Directors and Managements in Subsidiaries and Related Companies as of December 31, 2013

		Company	Subsidiaries																Related Companies																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																
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Remarks : 1) x = Chairman, / = Director, // = Executive Director, /// = Audit Committee/Independent Director, # = Management

2) Companies Symbol:

- SIM = Samart I-Mobile Pcl.
- SMS = Samart Mobile Services Co., Ltd.
- BUG = Samart Multimedia Co., Ltd.
- IMI = I-Mobile International Co., Ltd.
- IMIT = I-Mobile Inter Trade Co., Ltd.
- SIMM = Samart I-Mobile (Malaysia) Sdn. Bhd.
- SIMI = PT. Samart I-Mobile Indonesia
- TCN = Teleconnect Company Limited
- SIAM = Samart Interactive Media Co., Ltd.
- TAL = Take A Look Co., Ltd.
- I-SPORT = I-Sport Co., Ltd.
- BS = Brain Source Co., Ltd.
- ENT = Entertainment Tree Co., Ltd.
- IMP = I-Mobile Plus Co., Ltd.
- I-SPORT M = I-Sport Media Co., Ltd.
- IMD = I-Mobile Direct Co., Ltd.
- SC = Samart Corporation Pcl.
- STC = Samart Comtech Co., Ltd.
- SCT = Posnet Co., Ltd.
- SBS = Samart Communication Services Co., Ltd.
- OTO = One to One Contacts Pcl.
- SIF = Samart Infonet Co., Ltd.
- SEC = Samart U-Trans Co., Ltd.
- CATS = Cambodia Air Traffic Services Co., Ltd.
- KPP = Kampot Power Plant Co., Ltd.
- STW = Smartware Co., Ltd.
- TTN = Thai Trade Net Co., Ltd.
- SIH = Samart Inter Holding Co., Ltd.
- SDT = Samart Digital TV Co., Ltd.
- PTN = Portanet Co., Ltd.
- TEDA = Teda Co., Ltd.
- VIH = Viailuck International Holding Co., Ltd.
- VSS = Vision and Security System Co., Ltd.
- NMD = Net Media Co., Ltd.
- ITAB = IT Absolute Co., Ltd.

- Listed Companies
- Held by BUG
- Held by IMI
- Held by I-SPORT
- Held by IMIT
- Held by STC
- Held by SBS
- Held by SC
- Held by SIH
- Held by SUT
- Held by TEDA

*) Subsidiaries which its revenue represent over 10% of Group revenue.

Samart I-Mobile Public Company Limited

Board of Directors and Committees' list

Directors of Sub - Committees	Board of Directors	Executive Committee	Audit Committee	Risk Management Committee	Corporate Governance Committee	Nominating and Compensation Committee	Sustainable Development Committee
1. Prof. Suphachai Phisitvanich	x		/				
2. Dr. Chotivid Chayavadhanangkur	/		x		x	/	
3. Mr. Kunthit Arunyananda	/		/		/	x	
4. Mr. Charoenrath Vilailuck	/						
5. Mr. Watchai Vilailuck	/	x		x			
6. Mr. Thananan Vialiluck	/	/		/			x
7. Mr. Jong Diloksombat	/	/		/	/		
8. Mr. Azwan Khan bin Osman Khan	/						
9. Mr. Annis bin Sheikh Mohamed	/					/	
10. Mr. Sirichai Rasameechan				/		/	
11. Mr. Dhilokpat Nisamaneevong				/			
12. Mr. Teerawut Kreepanich				/			
13. Mr. Pracha Phatthayakorn							/
14. Mr. Subhasiddhi Rakkasikorn							/
15. Miss Chullada Sapsarasin							/
16. Mr. Teerapon Asavatitanonta							/
17. Mr. Nipon Sudkaew							/
18. Miss Boonrut Mongkolratanakorn							/

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

Directors' list of Major Subsidiaries^(*)

- N/A -

Remark : ^(*) Subsidiaries which its revenue represent over 10% of Group revenue.

Samart Telcoms Public Company Limited

● The Board of Directors of Samart Telcoms Public Company Limited as of December 31, 2013

Name-Surname/Position/ Appointing Date	Age	Education	Shareholding in Company ^(*) (%)	Relationship	Working Experience last 5 years		
					During	Position	Company/Department
1. Mr. Sombut Uthaisang - Independent Director - Authorized Director - Chairman <i>(To be appointed as a director on Apr. 24, 2008)</i>	77	- Master of Public Administration, National Institute of Development Administration (NIDA) - Bachelor of Law, Thammasat University - The Colombo Scholarship (The Transport and Logistic, Australia 1970-1971) - National Defence College, JSPS Class 1 - Capital Market Academy, Class 10 Training courses from Thai Institute of Directors Association (IOD) : - Director Accreditation Program (DAP) in 2005 - Audit Committee Program (ACP) in 2013 - Role of the Chairman Program (RCP) in 2013	0.073% 450,000 shares	-	2008-Present 2008-2012	Chairman Chairman of the Corporate Governance Committee	Samart Telcoms Pcl. Samart Telcoms Pcl.
					2006-2007 May 2013-Present	Chairman of Risk Management Committee Director	Samart Corporation Pcl. Thonburi Medical Centre Pcl.
2. General Sumpun Boonyanun - Independent Director - Chairman of the Audit Committee - Chairman of the Nominating & Compensation Committee - Corporate Governance Committee Member <i>(To be appointed as a director on Apr. 24, 2008)</i>	70	- Bachelor of Science, Chulachomklao Royal Military Academy, Class 15 - The regular main course, Command and General Staff College, Class 55 - National Defence College, Class 35 Training courses from Thai Institute of Directors Association (IOD) : - Director Certification Program (DCP) in 2009 - Director Accreditation Program (DAP) in 2008 - Role of Compensation Committee (RCC) in 2008 - Audit Committee Program (ACP) in 2008	0.024% 150,000 shares	-	2008-Present 2008-Present 2008-Present	Independent Director Chairman of the Audit Committee Chairman of the Nominating & Compensation Committee	Samart Telcoms Pcl. Samart Telcoms Pcl. Samart Telcoms Pcl.
					2008-Present	Corporate Governance Committee Member	Samart Telcoms Pcl.

Remark : ^(*) Includes holding by spouse and minor children (See the securities holding information in the Annual Report 2013 of Samart Telcoms Pcl.)
% of total number of voting rights

Name-Surname/Position/ Appointing Date	Age	Education	Shareholding in Company ^(*) (%)	Relationship	Working Experience last 5 years		
					During	Position	Company/Department
3. Mr. Vichai Pokasamrit - Independent Director - Audit Committee Member - Nominating & Compensation Committee Member - Chairman of the Corporate Governance Committee <i>(To be appointed as a director on Apr. 21, 2011)</i>	64	- Master of Arts in Political Science, Western Michigan University, U.S.A. - Bachelor of Laws, Thammasat University - National Defence Program for Government, Public and Political Sectors, The National Defence College - Certificate of Urban Development Management, Australia Director Certification Program (DCP), Thai Institute of Directors Association (IOD) in 2011	0.016% 100,000 shares	-	2011-Present	Independent Director / Audit Committee Member	Samart Telcoms Pcl.
					2011-Present	Nominating & Compensation Committee Member	Samart Telcoms Pcl.
					2012-Present	Chairman of the Corporate Governance Committee	Samart Telcoms Pcl.
					2009-2010	Deputy Director of the Bureau of the Budget	Office of the Prime Minister
					2008-2009	Advisor to the Bureau of the Budget	Office of the Prime Minister
4. Miss Rapeepan Luangaramrut - Independent Director - Audit Committee Member - Nominating & Compensation Committee Member <i>(To be appointed as a director on Apr. 24, 2008)</i>	57	- Master of Business Administration, Chulalongkorn University - Bachelor of Business Administration, Silpakorn University - Certificate of Competition & Strategy Program, Harvard Business School, USA. - Certificate of Advanced Management Program (AMP), Harvard Business School, USA. Director Certification Program (DCP), Thai Institute of Directors Association (IOD) in 2003 - Leadership Program (Class 9), Capital Market Academy - National Defence College, Class 22 - Advanced Political and Electoral Development Institute (Class 3) - Urban Green Development Institute (BMA 1) - Administrative Justice Institute, Training Course on Administrative Justice for Executive (Class 4)	-	-	2008-Present	Independent Director / Audit Committee Member	Samart Telcoms Pcl.
					May 2013-Present	Nominating & Compensation Committee Member	Samart Telcoms Pcl.
					2008-2013	Corporate Governance Committee Member	Samart Telcoms Pcl.
					1999-2008	Audit Committee Member	Samart Corporation Pcl.
					1993-2008	Director	Samart Corporation Pcl.
					2010-Present	Director	TPT Petrochemicals Pcl.
					2013-Present	Consulting President	Deam House Co., Ltd.
					2012-Present	Director	Entertainment Tree Co., Ltd.
					2005-Present	Director	R Property Co., Ltd.
					2005-Present	Director	Siam Solvay Foundation
					2004-Present	Executive Chairman	Khun Reed Corporation Co., Ltd.
					2004-Present	Executive Director	Derma Belle Co., Ltd.
					2000-Present	Executive Chairman	110 Vipha Co., Ltd.
					1989-2011	Director	Solvay Peroxythai Co., Ltd.
					1991-2009	Executive Director	Vinythai Pcl.

Remark : ^(*) Includes holding by spouse and minor children (See the securities holding information in the Annual Report 2013 of Samart Telcoms Pcl.)
% of total number of voting rights

Name-Surname/Position/ Appointing Date	Age	Education	Shareholding in Company ^(*) (%)	Relationship	Working Experience last 5 years		
					During	Position	Company/Department
5. Mr. Kajornvut Tayanukorn - Director - Corporate Governance Committee Member <i>(To be appointed as a director on Apr. 29, 2004)</i>	58	- Master of Business Administration, Thammasat University - Director Accreditation Program (DAP), Thai Institute of Directors Association (IOD) in 2005	0.081% 500,000 shares	-	2004-Present May 2013-Present 2008-2013 2001-Present 2013-Present	Director Corporate Governance Committee Member Nominating & Compensation Committee Member Executive Vice President Executive Director	Samart Telcoms Pcl. Samart Telcoms Pcl. Samart Telcoms Pcl. Bangkok Bank Pcl. Processing Center Co., Ltd.
6. Mr. Charoenrath Vilailuck - Authorized Director - Executive Director <i>(To be appointed as a director on Jul. 26, 1996)</i>		- See details in "The Board of Directors of Samart Corporation Pcl." -	0.105% 650,000 Shares		- See details in "The Board of Directors of Samart Corporation Pcl." -		
7. Mr. Watchai Vilailuck - Authorized Director - Executive Chairman <i>(To be appointed as a director on Jul. 26, 1996)</i>		- See details in "The Board of Directors of Samart Corporation Pcl." -	0.146% 900,010 Shares		- See details in "The Board of Directors of Samart Corporation Pcl." -		
8. Mr. Sirichai Rasameechan - Director - Executive Director <i>(To be appointed as a director on Jul. 1, 1998)</i>		- See details in "The Board of Directors of Samart Corporation Pcl." -	0.024% 150,000 shares		- See details in "The Board of Directors of Samart Corporation Pcl." -		
9. Mr. Jong Dioksombat - Director - Executive Director - President - Corporate Governance Committee Member - Chairman of the Risk Management Committee - Chairman of the Sustainable Development Committee <i>(To be appointed as a director on Jan. 11, 2012)</i>		- See details in "Executives and Management of Samart Corporation Pcl." -	0.065% 400,000 shares		- See details in "Executives and Management of Samart Corporation Pcl." -		

Remark : ^(*) Includes holding by spouse and minor children (See the securities holding information in the Annual Report 2013 of Samart Telcoms Pcl.)
% of total number of voting rights

● Executives & Managements of Samart Telcoms Public Company Limited as of December 31, 2013

Name-Surname/Position/ Appointing Date	Age	Education	Shareholding in Company ^(*) (%)	Relationship	Working Experience last 5 years	
					During	Position Company/Department
1. Mr. Watchai Vilailuck (To be appointed as a director on Jul. 26, 1996)		- See details in "The Board of Directors of Samart Corporation Pcl." -	0.146% 900,010 Shares		- See details in "The Board of Directors of Samart Corporation Pcl." -	
2. Mr. Jong Diloksombat (To be appointed as a director on Jan 11, 2012)		- See details in "Executives and Management of Samart Corporation Pcl." -	0.065% 400,000 Shares		- See details in "Executives and Management of Samart Corporation Pcl." -	
3. Mr. Prasitchai Veerayutwilai - Executive Vice President - Network Services Business Group, Outsourcing Services Business Group and IP Business Group - Sustainable Development Committee Member (To be appointed as management on Mar. 1, 2005)	52	- Master of Business Administration, Thammasat University	0.044% 270,000 Shares	-	2005-2013 Nov. 2013-2013 Present	Executive Vice President - Network Services Business Group, Outsourcing Services Business Group and IP Business Group Sustainable Development Committee Member Director Samart Telcoms Pcl. Samart Telcoms Pcl. Subsidiaries and Related Companies (as details in the third table attached in 56-1 Form and the Annual Report 2013 of Samart Telcoms Pcl.)
4. Mr. Pornchai Krivichian - Executive Vice President - Network Services Business Group and System Integration Business Group - Sustainable Development Committee Member (To be appointed as management on Mar. 1, 2005)	48	- Master of Engineering, Bridgeport University, USA.	0.007% 42,000 Shares	-	2011-Present Nov. 2013-Present 2007-2010 2005-2010 Present	Executive Vice President - Network Services Business Group and System Integration Business Group Sustainable Development Committee Member Vice President - System Integration Business Group Vice President - Network Services Business Group Director Samart Telcoms Pcl. Samart Telcoms Pcl. Samart Telcoms Pcl. Samart Telcoms Pcl. Subsidiaries and Related Companies (as details in the third table attached in 56-1 Form and the Annual Report 2013 of Samart Telcoms Pcl.)

Remark : ^(*) Includes holding by spouse and minor children (See the securities holding information in the Annual Report 2013 of Samart Telcoms Pcl.)
% of total number of voting rights

Name-Surname/Position/ Appointing Date	Age	Education	Shareholding in Company ^(*) (%)	Relationship	Working Experience last 5 years		
					During	Position	Company/Department
5. Mr. Apichat Sirisalipochna - Vice President - Network Services Business Group and Business Application Solution & Service Business Group - Sustainable Development Committee Member <i>(To be appointed as management on Mar. 1, 2005)</i>	48	- Master of Business Administration, Central Missouri State University, USA.	0.055% 340,000 Shares	-	2005-Present	Vice President - Network Services Business Group and Business Application Solution & Service Business Group	Samart Telcoms Pcl.
					Nov. 2013-Present Present	Sustainable Development Committee Member Director	Samart Telcoms Pcl. Subsidiaries and Related Companies (as details in the third table attached in 56-1 Form and the Annual Report 2013 of Samart Telcoms Pcl.)
6 Mrs. Aroonluck Dilokwanich - Vice President - Corporate Accounting <i>(To be appointed as management on Sep. 1, 2003)</i>	55	- Master of Accounting, Bridgeport University, USA. - Bachelor of Accounting, Thammasat University	0.003% 18,000 Shares	-	2003-Present	Vice President - Corporate Accounting	Samart Telcoms Pcl.
7. Mr. Wongkrit Jiamsripong - Vice President - Corporate Treasury <i>(To be appointed as management on Jan. 1, 2006)</i>	46	- Master of Business Administration, Thammasat University - Bachelor of Engineering, Chulalongkorn University	0.044% 274,000 Shares	-	2003-Present Present	Vice President - Corporate Treasury Director	Samart Telcoms Pcl Subsidiaries and Related Companies (as details in the third table attached in 56-1 Form and the Annual Report 2013 of Samart Telcoms Pcl.)

Remark : ^(*) Includes holding by spouse and minor children (See the securities holding information in the Annual Report 2013 of Samart Telcoms Pcl.)
% of total number of voting rights

• Company Secretary of Samart Telcoms Public Company Limited as of December 31, 2013

Name-Surname/Position/ Appointing Date	Age	Education	Shareholding in Company ^(*) (%)	Relationship During	Working Experience last 5 years		
					Position	Company/Department	
Mr. Somchai Bunsupaporn - Internal Audit Manager and Company Secretary - Sustainable Development Committee Member <i>(To be appointed as Internal Audit Manager and Company Secretary on Oct. 28, 2003)</i>	56	- Master of Business Administration, Kasetsart University - Bachelor of Accounting, Chulalongkorn University - Internal Audit operations Course 1 (Class 27), The Institute of certified Accountants and Auditors of Thailand (Federation of Accounting Professions) - Laws and regulations for company secretary course 3, Research Center for Law and Development, Faculty of Law, Chulalongkorn University. (Role and responsibilities of the Company Secretary, please see in the Annual Report 2013 of Samart Telcoms Pcl.)	0.014% 88,700 shares	-	2003-Present	Internal Audit Manager and Company Secretary	Samart Telcoms Pcl.
					Nov. 2013-Present	Sustainable Development Committee Member	Samart Telcoms Pcl.

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

- Directors and Managements in Subsidiaries and Related Companies as of December 31, 2013

Remarks : 1) x = Chairman, / = Director, // = Executive Director, # = Management

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Samart Telcoms Public Company Limited

Board of Directors & Committees' list

Directors of Sub-Committees	Board of Director	Executive Board	Audit Committee	Risk Management Committee	Corporate Governance Committee	Nominating and Compensation Committee	Sustainable Development Committee
1. Mr. Sombut Uthaisang	x						
2. General Sumpun Boonyanun	/		x		/	x	
3. Miss Rapeepan Luangaramrut	/		/			/	
4. Mr. Vichai Pokasamrit	/		/		x	/	
5. Mr. Kajornvut Tayanukorn	/				/		
6. Mr. Charoenrath Vilailuck	/	/					
7. Mr. Watchai Vilailuck	/	x					
8. Mr. Sirichai Rasameechan	/	/					
9. Mr. Jong Diloksombat	/	/		x	/		x
10. Mr. Prasitchai Veerayuttwilai				/			/
11. Mr. Pornchai Krivichian				/			/
12. Mr. Apichat Sirisalipochna				/			/
13. Miss Chotika Kamloonwesaruch				/			/
14. Mr. Suchart Duangthawee				/			
15. Mr. Wongkrit Jiamsripong				/			
16. Mrs. Nisachol Udomwongwiwat							/
17. Miss Kanokwan Chanswangpuvana							/
18. Mr. Somchai Bunsupaporn							/

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

Directors' list of Major Subsidiaries^(*)

Name of Directors	Samart Communication Services Co., Ltd.	Samart Comtech Co., Ltd.
1. Mr. Charoenrath Vilailuck	x	x
2. Mr. Watchai Vilailuck	/	/
3. Mr. Jong Diloksombat	/	/
4. Mr. Prasitchai Veerayuttwilai		
5. Mr. Pornchai Krivichian	/	/
6. Mr. Apichat Sirisalipochna		
7. Mr. Suchart Duangthawee		/
8. Miss Chotika Kamloonwesaruch		/

Remarks : 1) x = Chairman, / = Director

2) ^(*) Subsidiaries which its revenue represent over 10% of Group revenue.

Samart Communication Services Company Limited

● The Board of Directors of Samart Communication Services Company Limited as of December 31, 2013

Name-Surname/Position/ Appointing Date	Age	Education	Shareholding in Company ^(*) (%)	Relationship	Working Experience last 5 years		
					During	Position	Company/Department
1. Mr. Charoenrath Vilailuck - Chairman (To be appointed as a director on Nov. 11, 1991)		- See details in "The Board of Directors of Samart Corporation Pcl." -	0.00004% 2 shares			- See details in "The Board of Directors of Samart Corporation Pcl." -	
2. Mr. Watchai Vilailuck - Director (To be appointed as a director on Nov. 11, 1991)		- See details in "The Board of Directors of Samart Corporation Pcl." -	0.00004% 2 shares			- See details in "The Board of Directors of Samart Corporation Pcl." -	
3. Mr. Jong Dioksonbat - Director (To be appointed as a director on Feb. 13, 2012)		- See details in "Executives and Management of Samart Corporation Pcl." -	-			- See details in "Executives and Management of Samart Corporation Pcl." -	
4. Mr. Pornchai Krivichian - Director - Managing Director (To be appointed as a director on 1999)		- See details in "Executives and Management of Samart Telcoms Pcl." -	-			- See details in "Executives and Management of Samart Telcoms Pcl." -	

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

● Executives & Managements of Samart Communication Services Company Limited as of December 31, 2013

Name-Surname/Position/ Appointing Date	Age	Education	Shareholding in Company ^(*) (%)	Relationship	Working Experience last 5 years		
					During	Position	Company/Department
1. Mr. Pomchai Krivichian (To be appointed as management on Aug. 1, 1999)	-	- See details in "Executives and Management of Samart Telecoms Pcl." -	-	-	-	- See details in "Executives and Management of Samart Telecoms Pcl." -	-
2. Mr. Suchat Satprasert - Assistant Vice President (To be appointed as management on Apr. 21, 2009)	48	- Master of Business Administration, NIDA	-	-	2009-Present	Assistant Vice President - Account Management 1	Samart Communication Services Co., Ltd.
3. Mr. Bordin Larbongang - Assistant Vice President (To be appointed as management on Jan. 1, 2008)	43	- Master of Business Administration, Kasetsart University	-	-	2008-Present	Assistant Vice President - Account Management 2	Samart Communication Services Co., Ltd.
4. Mr. Taradon Deeprasird - Assistant Vice President (To be appointed as management on Jan. 1, 2008)	47	- Master of Business Administration, Eastern Asia University	-	-	2008-Present	Assistant Vice President - Account Management 3	Samart Communication Services Co., Ltd.
5. Mr. Montree Kitbancha - Assistant Vice President (To be appointed as management on Jan. 1, 2009)	47	- Master of Public Administration, Eastern Asia University	-	-	2009-Present	Assistant Vice President - Services	Samart Communication Services Co., Ltd.

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

- Directors and Managements in Related Companies as of December 31, 2013

Remarks : 1) x = Chairman, / = Director, // = Executive Director, # = Management

1.	SCS = Samart Communication Services Co., Ltd.	2.	STC = Samart Telcoms Pcl.	3.	SC T = Samart Comtech Co., Ltd.	4.	SBS = Samart Broadband Services Co., Ltd.
5.	PN = Posnet Co., Ltd.	6.	TTN = Thai Trade Net Co., Ltd	7.	STW = Smartware Co., Ltd.	8.	SIF = Samart Infonet Co., Ltd.
9.	SAET = Samart Ed-Tech Co. Ltd.	10.	NMD = Net Media Co., Ltd.	11.	ITAB = IT Absolute Co., Ltd.	12.	PTN = Portanet Co., Ltd.
13.	SC = Samart Corporation Pcl.	14.	SIM = Samart I-Mobile Pcl.	15.	OTO = One To One Contacts Pcl.	16.	SMS = Samart Mobile Services Co., Ltd.
17.	BUG = Samart Multimedia Co., Ltd.	18.	IMI = I-Mobile International Co., Ltd.	19.	BS = Brain Source Co., Ltd.	20.	IMP = I-Mobile Plus Co., Ltd.
21.	I-SPORT = I-Sport Co., Ltd.	22.	SIAM = Samart Interactive Media Co., Ltd.	23.	TAL = Take A Look Co., Ltd.	24.	ENT = Entertainment Tree Co., Ltd.
25.	I-SPORT M = I-Sport Media Co., Ltd.	26.	SIMI = PT. Samart I-Mobile Indonesia	27.	TGN = Teleconnect Co., Ltd.	28.	SIMM = Samart I-Mobile (Malaysia) Sdn. Bhd.
29.	IMIT = I-Mobile Inter Trade Co., Ltd.	30.	IMD = I-Mobile Direct Co., Ltd.	31.	SUT = Samart U-Trans Co., Ltd.	32.	SEC = Suvarnabhumi Environment Care Co., Ltd.
33.	VSS = Vision and Security System Co., Ltd.	34.	SE = Samart Engineering Co., Ltd	35.	SRT = Samart Reditech Co., Ltd.	36.	CS = Cambodia Samart Co., Ltd
37.	SIH = Samart Inter Holding Co., Ltd.	38.	SDT = Samart Digital TV Co., Ltd.	39.	TEDA = Teda Co., Ltd.	40.	TDC = Teda Construction Co., Ltd.
41.	TS = Transec Power Services Co., Ltd.	42.	KPP = Kampot Power Plant Co., Ltd.	43.	CATS = Cambodia Air Traffic Services Co., Ltd.	44.	CIO = Contact-In-One Co., Ltd.
45.	OTP = One To One Professional Co., Ltd.	46.	OTOC = One To One Cambodia Co., Ltd.	47.	VIH = Vialluck International Holding Co., Ltd.		

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Curriculum Vitae of Head of Internal Audit

Educational background and work experience of Mrs. Vorapin Isaradharm, Vice President - Internal Audit is as follows:

- Education :**
- Master of Economics Law, Chulalongkorn University
 - Bachelor Degree in Monetary Economics, Chulalongkorn University
 - Mini MBA, Thammasart University
- Training :**
- Internal Auditing Certificate Program (IACP), Federation of Accounting Professions
 - Accounting / Finance for Executive
 - Practical Fraud Awareness, Fraud Detection & Fraud Prevention Strategies, ASIA BUSINESS CONNECT Professional Training Institute in 2013
 - CAE Forum 2013 “Good Governance to Sustainable Development”, The Institute of Internal Auditors of Thailand (IIA)
 - How to Participate in Private Sector Collective Action Coalition against Corruption from SET
 - **Training courses from Thai Institute of Directors Association (IOD) :**
 - Director Certification Program (DCP) in 2004
 - Company Secretary Program (CSP) in 2007
 - Anti-Corruption : The Practical Guide (APCG) in 2013

Work Experience :

1999 - Present	Company Secretary Samart Corporation Pcl.
Nov. 2013 - Present	Sustainable Development Committee Member Samart Corporation Pcl.
2011 - Present	Vice president - Internal Audit Samart Corporation Pcl.
1993 - 1998	Company Secretary and Investor Relations The Cogeneration Pcl.

During 2011-present, the head of internal audit has attended trainings and seminars concerning internal auditing as follows:

- National Conference 2011 “Promoting Transparency in Thai Market Place” from Thai Institute of Directors Association (IOD)
- Challenges of the Audit Committee and the Sustainable Development of the Listed Companies from SEC
- Audit Committee Effectiveness Seminar : What Works Best - Global Practices vs. Practices in Thailand from SET, SEC, IOD and Federation of Accounting Professions
- Internal Audit concerning Financial reporting: Strategies to Add Values to Business from SET and The Institute of Internal Auditors of Thailand (IIA)
- 2012 Asian Confederation of Institutes of Internal Auditors Conference from IIA
- Preparedness on Internal Audit, Compliance and Risk Management and the Launch of AEC from IIA
- Report by international standards from Pronsvamata Co., Ltd.
- Discussion on IA Clinic No. 2/2555 on topic of “Due Professional Care” from IIA
- Principles of Fraud Auditing from IIA
- Risk Management pursuant to COSO ERM Guidelines from IIA
- Discussion on How to be Aware of Corruption Act from Federation of Accounting Professions

General and Others Information

Samarat Corporation Public Company Limited

Company	:	Samarat 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.samaratcorp.com
Telephone	:	0-2502-6000
Fax.	:	0-2502-6186
Registered Capital	:	Baht 1,006,503,910
Number of shares sold	:	1,002,095,910 shares
Par Value	:	Baht 1 per share

Other References

Company registrar	:	Thailand Securities and Depository Co., Ltd.
Head Office	:	62, The Stock Exchange of Thailand Building, 7 th floor, Ratchadaphisek Road, Klongtoey, Bangkok 10110
Telephone	:	0-2229-2800, 0-2229-2000 ext. 2877
Fax.	:	0-2654-5642, 0-2654-5645
Auditors	:	Ms. Kamontip Lertwitworatop
		Certified Public Accountant (C.P.A.) license No. 4377
Head Office	:	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

More information have been disclosed on Company's website (www.samaratcorp.com) via Annual Information Disclosure of the Company (56-1 Form) and SEC's website (www.sec.or.th)



SAMART CORPORATION PUBLIC COMPANY LIMITED

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