



# SMART

Fit for the Future



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# SMART

## Fit for the Future

# “60 Years of **pride**”

60 Years of pride to be a part of Thai society,  
economy growth and technology infrastructure driven.

We never stop developing the smart products,  
services and solutions to best serve our customers  
and strengthen our future sustainability.

The finish line is not the end but it is the start of the next chapter of success.



60 Years of  
Innovation

# Message from The Board of Directors

The year 2015 has been a challenging year for the Company due to the economic downturn that spread not only across Asia but also regions around the world. The event was induced by a host of factors, including falling oil prices; financial instability across regions; fluctuations in Chinese Yuan and currency exchange which affected the export segment of Thailand; as well as uncertainty in stock market, domestically and internationally. Nonetheless, unrelenting competency in business operation has enabled the Company to achieve a total revenue of up to 18,586 million Baht and a net profit of 808 million Baht in the year 2015.

Notable business developments in the past year can be summarized as follows.

## “i-Mobile” Embraces Change For Sustainable Growth

Mobile Multimedia business segment was directly affected by unfavourable economic conditions, however, i-Mobile strived to achieve the total sales of 3.3 million units of mobile phone in the past year. Significant changes were introduced to the information technologies and telecommunications sector in 2015 through the 4G spectrum auction. The event is expected to bring about various business opportunities. Responding to new market opportunities, the Company is in preparation for the move into e-commerce business alongside further development in sports content services and Sports Marketing to cater to future demands in a sustainable manner.

## “ICT Solutions & Services” Robust Performance Growth

The ICT Solutions & Services Group continued to be a major driver for SAMART Group of Companies, which gained trust from state agencies and private companies as their trader and service provider of communication network for more efficient organizational development. The Company remained dedicated to expanding the customer base and increasing the recurring income to ICT Solutions & Services business segment in order to robust performance growth.

## Energy Business To Drive Strong Growth

Utilities and Transportations is an important business segment expected to contribute majorly to the sustainable growth of the Company. This segment comprises of infrastructure and utility development, conservational energy and renewable energy. The year 2015 has seen continuous growth generated by the regular sources of income - air traffic control system; design, construction and electric system installation works by TEDA Company Limited; and significant progress in waste power plant projects in five major cities. The Company is also in the process of examining the feasibility of building more coal power plant, hydroelectric power plant and electricity transmitter business locally and in neighbouring countries, to facilitate business expansion in the future.



**(Dr. Tongchat Hongladaromp)**

Chairman

Samart Corporation Public Company Limited



### Sustainable Development and Growth

Samart Group is committed to progressing all aspects of the business sustainably, having the versatility to thrive in the atmosphere of ongoing changes. The Company has put in place policies and measures to deal with possible threats to business operation through the building of a balanced business portfolio. The diversified business portfolio comprises of five business segments, namely ICT Solution and Services; Mobile Multimedia; Call Center; Utilities and Transportations – expected to be the most important and steady source of income; and Technology Related. Furthermore, the Company emphasises on developing and grooming younger talents to take over the executive chairs and effectively manage future expansions.

### “Competent Human Resource and Virtuous Society” Pave Strong Foundation For Sustainable Thailand

Apart from strengthening business operation internally, the Company is also dedicated to giving back to the Thai society, with the vision of: “Competent human resource and virtuous society pave strong foundation for sustainable Thailand”. To enhance competency in the workforce, SAMART INNOVATION campaign carries out various programmes, including technology innovation competition; providing financial support for tertiary education and researches related to information technologies and telecommunications; and workshops for vocational skills development. In effort to promote a virtuous society, a range of programmes has been conducted under the SAMART MIND POWER campaign. Buddhist teaching is used to promote virtue in everyday life and in workplace. Also, staff are engaged in community service and involved in various activities organised by “Kon Dee SAMART”, a club run by voluntary staff. Moreover, the Company hosts a series of Social and Environmental Responsibility programmes through “SAMART Foundation”, for example, scholarship for students with outstanding performance and donation of sports equipment and clothes to orphans and underprivileged children. The Board of Directors of Samart Corporation Public Company Limited would like to express appreciation towards all shareholders, business alliance and partners, customers, financial institutions, related government organisations, executives and staffs, as well as other stakeholders that have continually been providing great support. In the years to follow, the Company is committed to ensuring optimal efficiency in business operation, developing products and services that best meet the needs of consumers, while effectively adapting to the changing environment. The Company sincerely hopes to continue to receive support from the aforementioned parties for our shared success to be reaped progressively into the future.



**(Mr. Charoenrath Vilailuck)**

Executive Chairman

Samart Corporation Public Company Limited



## 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

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## 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





## SAMART: A proud winner of ASEAN governance awards

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Through consistent efforts in implementing good governance and transparency practices across their entire organizations, Samart Corporation Pcl. and Samart Telcoms Pcl. have been named the winners of Corporate Governance Awards at the ASEAN Corporate Governance Awards ceremony held recently in Manila, the Philippines.

The Awards recognize listed companies that have achieved demonstrable successes in driving governance and compliance activities including equal treatment of shareholders and protection of their rights, effectiveness of information disclosure, and successful integration of transparency across all principles.



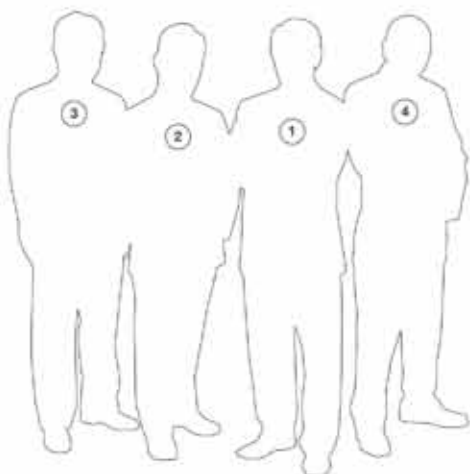
## Board of Directors

### 1. Dr. Tongchat Hongladaromp

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

### 2. Mr. Pradang Prichayangkun

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



### 3. Mr. Seri Suksathaporn

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

### 4. Mr. Prinya Waiwatana

- Independent Director
- Corporate Governance Committee Member



**5. Mrs. Siripen Vilailuck**

- Director

**6. Mr. Charoenrath Vilailuck**

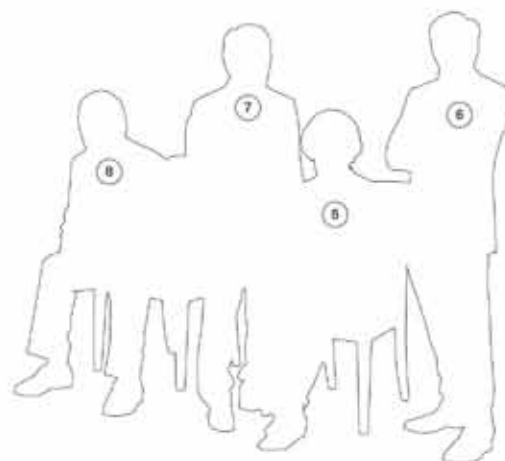
- Authorized Director
- Executive Chairman & CEO
- Chairman of the Risk Management Committee

**7. Mr. Watchai Vilailuck**

- Authorized Director
- President
- Chief Operating Member of 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



# Corporate Social Responsibilities Report / Sustainable Development Report

The Company conducts business by considering on responsibility to society and environment as well as good corporate governance for the sustainable growth of both the Company's business and society. Apart from CSR after process, which is done continuously in form of various projects to promote innovation, charity events and donations, the Company concretes more action by setting up working group on social and environmental responsibility for sustainability of the business. The Board of Directors' Meeting No. 5/2013 on November 12, 2013 resolved to approve the establishment of the Sustainable Development Committee (SD 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. The SD Committee shall convene the meeting at least 2 times a year.

The Company shall develop the CSR activities pursuant to the guidelines specified by the Office of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand which can be led to sustainable business growth. The Company has set the social responsibility policy 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.

The Company conducts business based on good governance principle and recognizes the importance of all stakeholders. The Company has considered and prioritized stakeholders as well as provided appropriate strategies for sustainable development of business. Therefore, the Company has set vision and mission to represent the Company's focus on customers as normal operation of the Company as follows:

## **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.

Details of policies for all stakeholders and implement of policies in the previous year were disclosed in the section **“Corporate Governance”** under the topic **“Business Ethics”**.

## Progress and Reporting

The Company conducts business in compliance with the CSR Policies and taking into account with all stakeholders. The policies regarding treatments to all stakeholders are stipulated in the Company’s Business Ethics. Details are disclosed in the section **“Corporate Governance”** under topic of **“Business Ethics”** and posted on the Company’s website at [www.samartcorp.com](http://www.samartcorp.com). The CSR policies comprise 9 operating principles of conduct as follows:

1. Corporate Governance
2. Fair Operating Practices
3. Anti-Corruption
4. Respect of Fundamental Human Rights
5. Fair Labor Practices
6. Consumer Responsibility
7. Contribution to the Community and Society
8. Environmental Conservation
9. Innovation and Publication of Innovation from Social Responsibility

### 1. Corporate 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 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 2015. Details are provided under **“Corporate Governance”**.

During the past year, the Company has strongly observed the Corporate Governance Principles, as a result, 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”), including One to One Contacts Public Company Limited (“OTO”), its listed subsidiary in MAI, received corporate governance awards and assessment results in 2015 as follows:

#### 1) Assessment Result on ASEAN CG Scorecard in 2015

ASEAN CG Scorecard based Assessment Project has been jointly arranged by ASEAN Capital Markets Forum (ACMF) and Asian Development Bank (ADB) to assess corporate governance operations of the listed companies in 6 member countries, i.e. Indonesia, Malaysia, the Philippines, Singapore, Vietnam and Thailand, where SAMART received 3 awards as follows:

- 1) Top 5 ASEAN Publicly Listed Companies
- 2) Top 50 ASEAN Publicly Listed Companies
- 3) Top 3 Domestic Publicly Listed Companies in Thailand

In addition, SAMTEL also received Top 50 ASEAN Publicly Listed Companies. The Company’s executives also participated in **“ASEAN Corporate Governance Awards”** presentation ceremony held in Manila, the Philippines in November 2015.



## 2) Assessment Result on Corporate Governance of Thai Listed Companies in 2015

SAMART and SAMTEL were assessed with **“Excellent”** Recognized Level **(5 Stars)** with 95 scores, SIM was assessed with **“Excellent”** Recognition Level **(5 Stars)** with 94 scores and OTO was assessed with **“Very Good”** Recognition Level **(4 Stars)** with 89 scores from the survey of total 558 listed companies by the Thai Institute of Directors Association (IOD) together with the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand.

## 3) Assessment Result on Quality on Arrangement of Annual General Meeting of Shareholders for 2015

All of SAMART, SAMTEL, SIM and OTO were assessed with 4 TIA with 96 scores. They were 575 listed companies assessed this year as surveyed by the Thai Investors Association.

## 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 on the Company’s website ([www.samartcorp.com](http://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 **“Business Ethics”**.

## 3. Anti-Corruption

The Company recognizes the importance of anti-corruption in all aspects. The Corporate Governance Committee’s Meeting No. 1/2015 has reviewed the policies regarding anti-corruption and proposed the Board of Directors’ Meeting No. 1/2015 on February 25, 2015 to approve the amendment of the anti-corruption policy in conformity with the Sustainable Development Roadmap for the listed companies by the SEC. The amendment policies were covered the following issues:

- Political neutrality and political assistance
- Donation for charity and support fund
- Receiving and giving present, property or other benefits policies

Furthermore, General Operating Guidelines were as follows:

- The process of risk assessment and risk management.
- Protection
- Training and Communication
- Reporting Channels
- Regulatory and monitoring of the implementation of the policy.

Result of the implementation of such policies in 2015 caused the following matters:

- No case of misconduct on corruption or breach of the Ethics. It was found only fault that not complied with the Company’s regulation and it was amended and clarified the correct procedures to the employees.
- No director and executive resigned due to the issues of corporate governance.
- No case of the Company’s negative reputation as a result of failure in the monitoring function of the Board of Directors.

The Company disclosed the policy in the Company’s Business Ethics manual and posted on website at [www.samartcorp.com](http://www.samartcorp.com) for all employees to adhere. Details of Anti-Corruption policy, Guidelines to perform of anti-corruption and the result of the implementation of such policies and training course regarding protection and prevention of corruption were disclosed in 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 shall not be 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.

## 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 rights 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.

For welfare to the employees, the Company has group health insurance (in case of in-patient) for the Company's employees 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. 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, grant in case of the employee or his/her family died, 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. Details regarding welfare of employees were disclosed under **"Corporate Governance"** in the topic of **"Business Ethics"** in the item of **"Employee Policies"**.

3. Specify to have **"Safety and Health Policy"**. The Company develops policy and system of safety and health of employees in accordance with the requirements of law and performs all necessary measures to ensure the safety of life and health of employees. Furthermore, the Company also has the practical guidelines concretely by appointment of the safety officers, training and cultivate consciousness of safety, occupational health and working environment for the employees, the annual evacuation drill in case of fire, the fingerprint scanning system, medical examination, provide basic medical services as well as serving modern medicine and an annual health check. Details are provided under **"Corporate Governance"** in the topic of **"Business Ethics"** in the item of **"Employee Policies"**.

4. Specify to have “**Human Resources Management and Development Policy**” as below:

**1) Human Resources Management and Development Policy**

- Manpower planning Policy
- Recruitment & Selection Policy
- Performance Development Policy
- Human Resources Management and Development Information Systems Policy
- Compensation & Benefit Policy
- Employee Relation & Engagement Policy
- Employee Innovation Recognition Policy

**2) Human Resources Development Policy**

- Career Development Policy
- Employee Training & Development Policy
- Talent Management Policy and Succession Planning

Details regarding Human Resources Management and Development Policy were disclosed in section “**Management Structure**” under topic of “**Human Resources**” in “**Human Resources Management and Development Policy**”

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

• **SAMART INNOVATION for SAMART PEOPLE :**

This project is a contest stage of creativity, marketing and business plans, which held its first year to motivate the creativity, relevant knowledge skills and also bring benefits in terms of business for employees within the organization. Its award amount of 1.06 million baht consisting of Top Award Baht 760,000, the Inspiration Award Baht 150,000 and Recognition Award of three prizes, each Baht 50,000 that has total worth Baht 150,000.



- **SMART TALK :** The project is the activities for fill up many knowledge skills that was held continued annually since 2011 to encouraged the creativity and reinforce skills in various fields to employees within the organization.
  - > **SMART TALK #1 : Personality WOW!** Enhance the image with a great personality to executives and employees over 300 person.
  - > **SMART TALK #2 : Let's speak English clearly.** To reinforce the skills of spoken English to executives and employees over 300 person.
- **Lunch & Learn Project :** The company places strong emphasis on employee relationship among top executives and employees as well as two-way communication as a mean to communicate top management direction to all employees closely and directly percept employee's innovative, improvement and other open-mind ideas to enhance SAMART business operations and other processes.
- **New Year Party 2015 :** The Company arranged New Year Party for employees to join colorful games in each booth from their creativity. Many prizes were provided in each booth for employees to win. All employees prepared their own gifts to play game and exchange with their friends.

## 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 **"Customers 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.

Details of the relating activities were disclosed in **"Activities for society and environment (CSR after process)"** in page 20.

## 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 2015, 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**

The Company has promoted environmental care and efficient use of resources among its employees via both internal communications and the "Reduce and Reuse" project every year.

In 2015, the Company organized the project under the concept "Lor.Ling Plus, Minus, Multiplied, Divided by" concept with aim to encourage the behavioral changing and realize the use of resources with the most benefits through The "Roadshow" events and internal media advertising for create the awareness about saving energy in their daily lives to internal staffs.



## 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 13 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 65 news coverage, publicized via newspaper, radio, television and on-line media.

### Business practices that affect social responsibility

As the Company conducts business in compliance with the CSR Policies through 9 operational principles, in 2015, the Company and its subsidiaries have not been audited or investigated by the competent authority or any law in any way.

### Activities for society and environment (CSR after process)

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 "Quality People and Moral Society" which comprise of the following projects and activities:

**Creation of quality people (External Organization)**

**SAMART INNOVATION** : This project covers a Technology Innovation Contest, Scholarships, and Technology Training to enhance telecommunication-technology knowledge and work skills namely :

1. **Samart Innovation Awards 2015** : The annual contest was in its 13<sup>th</sup> year in 2015 **Samart Corporation Pcl.** Joined force with National Science and Technology Development Agency (NSTDA) and Department of Industrial Promotion (DIP) in organizing "The Young Technopreneur Project" which have benefits to the program participants as following :
  - Taiwan field trip to visit and see advanced technologies at The leading of electronics and technology organization and Development Technology Research Institute of Taiwan for top 3 winners.
  - The winner of *Samart Innovation Awards 2015* or the "Outstanding Inventor of Innovative Prototype" received Baht 200,000 while the first and second runners-up got Baht 100,000 and Baht 50,000 respectively and The Business Startup Funds to 21 outstanding teams, each receiving Baht 20,000.



- Commercial opportunity : During the past four years (2012 to 2015), we have the new developer for technology business sector over 800 person which have created more than 400 proposals and has expanded to the business more than 20 workings. In addition, We are committed to identifying and developing more such Young Technopreneur.

2. **Samart Innovation FUND** has awarded scholarships and research grants to telecommunications students in their last year of study at five universities so as to further their knowledge, to develop their final study projects, or to continue their education. These universities are *King Mongkut's University of Technology Thonburi, Thammasat University, King Mongkut's Institute of Technology Ladkrabang, Kasetsart University and Mahidol University*. The project provide 3 scholarships for each institutes with Baht 20,000 per scholarship, total value Baht 300,000.
3. **SAMART Innovation CAMP** has offered training on necessary telecommunication-technology knowledge and work skills. Conducted under the theme of "Get Ready to be a Professional", the training took place at King Mongkut's University of Technology Thonburi, King Mongkut's Institute of Technology Ladkrabang, Kasetsart University, Rangsit University, University of the Thai Chamber of Commerce, Bangkok University, Rajamangala University of Technology, Rajamangala University of Technology Krungthep and Rajamangala University of Technology Thanyaburi.



#### SAMART SCHOLARSHIPS :

- **Scholarships for Nation University** : *Samart Corporation Pcl.* granted three scholarships worth Baht 100,000.
- **Scholarships for Mahidol University's graduate students**: *The Samart Foundation* provided five scholarships worth Baht 95,000 altogether for its master program via the Graduate Studies of Mahidol University Alumni Association, and five grants of Baht 100,000 to the Mahidol University's Engineering Foundation for use in educational support and R&D.
- **Scholarships for primary and secondary students** : *The Samart Foundation* granted 60 scholarships and supplies worth Baht 145,000 altogether to cash-strapped students at Nikhom Thab Kwang Songkherah 2 school Saraburi Province amount 20 scholarships and schools in Suphan Buri Province, Kanchanaburi Province, Phetchaburi Province, Samut Songkhram Province amount scholarships.
- **Scholarships for secondary students** : *SAMART Foundation* granted 60 scholarships, and supplies worth Baht 120,000 altogether to cash-strapped students and 40 bikes at Baan Kan thong school 30, Bann Wan school, Ammarin school, Baan Sanaun school.

#### Sponsorship for SPORTS CAPABILITIES

- **Sponsorship for Football**
  - **The Youth Football Team** : *SAMART Telcoms Pcl.* cooperated with King Power to support Football by assisting 15 young Thai people to participate in training with The Leicester City Academy, England. There are also 30 correspondents to attend watching the match of the Leicester City team, worth Baht 20 million.

- **Football Club** : *SAMART Group* has been a sponsor of various football clubs such as Buriram United Football Club, Muangthong United Football Club, Songkhla United Football Club, Chonburi Football Club, Phrae United Football Club and Angthong Football Club.
- **Football Match** : *SAMART Multimedia Co., Ltd.* and *i-Sport Co., Ltd.* in sponsorship to Singha Corporation Co., Ltd. and The Football Association of Thailand support to establish “The Singha Chelsea FC Celebration Match”
- **Sponsorship for Polo Sport** : *SAMART Telcoms Pcl.* Granted amount Baht 1 million in sponsorship to King Power for supporting Thailand Polo Association.
- **Support for Ice Hockey** : *SAMART Foundation* is a sponsor of ice hockey Bangkok Warriors club for Bangkok Puckfest Youth Ice Tournament 2015 with Baht 50,000.



## Other Forms of Support for EDUCATIONAL OPPORTUNITIES

- **Support for Children's Day Activities** : *SAMART Corporation Pcl.* has donated supplied such as learning materials to various organizations for the activities at Bann Mon Pakkad, Prasan Kamukkee Wittaya school (Bang Bua Thong District), Talad Bang Kulad (Bang Yai District), Nation Library of Thailand Lat Krabang District and Che tu phon bath temple.
- **Support for improvement of school building** : *SAMART Foundation* donated for improvement the school building Baht 700,000 to Baan Kan Thong school at Khwao Sinarin District, Surin Province.
- **Support for Library Improvement** : *SAMART Foundation* granted Baht 25,300. for improvement by offering tables - chairs for using in the library under the project “Living Library” at Baan Klong Song, Chumphon province.
- **Support for School Improvement** : Supporting and organizing improving school building activities for Ban Khao Jan Hom School, Nakhon Ratchasima province by the executives and employees of “*SAMART Telcoms Group*” such as libraries, school buildings, stadium, infirmary, etc., totaling more than Baht 200,000.

## Creation of quality people (Internal Organization)

**SAMART INNOVATION for SAMART PEOPLE** : This project is a contest stage of creativity, marketing and business plans, which held its first year to motivate the creativity, relevant knowledge skills and also bring benefits in terms of business for employees within the organization. Its award amount of 1.06 million baht consisting of Top Award Baht 760,000, the Inspiration Award Baht 150,000 and Recognition Award of three prizes, each Baht 50,000 that has total worth Baht 150,000.

- **SMART TALK** : The project is the activities for fill up many knowledge skills that was held continued annually since 2011 to encouraged the creativity and reinforce skills in various fields to employees within the organization.
  - > **SMART TALK #1 : Personality WOW!** Enhance the image with a great personality to executives and employees over 300 person.
  - > **SMART TALK #2 : Let's speak English clearly.** To reinforce the skills of spoken English to executives and employees over 300 person.



### 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
  - **Dhamma Activities** : titled “Mindfulness Meditation Intelligence” including prayer, meditation and Dhamma discussion have been held every Thursday evening for interested employees.
  - **Dhamma Radio Program** : titled “Voice of Dhama” : for bringing Dhamma doctrinal open on the internal radio every Monday morning.
- **Funds for “Doing Good” Project** : Volunteers from the “Samart D Club” received 5 grants from SAMART Corporation Pcl. for for doing humanitarian activities and also contribute to social development Each grant was worth Baht 50,000.
- **Merit Knitting Project** : titled “Do good deeds for The King”. The project was established with the integration of the volunteer within the company by knitting wool hats dedicated to the priests and nuns in the various temples, giving to cancer patients in the hospitals, including Siriraj Hospital, Ramathibodi Hospital and donated to victims of the cold.
- **Support for Cultivate Moral and Ethic** : The project “Ruam Pom Kon Tum (Tum) Dee 3<sup>rd</sup>” at Nakhon Si Thammarat Province. Its aimed to cultivate moral and ethics to the 240 students in Nakhon Si Thammarat And Phatthalung which is Baht 10,000.
- **Blood Donation** : In collaboration with the Thai Red Cross Society institutes to staff and people in neighboring communities to contribute the blood donation. The event held three times annually.
- **Donation Necessaries** : SAMART Foundation donated rice 400 bags and consumption goods to the Earthquake Victims at Nepal.
- **Support for “Ratchaphak Park”** : Support the creation “Ratchaphak Park” to the seven of Royal Monument Kings of Siam, the exhibitions of royal history and king’s multifarious duties at Hua Hin, Prachuap Khiri Khan which is worth Baht 1 million.
- **Donation the Medial Program** : SAMART Corporation Pcl. donated Baht 4,000,000 to the Ramathibodi Foundation for supporting of the medical program.
- **Support for providing a ventilator** : SAMART Foundation contributed the money to buy a ventilator for the at HRH Princess Maha Chakri Sirindhorn Medical Center which is amount of Baht 650,000.
- **Support for AsianSIL’s Conference** : SAMART Corporation Pcl. supported the Fifth Biennial Conference of AsianSIL with Baht 250,000.
- **Support for Dramaraksa Foundation** : SAMART Telcoms Pcl. supported The Dramaraksa Foundation at Phrabatnampu Temple, Lopburi province with the Baht 100,000.



## Prevention and protection of corruption

The Company has established policies and general practices of anti-corruption (details were disclosed in the section of “Anti-Corruption”) channel to express their opinions and suggestions including channel to report concerns and procedures to protect employees who report such abuse. Anti-corruption policy and practical guidelines including procedures were disclosed in Business Ethics and post on the website of the Company at [www.samartcorp.com](http://www.samartcorp.com).

In addition, the Company maintains system of internal control and risk management to prevent the Company from participating with corruption. The details were disclosed in the section “**Internal Control, Risk Management and Anti-Corruption**”. The business, financial and Social & Environmental risks were disclosed in the section “**Risk Factors**”.

In 2015, the Company enrolled to be a member of PACT Network, which has been jointly arranged by Thaipat Institute and the alliances which has main aim on Anti-corruption in Practice. This work has been initiated as a network called PACT (Partnership Against Corruption for Thailand) and it will be used as a platform for development of anti-corruption level of the network’s membership organizations by applying the international anti-corruption practices and principles in order to concretely promote and lift up anti-corruption levels in the private sector.

## Our Pride for 2015

### Four awards in the ASEAN Good Governance

“**SAMART Group**” As a company with good governance continues and be Thailand listed that has been assessed ASEAN CG Scorecard from The ASEAN Corporate Governance Awards at Manila, the Philippines including:

- “**Top 5 ASEAN Publicly Listed Companies Award**”, “**Top 50 ASEAN Publicly Listed Companies Award**” and “**Top 3 Domestic Publicly Listed Companies in Thailand Award**” go to *SAMART Corporation Pcl.*
- “**Top 50 ASEAN Publicly Listed Companies Award**”. Goes to *SAMART Telecoms Pcl.*

### Four years excellent awards of Contact Center Business

*One to One Contacts Pcl.* won the **Outsourced Contact Center Vendor of the Year 2015** making it the award winner for four years in a row. As a private enterprise which is Thailand’s leading contact-center vendor, having well growth and developing consistently.

### Certified ISO 20000 of IT service

*SAMART Communication Services Co., Ltd.* has been certified ISO 20000 IT services from Bureau Veritas Certification Thailand limited as an organization that is a efficiency and professional standard in IT services.



# Report of the Audit Committee

## Dear Shareholders of Samart Corporation Public Company Limited

The Audit Committee of Samart Corporation Public Company Limited, which has been appointed by the Board of Directors, comprised of 3 independent directors. All members of the Audit Committee are fully qualified as per specified in the Audit Committee Charter and are in accordance with the regulations of the Office of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET).

In 2015, the Audit Committee has performed duties and responsibilities pursuant to the Audit Committee Charter as well as the regulations and operating guidelines specified by the Stock Exchange of Thailand. In 2015, the Audit Committee held 6 meetings of which its material results can be concluded as follows:

### 1. Review the quarterly and annual financial statements of the Company and its subsidiaries

The Audit Committee reviewed the quarterly and annual financial statement and consolidated financial statement of the Company and its subsidiaries for 2015 which had already been reviewed and audited by the external auditor and submitted before send to the Board of Directors for further consideration approve. Prior to approval of the financial statement, meetings with the management and the external auditor had been held to review its accuracy and completeness to ensure that its essence has been correctly prepared pursuant to the generally accepted accounting principles with adequacy of the financial disclosures and beneficial to the operators.

The Audit Committee was of opinion that the Company correctly and adequately prepared and disclosed the essence information in the financial statement pursuant to the general accepted accounting standards.

### 2. Review the connected transaction or the transaction which may have conflict of interest

The Audit Committee has reviewed the connected transaction or the transaction which may have conflict of interest with the Company to ensure that the Company's consideration procedures are transparent and fair including the information has been adequately, correctly and completely disclosed in the financial statement.

The Audit Committee is of opinion that such connected transactions were reasonable and beneficial to the Company's businesses.

### 3. Review the compliance with the laws and regulations of the relevant agencies.

The Audit Committee has strictly reviewed the compliance with the laws and the operating guidelines prescribed by the Office of the Securities and Exchange Commission (SEC) as well as other relevant laws. In addition, the Internal Audit Unit always randomly reviewed such compliance to strengthen confidence of the shareholders and the investors. In this regard, the Company's assessment result on compliance with good corporate governance principles received favorable feedback continually.

The Audit Committee is of opinion that the Company has strictly complied with laws and operating practices stipulated by the Office of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) in order to create good image of the Company.

**4. Review the adequacy of internal control system**

The Audit Committee has reviewed the internal control system by considering from the quarterly internal audit result report together with the auditor's audit report to ensure that the Company has adequate and appropriate internal control systems. The Internal Audit Unit was also urged to follow up the assigned tasks to make sure that the management team has revised or improved the works pursuant to its recommendations within the time frame specified in the audit report.

The Audit Committee deems that the Company's overall internal control system was adequately and appropriated and no defect which may materially impact business operations of the Company was found. Such system has been developed and improved to suit the Company's business.

**5. Review the internal control operations**

The Audit Committee has considered duties and responsibilities of the Internal Audit Unit to make them in line with the international standards as well as approved the annual internal audit plan which has been prepared based on materials risks of the Company to ensure that the internal audit activities are effectively and efficiency.

The Audit Committee is of opinion that the annual audit plan of the Internal Audit Unit was in line with the targets and risks of the Company and results of operations of the Internal Audit Unit could achieve the specified plan and it has been continually improved.

**6. Consider on selection and proposal for appointment of the Company's auditor for 2015**

The Audit Committee considered the nomination, appointment and annual remuneration of the external auditor for 2015 who has suitable qualifications. The processes taken into consideration were the knowledge, ability, reliability, independence and performance in the past year. 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 2015 from the shareholders' meeting.

The Audit Committee deemed that in 2015, the auditor has professionally performed duties and provided recommendation on accounting operations pursuant to the international standards and has independency on operations.

**7. Assessment on performance of the Audit Committee on 2015**

The Audit Committee has performed self-assessment prepared to ensure that the Committee has independently performed duties with good governance, adequately supervised the internal control systems to make them appropriate with the business operations. The assessment results showed that the Audit Committee could perform duties as per assigned and apply knowledge and capability prudently and independently as well as provide recommendations which were beneficial to all stakeholders.

In conclusion, the Audit Committee is of opinion in overall that the Company has good corporate governance system with adequate and appropriate internal control systems including has the procedures which could strengthen confidence that the operations have been complied with the relevant regulations. In addition, the Company has prepared and disclosed adequate and reliable information in the financial statement.



**(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

In 2015, the economic situation in Thailand was still slowdown due to external and internal risks factors. Domestic risk factors included delay of the public sector policies, slower demand of private sector than anticipated and the political uncertainty and etc. While the external risk factors were the fluctuation of global financial market and economic slowdown of the developed countries and the emerging markets and etc. However, as the government has economic stimulus policies continually, for instance investment in infrastructure projects of the government, reduction of interest rate and stimulus of household spending, so economic situation in Thailand have tendency to be on the rise. Thanks to careful business operations, effective management and ability to catch up the changing situation, the Company and its subsidiaries can perform business well. The Executive Board helped the Board of Directors on consideration, investigation and screening material matters and those which may impact the Company before proposing for consideration by the Board of Directors.

In 2015, the Executive Board held 12 meetings to consider various material matters and reported meeting results as well as solution guidelines including suggestions for the Board of Directors' acknowledgement constantly, which can be summarized as follows:

1. To consider and specify strategy and operation plan of the subsidiaries including the affiliated companies in each business line every quarterly then conveyed such plans to the management and the employees at all levels in the organization for their acknowledgement and compliance concurrent and to make them achieve the specified target.
2. To consider, inspect and follow up performance of all business line every month pursuant to the work plans and the works assigned by the Board of Directors.
3. To consider and approve the Company's investment and annual budget prior to further approved of the Board of Directors.
4. To consider remuneration policy and salary structure of the employees for the Nominating and Compensation Committee's consideration prior to further consideration of the Board of Directors' meeting.

The Executive Board determines to perform duties with integrity, carefulness, prudence and with full capability by taking into account the best interests of the Company and fairness of all shareholders and stakeholders. The Executive Board also oversees the Company to ensure that its work systems are legally and ethically with aims to achieve the targets on creation of stability and sustainable growth on continued basis for the Company.



**(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 Company's Risk Management Committee has been appointed by the Board of Directors. Duties and responsibility of this Committee are to specify the risk management policy and framework, supervise risk management operations to make them consistent with strategy and target of the organization and recommend relevant guidelines to the executives of the Group of Companies. Committee members comprises of the Company's Executive Chairman and the top management who are competent, possess knowledge, capability and experiences beneficial for managing risks of the Group of Companies. Therefore, it can be believed that the strategic operations of the Group of Companies could head towards and achieve the objectives and targets of the organization as well as could prevent the loss which may occur effectively and efficiently.

The Risk Management Committee has performed the assigned duties and responsibilities as per specified in the Risk Management Committee Charter. In 2015, the Risk Management Committee held 3 meetings to consider important matter which can be summarized as follows:

1. To acknowledge organization risks and important risks of the Business Groups in 2015 as well as to give advices and guidelines on risk management to the executives within the Group of Companies.
2. To supervise and follow up on compliance with the risk management policy and framework continually to ensure that the Group of Companies will have effective risk management system.
3. To review and improve risk management policy of the Group of Companies to make it in line with the specified business operation plans.
4. To encourage the executives and the employees on realization of the importance of risk management so that the Group of Companies can achieve the set targets.

Based on the above operations, the Risk Management Committee has considered that the company defined the risk of the company is sufficient and cover the main business operations of the company. And the company has defined the operational guidelines for effective risk management adequately and appropriate consistent with the goals of the organization are the maximum benefits for shareholders and stakeholders to all groups.



**(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 Corporate Governance Committee realizes the importance of corporate governance procedures and believes that they are one of the important fundamental factors that can lead to achievement of operations. Hence, the Corporate Governance Committee supervised and encouraged the Company to follow the corporate governance principles to improve and increase efficiency of the operations by emphasizing on management with transparency and accountability in order to create confidence and utmost benefits to the stakeholders as well as fairness to all stakeholders.

In 2015, the Corporate Governance Committee held 3 meetings to consider and follow up governance operations as well as improve corporate governance policy, code of business ethics as well as operating guidelines of the Company and the meeting results have been constantly reported to the Board of Directors' meeting of which their main points can be concluded as follows:

- **Review the Policy on Corporate Governance, Code of Business Ethics and Committee Charters of the Company**

The Corporate Governance Committee has reviewed and adjusted the policy on corporate governance, code of business ethics and committee charters of the Company to make them consistent with criteria of the Office of the Securities and Exchange Commission (SEC), the Stock Exchange of Thailand and the Organization for Economic Co-operation and Development (OECD) including the ASEAN Corporate Governance Scorecard (ASEAN CG Scorecard).

- **Supervise the Operations of the Committee on Compliance with the Corporate Governance Policy**

The Corporate Governance Committee supervised the operations of the Committees to ensure that they are compliance with the corporate governance policy of the Company. The Committees have been specified to prepare the operation report of the previous year to propose to the shareholders in the Company's annual report.

- **Assess Performance of the Board of Directors, the Committees, the President & Chief Executive Officer and the Corporate Secretary**

In order to comply with the corporate governance principles of the Stock Exchange of Thailand, the Corporate Governance Committee specified that performance of the Board of Directors, both individually and by the team, the Committees, the Chief Executive Officer and the Corporate Secretary must be assessed. Outcome from such assessment shall be used to improve and develop for better efficiency. In addition, summary report on assessment outcome shall be presented to the Board of Directors and the shareholder for their acknowledgement.

- **Arrange for the Meeting among the Non-Executives Directors**

In order to comply with corporate governance principles of the Stock Exchange of Thailand, the Corporate Governance Committee specified that the Company's non-executive directors shall hold a meeting without participation of any management team, so that they can independently discuss about all management problems of the Company.

Such strong intention and determination on encouraging for operations pursuant to corporate governance principles, as a result, 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"), including One to One Contacts Public Company Limited ("OTO"), its listed subsidiary in MAI, received corporate governance awards and assessment results in 2015 as follows:

**1) Assessment Result on ASEAN CG Scorecard in 2015**

ASEAN CG Scorecard based Assessment Project has been jointly arranged by ASEAN Capital Markets Forum (ACMF) and Asian Development Bank (ADB) to assess corporate governance operations of the listed companies in 6 member countries, i.e. Indonesia, Malaysia, the Philippines, Singapore, Vietnam and Thailand, where SMART received 3 awards as follows:

- 1) Top 5 ASEAN Publicly Listed Companies
- 2) Top 50 ASEAN Publicly Listed Companies
- 3) Top 3 Domestic Publicly Listed Companies in Thailand

In addition, SAMTEL also received Top 50 ASEAN Publicly Listed Companies. The Company's executives also participated in **"ASEAN Corporate Governance Awards"** presentation ceremony held in Manila, the Philippines in November 2015.


**2) Assessment Result on Corporate Governance of Thai Listed Companies in 2015**

SAMART and SAMTEL were assessed with **"Excellent"** Recognized Level **(5 Stars)** with 95 scores, SIM was assessed with **"Excellent"** Recognition Level **(5 Stars)** with 94 scores and OTO was assessed with "Very Good" Recognition Level **(4 Stars)** with 89 scores from the survey of total 558 listed companies by the Thai Institute of Directors Association (IOD) together with the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand.

**3) Assessment Result on Quality on Arrangement of Annual General Meeting of Shareholders for 2015**

All of SAMART, SAMTEL, SIM and OTO were assessed with 4 TIA with 96 scores. They were 575 listed companies assessed this year as surveyed by the Thai Investors Association.

The above outstanding corporate governance outcomes and recognitions from the recognized domestic and foreign institutions derived from the Company's determination on operating business with transparency and fairness. The Corporate Governance Committee also strives to develop efficiency of these operations, as well as to supervise the Company on strictly compliance with the policy on corporate governance and code of business ethics. This practice can make the Company grow on sustainable basis and it will eventually be benefits to the country and to be further accepted at the international arena.



**(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 Nominating and Compensation (NC) Committee has performed duties pursuant to the good corporate governance principles and the Nominating and Compensation Committee Charter specified by the Company. Such duties included recruitment, selection and recommendation of the knowledgeable, competent and qualified candidates suitable for the position of director and top management. This Committee is also responsible for proposing fair and transparent compensation policy and payment guidelines including other benefits to the Board of Directors, the committee, the high ranking executives as well as the employees of the Company by taking into consideration the best interests of all parties. The NC Committee consists of 3 members and all of them are the Independent Directors.

In 2015, the NC Committee held 3 meetings to consider important matters and constantly reported the meeting results including comments and recommendations to the Board of Directors for consideration of which they could be summarized as follows:

- **Nomination and Selection of Candidate to hold the Position of Director and Executive**

The NC Committee shall consider, nominate and select the candidates who are fully qualified as per specified by the Office of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand and who do not have any prohibited characteristics as per specified by the laws to hold the position of the Independent Director and the Company's Director and to replace the committee's member who will be retired upon completion of the term and top management. Such nominated person must be knowledgeable, competent and have transparent, fair, accountable working background as well as possess experiences which will be beneficial to the business operations of the Company. After that the NC Committee shall propose to the Board of Directors' Meeting and the shareholders' meeting (in case of nomination of the Company's director) for further consideration and approval. Any director who has an interest will not participate and vote in such matter.

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

To thoroughly consider on remuneration of the directors and the committee members, remuneration of the directors who are assigned to take additional responsibilities shall be increased in proportion with their workload and responsibilities as appropriated.

- **Determine appropriate Bonus and Salary Increase**

In order to motivate and retain the capable and good performance employees, the NC Committee shall consider the criteria on salary increase for 2016, bonus allocation for 2015 and bonus payment policy for 2016 jointly with the Human Resources Department and the Executive Board. The salary increase rate and the bonus shall be in appropriate rate and in line with the Company's performance.

The NC Committee has performed duties prudently, concisely, transparently and rationally pursuant to good corporate governance principles which can maximize benefits of all shareholders and stakeholders and can make the Company grow strongly and 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 realizes the importance of fair social responsibility towards all stakeholder groups, so the Committee supervised that sustainable development must occur concurrently with social and environmental responsibility. The Company specified sustainable development policy and appointed the Sustainable Development Committee to establish the organizational targets on sustainability. Moreover, the Company also puts emphasis on development and enhancement of efficiency on operations of each division by adhering to 9 practices as follows: Corporate 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, Environment and Stakeholders Responsibility.

During 2015, the Sustainable Development Committee arranged 2 meetings to follow up operations and consider matters pursuant to the social responsibility policy and the Sustainable Development Committee Charter. The meeting results have been constantly reported to the Board of Directors of which their main points can be summarized as follows:

1. To consider on participation in Sustainability Awards contest and provide information for the Stock Exchange of Thailand on preparation of the list of Thailand Sustainability Investment;
2. To review the Company's social responsibility policy and the Committee considered that such policy was in line with the sustainability development guidelines which covering 3 components, i.e. environment, society and corporate governance and it can make the Company's performance growth in long term on sustainable basis along with the social responsibility;
3. To enhance the Company's arrangement of the activities to cultivate the employees' consciousness on having volunteer spirit, sacrificing their strength, spirit and personal times to make benefits for the whole community to reinforced the pride and satisfaction of the employees as well as to promote and provide knowledge on social and environmental aspects to the Company's employees, so they can use them as guideline to develop and oversee social development and environmental responsibility throughout the organization;
4. To monitor operational results on social responsibility activities of the Company in 2015;
5. To conduct the Sustainable Development Committee self-evaluation for 2015 and the assessment results including the recommendations shall be used for improving with aims to have sustainable development and increase efficiency of the operations;
6. To prepare a report on duties of the Sustainable Development Committee during the past year to propose to the shareholders as well as to disclose in the annual report.

The Sustainable Development Committee determines to put its best efforts on development and support social and environmental operations which can drive the economy in conjunction with business operations by observing the corporate governance principles and social and environmental practices. The Committee believes that these operating procedures can lead the Company to sustainable development and long term existence.



**(Mr. Watchai Vilailuck)**

Chairman of the Sustainable Development Committee  
Samart Corporation Public Company Limited

# Financial Highlights

Samart Corporation Public Company Limited and Subsidiaries

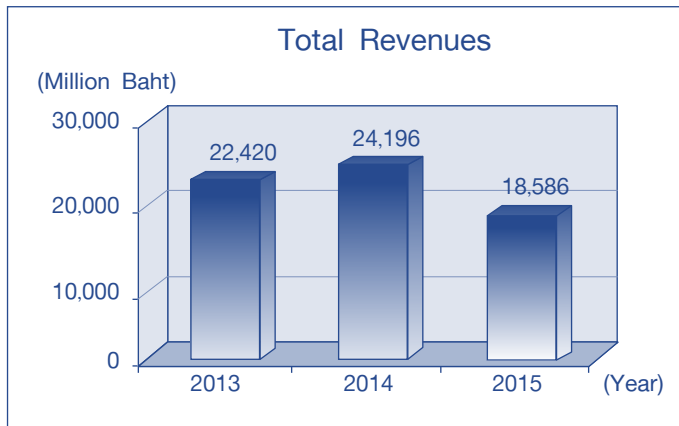
(Unit : Million Baht)

Information from Financial Statement	2015	2014	2013 Restated <sup>(*)</sup>
Total Asset	27,317	26,136	24,081
Total Liabilities	18,999	17,874	15,550
Total Shareholders' Equity	8,318	8,262	8,531
Sales and Services Income	18,366	23,880	22,293
Total Revenue	18,586	24,196	22,420
Gross Profit	4,031	5,227	5,384
Net Profit (Equity holder of the subsidiaries)	808	1,484	1,474

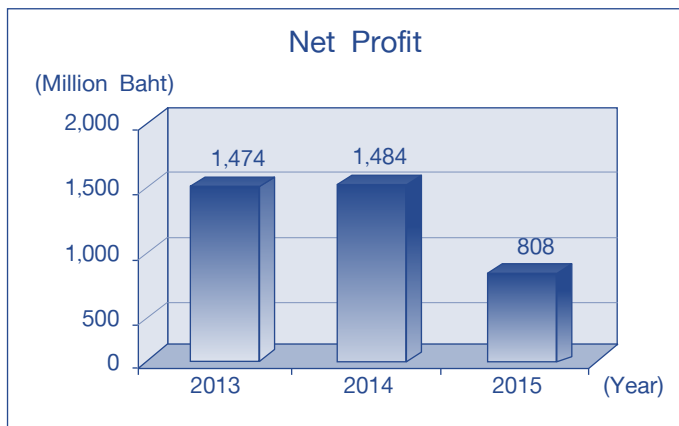
Financial Ratio	2015	2014	2013 Restated <sup>(*)</sup>
Earning Per Share (Baht)	0.80	1.48	1.48
Book Value Per Share (Baht)	5.97	5.83	6.57
Dividend Per Share (Baht)	0.50 <sup>(**)</sup>	0.85	0.80
Net Profit Margin	4.35	6.13	6.57
Return on Equity	13.61	23.91	24.19
Return on Total Assets	3.02	5.91	6.46

Remarks: <sup>(\*)</sup> During the year 2014, the Company and its subsidiaries have changed in accounting policy on cancellation of building and building improvement appraisal value based on cost basis and restated in 2013;

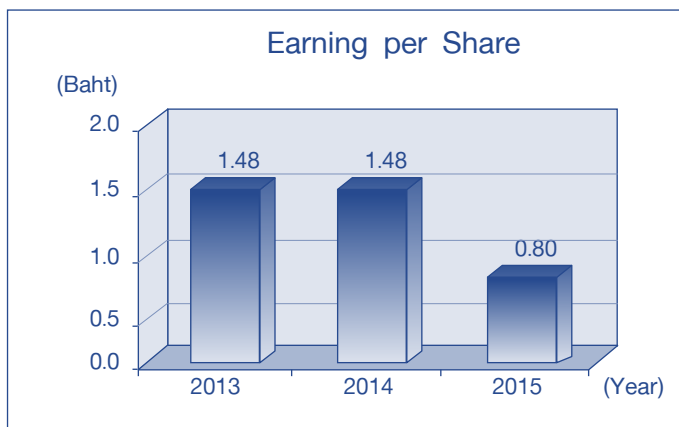
<sup>(\*\*)</sup> Dividend per share comprised of interim dividend for January - June 2015 of Baht 0.30 and Baht 0.20 which will be proposed for consideration of shareholders in the 2016 Annual General Meeting.



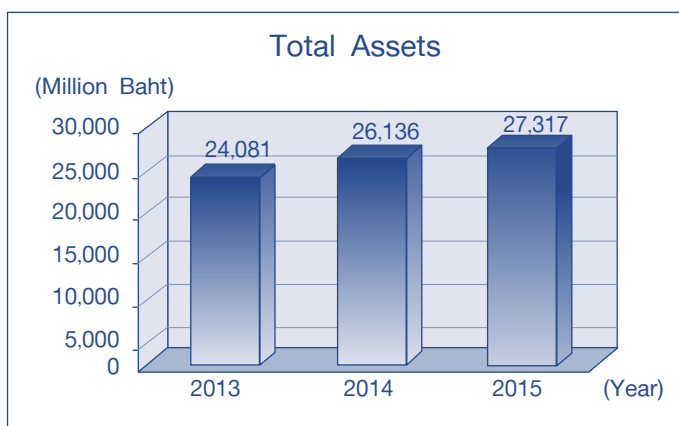
In 2015, total revenues were 18,586 Million Baht, decreased by 5,610 Million Baht as a result of a decrease in Mobile Multimedia Business, ICT Solutions & Service Business and Technology Related Business.



Net Profit for 2015 was 808 Million Baht, decreased significantly as compared with the previous year. The main factor came from a decline in net profit from Mobile Multimedia Business, ICT Solutions & Service Businesses and Technology Related Business.



In 2015, Earnings per Share was decreased to 0.80 Baht per share.



Total Assets rose to 27,317 Million Baht from 26,136 Million Baht, increased by 1,181 Million Baht.

# Results of Customer Satisfaction Survey

The Company has given precedence to ultimately meet the needs of customers, both in government and private sectors, with the international standards of quality to achieve customer satisfaction from project installation and delivery to after-sales services.

Samart Telcom Pcl., a listed subsidiary, has designed and conducted customer satisfaction surveys to bring the results into analysis in order to improve and rectify known defects, and to maintain and enhance positive aspects that customers recommended as the Company's strengths. In addition, customer satisfaction surveys and fault correction process are procedures required in standard of ISO 9001: 2008, which the Company's subsidiaries have been certified. The Company has set a target of number of satisfied customers not less than 80 percent of total customers surveyed

In 2015, the satisfaction survey into two categories: Installation and Delivery, and After-Sales Services. The survey results indicated that

1. **Satisfaction on the installation and delivery.** Overall customer satisfaction was at high level with number of customers having positive attitude (somewhat satisfied and very satisfied) at 93 percent of total customers surveyed and average satisfaction score of 4.34 out of 5.00, which is higher than that in 2014 at 4.17. The results indicated that the Company was outstanding in capability to achieve according to the plan proposed (4.75), manners and relation in coordination (4.50), tidiness of work after installation (4.50) and quality of equipment provided (4.40)
2. **Satisfaction on after-sales services.** Overall customer satisfaction was at high level with number of customers having positive attitude (somewhat satisfied and very satisfied) at 95 percent of total customers surveyed and average satisfaction score at 4.31 out of 5.00, which is higher than that in 2014 at 4.29. The results indicated that the Company was outstanding in the manner and interpersonal skill of the service call agents (4.56), manner of technician inspecting and repairing (4.55), equipment in normal operation after repair (4.47) and knowledge and expertise of service technicians (4.38).

The Company acknowledged flaws and recommendations for each project, and created Corrective Action Request (CAR) brought into the improvement process in order to prevent those flaws from recurrence, increasing quality of services to customers.

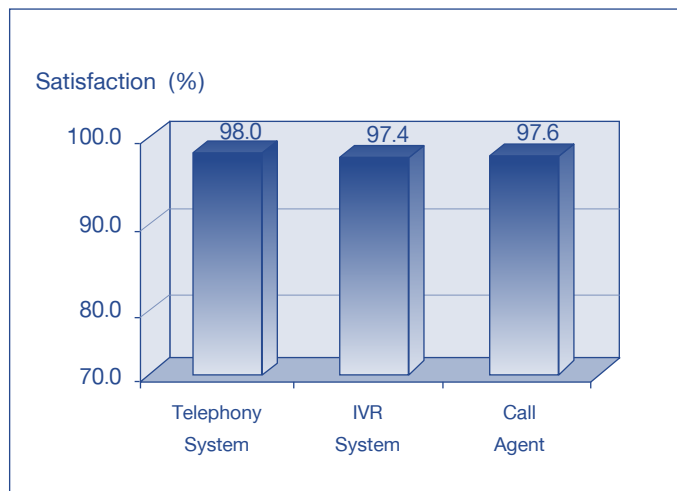
**Remarks:** In the survey, satisfaction was measured using Likert Scale by indicating satisfaction level of the respondents into five scales from Very satisfied (5), Somewhat satisfied (4), Neutral (3), Somewhat dissatisfied (2), and Very dissatisfied (1). The survey, for data analysis, utilized the following indicators:

- The negative attitude (Bottom 2 boxes/scales) by considering only "Somewhat dissatisfied" and "Very dissatisfied" indicated in the answer.
- The positive attitude (Top 2 boxes/scales) by considering only "Somewhat satisfied" and "Very satisfied" indicated in the answer.

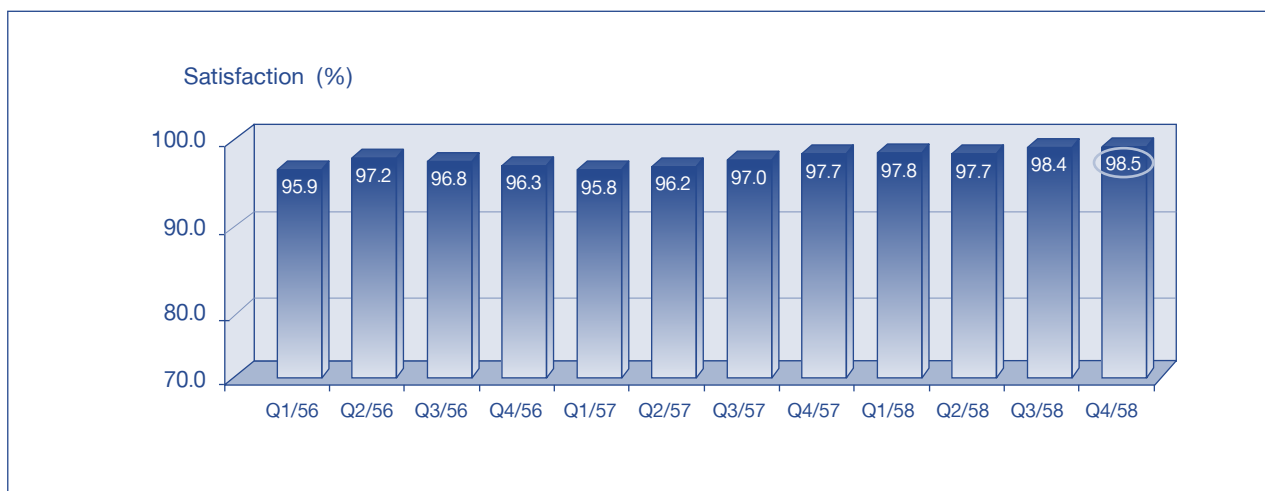
In addition, One To One Contact Pcl., a listed subsidiary, has conducted a survey of the end users' satisfaction every quarter, and summarizes it as the overall image annually. The results of the survey will be applied to improve the company's services effectively in terms of related systems and personnel's services. The obtained data is not only used for developing the service, but it also satisfies the organizations that are the company's customers, with the services and that need to use the outsourced contact center as well as renew the long-term contract with the company. In 2015, the company conducted the surveys of the end users' satisfaction that can be summarized as follows.

Number of projects	Topics of the survey	Factors that satisfy the end users
23 projects	1. Telephony System 2. IVR System (Interactive Voice Recording) 3. Call Agent	<ul style="list-style-type: none"> <li>• Clearly Signal of Telephony System</li> <li>• No drop call during the conversation</li> <li>• Cleary of Voice (IVR System)</li> <li>• Useful Provide and modern information (IVR System)</li> <li>• Agent Manner</li> <li>• Proactive of agent</li> </ul>

### Satisfaction survey in 2015



In 2015, the results of the survey reveal that the end users are satisfied with the Telephony System at **98%** level, the IVR System at **97.4%** level, and the Call Agent at **97.6%** level. Moreover, it is found that the end users are increasingly satisfied with the company's services since the first quarter in 2013 to the fourth quarter in 2015. The end users' satisfaction of the services is higher from **95.9%** at the first quarter in 2013 to **98.5%** at the fourth quarter in 2015. Overall, the end users are satisfied with the company services since the first quarter in 2013 to the fourth quarter in 2015 at **97.11%** level.



# 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 5 LOBs as follows: ICT Solutions and Services, Mobile Multimedia, Call Center, Utilities and Transportations and Technology Related Services.

## 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.

## Corporate Vision, Mission, Goals and Strategies

- **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.

Samart Group aims to be the leader in technological innovation who offers quality products and services in Thailand. The Group strives to expand its businesses into the neighbouring CLMV zone. Recurring revenue is expected to grow to 50% of the total income within the next 3-5 years for the company to grow strongly and sustainably into the future. In order to achieve the targets, the following core strategies are currently carried out by Samart Group:

- **ICT Solutions & Services business:** with the aim to generate recurring revenue, integrated services have to be provided such as design-installation-operation-maintenance package. Expansion of customer base in the private sector is also a focus.
- **Mobile Multimedia business:** committed to developing and offering high-quality mobile phones at affordable prices and expanding distribution channels domestically and internationally. New content is continuously developed and offered to the market.
- **Call Center business:** dedicated to building a strong base of customer in Thailand as well as expanding market presence into CLMV.
- **Utilities and transportations Businesses and Related Technology Services Businesses:** gear up for new opportunities that will arise with the formation of AEC, with air traffic control and energy businesses being of primary importance.

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

**2015**

- The Extraordinary General Meeting of Shareholders held on February 5, 2015 has been approved as follow:
  - Approved the issuance and allocation of the Company’s Warrants to purchase ordinary shares of Samart Corporation Public Company Limited, No.1 (the “SAMART-W Warrants”) in the number of up to 201,300,782 units to be allocated to the existing shareholders of the Company pro rata to their respective shareholding, at no cost, at the allocation ratio of 5 existing ordinary shares to 1 unit of SAMART-W Warrants. SAMART-W Warrants will have the maturity of 3 years from the issuance date and the exercise price will be at Baht 45.00 per share. On February 13, 2015 will be fixed as the record date for determining the shareholders for entitled the received and February 16, 2015 as the share register book closing date.
  - Approved the increase of the Company’s registered capital from the current registered capital of Baht 1,007 (1,006,503,910 of ordinary shares at the par value of Baht 1 per share) to the new registered capital of Baht 1,208 million (1,207,804,692 of ordinary shares at the par value of Baht 1 per share) by issuing 201,300,782 new ordinary shares at the par value of Baht 1 per share. The Company has registered the increased registered capital to the Ministry of Commerce on February 9, 2015.

- On March 16, 2015, TEDA Co., Ltd., a subsidiary with 94.35% (as of December 31, 2015) indirect holding by Samart U-Trans Co., Ltd. has signed contract with IRPC-CP for supply & construction of 230 kV Choeng Noen Substation. Total value of the contract is Baht 265,047,294.38 (calculated by the exchange rate as of Letter of Intent date). Revenue will be booked by prorate of construction. Completion of the construction will be within January 15, 2017.
- The Board of Directors of the Company in its meeting No.3/2015, held on March 18, 2015, approved Samart Waste2Power Co., Ltd., a subsidiary with 99.99% indirect holding by Samart U-Trans Co., Ltd. to invest for setting up a new joint venture company with Mlink Energy Co., Ltd. name Chiang Mai Waste2Power Co., Ltd. with Baht 20,000,000 of registered capital into 2,000,000 ordinary shares with par value of Baht 10 per share. While 50% held by Samart Waste2Power Co., Ltd. and 50% held by Mlink Energy Co., Ltd. to provide Municipal & Private sector Solid Waste and Landfill Waste management by collecting, separating, Refused Derived Fuel (RDF) producing and convert waste to be electricity and related business.
- On July 17, 2015 TEDA Co., Ltd., a subsidiary which 94.35% (as of December 31, 2015) indirect holding by U-Trans Co., Ltd., has signed contract with Metropolitan Electricity Authority (MEA) for supply & construction of 69 kV South Bangkok Terminal Station at Samut Prakarn Province. Total value of the contract is Baht 435,748,877.25 (calculated by the exchange rate as of Bid Opening date). Completion of the construction will be within December 7, 2016. Revenue will be booked by prorate of construction.
- On September 2015, Samart U-Trans Co., Ltd. ("SUT") a subsidiary with 99.99% has invested in setting up 5 new joint venture companies with Power Solution Technologies Public Company Limited which is engaged in the distribution and installation of all types of power control system and power backup system and construction of power plant. The joint venture companies were Samart Solar To Power Co., Ltd. (Baht 25,000,000 of registered capital), Multi Solar Energy Co., Ltd. (Baht 10,000,000 of registered capital), Solar Power Plus Co., Ltd. (Baht 10,000,000 of registered capital), Power Plus Energy Co., Ltd. (Baht 10,000,000 of registered capital) and PS Solar Co., Ltd. (Baht 10,000,000 of registered capital) for Electricity Generation from solar and others alternative energy projects.
- Samart U-Trans Co., Ltd. ("SUT") a subsidiary with 99.99% had set up Samart Solar To Power Co., Ltd. ("STP"), a joint venture company with Power Solution Technologies Public Company Limited under 80% and 20% shareholding structure respectively. STP registered on September 21, 2015. The Board of Directors of the Company in its meeting on November 12, 2015 has approved SUT, to sell total of SUT's ordinary shares in STP amount of 1,999,700 shares or 79.99% of STP registered capital to Ferrum Energy Co., Ltd. total amount of Baht 7,998,800 at par value. Presently, STP has registered capital of Baht 25,000,000 divided into 2,500,000 ordinary shares with par value of Baht 10 per share and 40% paid-up capital. Due to alteration of project expecting to invest from 4 projects to 1 project on supporting public sector Solar Farm Navy projects in which the Company has not gain any Economics of Scale advantageous both in human resource and negotiation power with distributors as expected.

## 2014

- The Board of Directors of the Company in its meeting No.9/2014, held on December 19, 2014, approved the issuance and allocation of the Company's Warrants to purchase ordinary shares of Samart Corporation Public Company Limited, No.1 (the "SAMART-W Warrants") in the number of up to 201,300,782 units to be allocated to the existing shareholders of the Company pro rata to their respective shareholding (Rights Offering), at no cost, at the allocation ratio of 5 existing ordinary shares to 1 unit of SAMART-W1 Warrants. In calculation of SAMART-W Warrants allocation for each shareholder, if a fraction is resulted, such fraction shall be rounded down. SAMART-W Warrants will have the maturity of 3 years from the issuance date and the exercise price will be at Baht 45.00 per share.
- The Board of Directors of the Company in its meeting No.8/2014 on November 13, 2014 has approved Samart U-Trans Co., Ltd. ("SUT"), a wholly owned subsidiary, to establish 3 new subsidiaries as follow:-

**1) New Company's Name : Samart Waste2Power Co., Ltd.**

Type of Business : To provide Municipal Solid Waste and Landfill Waste management by collecting, separating, Refused Derived Fuel (RDF) producing and convert waste to be electricity.

Location : Thailand

Registered Capital : Baht 50 million

Stakeholding : 99.99% held by SUT.

**2) New Company's Name : Samart U-Trans (Laos) Co., Ltd.**

Type of Business : To provide collection programming service, web design service, hardware and Information Technology software maintenance service and;  
To repair, install, and develop any programs and websites relating to Information Technology system ("IT system")

Location : Laos

Registered Capital : Lao Kip 1,000,000,000 (or about Baht 4 million)

Stakeholding : 99.99% held by SUT.

**3) New Company's Name : Samart U-Trans (Myanmar) Co., Ltd.**

Type of Business : To provide services and consultations regarding trades in Myanmar including all related general proceedings.

Location : Myanmar

Registered Capital : USD 50,000 (or about Baht 1.6 million)

Stakeholding : 99.99% held by SUT.

- The Company has signed the Shares Purchase Agreement with Axiata Group Berhad ("AXIATA"), a major shareholder of Samart I-Mobile Pcl. ("SIM"), for the 1,053,000,000 shares of SIM shares of which represented 23.93% of total of SIM shares at Baht 2.73 per share on July 2, 2014. After the transaction, the Company has held 70.02% shareholding in SIM and AXIATA is not the Company's shareholder anymore. The change in major shareholder structure has no effect on the management structure and business policy of SIM.
- I-Sport Co., Ltd. a subsidiary with 50% indirect holding by Samart Multimedia Co., Ltd., has proportionally increased its registered capital of Baht 80 million from Baht 40 million to new registered capital of Baht 120 million. Purpose of capital increase is to support business expansion to sports-related and sport content businesses. I-Sport Co., Ltd. has acquired 6 million ordinary shares with a par value of Baht 10, representing 100% of the issued and paid-up shares of Siam Sport Television Co., Ltd. from Siam Sport Syndicate Public Company Limited, another shareholder of I-Sport Co., Ltd., at the total amount of Baht 60 million. This investment will ensure that the Company is able to gain more competitiveness and revenues in TV media, sport license and sports-related businesses. In addition, the Company has more complete range of services in order to strengthen its revenue and profit in the future.

## 2013

- The Extraordinary General Meeting of Shareholders No.1/2013, held on May 22, 2013, of One To One Contacts Public Co., Ltd. ("OTO"), a subsidiary of the Company with 99.13% direct and indirect stakeholding (as of December 31, 2013), 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 Services Company Limited (“SCS”), a subsidiary of which SAMTEL holds 99.99% of its paid-up capital (as of December 31, 2013), to establish a new affiliated company, namely “SLA Asia Company Limited (“SLA”), with registered capital of Baht 30 million (300,000 shares 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 (as of December 31, 2013), 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 (as of December 31, 2013), and PT. Samart I-Mobile Indonesia, of which IMI holds 99.80% of its shares (as of December 31, 2013), 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 SIM.

## Shareholding Structure

As of December 31, 2015, the Company has Baht 1,207,804,692 registered capital, with paid-up capital of Baht 1,006,503,910. Shareholding structure in subsidiaries and affiliated companies is classified by “Business Structure (by shareholding)” and “Business Structure (by to management)”. More details are in topic of **“Business Structure”**, in page 043.

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 99.24% 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 99.28% 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 2 subsidiaries which its revenue represent over 10% of Group revenue are Samart I-Mobile Public Company Limited and Samart Telcoms Public Company. However, Samart Telcoms Public Company Limited, a Listed Subsidiary, is a core business of the Company. The Company has disclosed the additional information of such company. 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 5 groups as follows :

No.	Group of Business	Nature of Business <sup>(*)</sup>	Percentage of income <sup>(**)</sup> 2015
1	<b>ICT Solutions and Services</b>	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.	30.8%
2	<b>Mobile Multimedia</b>	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.	41.9%
3	<b>Call Center</b>	Total Customer Management Solutions both turnkey implementation as well as outsourced contact center management for government agencies and private sector.	5.1%
4	<b>Utilities and Transportations</b>	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.	14.1%
5	<b>Technology Related Services</b>	Manufacture and distribution of television and radio antennas and satellite dishes, Distribution, installation and maintenance of Communication and Security Systems including Total Waste Management Solution in Suvarnabhumi Airport.	8.1%

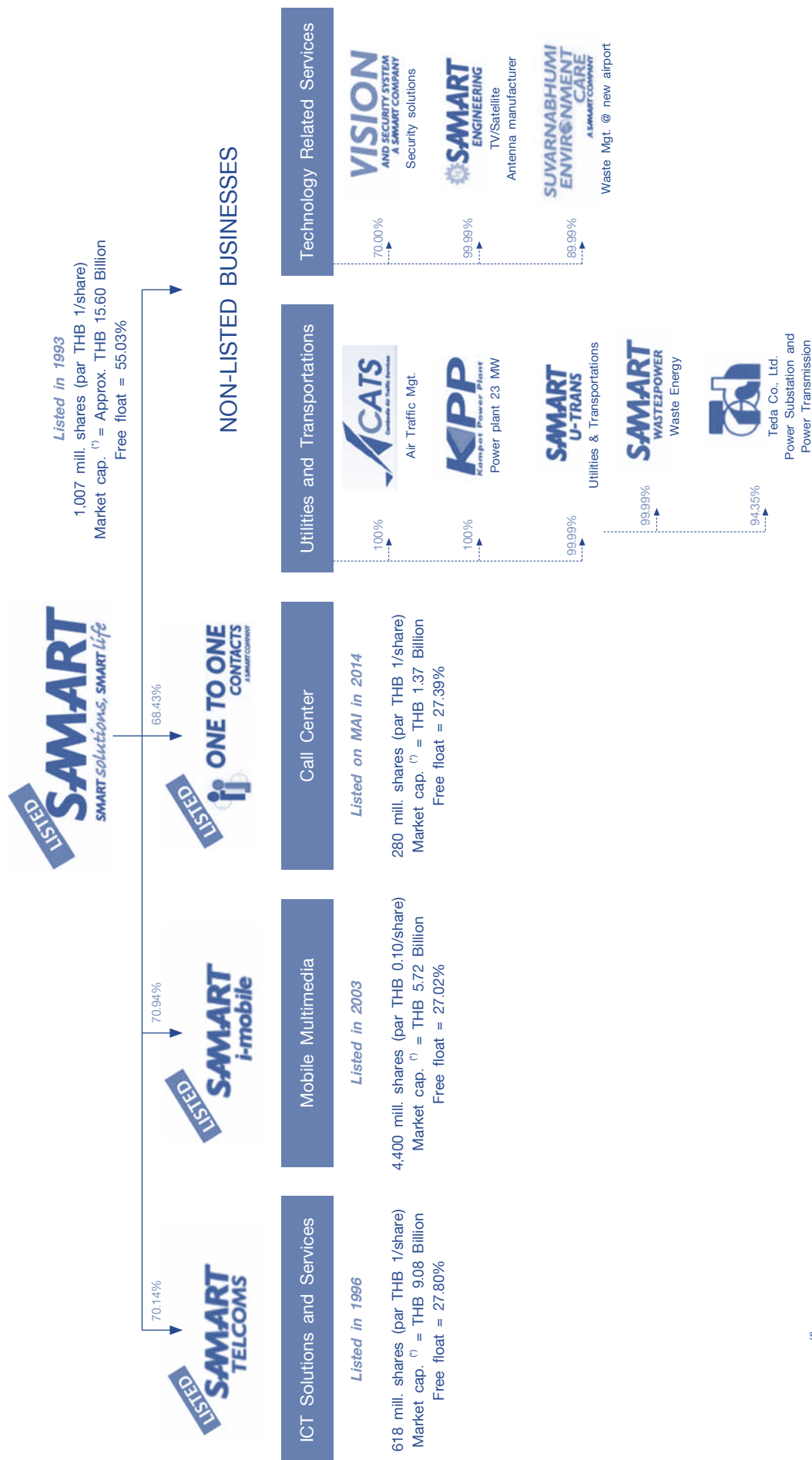
*Remarks :* <sup>(\*)</sup> More information have been disclosed on Company's website ([www.samartcorp.com](http://www.samartcorp.com)) via Annual Information Disclosure of the Company (56-1 Form) and SEC's website ([www.sec.or.th](http://www.sec.or.th))

<sup>(\*\*)</sup> Percentage of 2015 consolidated revenue from Sales and Services.

Sales and Service income in 2015 was Baht 18,366 million with gross profit of Baht 4,031 million equivalent to 21.95% of total sales. Selling & Admin Expenses was Baht 2,554 million or 13.74% of total revenue while finance cost was Baht 541 million and tax of Baht 107 million of which resulted to the net profit of Baht 808 million.

In terms of revenue contribution by lines of business (LOB), ICT Solutions and Services generated 30.8% of the Group revenue in 2015, while Mobile Multimedia was 41.9%, Call Center was 5.1%, Utilities and Transportations was 14.1% and Technology Related Services was 8.1%.

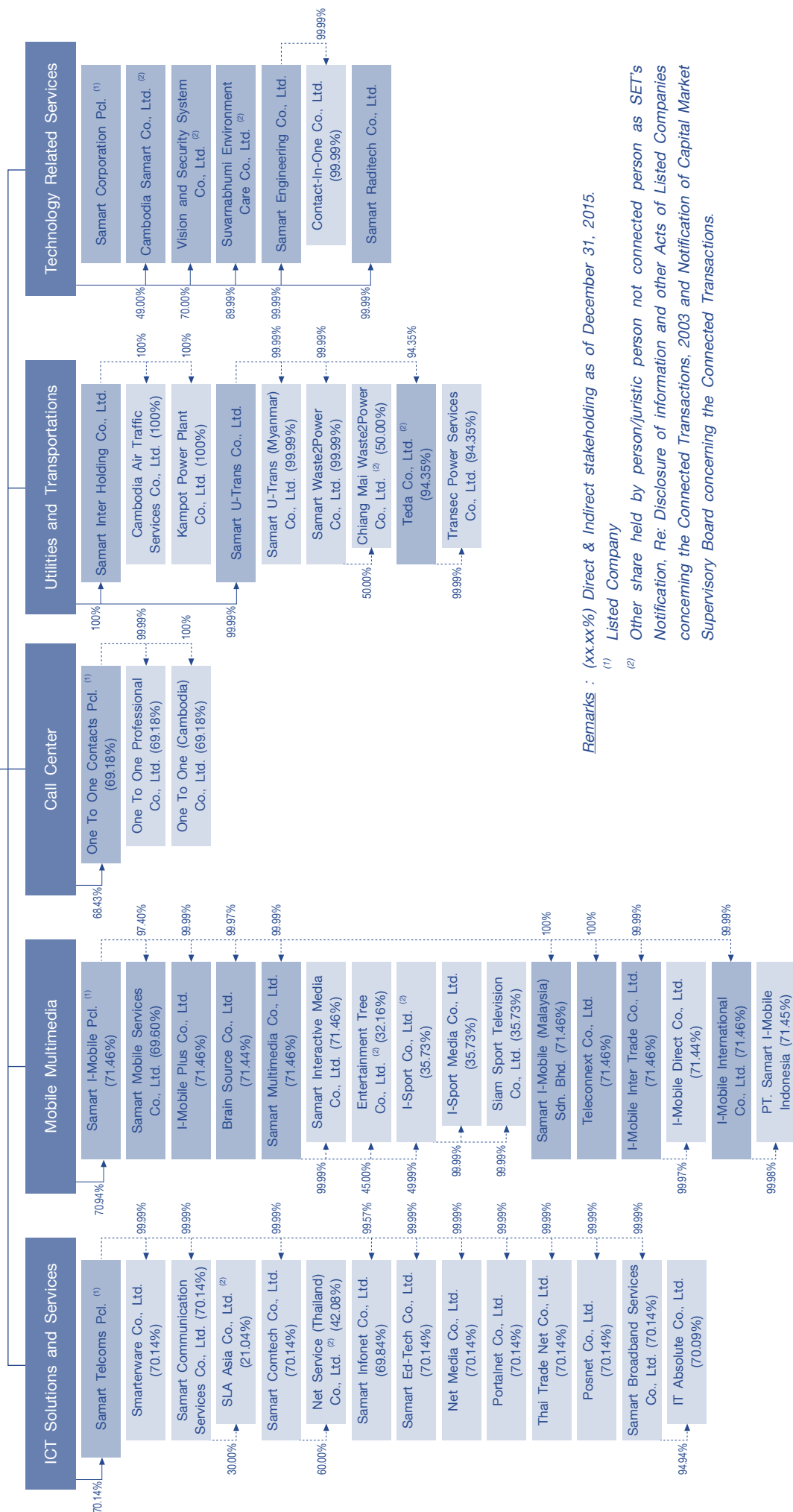
# Business Structure (by Management)



**Remark :** <sup>(\*)</sup> Market cap. based on price of stocks as of December 30, 2015.

# Business Structure (by Shareholding)

## Samart Corporation Public Company Limited



Remarks : (xx.xx%) Direct & Indirect stakeholding as of December 31, 2015.

<sup>(1)</sup> Listed Company

<sup>(2)</sup> Other share held by person/juristic person not connected person as SET's Notification, Re: Disclosure of information and other Acts of Listed Companies concerning the Connected Transactions, 2003 and Notification of Capital Market Supervisory Board concerning the Connected Transactions.

# Revenue Structure

(Unit : Million Baht)

Business Group	Operation by Company	% of Holding 2015 <sup>(1)</sup>	2013		2014		2015	
			Revenue <sup>(2)</sup>	%	Revenue <sup>(2)</sup>	%	Revenue <sup>(2)</sup>	%
<b>1) ICT Solutions and Services</b>	Samart Comtech Co., Ltd.	70.14	2,095.8	9.4	1,781.8	7.5	2,164.9	11.8
	Samart Communication Services Co., Ltd.	70.14	3,811.1	17.1	1,792.7	7.5	1,200.2	6.5
	Samart Telcoms Pcl.	70.14	2,085.8	9.4	1,723.3	7.2	1,118.2	6.1
	Other subsidiaries	-	1,233.9	5.5	1,225.7	5.1	1,173.8	6.4
<b>Sub Total</b>			<b>9,226.6</b>	<b>41.4</b>	<b>6,523.5</b>	<b>27.3</b>	<b>5,657.1</b>	<b>30.8</b>
<b>2) Mobile Multimedia</b>	Samart I-Mobile Pcl.	71.46	8,932.5	40.1	9,566.1	40.1	6,334.8	34.5
	Other subsidiaries	-	1,284.9	5.8	2,787.7	11.6	1,369.7	7.4
<b>Sub Total</b>			<b>10,217.4</b>	<b>45.9</b>	<b>12,353.8</b>	<b>51.7</b>	<b>7,704.5</b>	<b>41.9</b>
<b>3) Call Center</b>	One To One Contacts Pcl.	69.18	630.3	2.8	668.5	2.8	936.6	5.1
	Other subsidiaries	-	-	-	-	-	3.9	0.0
<b>Sub Total</b>			<b>630.3</b>	<b>2.8</b>	<b>668.5</b>	<b>2.8</b>	<b>940.5</b>	<b>5.1</b>
<b>4) Utilities and Transportations</b>	Cambodia Air Traffic Services Co., Ltd.	100	1,078.7	4.8	1,207.5	5.1	1,490.4	8.1
	Other subsidiaries	-	744.1	3.4	1,206.2	5.1	1,089.9	6.0
<b>Sub Total</b>			<b>1,822.8</b>	<b>8.2</b>	<b>2,413.7</b>	<b>10.2</b>	<b>2,580.3</b>	<b>14.1</b>
<b>5) Technology Related Services</b>	Samart Engineering Co., Ltd.	99.99	142.8	0.6	495.6	2.1	586.0	3.2
	Other subsidiaries	-	253.0	1.1	1,424.6	5.9	897.7	4.9
<b>Sub Total</b>			<b>395.8</b>	<b>1.7</b>	<b>1,920.2</b>	<b>8.0</b>	<b>1,483.7</b>	<b>8.1</b>
<b>Total Sales and Services income</b>			<b>22,292.9</b>	<b>100</b>	<b>23,879.7</b>	<b>100</b>	<b>18,366.1</b>	<b>100</b>

 Remark : <sup>(1)</sup> Direct & Indirect stake holding on December 31, 2015.

<sup>(2)</sup> Sales and Services income after connected transactions.

## Changes during the year

The year 2015 presented the Company with a host of challenges and changes, internally and externally. The slowdown in Thailand's and China's economies, high household debts and domestic and international-scaled social instability were some of the major issues that persisted since mid-2014 until the end of 2015. Confidence in private sector fell as a result, causing reduction in consumption and investments. The government's slow-paced budget allocation also did not help to boost the country's economy. Nevertheless, Samart Corporation Public Company Limited continued to perform well, achieving total revenue of 18,586 million Baht and a net profit of 808 million Baht. The five key business segments are as follows:

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

### ICT Solutions and Services

ICT Solutions and Services segment under the management of Samart Telecoms Public Company Limited is one of the major providers of ICT Solutions in Thailand. Samart Telecoms Public Company Limited clinched altogether 70 new contracts during the course of 2015, whose total value was up to 7,057 million Baht. Some of the projects include: advanced data evaluation on passengers for Airports of Thailand Public Company Limited (worth 3,250 million Baht) and Digital Trunk Radio project for Bangkok Metropolitan Administration (worth 851 million Baht). The Company has a portion of backlog with revenue not yet defined by the end of 2015 worth 8,242 million Baht.

### Mobile Multimedia

Mobile Multimedia business segment managed by Samart I-Mobile Public Company Limited comprises of three sub-segments namely: 1) Handset Business; 2) Content Business; and 3) MVNO Business. Mobile Multimedia business segment generated 7,799 million Baht worth of revenue and 37 million Baht of net profit.

#### Handset Business

Samart I-Mobile PCL. or "SIM" develops and offers high-quality mobile phones under "i-mobile" which is one of the famous mobile brand in Thailand. The Company's main strategy is still to offer the best to the existing and prospect customers. In 2015, the Company launched over ten models which are all smart phones and five of these are DTV integrated. Moreover, the Company maintained the excellence standard of quality and also further improved and developed products and services to ensure customer satisfaction is always maximized. Significant changes in the past year concern the following three areas:

## 1. Products

The Company continued to place emphasis on product development in order to ensure that only the best products will be offered to consumers. During the past year, many new products were introduced to the market as well as new technologies such as new photo taking functions. For example, the i-mobile IQ Z BRIGHT was outstanding in terms of Time Lapse feature which enables users to capture a series of photos after every defined interval of seconds, continuously, which will then be processed by the phone into a video. Also, towards the end of 2015, the Company launched the latest model of mobile phone, i-mobile IQ Z Pro, highlighting the unique Dual Camera feature with two back cameras that allows for professional standard of high-resolution photography. With the slogan of “Pro Cam Can Call”, the product helped position the Company competitively in the market.

### *Examples of Mobile Phones launched in 2015*



IQ Z PRO



IQ Z BRIGHT



IQ II



IQ X PRO 3



IQ Z



IQ X PRO

## 2. Distribution channels

Distribution channel was one of the key success factors for Samart i-Mobile Public Company Limited. Although the major market for mobile phone product still remains inside Thailand where sales are mainly generated via dealers, the Company has expanded the distribution channels outside Thailand in effort to expand the market size. During the past year, overseas markets including the Middle East countries and neighbouring ones such as Myanmar, Laos and Cambodia have been the focus.

## 3. Public Relations and Building Positive Brand Image

The Company has focused on public relations and branding to effectively communicate to consumers about new technologies featured in the products. Consumer understanding and trust towards the brand and its products were enhanced through a variety of marketing mechanics such as television advertisement aired during prime time, renting of billboard in high-traffic areas, organising events to reach target groups and hiring presenters to promote i-mobile products.

## **Content Business**

The Company continued to be committed to developing quality content in-house as that enables flexibility with content usage across different media such as website, free magazine and TV shows. The past year has seen efforts by the Company to expand business boundaries as well as customer base. The Company has entered into a new area like E-Commerce and expanded into Sports Marketing in attempt to strengthen the Content business segment. Constant improvements and updates were maintained to ensure content, news and various information on the websites and TV programmes are always up-to-date. As a result, the numbers of website visitors and social media followers have been growing continuously. For the year 2016, the Company is set to work with various partners to further expand the Content business segment.

**MVNO Business**

The Company remained dedicated to keeping existing customers and expanding the current customer base through strategies including i-mobile product bundling, sales promotion tactics alongside data usage stimulation. Enticing deals were offered such as getting free calling credits, free internet data and free applications upon a phone purchase. The use of sales promoters and roadshows also helped to gain greater exposure among potential customers.

## Call Center

Since becoming a Public Company in 2014, One to One Contacts Public Company Limited has shifted to outsourcing of contact centers, an area that shows a constant growth in market value. The Company has also been focusing on expanding into overseas markets particularly the CLMV (Cambodia, Laos, Myanmar and Vietnam). For the year 2015, One to One Contacts Public Company Limited achieved a total of 996 million Baht in revenue from various contracts.

## Utilities and Transportations

**Samart U-Trans Company Limited (SUT)**

Samart U-Trans Company Limited has put in place plans to expand the Utilities and Transportation business segment. The year 2015 was spent studying the possibility of setting up power plant projects in Thailand and neighbouring countries. Studies were conducted on waste-to-energy power plant, coal-fired power plant, hydroelectric power plant as well as power generator cable business, in order to prepare for the expansion in Utilities and Transportations.

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

Cambodia Air Traffic Services Co., Ltd. or “CATS” provides air traffic control in Cambodia. It is the Company’s main recurring income generator having served up to 86,616 flights during the year 2015, an increase of 12.56% from the previous year. The number of flights is expected to grow year on year.

**TEDA Co., Ltd. (“TEDA”)**

TEDA Co., Ltd. is a company under Samart U-Trans Co., Ltd. TEDA can fairly be regarded as the leader in design and construction of power substations and transmission lines. Major customers for the year 2015 include: Metropolitan Electricity Authority (MEA), Provincial Electricity Authority (PEA) and Electricity Generating Authority of Thailand (EGAT). Building contracts for a number of power substations were signed in many areas contributing a value of over 814 million Baht.

## Technology Related Services

**Samart Engineering Company Limited (SE)**

Samart Engineering Company Limited is considered a leading supplier of TV signal transmitter. In the year 2014, National Broadcasting and Telecommunications Commission (NBTC), began distributing coupons to encourage consumers to redeem their Set-Top-Box and switch from analogue to digital TV. However, the slow distribution of coupons resulted in a spillover into the year 2015, thereby driving the number of Set-Top-Box collected to 700,000 units, accompanied by 400,000 units of digital signal transmitter sold in the same period.

# Industry and Competitive Analysis

## Economic Overview

The overall conditions of the global economy in the first half of 2015 remained fragile. The vulnerable circumstances in Eurozone further shaken by Greece's inability to pay up its debt to the IMF stirred international concerns towards the country's position in the union. Moreover, China's plummeting stock market sent an alarming possibility of an Economic Bubble, thereby affecting the stock market on a global scale. The continuously falling oil prices also presented another threatening uncertainty. Nevertheless, Japanese economy managed to take a leap thanks to expanding domestic consumption alongside the recovery of US economy that showed improved performances in consumption, real estate and labor markets.

The second half of the year saw a slight bounce back of international economies in response to the recovery of major players, especially the US whose interest rates rose for the first time in almost ten years, reinforcing FED's confidence towards the country's economy. Eurozone, at the same time, was moving on the roads to recovery although inflation rates still hovering far lower from the target, urging the ECB to relax the finance policy even further. Meanwhile, China was showing brighter prospects in certain sectors despite the slowdown in import and export which continued to upset its trading partners. At the same time, crude oil price fell to the 7-year lowest record due to oversupply. The all year Global GDP of 2015 was pulled down from 3.3 to 3.1 given the downturn in the first half of the year (Source: IMF World Economic Outlook, October 2015). The expansions were experienced by Developed Markets whose economies picked up slightly while Emerging Markets and Developing Economies continued to show sluggish growth for the fifth year in a row. The continual slow-moving development was a result of falling prices of consumer goods coupled with reduction in foreign investment among Emerging Markets which weaken the currency of respective countries, causing significant fluctuations in financial markets.

Thailand's economy during the first six months of 2015 was measured by the Bank of Thailand to grow by 3.0 percent, while the expected rate previously set at the end of 2014 was at 4.0 percent. The failure to meet the target growth resulted from the weakening export sector and private sector, which were unable to be offset by ongoing investments by the government and constantly expanding tourism sector.

Thailand showed a slow recovery in economy during the later six months of 2015, in response to the push by the government to stimulate consumption in private sector. A budget was set aside to distribute to low-income citizens and SME owners through Village Funds, Sub district Development Funds and countrywide small-scaled investment projects. Also, 5 PPP projects were granted approval at a total investment worth 300 billion baht. However, the export side remained sluggish along the slowdown in global demands, especially in China and ASEAN. Moreover, agricultural product continued to fall in supply following the drought in 2015 and unattractive prices of latex.

The Bank of Thailand has lowered the prospects of country's economy in 2015 from 3.0 to 2.8 percent based on the slow-paced recovery of the world's and Thailand's economies. However, the economy is set to expand with the help of government's increased spending, domestic reduction in fuel prices in line with that of crude oil, as well as the future rise in crude oil prices that is expected to be lower than the previously forecasted. Nevertheless, the expected rise in inflation contributed by consumer spending expanding beyond the forecasted value allows for business owners to adjust the prices of their goods and services upwards slightly. The average inflation rate in the year 2015 is expected to be at -0.9 percent.

## Information and Communications Technology Industry

### The development of infrastructure and broadcasting systems

In the year 2015, National Broadcasting and Telecommunication Commission (NBTC) proceeded to educate various stakeholders regarding the installation of digital TV signal receiver as to switch the country to the high-resolution digital TV offering a wide range of programs on 28 channels. The target is to provide digital network across 20.55 million households, or 90% of all, within June 2016, to ensure that citizens are able to benefit from the technologies equally in all regions.

Regarding the Digital Economy framework, the government aims to drive the country's economic and social developments through digital technologies. Plans have been made to enable country-wide broadband connectivity. Rural villages are set to receive broadband signal at the minimum speed of 4 Mbps, while schools, sub district medical centers and community information centres are to have access to at least 30 Mbps. All municipalities and business districts across the country can expect 100 Mbps or faster-speed internets. Furthermore, Thailand aims to become one of the hubs in ASEAN to offer information bridging and exchange with development of the international standard Data Center. Digital Economy has been given an extra push through the government's move to increase the proportion of SME-generated GDP in the country's total GDP.

The 1800 MHz and 900 MHz license auction that took place at the end of the year 2015 will bring about significant amounts of investment in 4G network from the operators, up to tens of billion baht in the first year, benefiting companies that offer network installation services. Operators also have to invest in the core network to support the rapidly growing data traffic as a result of LTE Advance.

### Communications Industry: View on Mobile Phone Usage

Mobile phone has become a daily necessity in today's society. According to a study conducted by National Statistical Office in 2015 involving 62.6 million citizens aged 6 and above, the number of mobile phone users has increased from 48.1 million (77.2 percent) in the previous year to 49.6 million (79.3 percent). Municipal areas were found to have 84.77 percent of total population using mobile phones while regions outside municipal areas 74.86 percent.

Further to that, the number of people using two or more mobile phones is on a constant rise. Among existing mobile phone users, an increasing portion is on smart phone for its various benefits in everyday life. Functions such as social media, online shopping, internet banking, stock trading, for example, are contributing to the significant sales growth in the recent years.

The mobile phone market was faced with a more intense competition in the year 2015. Mobile phone service providers adopted price cutting to entice buyers and expanded the non-voice services. Some operator offered discounts on 3G supported mobile phones to customers in the middle and lower tiers to hasten the process of conversion from 2G concessions to 3G licenses, thereby pulling down the total revenue from mobile phone sales.

The result of the auction for 1800 MHz and 900 MHz licenses at the end of 2015 will change the nature of competition in the telecommunication industry, from having three operators to four. The upgrade to 3G and 4G internet network means mobile phone providers will encourage consumers to switch to 3G and 4G compatible phones or those that support 900-1800-2100 MHz. Sales of such mobile phones is therefore expected to rise in the year 2016.

**Communications Industry: View on Communication Services**

The availability of 4G on the 1800 MHz and 900 MHz spectrums coupled with the fourth provider in the market lifts the competition to the new level. All operators being on the mission to expand their 4G coverage as quickly as possible means all provinces in Thailand will very soon be covered. The transition to 3G and 4G alongside increasing smart phone usage allows for further development of applications and content. As wireless information exchange can be done more quickly and reliably, more mobile applications and related services will be catered to businesses and consumers alike. Rising demands for information consumption and increasing number of users will boost the volume of information exchange. The amount of usage will escalate as the trend of one person holding more than one smart device is currently on the rise.

The increasingly competitive telecommunication market urges every operator to raise their sales and marketing budgets in order to win over new customers and maintain the existing ones. Service rates will become more attractive and bundling of products from fixed and mobile categories will also be adopted. The current intensity of competition in the industry could possible affect market share, net profit margin and operating cash flow in a negative manner in the future.

# Risk Factors

Currently, Samart Corporation Public Company Limited operates in 5 major businesses: 1) ICT Solutions and Services, 2) Mobile Multimedia, 3) Call Center, 4) Utilities and Transportations, and 5) Technology Related Services. Operation in all 5 major businesses has risk factors in different management comprising both internal and external factors which can cause impact on the financial position and performance of the Company. For this reason, the Company, therefore, has to have a risk management system. Moreover, it has appointed the risk management committee whose mission is to set the policy, prioritize risks, review and evaluate risks regularly. Risk factors can be classified as follows.

## 1. Operational Risks

### **Operational Risk in ICT Solutions and Services**

ICT Solutions and Services business operates turnkey ICT system installation and services. In the past, main customers were governmental agencies and state enterprises; hence, if the government has slowed down spending on information technology and communications budgets, it will significantly affect the performance of the Company. However, the Company has tried to reduce the risk by expanding its customer base to cover more ministries and agencies and state enterprises to reduce the risk of policy changes, the delay in bid tendering or the budget cutting of each agency. The Company has also expanded its customer base to more non-governmental organizations to reduce the risk due to too much dependence on government agencies. Besides, the Company plans to create more recurring revenues because the recurring revenues can reduce the risk of reduce revenue volatility of the Company. Moreover, another risk is that the Company must support services with diversified technologies; the employees may not be sufficiently knowledgeable in those technologies and cannot provide the right solution. In this regard, the Company has divided the working teams into specific expertise groups and provides training courses regularly. The Company also seeks partners who are the leaders in technology to develop employees' knowledge, expertise, in order to success on the job.

### **Operational Risk in Mobile Multimedia**

- **Mobile business**

The consumer behavior has changed in the demand of data used rapidly increased. This resulted in the significant increase in smart phone sales. Besides, there was also a risk arisen from the three main mobile phone service providers who are trying to make their own brands of mobile phones. They put more spending on promotion by giving discount on the mobile handset which is bundled with their mobile service package. The Company has prepared to reduce risk in this matter by adjusting its strategy; for example, reducing featured phone portion and increasing smart phone products to conform to the consumer behavior change and to avoid the risk from a price war of smart phones by arrangement of its product groups concisely. There is the mostly cost-effective fighting model for each group. Notwithstanding, after-sales service is considered as an important factor for the Company because the competition in providing services to clients is key factors in consumer decision making and it may affect the Company's mobile phone sales. The Company therefore increased its service points and employees in its service centers in key areas, provides training to technicians in order to enhance the service efficiency including shortening the process to serve customers faster. The Company also uses marketing media and advertising to create confidence and trust in the after-sales service. Finally, the risk factor of mobile phones is inventory management from increasing smart phone sales dramatically and reducing feature phone sales continuously. The Company, therefore, has to handle the very strict inventory management measure to be more accurate and precise. The Company, therefore, determined the risk diversification policy by reducing the new model order quantities and controlling an inventory turnover rate closely.

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

The Company operates services on Mobile Virtual Network Operator (MVNO). The Company does not have its own network but operates by buying a ready-made service from TOT Public Company Limited and CAT Telecom Public Company Limited who owns the mobile phone network, then provides services to its targeted customers. The TOT's

network in Phase 1 does not have enough base stations covering all areas of Thailand. As a result, it cannot provide nationwide services, and it is difficult to execute marketing plan. It is likely that the users may unsubscribe service thereafter.

- **Content (Information and Entertainment Service Business)**

For the content business, the main risk factor affecting business running is the reduction of the users number due to the transition and the evolution of data access from landline, internet system for computers, portable computers, and mobile phone technology from 2G to 4G in the present. Such changes make obstacles and restrictions on access to the data dropped steadily and there are development in term of the speed of the connectivity and ease of portable communication devices (mobility). As a result, the competition, once separated according to the form of accessibility is fused together in a single large market as a whole which is filled with various competitors. The end users are free to share data and information to other users through social networks. Consequently, the role and importance of entrepreneurs is reduced. This can be seen from the consumers' behavior using the content both voice and non-voice with fewer and shorter average usage. The Company, therefore, has proposed to provide the content service in various forms to respond to the changing behavior of users, such as providing information, entertainment news via website and applications on up to date portable devices, TV programs as well as printing media are still the media that can access to information of all ages and gender. Simultaneously, the Company still gives the importance to the original form business to maintain a base of a great number of existing customers.

Furthermore, the openness of the technology also affects continuously to the role and importance of the Company acts as the content provider or intermediacy in dissemination of information when the content producer can transform themselves to be the distributor of information to the end users directly by investment in the network infrastructure, information management and connection with the providers of landline and mobile phones under the affordable investment costs. The Company is aware of the risk and has the strategy to negotiate for the privilege from mobile phone providers. For example, there are public relation texts sent to the target group continuously to stimulate usage. The small entrepreneurs do not have the power to negotiate for this as well as a fair share of the revenue structure including a closely technical supports when there is problem. This enables the Company to maintain good relationship with all content producers and can continue a smooth operation throughout years.

Another important risk factor is the content reliance on other producers which is considered too high proportion. This results the profitability gained by the Company less than the content owned by the Company regarding the proportion to the content owner and telephone service providers for landline and mobile phones. In addition, too much reliance on the outsourced content parties will increase bargaining power to the content owner. This may lead to the loss of content rights to those competitors who are ready to price dumping. However, the Company foresees this risk and has the strategy to develop, invent and improve data formats which are the Company's copyright to present to the Company's customer base at present. The Company also presents new business forms possibly bringing about other revenues beyond the revenue from subscribers only, such as income from advertising and public relation through many media of the Company and the negotiation of privilege with alliances in various industries to attract users.

#### **Risk in Call Center Business Operation**

- **Call Center (Customers coordination service business)**

For the Call Center or customers coordination service business, personnel is a key factor in the operation. Therefore, the main risk of this business operation depends upon the personnel. Because the resignation rate of high rank personnel in such business may affect the operations of the Company, the Company has tried to find some guidelines to reduce its employees' resignation rate by providing the appropriate remuneration, welfares provision with training courses to enable them to understand their path of progress in this career. Besides, the Company has also prepared to cope with emergency situations such as fire, flood, etc. The Company has set up a data center and backup operation center for emergency situations. When these emergencies occur, the impact on the Company's operations can be reduced.

### Risk in Utilities and Transportations Business Operation

- **Air traffic Business**

The risk in air traffic business are mostly associated with various security operating systems, interactive communication system with pilots or computer systems must be all time maintained and cannot be crashed. The Company has installed equipment of dual backup systems to prevent such risk. Furthermore, we also have technicians who can operate around the clock and have to examine the readiness and completeness of equipment periodically every 3 months.

- **Power Substation and Transmission Line Construction Business**

For Power Substation and Transmission Line Construction Business, our main customers would likely be some government projects. The risk might occur from delays in the bidding process when there is political change; hence, the Company has a policy to secure more private projects which already approved to reduce this risk. Other risk is a highly competitive market from both domestic and international competitors. Some competitors are the material producers themselves. This caused us in disadvantage of pricing. In this regard, the Company reduced the risk by seeking to be alliance with potential producers in order to have a lower cost and stay competitive.

### Risk in Technology Related Services Business Operation

- **Business on Production and Distribution of Digital Television Receiving Equipment**

The risk of business on production and distribution of television receiving equipment in digital TV is the market competition because the products are slightly different when compared with those of competitors; hence, the Company has focused on improving the quality of the antenna. For instance, the Company plans to develop the antenna to be compact and in 2016 the Company will focus on manufacturing and distributing the outdoor antennas in order to increase the Company's competitiveness.

## 2. Financial Risk

### Foreign Exchange Rate Risk

Some affairs operation of the Company can make money in foreign currency, such as air traffic and small-scale power plant in Cambodia that contributes to the Company as the U.S. dollars or some business operations may generate the capital in foreign currency, such as mobile phones, production and distribution of television receiving equipment in digital TV or ICT Solutions and Services which are paid for the equipment in foreign currency. The Company, therefore, realizes of the risk of exchange rate fluctuations in the past years and tried to execute the policy carefully to minimize the risk from such fluctuations. The Company has entered into the foreign exchange trading agreement and closely keeps abreast of the situation for exchange rate movements.

### Interest Rate Risk

The Company and its subsidiaries have borrowed loans from many financial institutions, both short term and long term loans. The fluctuations of interest rates may affect the financial cost of capital of the Company, however, most of loans are short term loans where the interest rate will change according to the money market conditions. Hence, the interest rate risk is relatively low. For long-term loans interest, the Company has received the interest rate for long-term loans with an interest rate for good clients (MLR-Minimum Loan Rate) whereby the advance agreeable margin would be deducted. While the loan in US dollars, the Company would receive interest rate at LIBOR plus the agreed margin. All agreed interest rates are floating. The Company, therefore, has closely monitored the interest rates situation. If there are signs of fluctuation, the Company will use financial hedging instruments to limit such risk.

### Doubtful Debt Risk

The Company is subject to risk due to the ability to repay the debts of various trading account receivables. From the consolidated financial statements on 31 December 2015, the Company had trading account receivables in the amount of 10,557.87 million Baht whereby the account receivables of 483.56 million Baht past due for more than 12 months.

However, the Company has booked the allowance for bad debts to amount of 120.14 million Baht. The Company has carefully set the policy to assess the customers' credits strictly and monitors to have the credit storage to reduce the risk of such bad debts.

#### **Holding Company Risk**

As one of the holding companies, the Company holds shares in other companies whereas the performance of the Company will also depend on the results of subsidiary companies' performance. The dividends of the Company will depend on the performance results and cash flows of those subsidiaries. If the performance of subsidiaries does not meet the target, it will affect to the dividend payment of the Company. The Company administers such risk by having the investment policy emphasizing on investment in businesses with high potential, high growth tendency, certain income, low risk and yield high rate of return to the Company. In addition, a group of subsidiary companies are determined by the Company to prepare business plans and propose the operation plans and annual budget which must be approved by the Board of Directors including the performance following of each business closely to prepare plan to handle risk timely.

Whereof, the dividends payment of subsidiaries and associated companies shall comply with the applicable laws and/or other restrictions including financial agreements in all respects.

#### **Risk in Short-Term Investments in Securities**

From the financial statements on 31 December 2015, the Company had short-term investments in securities to amount of 175.72 million Baht. Such securities are listed on the Stock Exchange of Thailand. The market volatility, political change, and economic effects will affect to the prices of securities held by the Company. The Company has monitored movements that will lead to such risks closely and the Company often holds the meeting to discuss about risks regularly to follow investment information to take action timely when necessary.

### **3. Social and Environmental Risk**

In order to maintain the continuity and sustainability of the Company's operation, the Company is owing to the support from both community and society. The Company's operation which results in negative impacts on society, community, and environment will damage the Company's image following by the poor performance of the Company in long term. The Company is well aware of the importance of social and environmental responsibility, the development of quality of life, and prosperity of the communities and Thai society; thus, the Company has set the policy and practical guideline regarding strengthen good relationship with the organizations both from public and private sectors, as well as community leaders so that the works for community development can be harmoniously coordinated on sustainable and concrete basis. For instance, the Company hosted Samart Innovation project, and provided Samart Scholarships, Support for improvement of library, playground to upcountry schools, donations of computers to a remote border school, and also training on necessary telecommunication-technology knowledge and work skills to produce the qualified professionals into Thai society. Besides, the Company conducts business by always taking into account the environmental conservation and using resources in the most meaningful way. 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. The Company has promoted environmental care among its employees via both internal communications and energy saving campaign project every year. The Company continuously follows its social and environmental policy in purpose to be with society in harmony and sustain business growth altogether.

# 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 <sup>(1)</sup>	464,778,195	46.18
- Vilailuck International Holding Co., Ltd. <sup>(2)</sup>	185,352,200	18.42
- Mr. Watchai Vilailuck <sup>(3)</sup>	126,005,535	12.52
- Mr. Charoenrath Vilailuck <sup>(3)</sup>	112,734,960	11.20
- Mr. Thananan Vilailuck <sup>(3)</sup>	30,012,100	2.98
- Mrs. Siripen Vilailuck	5,960,250	0.59
- Ms. Srintip Vilailuck	2,670,000	0.27
- Mrs. Sukanya Vanichjakvong	2,043,150	0.20
2. Bualuang Long - Term Equity Fund	34,274,200	3.41
3. THAI NVDR Co., Ltd.	20,372,096	2.02
4. Mr. Apisak Theppadungporn	16,227,000	1.61
5. K Master Pooled Fund	14,883,800	1.48
6. Mr. Sukchai Sukchaicharoenkul	13,000,000	1.29
7. NORTRUST NOMINEE LTD-CL AC	11,383,000	1.13
8. Bualuang Long - Term Equity Fund 75/25	11,205,300	1.11
9. Bualuang Infrastructure RMF	9,334,600	0.93
10. Bualuang Flexible RMF	9,125,900	0.91
<b>Total of top ten Major Shareholders</b>	<b>604,584,091</b>	<b>60.07</b>
<b>Total of the minority shareholder</b>	<b>401,919,819</b>	<b>39.93</b>
<b>Total paid up shares</b>	<b>1,006,503,910</b>	<b>100.00</b>

**Remark** : Major Shareholders' report as of December 30, 2015 prepared by Thailand Securities Depository Co., Ltd.

<sup>(1)</sup> Vilailuck International Holding Co., Ltd., Mr. Charoenrath Vilailuck, Mr. Watchai Vilailuck, Mrs. Siripen Vilailuck, Ms. Srintip Vilailuck, Mr. Thananan Vilailuck and Mrs. Sukanya Vanichjakvong as acting in concert regarding the determination of the relationship or Behavior as an act with another person and comply with Section 246 and 247;

<sup>(2)</sup> A holding company with 5 shareholders and stakeholding as follows :

- Mr. Charoenrath Vilailuck and Mr. Watchai Vilailuck have 24.22% each;
- Ms. Srintip Vilailuck, Mr. Thananan Vilailuck and Mrs. Sukanya Vanichjakvong have 17.19% each;

<sup>(3)</sup> Includes holding by spouse and minor children.

## 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 <sup>(1)</sup>	3,207,435,500	72.89
- Samart Corporation Pcl. <sup>(2)</sup>	3,121,579,000	70.94
- Vilailuck International Holding Co., Ltd.	30,535,100	0.69
- Samart Telcoms Pcl.	28,620,400	0.65
- Mrs. Sukanya Vanichjakvong <sup>(3)</sup>	14,900,000	0.34
- Mr. Watchai Vilailuck <sup>(3)</sup>	7,781,000	0.18
- Samart U-Trans Co., Ltd.	2,620,000	0.06
- One To One Contacts Pcl.	1,000,000	0.02
- Miss Srintip Vilailuck	400,000	0.01
2. Bualuang Long-Term Equity Fund (B-LTF)	52,198,700	1.19
3. Bualuang Siriphol Corporate Governance (BSIRICG)	42,520,400	0.97
4. Mr. Natthaporn Jularnkoon	39,443,100	0.90
5. Bualuang Siriphol Corporate Governance RMF (BSIRIRMF)	36,973,500	0.84
6. Bualuang Infrastructure Retirement Mutual Fund	32,702,400	0.74
7. Provident Fund of Electricity Generating Authority of Thailand	25,218,800	0.57
8. Mr. Taweachat Jularnkoon	20,000,000	0.45
9. Ms. Chomkamon Poompunmoung	19,001,800	0.43
10. Bualuang Infrastructure	17,666,100	0.40
<b>Total of top ten Major Shareholders</b>	<b>3,493,160,300</b>	<b>79.39</b>
<b>Total of the minority shareholder</b>	<b>907,089,700</b>	<b>20.61</b>
<b>Total paid up shares</b>	<b>4,400,250,000</b>	<b>100.00</b>

*Remark : Thailand Securities Depository Co., Ltd. as of December 30, 2015.*

<sup>(1)</sup> Samart Corporation Pcl., Samart Telcoms Pcl., Vilailuck International Holding Co., Ltd., Mrs. Sukanya Vanichjakvong, Mr. Watchai Vilailuck, Samart U-Trans Co., Ltd., One To One Contacts Pcl. and Miss Srintip Vilailuck are acting in concert regarding the determination of the relationship or Behavior as an act with another person and comply with Section 246 and 247;

<sup>(2)</sup> A holding company of which Vilailuck International Holding Co., Ltd. and Vilailuck family hold 18.42% and 27.76% of the total shares respectively;

<sup>(3)</sup> Includes holding by spouse and minor children.

## 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 <sup>(1)</sup>	447,144,400	72.35
- Samart Corporation PCL. <sup>(2)</sup>	433,464,590	70.140
- Vilailuck International Holding Co., Ltd.	7,905,200	1.279
- Mrs. Sukanya Vanichjakvong <sup>(3)</sup>	1,150,000	0.186
- Mr. Watchai Vilailuck <sup>(3)</sup>	1,650,010	0.267
- Mr. Charoenrath Vilailuck <sup>(3)</sup>	2,854,600	0.462
- Mr. Thananan Vilailuck <sup>(3)</sup>	50,000	0.008
- Miss Srintip Vilailuck <sup>(3)</sup>	20,000	0.003
- Lobburi Industrial Estate Co., Ltd.	50,000	0.008
2. Bangkok Bank (Public) Co., Ltd.	29,966,560	4.85
3. THAI NVDR Co., Ltd.	13,682,257	2.21
4. Bualuang Long - Term Equity Funds (LTF)	12,333,400	2.00
5. Miss Woramas Sriwatanaprapa	6,404,100	1.04
6. Bualuang Flexible Retirement Mutual Funds	5,278,800	0.85
7. Bualuang Infrastructure Retirement Funds	4,355,300	0.70
8. Bualuang Siriphol Corporate Governance	3,067,400	0.50
9. Mrs. Natteera Boonsri	3,000,000	0.49
10. Bualuang Thanakom Open-end Funds	2,740,700	0.44
<b>Total of top ten Major Shareholders</b>	<b>527,972,917</b>	<b>85.43</b>
<b>Total of the minority shareholder</b>	<b>90,027,083</b>	<b>14.57</b>
<b>Total paid up shares</b>	<b>618,000,000</b>	<b>100.00</b>

**Remark** : Information based on Thailand Securities Depository Co., Ltd. on the latest date of closing registration book December 30, 2015.

<sup>(1)</sup> Samart Corporation PCL., Vilailuck International Holding Co., Ltd., Mrs. Sukanya Vanichjakvong, Mr. Watchai Vilailuck, Mr. Charath Vilailuck, Mr. Thananan Vilailuck, Ms. Srintip Vilailuck, and Lobburi Industrial Estate Co., Ltd. as acting in concert regarding the determination of the relationship or Behavior as an act with another person and comply with Section 246 and 247;

<sup>(2)</sup> A holding company of which Vilailuck International Holding Co., Ltd. and Vilailuck family hold 18.42% and 27.76% of the total shares respectively;

<sup>(3)</sup> Includes holding by spouse and minor children.

### 2.3 The shareholders of Samart Comtech Co., Ltd. are :

Name of shareholders		No. of shares held (Shares)	% of Total Shares
1.	Samart Telcoms Pcl. <sup>(*)</sup>	2,249,995	99.9998
2.	Mr. Charoenrath Vilailuck	2	0.00008
3.	Mr. Watchai Vilailuck	2	0.00008
4.	Mr. Thananan Vilailuck	1	0.00004
Total of Shareholders		2,250,000	100

*Remark : Shareholders' register book as of December 31, 2015.*

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

- *Samart Corporation Pcl. has 70.14%;*
- *Bangkok Bank Pcl. has 4.85%;*
- *Bualuang Long - Term Equity Fund has 2.00%.*

## 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 subsidiaries and associated companies have policy to pay dividend of 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	2015 <sup>(*)</sup>	2014	2013
Earning Per share (Baht)	0.80	1.48	1.48
Dividend Per Share (Baht)	0.50	0.85	0.80
Dividend payout ratio (%)	62.30	57.64	54.50

**Remarks :** <sup>(\*)</sup>The Company has returned profit to its shareholders by way of dividend payment. Dividend for 2015 has been proposed for consideration of the shareholders at Baht 0.50 per share. Interim dividend for first six-month performance was paid on September 2015 at Baht 0.30 per share. The balance of Baht 0.20 will be paid on May 2016 of which subject to the approval of the shareholders. Total dividend payment will be 62.30% of the consolidated net profit and conformed to the Company's dividend policy that dividend payment will be no less than 50% of its 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.	<b>Samart I-Mobile Pcl.</b> 99/3 Moo 4, Software Park, 33 <sup>rd</sup> Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6000 Fax. 0-2502-6900	Retailer for Communications Equipment.	444	4,400,250,000	3,121,579,000	70.94
2.	<b>Samart Mobile Services Co., Ltd.</b> 37/1 Moo 2, Phaholyothin Rd., Klong Nueng, Klongluang, Pathumthanee 12120 Tel. 0-2502-6000 Fax. 0-2502-6496	Procure and sell communication and information technology equipment through wholesale.	490	49,000,000	47,724,999 <sup>(1)</sup>	97.40
3.	<b>Samart Multimedia Co., Ltd.</b> 99/12 Moo 4, Software Park, 24 <sup>th</sup> 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	1,999,997 <sup>(1)</sup>	99.99
4.	<b>Samart Interactive Media Co., Ltd.</b> 99/12 Moo 4, Software Park, 24 <sup>th</sup> 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	15,999,997 <sup>(2)</sup>	99.99
5.	<b>I-Sport Co., Ltd.</b> 99/12 Moo 4, Software Park, 24 <sup>th</sup> 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 market.	120	12,000,000	5,999,996 <sup>(2)</sup>	49.99
6.	<b>I-Mobile International Co., Ltd.</b> 99/3 Moo 4, Software Park, 33 <sup>rd</sup> Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6200 Fax. 0-2502-8532	Invest in the businesses related to the distribution of mobile phones bundled with content in overseas markets.	200	20,000,000	19,999,997 <sup>(1)</sup>	99.99
7.	<b>Samart I-Mobile (Malaysia) Sdn. Bhd.</b> 18B, Jalan Mutiara Raya, Taman Mutiara, 56000 Kuala Lumpur, Malaysia Tel. 603-9131-6403 Fax. 603-9133-4941	Distribution of mobile phones bundled with content services and provider of interactive multimedia services in Malaysia.	5,000,000 (Malaysian Ringgit)	2,000,000	2,000,000 <sup>(1)</sup>	100.00
8.	<b>PT. Samart I-Mobile Indonesia</b> 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 bundled with content services and provider of interactive multimedia services in Indonesia.	6,420,000 (USD)	6,420,000	6,419,000 <sup>(3)</sup>	99.98

No.	Company	Type of Business	Registered Capital (Million Baht)	Outstanding Ordinary Share	Samart's Holdings	
					Amount	%
9.	<b>Teleconnext Co., Ltd.</b> 23/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong Tel. 852-2980-1888 Fax. 852-2956-2192	Distribution of mobile phones bundled with content services and provider of interactive multimedia services in Hong Kong.	5,000,000 (HK\$)	5,000,000	5,000,000 <sup>(1)</sup>	100.00
10.	<b>I-Mobile Plus Co., Ltd.</b> 99/13 Moo 4, Software Park, 23 <sup>rd</sup> Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6200 Fax. 0-2502-8532	Carry on the service of telecommunication business, and be agent for all types of telecommunication services.	100	10,000,000	9,999,997 <sup>(1)</sup>	99.99
11.	<b>Brain Source Co., Ltd.</b> 99/12 Moo 4, Software Park, 24 <sup>th</sup> Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6000 Fax. 0-2502-8136	Research and develop application on mobile phone.	1	10,000	9,997 <sup>(1)</sup>	99.97
12.	<b>I-Mobile Inter Trade Co., Ltd.</b> 99/3 Moo 4, Software Park, 33 <sup>rd</sup> Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6200 Fax. 0-2502-8532	Export of mobile phones bundled with content services and other products of the Company.	5	500,000	499,997 <sup>(1)</sup>	99.99
13.	<b>Entertainment Tree Co., Ltd.</b> 99/12 Moo 4, Software Park, 24 <sup>th</sup> 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 <sup>(2)</sup>	45.00
14.	<b>I-Sport Media Co., Ltd.</b> 99/12 Moo 4, Software Park, 24 <sup>th</sup> 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, other activities and benefit management to sport player.	1	100,000	99,997 <sup>(4)</sup>	99.99
15.	<b>I-Mobile Direct Co., Ltd.</b> 99/3 Moo 4, Software Park, 33 <sup>rd</sup> 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.	0.6	6,000	5,998 <sup>(5)</sup>	99.97
16.	<b>Siam Sport Television Co., Ltd.</b> 66/26 Ram Inthra Rd., Nuanchan, Bueng Kum, Bangkok 10240 Tel. 0-2502-6000 Fax. 0-2502-8136	TV Program on free TV, Sport Channels, Production outsource and Live Broadcast.	60	6,000,000	5,999,994 <sup>(4)</sup>	99.99
17.	<b>Samart Telcoms Pcl.</b> 99/7 Moo 4, Software Park, 29 <sup>th</sup> 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	618,000,000	433,464,590	70.14

No.	Company	Type of Business	Registered Capital (Million Baht)	Outstanding Ordinary Share	Samart's Holdings	
					Amount	%
18.	<b>Samart Communication Services Co., Ltd.</b> 99/7 Moo 4, Software Park, 29 <sup>th</sup> Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6610 Fax. 0-2502-6648	Telecommunication networks services comprising procurement, operations, maintenance and repair of telecommunication equipment.	500	5,000,000	4,999,994 <sup>(6)</sup>	99.99
19.	<b>Samart Comtech Co., Ltd.</b> 99/2 Moo 4, Software Park, 34 <sup>th</sup> Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6610 Fax. 0-2502-6648	Providing Consulting, design, installation, Operation management and maintenance services regarding information technology, communication system including advanced, specialized technology.	225	2,250,000	2,249,995 <sup>(6)</sup>	99.99
20.	<b>Samart Broadband Services Co., Ltd.</b> 99/7 Moo 4, Software Park, 29 <sup>th</sup> Fl., Chaengwattana Rd., Klong Gluar Pak-kred, Nonthaburi 11120 Tel. 0-2502-6610 Fax. 0-2502-6648	Data communication services over local broadband networks.	55.25	5,525,000	5,524,997 <sup>(6)</sup>	99.99
21.	<b>Thai Trade Net Co., Ltd.</b> 99/27 Moo 4, Software Park, 8 <sup>th</sup> 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 <sup>(6)</sup>	99.99
22.	<b>Posnet Co., Ltd.</b> 99/4 Moo 4, Software Park, 32 <sup>nd</sup> Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6610 Fax. 0-2502-6648	Total solution and service provider for electronic payment system. Total Smart card solutions provider and smart card application developer serving commercial banks in Thailand and other credit card issuers.	72	7,200,000	7,199,993 <sup>(6)</sup>	99.99
23.	<b>Samart Ed-Tech Co., Ltd.</b> 99/29 Moo 4, Software Park, 6 <sup>th</sup> Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6610 Fax. 0-2502-6648	Providing system rental services and development of Learning Management System, education institute management system, end-to-end education technology, including courseware, digital content, and mobile application development.	20	200,000	199,997 <sup>(6)</sup>	99.99
24.	<b>Samart Infonet Co., Ltd.</b> 99/12 Moo 4, Software Park, 24 <sup>th</sup> Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6610 Fax. 0-2502-6648	Internet services.	62	6,200,000	6,173,594 <sup>(6)</sup>	99.57
25.	<b>Smarterware Co., Ltd.</b> 99/25 Moo 4, Software Park, 10 <sup>th</sup> Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6610 Fax. 0-2502-6648	Total services for software development with consulting services for software design including specialized services in software engineering.	10	100,000	99,993 <sup>(6)</sup>	99.99
26.	<b>Net Media Co., Ltd.</b> 99/2 Moo 4, Software Park, 34 <sup>th</sup> Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6610 Fax. 0-2502-6648	Providing video compression services and communication link for satellite uplink.	10.32	103,200	103,198 <sup>(6)</sup>	99.99

No.	Company	Type of Business	Registered Capital (Million Baht)	Outstanding Ordinary Share	Samar's Holdings	
					Amount	%
27.	<b>IT Absolute Co., Ltd.</b> 99/2 Moo 4, Software Park, 34 <sup>th</sup> Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6610 Fax. 0-2502-6648	Distributor of electronic and technology equipments.	225	22,500,001	22,485,593 <sup>(8)</sup>	99.94
28.	<b>Portalnet Co., Ltd.</b> 99/7 Moo 4, Software Park, 29 <sup>th</sup> Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6610 Fax. 0-2502-6648	Providing design, implementation and outsourcing services for Enterprise Resource Planning (ERP), Customer Relationship Management (CRM) and Human Capital Management (HCM) with best practices of Total Solutions for public sectors and private customers.	3,370	33,700,000	33,699,990 <sup>(6)</sup>	99.99
29.	<b>Net Service (Thailand) Co., Ltd.</b> 62 Thaniya Building, 10 <sup>th</sup> Fl., Silom Road, Suriyawong, Bangrak, Bangkok 10500 Tel. 0-2632-9396-9 Fax. 0-2632-9395	The developer of information technology systems for government and private sectors.	20	2,000,000	1,199,999 <sup>(7)</sup>	60.00
30.	<b>SLA Asia Co., Ltd.</b> 99/7 Moo 4, Software Park, 29 <sup>th</sup> Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6610 Fax. 0-2502-6648	Operate IT and communication system and trading all kinds of equipment abroad.	30	300,000	90,000 <sup>(9)</sup>	30.00
31.	<b>One To One Contacts Pcl.</b> 99/19 Moo 4, Software Park, 17 <sup>th</sup> Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2685-0000 Fax. 0-2685-0050	Fully Outsourced Contact Center Management Services	280	280,000,000	191,600,000 2,100,000 <sup>(11)</sup>	68.43 0.75
32.	<b>One To One (Cambodia) Co., Ltd.</b> 18-E4, 4 <sup>th</sup> floor, The Icon Professional Building 216, Norodom Blvd., Tonle Bassac, Chamkarmorn, Phnom Penh, Kingdom of Cambodia Tel. 855-023-932222 Fax. 855-023-932223	Fully Outsourced Contact Center Management Services in Cambodia.	200,000 (USD)	40,000	40,000 <sup>(10)</sup>	100
33.	<b>One To One Professional Co., Ltd.</b> 99/19 Moo 4, Software Park, 17 <sup>th</sup> Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2685-0000 Fax. 0-2685-0050	Provide Consultancy Service on personal management, recruitment and Contact Center Management Services.	1	100,000	99,997 <sup>(10)</sup>	99.99
34.	<b>Cambodia Air Traffic Services Co., Ltd.</b> CATS Building, Opposite Phnom Penh International Airport, Russian Federation Blvd, Sangkat Kakab, Khan Posen Chey, 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 <sup>(12)</sup>	100.00
35.	<b>Kampot Power Plant Co., Ltd.</b> CATS Building, Opposite Phnom Penh International Airport, Russian Federation Blvd, Sangkat Kakab, Khan Posen Chey, 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 <sup>(12)</sup>	100.00

No.	Company	Type of Business	Registered Capital (Million Baht)	Outstanding Ordinary Share	Samart's Holdings	
					Amount	%
36.	<b>Cambodia Samart Co., Ltd.</b> CATS Building, Opposite Phnom Penh International Airport, Russian Federation Blvd., Sangkat Kakab, Khan Posen Chey, Phnom Penh, Kingdom of Cambodia Tel. 855-23-866294 Fax. 855-23-890214	Land Lease.	50,000,000 (Riel)	100	49	49.00
37.	<b>Samart U-Trans Co., Ltd.</b> 99/2 Moo 4, Software Park, 34 <sup>th</sup> 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
38.	<b>Suvarnabhum Environment Care Co., Ltd.*</b> 99/2 Moo 4, Software Park, 34 <sup>th</sup> Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2134-3556 Fax. 0-2134-3558	Total Waste Management Solution in Suvarnabhum Airport including construction of building, providing of equipment and implementation of Waste Management System.	50	5,000,000	4,499,994	89.99
39.	<b>Vision and Security System Co., Ltd.</b> 99/2 Moo 4, Software Park, 34 <sup>th</sup> 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
40.	<b>Samart Engineering Co., Ltd.</b> 59 Moo 2, Phaholyothin Rd., Klong Nuang Klongluang, Pathumthanee 12120 Tel. 0-2516-8711 Fax. 0-2516-4581	Manufacture and distribution of television and radio antennas, satellite dishes, Broadcast Network Solution as well as produce metal work, metal sheet products and related products.	250	2,500,000	2,499,994	99.99
41.	<b>Contact-In-One Co., Ltd.</b> 99/3 Moo 4, Software Park, 33 <sup>rd</sup> Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2516-8711 Fax. 0-2516-4581	Institution for satellite dishes installation training.	1	100,000	99,993 <sup>(11)</sup>	99.99
42.	<b>Samart Inter Holding Co., Ltd.</b> 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
43.	<b>Samart Raditech Co., Ltd.</b> 99/2 Moo 4, Software Park, 34 <sup>th</sup> Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6278 Fax. 0-2502-6584	Radiation technology business: Trading of radiation measurement equipments, radiation measurement service, and radiation project management.	80	8,000,000	7,999,993	99.99
44.	<b>Teda Co., Ltd.</b> 99/2 Moo 4, Software Park, 34 <sup>th</sup> Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6000 Fax. 0-2502-6904	Be Engineering, Procurement and Construction (EPC) Contractor and maintenance services for Power Substations and Power Transmission.	407.5	40,750,000	38,448,707 <sup>(13)</sup>	94.35

No.	Company	Type of Business	Registered Capital (Million Baht)	Outstanding Ordinary Share	Samar's Holdings	
					Amount	%
45.	<b>Transec Power Services Co., Ltd.</b> 99/2 Moo 4, Software Park, 34 <sup>th</sup> 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 <sup>(14)</sup>	99.99
46.	<b>Samart Waste2Power Co., Ltd.</b> 99/2 Moo 4, Software Park, 34 <sup>th</sup> Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6000 Fax. 0-2502-6176	To provide Municipal Solid Waste and Landfill Waste management by collecting, separating, Refused Derived Fuel (RDF) producing and convert waste to be electricity.	50	5,000,000	4,999,800 <sup>(13)</sup>	99.99
47.	<b>Samart U-Trans (Myanmar) Co., Ltd.</b> Room 117, Inya Lake Hotel, 37 Kaba Aye Pagoda Road, Mayangone Township, Yanggon, Myanmar Tel. (951) 657-792, 650-740 Fax. (951) 650-466	To provide services and consultations regarding trades in Myanmar including all related general proceedings.	50,000 (USD)	50,000	49,995 <sup>(13)</sup>	99.99
48.	<b>Chiang Mai Waste2Power Co., Ltd.</b> 73 Soi Sukhumvit 62, M-Link Building, Sukhumvit Rd., Bang Jak, Phrakhanong, Bangkok 10260 Tel. 0-2502-6000 Fax. 0-2502-6176	To provide Municipal & Private sector Solid Waste and Landfill Waste management by collecting, separating, Refused Derived Fuel (RDF) producing and convert waste to be electricity.	20	200,000	99,998 <sup>(15)</sup>	50.00

Remarks : <sup>(1)</sup> Held by Samart I-Mobile Pcl.

<sup>(2)</sup> Held by Samart Multimedia Co., Ltd.

<sup>(3)</sup> Held by I-Mobile International Co., Ltd.

<sup>(4)</sup> Held by I-Sport Co., Ltd.

<sup>(5)</sup> Held by I-Mobile Inter Trade Co., Ltd.

<sup>(6)</sup> Held by Samart Telcoms Pcl.

<sup>(7)</sup> Held by Samart Comtech Co., Ltd.

<sup>(8)</sup> Held by Samart Broadband Services Co., Ltd.

<sup>(9)</sup> Held by Samart Communication Services Co., Ltd.

<sup>(10)</sup> Held by One To One Contacts Pcl.

<sup>(11)</sup> Held by Samart Engineering Co., Ltd.

<sup>(12)</sup> Held by Samart Inter Holding Co., Ltd.

<sup>(13)</sup> Held by Samart U-Trans Co., Ltd.

<sup>(14)</sup> Held by Teda Co., Ltd.

<sup>(15)</sup> Held by Samart Waste2Power Co., Ltd.

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

# Management Structure

## Board of Directors as of December 31, 2015

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 <sup>(*)</sup>	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 : <sup>(\*)</sup> Representative director from Vilailuck International Holding Co., Ltd., a major shareholder with 18.42% stake holding from total number of voting rights of the Company (as of December 31, 2015).*

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 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

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

**Qualifications of Independent Director**

1. Holding not **more than 0.5 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 shareholder, 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 shareholder 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 and strategies 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](http://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.

**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 its subsidiaries of which its revenue represent over 10% of Group revenue as of December 31, 2015 for 3 companies as follows:

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

- |   |  |
|---|--|
| 1. Prof. Suphachai Phisitvanich <sup>(1)</sup>  | Chairman / Independent Director / Audit Committee Member   |
| 2. Dr. Chotivid Chayavadhanangkur               | Independent Director / Chairman of the Audit Committee / Chairman of the Corporate Governance Committee / Nominating and Compensation Committee Member |
| 3. Mr. Kunthit Arunyananda                      | Independent Director / Audit Committee Member / Chairman of the Nominating and Compensation Committee / Corporate Governance Committee Member          |
| 4. Mr. Charoenrath Vilailuck <sup>(2)</sup>     | Director   |
| 5. Mr. Watchai Vilailuck <sup>(2)(3)</sup>      | Director / Chief Executive Officer / Chairman of the Risk Management Committee   |
| 6. Mr. Thananan Vilailuck <sup>(2)</sup>        | Director   |
| 7. Mrs. Sukanya Vanichjakvong <sup>(2)(4)</sup> | Director / President / Chairman of the Sustainable Development Committee / Risk Management Committee Member  |
| 8. Mr. Sirichai Rasameechan <sup>(2)(5)</sup>   | Director / Nominating and Compensation Committee Member / Risk Management Committee Member   |
| 9. Mr. Pracha Phathayakorn <sup>(2)(6)</sup>    | Director / Chief Operation Officer / Executive Committee Member / Risk Management Committee Member / Sustainable Development Committee Member          |

**Remark :** <sup>(1)</sup> Passed away on January 19, 2016, The Board of Director's Meeting No. 2/2016 on February 29, 2016 approved the appointment of Mr. Piyapan Champasut as Chairman of the Board of Directors and Audit Committee Member as his replacement effective from March 1, 2016;

<sup>(2)</sup> Representative directors from Samart Corporation Pcl., a major shareholder with 70.94 %;

<sup>(3)</sup> Resigned from Chief Executive Officer effective on December 31, 2015 but still remain as SIM's Director and Authorized Director. In replacement of Chief Executive Officer, the Board of Director's meeting has approved the appointment of Mr. Chakkrit Charuchinda, effective on January 1, 2016;

<sup>(4)</sup> Has been appointed as Director, effective on November 12, 2015;

<sup>(5)</sup> Resigned from SIM's Director, effective on December 31, 2015 but still remain position of Nominating and Compensation Committee Member. In replacement of SIM's Director, the Board of Director's meeting has approved the appointment of Mr. Chakkrit Charuchinda, effective on January 1, 2016;

<sup>(6)</sup> Has been appointed as SIM's Director on August 13, 2015.

## 2) Board of Directors of Samart Telcoms Pcl. (“SAMTEL”)

1. Mr. Sombut Uthaisang	Chairman / Independent Director
2. General Sumpun Boonyanun	Independent Director / Chairman of the Audit Committee / Chairman of the Nominating and Compensation Committee / Corporate Governance Committee Member
3. Mr. Vichai Pokasamrit	Independent Director / Audit Committee Member / Nominating and Compensation Committee Member / Chairman of the Corporate Governance Committee
4. Ms. Rapeepan Luangaramrut	Independent Director / Audit Committee Member / Nominating and Compensation Committee Member
5. Mr. Kajornvut Tayanukorn <sup>(1)</sup>	Director / Corporate Governance Committee Member
6. Mr. Charoenrath Vilailuck <sup>(2)</sup>	Executive Director
7. Mr. Watchai Vilailuck <sup>(2)</sup>	Executive Director / Chief Executive Officer
8. Mr. Sirichai Rasameechan <sup>(2)</sup>	Executive Director
9. Mr. Jong Diloksombat <sup>(2)</sup>	Executive Director / President / Chairman of the Risk Management Committee / Corporate Governance Committee Member / Chairman of the Sustainable Development Committee

*Remark :* <sup>(1)</sup> Representative director from Bangkok Bank Pcl., a major shareholder with 4.85%;

<sup>(2)</sup> Representative director from Samart Corporation Pcl., a major shareholder with 70.14%.

## 3) Board of Directors of Samart Comtech Co., Ltd. (“SCT”)

1. Mr. Charoenrath Vilailuck	Chairman
2. Mr. Watchai Vilailuck	Director
3. Mr. Jong Diloksombat	Director
4. Mr. Pornchai Krivichian	Director
5. Ms. Chotika Kamloonwesaruch	Director
6. Mr. Suchart Duangthawee	Director

Report of Directors attendance of the Company and Major Subsidiaries in 2015<sup>(1)</sup>

Directors	Number of Attendance / Total Number of Meeting			
	Samart Corporation Pcl. (SAMART)	Samart I-Mobile Pcl. (SIM)	Samart Telcoms Pcl. (SAMTEL)	Samart Comtech Co., Ltd. (SCT)
1. Dr. Tongchat Hongladaromp	8/8	-	-	-
2. Mr. Pradang Prichayangkun	8/8	-	-	-
3. Mr. Seri Suksathaporn	8/8	-	-	-
4. Mr. Prinya Waiwatana	8/8	-	-	-
5. Mrs. Siripen Vilailuck	7/8 <sup>(2)</sup>	-	-	-
6. Mr. Sirichai Rasameechan	8/8	8/8	7/7	-
7. Mr. Charoenrath Vilailuck	8/8	8/8	7/7	8/10 <sup>(4)</sup>
8. Mr. Watchai Vilailuck	8/8	8/8	7/7	10/10
9. Prof. Suphachai Phisitvanich	-	6/8 <sup>(3)</sup>	-	-
10. Dr. Chotivid Chayavadhanangkur	-	8/8	-	-
11. Mr. Kunthit Arunyananda	-	8/8	-	-
12. Mr. Thananan Vilailuck	-	7/8 <sup>(4)</sup>	-	-
13. Mr. Jong Diloksombat	-	7/8 <sup>(5)</sup>	7/7	10/10
14. Mr. Pracha Phathayakorn	-	2/8 <sup>(6)</sup>	-	-
15. Mrs. Sukanya Vanichjakvong	-	1/8 <sup>(7)</sup>	-	-
16. Mr. Sombut Uthaisang	-	-	6/7 <sup>(4)</sup>	-
17. General Sumpun Boonyanun	-	-	7/7	-
18. Mr. Vichai Pokasamrit	-	-	7/7	-
19. Ms. Rapeepan Luangaramrut	-	-	6/7 <sup>(4)</sup>	-
20. Mr. Kajornvut Tayanukorn	-	-	7/7	-
21. Mr. Pornchai Krivichian	-	-	-	10/10
22. Miss Chotika Kamloonwesaruch	-	-	-	10/10
23. Mr. Suchart Duangthawee	-	-	-	10/10

**Remark :** <sup>(1)</sup> Major subsidiaries which its revenue represent over 10% of Group revenue;

<sup>(2)</sup> Due to prior Company's business engagement;

<sup>(3)</sup> Passed away on January 19, 2016 during year 2015 has been absence from the meeting 2 times due to sickness;

<sup>(4)</sup> Due to prior business engagement abroad;

<sup>(5)</sup> Resigned from SIM's Director, effective on November 12, 2015;

<sup>(6)</sup> Has been appointed as SIM's Director, effective on August 13, 2015;

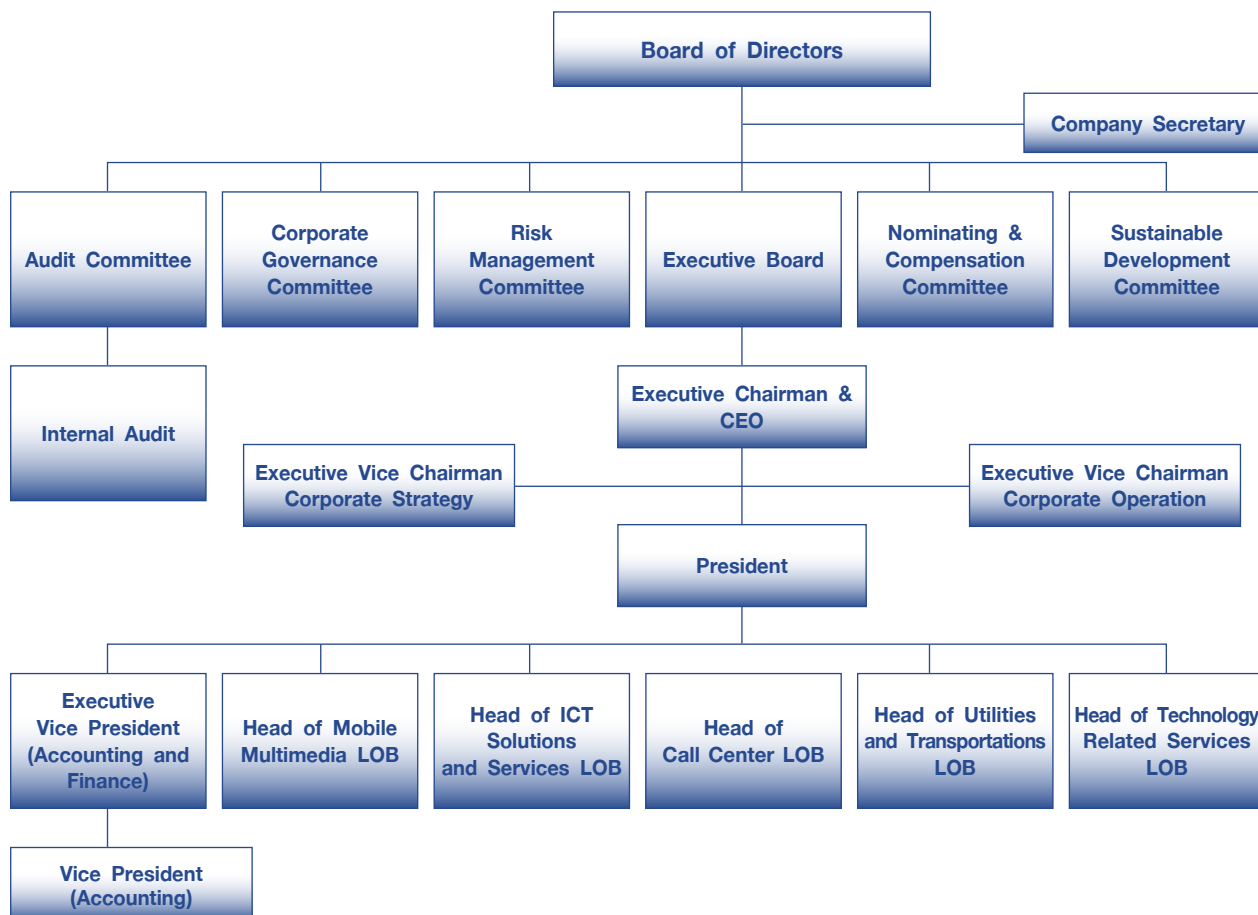
<sup>(7)</sup> Has been appointed as SIM's Director, effective on November 12, 2015.

Curriculum Vitae of Directors are provided in page 229.

## Management Structure

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, 2015 were 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 Call Center LOB / Acting Chief Operating Officer of Utilities and Transportations LOB / Acting Chief Operating Officer of Technology Related Services 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 <sup>(1)</sup>   | Executive Vice Chairman - Corporate Strategy  |
| 6. Mr. Chakkrit Charuchinda <sup>(2)</sup> | Head of Mobile Multimedia LOB   |
| 7. Mr. Pracha Phathayakorn                 | Executive Vice President (Accounting & Finance)   |

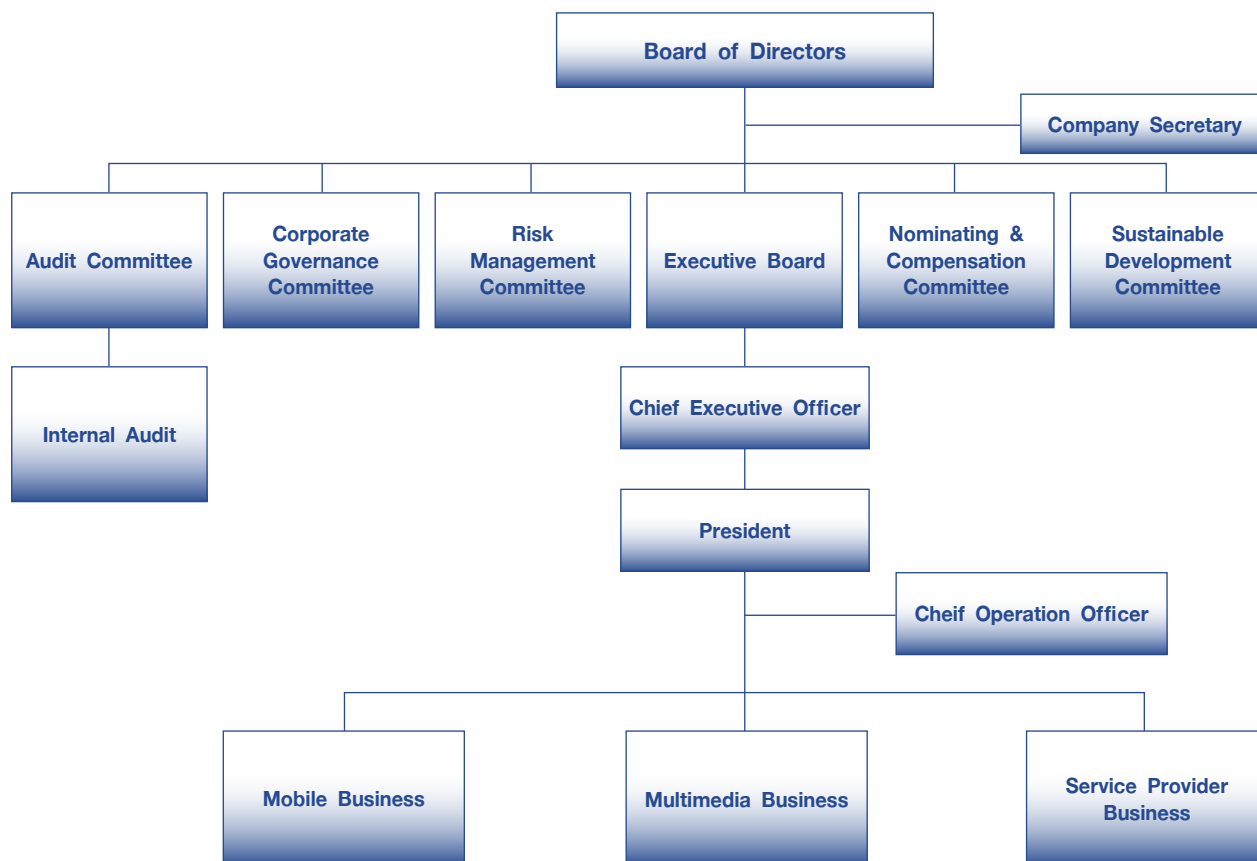
*Remark :* <sup>(1)</sup> Has been appointed as an Executive Vice Chairman - Corporate Strategy on December 19, 2015;

<sup>(2)</sup> Has been appointed as a Head of Mobile Multimedia LOB in replacement of Mr. Thananan Vilailuck on January 1, 2016.

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

**1) Samart I-Mobile Pcl.**

**Corporate Structure of Samart I-Mobile Pcl.**



*Remark : Corporate Accounting and Corporate Treasury are under Chief Operation Officer.*

**Management of Samart I-Mobile Pcl.**

- |  |  |
|--|--|
| 1. Mr. Watchai Vilailuck <sup>(1)</sup>      | Chief Executive Officer / Acting Managing Director - Service Provider Business               |
| 2. Mrs. Sukanya Vanichjakvong <sup>(2)</sup> | President / Acting Managing Director - Mobile Business                                       |
| 3. Mr. Pracha Phathayakorn                   | Chief Operation Officer  |
| 4. Mr. Kitanun Rakkasikorn <sup>(3)</sup>    | Managing Director - Multimedia Business, Seconded to be Managing Director, I-Sport Co., Ltd. |
| 5. Mrs. Sumolthip Srimek                     | Vice President - Accounting  |
| 6. Ms. Kusuma Kerdpol                        | Acting Vice President - Finance  |

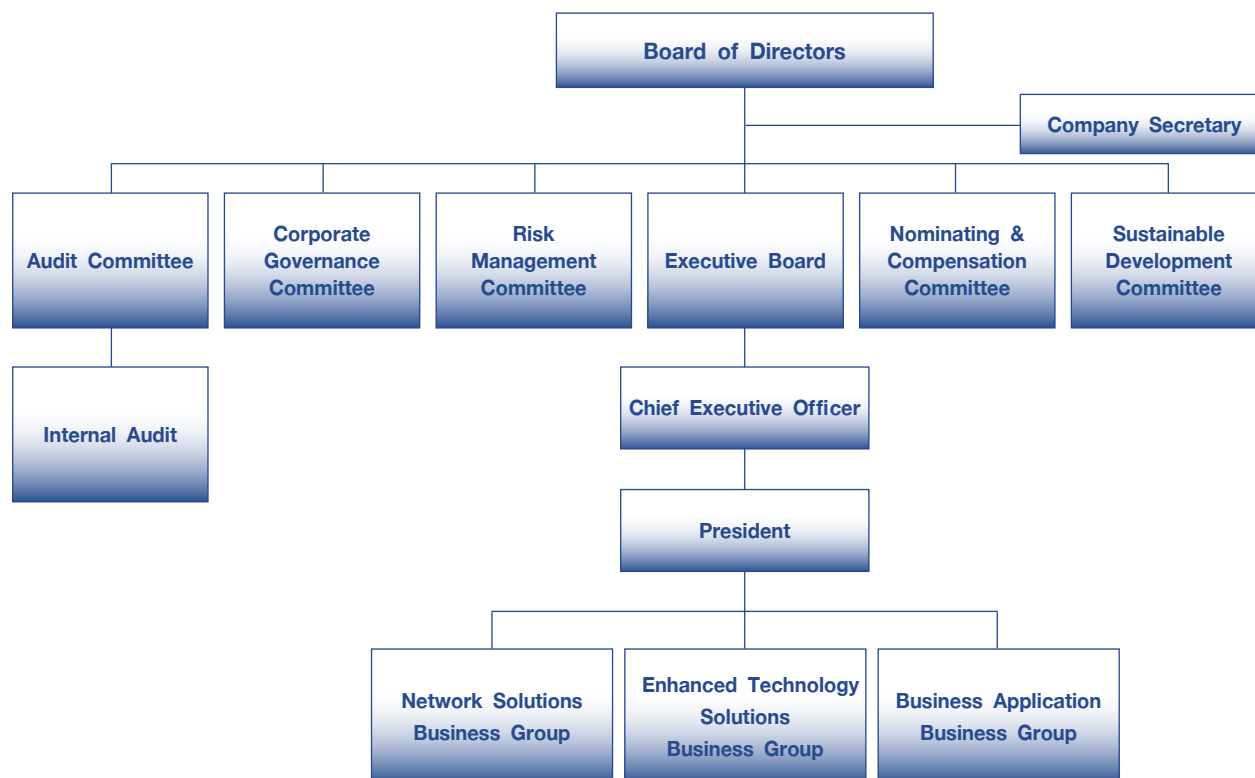
*Remark :* <sup>(1)</sup> Resigned for Chief Executive Officer, effective on December 31, 2015 but still remains Director and Authorized Director. In replacement of Chief Executive Officer, the Board of Director's meeting has approved the appointment of Mr. Chakkrit Charuchinda, effective on January 1, 2016;

<sup>(2)</sup> Has been appointed and effective on November 12, 2015;

<sup>(3)</sup> Name changed from Mr. Subhasiddhi Rakkasikorn to Mr. Kitanun Rakkasikorn on July 27, 2015.

## 2) Samart Telcoms Pcl.

### Corporate Structure of Samart Telcoms Pcl.



*Remark : Corporate Accounting and Corporate Treasury are under President.*

#### Management of Samart Telcoms Pcl.

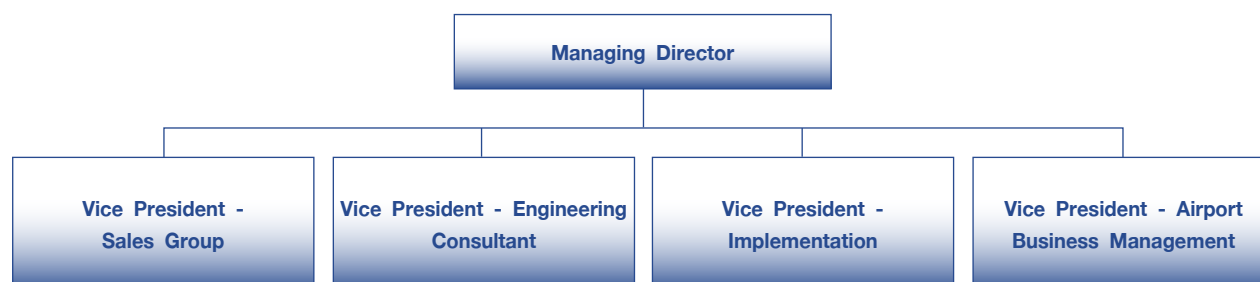
1. Mr. Watchai Vilailuck	Chief Executive Officer
2. Mr. Jong Diloksombat	President
3. Mr. Pornchai Krivichian	Executive Vice President - Network Solutions Business Group
4. Miss Chotika Kamloonwesaruch	Executive Vice President-Enhanced Technology Solutions Business Group
5. Mr. Suchart Duangthavee	Senior Vice President-Business Application Business Group
6. Mrs. Aroonluck Dilokwanich	Vice President - Corporate Accounting
7. Mr. Dhilokpat Nisamaneevong	Vice President - Finance & Investor Relations

*Remark :*

1. Has been appointed Miss Chotika Kamloonwesaruch as Executive Vice President-Enhanced Technology Solutions Business Group on March 15, 2016;
2. Has been appointed Mr. Suchart Duangthavee as Senior Vice President-Business Application Business Group on March 15, 2016;
3. Mr. Apichart Sirisalipochana on March 15, 2016.

## 3) Samart Comtech Co., Ltd.

### Corporate Structure of Samart Comtech Co., Ltd.



**Management of Samart Comtech Co., Ltd.**

- |                                 |  |
|---------------------------------|--|
| 1. Miss Chotika Kamloonwesaruch | Managing Director and Vice President - Sales Group |
| 2. Mr. Danaisak Khonsue         | Vice President - Engineering Consultant            |
| 3. Korn Vajanapoom, Ph.D.       | Acting Vice President - Implementation             |
| 4. Mr. Suchart Duangthavee      | Vice President - Airport Business Management (ABM) |

See details of the Company's management in the topic of the **"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 to comply with the new Securities and Exchange Act. B.E. 2551 ("The Securities Act 4."). The Board of Directors' meeting of the Company No. 9/2014 held on December 19, 2014 has appointed Mrs. Jirawan Rujisonthi as the Company Secretary in replacement of a former Company Secretary, effective on December 19, 2014 onwards.

Details of Company Secretary are provided under **"Directors, Managements and Company Secretary"** and **"Company Secretary's Role and Responsibilities"** in pages 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 2015 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 of the top managements shall be in accordance with principles and policies specified by the Nominating & Compensation Committee. Such remuneration is in the appropriated level and can be comparable with the rate of the same industry by taking into consideration duties, responsibilities and performance of the Company as well as performance of each top management. In addition, it must be able to motivate and retain the qualified and capable personnel.

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

For the remuneration of Chief Executive Chairman, it will be determined by the above criteria. The Board of Directors also conducts the performance evaluation of Chief Executive Chairman annually by each director. The results will be used to consider the remuneration of Chief Executive Chairman.

**In 2015, the Company paid remuneration to directors and managements of the Company and major subsidiaries as follows:**

**1. Total Remuneration in 2015: Total remuneration paid to directors and management in 2015 was as follows:**

**1.1) 2015 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 <sup>(1)</sup> (Baht)				Performance Bonus (Baht)	Total Amount (Baht)	
	Board of Directors <sup>(2)</sup>	Audit Committee	Corporate Governance Committee	Nominating & Compensation Committee			
1. Dr. Tongchat Hongladaromp Chairman / Independent Director	300,000	75,000	-	60,000	380,000	815,000	-
2. Mr. Pradang Prichayangkun Vice Chairman / Independent Director	150,000	180,000	45,000	45,000	330,000	750,000	-
3. Mr. Seri Suksathaporn Director / Independent Director	150,000	90,000	60,000	45,000	330,000	675,000	-
4. Mrs. Siripen Vilailuck Director	120,000 <sup>(3)</sup>	-	-	-	330,000	450,000	-
5. Mr. Charoenrath Vilailuck Director	150,000	-	-	-	330,000	480,000	-
6. Mr. Watchai Vilailuck Director	150,000	-	-	-	330,000	480,000	-
7. Mr. Sirichai Rasameechan Director	150,000	-	45,000	-	330,000	525,000	-
8. Mr. Prinya Waiwatana Director/ Independent Director	150,000	-	45,000	-	330,000	525,000	-
Total	1,320,000	345,000	195,000	150,000	2,690,000	4,700,000	-

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

<sup>(2)</sup> The 2015 meeting allowance is for 8 meetings of the Board of Directors meeting, 1 meeting of the Extraordinary General Meeting of Shareholders and 1 meeting of the Annual General Meeting of Shareholders;

<sup>(3)</sup> Different amount of meeting allowance for each director depended on number of participated meetings.

## 1.2) 2015 Cash &amp; Non-Cash Remuneration of the Executive Board and Management

Remuneration	Number of Persons	Total Amount
Salary <sup>(1)</sup>	6	20,070,000 (Baht)
Bonus <sup>(1)</sup>	6	2,564,375 (Baht)
Provident Fund <sup>(1) (2)</sup>	6	1,324,500 (Baht)

**Remark :** <sup>(1)</sup> The figures presented Salary, Bonus and Provident Fund for executives and management paid by the Company only. There were total 2 executives and management in 2015 with payment paid by the Company while other 4 executives and management received from other listed subsidiaries as follows:

- 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.
- Mr. Jong Diloksombat and Mr. Thananan Vilailuck received payment from other listed subsidiaries under other line of businesses. In 2015, Mr. Thananan Vilailuck has received the payment until December 2015 and will receive payment from the Company in 2016;

<sup>(2)</sup> 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.

## 2. Total Remuneration of Major subsidiaries in 2015 :

## 2.1) 2015 Cash &amp; 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 (Baht)				Performance Bonus (Baht)	Total Amount (Baht)	
	Board of Directors	Audit Committee	Corporate Governance Committee	Nominating & Compensation Committee			
1. Prof. Suphachai Phisitvanich <sup>(1)</sup> Chairman / Independent Director	180,000	60,000	-	-	350,000	590,000	-
2. Dr. Chotivid Chayavadhanangkur Director / Independent Director	120,000	180,000	60,000	75,000	300,000	735,000	-
3. Mr. Kunthit Arunyananda Director / Independent Director	120,000	90,000	45,000	100,000	300,000	655,000	-
4. Mr. Charoenrath Vilailuck Director	120,000	-	-	-	300,000	420,000	-
5. Mr. Watchai Vilailuck Director	120,000	-	-	-	300,000	420,000	-
6. Mr. Thananan Vilailuck Director	105,000	-	-	-	300,000	405,000	-
7. Mr. Jong Diloksombat <sup>(2)</sup> Director	105,000	-	30,000	-	300,000	435,000	-
8. Mr. Sirichai Rasameechan <sup>(3)</sup> Committee member	120,000	-	-	75,000	300,000	495,000	-
9. Mr. Pracha Phathayakorn <sup>(4)</sup> Director	30,000	-	-	-	-	30,000	-
10. Mrs. Sukanya Vanichjakvong <sup>(5)</sup> Director	15,000	-	-	-	-	15,000	-
Total	1,035,000	330,000	135,000	250,000	2,450,000	4,200,000	-

**Remarks :** <sup>(1)</sup> Passed away on January 19, 2016;

<sup>(2)</sup> Resigned from director, effective on November 12, 2015;

<sup>(3)</sup> Resigned from director, effective on December 31, 2015;

<sup>(4)</sup> Has been appointed as director on August 13, 2015;

<sup>(5)</sup> Has been appointed as director on November 12, 2015.

- 2015 Cash & Non-Cash Remuneration of the Executive Board and Management of Samart I-Mobile Pcl.

Remuneration <sup>(1)</sup>	Number of Persons	Total Amount
Salary	4	14,646,000 (Baht)
Bonus	4	1,482,375 (Baht)
Provident Fund <sup>(1)</sup>	4	1,174,020 (Baht)

*Remark : <sup>(1)</sup> Provident fund to executive directors and management have been provided by SIM at the rate of 3 - 10 percent of salary related to year of services.*

## 2.2) 2015 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 <sup>(1)</sup> (Baht)				Performance Bonus (Baht)	Total Amount (Baht)	
	Board of Directors	Audit Committee	Corporate Governance Committee	Nominating & Compensation Committee			
1. Mr. Sombut Uthaisang Chairman / Independent Director	180,000	-	-	-	350,000	530,000	-
2. General Sumpun Boonyanun Director / Independent Director	105,000	150,000	45,000	60,000	300,000	660,000	-
3. Mr. Vichai Pokasamrit Director / Independent Director	105,000	75,000	60,000	45,000	300,000	585,000	-
4. Ms. Rapeepan Luangaramrut Director / Independent Director	90,000	60,000	-	45,000	300,000	495,000	-
5. Mr. Kajornvut Tayanukorn Director	105,000	-	45,000	-	300,000	450,000	-
6. Mr. Charoenrath Vilailuck Director	105,000	-	-	-	300,000	405,000	-
7. Mr. Watchai Vilailuck Director	105,000	-	-	-	300,000	405,000	-
8. Mr. Sirichai Rasameechan Director	105,000	-	-	-	300,000	405,000	-
9. Mr. Jong Diloksombat Director	105,000	-	45,000	-	300,000	450,000	-
Total	1,005,000	285,000	195,000	150,000	2,750,000	4,385,000	-

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

- 2015 Cash & Non-Cash Remuneration of the Executive Board and Management of Samart Telcoms Pcl.

Remuneration	Number of Persons	Total Amount
Salary	4	16,116,000 (Baht)
Bonus	4	2,231,000 (Baht)
Provident Fund <sup>(1)</sup>	4	1,524,120 (Baht)

*Remark : <sup>(1)</sup> Provident fund to executive directors and management have been provided by SAMTEL at the rate of 3 - 10 percent of salary related to year of services.*

## 2.3) 2015 Cash &amp; Non-Cash Remuneration for Directors of Samart Comtech Co., Ltd. ("SCT")

- Meeting allowance shall not be paid to the Directors because all members are the executives who have remuneration as the executives already.
- 2015 Cash & Non-Cash Remuneration of the Management of SCT**

Remuneration	Number of Persons	Total Amount
Salary <sup>(1)</sup>	4	7,932,000 (Baht)
Bonus <sup>(1)</sup>	4	1,284,500 (Baht)
Provident Fund <sup>(1) (2)</sup>	4	700,200 (Baht)

*Remark : <sup>(1)</sup> The figure presented Salary, Bonus and Provident Fund of the executive directors and managements received from Samart Comtech Co., Ltd. only. During 2015 they were 3 executive directors and managements received the remuneration from Samart Comtech Co., Ltd. and Mr. Suchart Duangthavee, an executive director and management, has received the remuneration from Samart Telcoms Pcl.;*

*<sup>(2)</sup> Provident fund to executive directors and management have been provided by SCT at the rate of 3 - 10 percent of salary related to year of services.*

## 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)		
	2013	2014	2015
1. Mobile Multimedia	956	923	956
2. ICT Solutions and Services	1,369	1,419	1,346
3. Call Center	- N/A -	2,045	2,090
4. Utilities and Transportations	503	613	542
5. Technology Related Services	2,142	655 <sup>(1)</sup>	379 <sup>(1)(2)</sup>
<b>Total</b>	<b>4,970</b>	<b>5,655</b>	<b>5,313</b>

*Remark : <sup>(1)</sup> Since 2014, the Company listed the number of personnel by separating Call Center Business from Technology Related Services, thus the number of employees in Technology Related Service has been decreased;*

*<sup>(2)</sup> Number of employees has been decreased from 2014, mainly from the terminated contract of temporary staffs of the subsidiaries due to short term projects.*

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		
	2013	2014	2015
1. Salary	1,172.85	1,334.34	1,496.44
2. Bonus	137.43	143.09	148.21
3. Provident Fund	42.27	46.83	52.83
4. Other remuneration (overtime, special subsidy and commission)	148.75	103.30	161.73

## Human Resources Management and Development Policy

The company always regards that our employees are valuable and crucial fundamental for the company's sustainable success becoming 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:

- **Manpower planning Policy**

To support all lines of business in SAMART group, The Company has applied a variety of HR indicators and statistic tools in optimizing manpower planning also balancing among functional workloads to increase HRM & HRD policy efficiencies. These would enhance organizational design and restructuring as well as enable HR manpower policy and costing most effective to company leading to meet company's vision and mission at the first HR procedure.

- **Recruitment & Selection Policy**

The company continuously applies proactive approaches in recruiting capable people at all levels including of sourcing and attracting all levels of candidates by launching Campus Tour and Activities Programs in leading universities ,coordinating with business recruitment agency and allied business network to build SAMART group's branding to all external candidates. In Selection Policy, The company places importance on the selection process, focusing on the most appropriate knowledge, ability and attribute by which their virtues recruitment & selection combines cooperation among original affiliation , specialists in various careers and human resources to ensure that the process of recruitment & selection on good corporate governance. Furthermore, the company has relevantly applied new technology connection and social media to support this process. These would be capable people at all levels and lead them to success their owned career at SAMART leading to be the company's sustainable success.

- **Performance Development Policy**

SAMART ensures an equitable and appropriate performance evaluation system through applying KPIs approach cascading organization objectives through division and individual goals and corporate competencies methodologies aligning to business strategic planning at all levels throughout SAMART. In 2015, The Company has initially applied new global standard technology (SAP) to support Goal/KPIs and Performance Management i.e. closed monitoring, solution consulting and organizing arrange their owned and subordinators' Goal/KPIs .etc. at individual through top management level leading to be the company's sustainable success efficiently and effectively in organizational strategic management.

- **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 SMART. 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 diversified industry as well as strictly complying to labor law and compliance. These might ensure that our employees would receive appropriate and equitable compensation, benefit and welfare package being competitive in labor market or among leading companies in the industry.

- **Employee Relation & Engagement Policy:**

The company places strong emphasis on employee relationship among top executives and employees as well as two-way communication as a mean to communicate top management direction to all employees closely and directly percept employee's innovative, improvement and other open-mind ideas to enhance SMART business operations and other processes known as "Lunch & Learn Project".

Furthermore, Company concentrates on the employee relation and engagement at all levels of employees throughout SMART 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 corporate level. In 2014, there were a various ER&EE programs and activities to build synergy among employees, executives and organization i.e., SMART athletic activities, Open-mind activities, Synergy program, Employee Engagement activities and other activities (focused on Employee Relation) of company and D-Club (CSR program)...etc..

- **Employee Innovation Recognition Policy:**

To become innovation organization, the company has been organizing the SMART Innovation Award for SMART people. This Project is the contest of ideas in Marketing, Innovation and Business Plan within the Company to encourage all employees at all levels to participate in creating innovation which are actually beneficial to the organization. This enables SMART employees educating and reinforce employees participating in innovations on integral basis and materializing and effectuate the innovative and creativities to solve customers problems, to develop initiated goods, services and business processes beneficial to the organization, customers need and the society.

## **2. Human Resources Development Policy**

The company has a consolidated HRD policy to continuously develop the knowledge and ability of employees being appropriate to their owned position at all levels for leading them to success their owned career at SMART and also achieving business's needs and preparing to business expansion. 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 SMART strategy and operation not only for present day but the future business as well.

- **Career Development Policy:**

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

- **Employee Training & Development Policy:**

The company regards the employees as a key factor and fundamental to success as “Learning & Growth Aspect” in order to achieve business strategies and goals, resulting in corporate sustainable growth and business 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 Risk Management course, Project Management courses, Compliance and Law course, Financial and Accounting Standard courses, Computer skill and Technology related course, Marketing and Sales Management course, Information Technology & ISO standard courses and Administrative Management, 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 external standard 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 updating and exchanging new aspect with other organizations to apply some appropriate approach to organization relevantly.

- **Talent Management Policy and Succession Planning:**

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

Furthermore, the company always recognizes the importance of having a succession plan, especially at the top management level, to ensure continuity when there is a vacancy or to support expansion of business.

The Company has provided the training continuously and systematically in order to promote opportunities for them to have knowledge, management skill, problem solving skill and making effective decision. In addition, the Company has arranged internal and external training course 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 2015**

Training	Frequency	Number of Participants
In-House Training		
Managements	105	1,503
Employees	142	2,974
<b>Sub-Total</b>	<b>247</b>	<b>4,477</b>
External Training		
Managements	94	141
Employees	131	280
<b>Sub-Total</b>	<b>225</b>	<b>421</b>
<b>Total</b>	<b>472</b>	<b>4,898</b>

#### **Training Expenses in 2015**

In 2015, total expenses concerning the employees' participation in the trainings domestically and abroad of the Company and its subsidiaries were Baht 10.784 million. Total employees' training hours were 33,365 hours per year or averagely 6.8 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**

- Enterprise Risk Management
- ASEAN Economic Community
- The Standard Contract
- Implementation & Compliance for Legal Practitioner
- Legal and Mortgage Guarantee, as amended by the Act
- Happy Brain Happy Relax
- 60<sup>th</sup> Years Just a Beginning Empower the Future
- Personal Wow!
- Performance Management SAP Success Factor Competency Assessment
- CIT Revolution Teamwork
- SE Revolution Teamwork
- Admin to Professional
- Project Management
- Continuous Improvement
- Knowledge Sharing for HR
- Project Modern Supervisory Skill 2 days
- TOEIC Test 2015
- Orientation Samart Group
- Re-Orientation Samart Group
- Applications for SAP Module - Project System
- ISMS Awareness Training
- Applications for technical program Louts Notes
- Applications for technical program Open office
- Applications for technical program SPEED
- Applications for technical program Gimp, Inkscape
- Applications for technical program VDO. Conference (Web EX)
- CMMI Training (Role : Project Manager, Sales, Presales, Human Resources / Learning & Development, Configuration Manager, Procurement)
- CMMI Appraisal Method for Process Improvement

### External and International Courses

- Palo Alto Network 2016 in USA
- Aspect Apan Cloud Workshop in Singapore
- Ultra-Broadband Symposium Get To Fast Faster 3 in Taiwan
- Designing and Configuring Optical Networks in Vietnam
- Annual General Meeting “AGM”
- The 6<sup>th</sup> Training Course on Energy Literacy for Executive
- Thai 4D Workshop 2015
- ESG : The Factors of Sustainability
- Thai Business Council in Cambodia (TBCC) was organized seminar
- MAI FAMZI Club 2015
- Lao PDR : A Power Project Nirvana
- Innovation Marketing & Opportunity Capture
- ABC (Academy of Business Creativity)
- Executive Program in Information Technology Planning
- Big Data Essential : Hands-on
- Professional Coach Certification Program
- Advanced Energy Management and Building Data Center Reliability
- CPD’s TA and Accountant Annual 2015
- The Role of Executive in Driving Policy Against Corruption in the Organization
- The Design & Installation of Electrical System
- Technical Electricity from Renewable Energy
- Responsible Supply Chain Management
- CRM 2013 Foundation Technical
- Creative Efforts to Raise Awareness of Security Protection
- CSR Report
- Electronic Bidding : e-Bidding
- Digital Marketing Certificate
- Risk Oversight : High Priority Roles Of board
- Salary & Benefits Trend 2016

# 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 Corporate Governance Principle of SET has been resolved by the Board of Directors of the Company on February 29, 2016. 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 2015 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 2016 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 the ending date of the fiscal year since September 30, 2015 onward. For the meeting agenda proposal ended on January 31, 2016 and enquiries proposal ended prior to the meeting date of 2016 Annual General Meeting of the Shareholders. 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](http://www.samartcorp.com)) in the section of the "Investor Relations" under the title of "Enquiries submission prior to the Annual General Meeting of Shareholders 2016".

- **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 were two meeting in 2015, the Extraordinary General Meeting of Shareholders No.1/2015 which held on February 5, 2015 and the Annual General Meeting 2015 which held on April 29, 2015 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, the shareholders have been informed on the date and agenda of the meeting via SET's communication system 55 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](http://www.samartcorp.com)) in the section "Investor Relations" under the title of "the Annual General Meeting of Shareholders" 37 days before meeting date for the shareholders to have sufficient time for consideration. Same documents will be directly delivered to the shareholders by TSD, the Company's registrar, within 29 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 21 days prior to the meeting date to be in line with law.

In addition, in 2015, the Company has arranged the Extraordinary General Meeting of Shareholders on February 5, 2015 with main objectives to consider and approve the issuance and allocation of SAMART's Warrants (SAMART-W). This meeting has been conducted pursuant to the relevant laws, the Company's Articles of Association and corporate governance principles and the shareholders have approved all proposed agenda.

For convenience on registration for attending the shareholders' meeting of the institutional investors, the Company shall coordinate on preparation of proxy for them prior 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 2015 Annual General Meeting of Shareholders there were 7 directors from total of 8 directors, 1 director absence due to an overseas engagement. The Chairman of all Committees including the Chairman of the Audit Committee, the Company's Management, the Executive Vice President (Finance and Accounting), External Auditors as well as the 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 873 shareholders and proxies with voting rights attended the Extraordinary General Meeting of Shareholders No.1/2015 and 1,067 shareholders and proxies with voting rights attended for the Annual General Meeting of Shareholders. Moreover, for transparency on counting the vote in the meeting, the Company has invited representatives from Thai Investors Association to be the vote inspector as well as requested for additional volunteers from the shareholders to be inspector. 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. Moreover, after the completion of the meeting, the Chairman has announced to the shareholders to return the voting card to the Company's staffs for keeping as the evidence.

#### 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](http://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](http://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. The Extraordinary General Meeting of Shareholders No.1/2015 held on February 5, 2015 and Annual General Meeting of Shareholders 2015 held on April 29, 2015, there were 722 and 690 proxies respectively 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. Moreover, 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](http://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 **"1.2 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 Managements"**)

- 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 2015 securities holding information of the directors and the executives**

**Number of shares held in Company (shares)**

Directors / Executives	Before acquisition / disposition	Acquisition in 2015 Buy via SET	Disposition in 2015	31 Dec. 2015	Variance
1. Dr. Tongchat Hongladaromp <i>Spouse and minor children</i>	50,000 -	- -	50,000 -	- -	(50,000) -
2. Mr. Pradang Prichayangkun <i>Spouse and minor children</i>	500,000 -	- -	- -	500,000 -	- -
3. Mr. Seri Suksathaporn <i>Spouse and minor children</i>	927,750 -	- -	- -	927,750 -	- -
4. Mrs. Siripen Vilailuck <i>Spouse and minor children</i>	5,960,250 -	- -	- -	5,960,250 -	- -
5. Mr. Charoenrath Vilailuck <i>Spouse and minor children</i>	121,704,960 30,000	- -	9,000,000 -	112,704,960 30,000	(9,000,000) -
6. Mr. Watchai Vilailuck <i>Spouse and minor children</i>	131,877,160 28,375	1,900,000 -	7,800,000 -	125,977,160 28,375	(5,900,000) -
7. Mr. Sirichai Rasameechan <i>Spouse and minor children</i>	- -	- -	- -	- -	- -
8. Mr. Prinya Waiwatana <i>Spouse and minor children</i>	150,000 -	40,000 -	50,000 -	140,000 -	(10,000) -
9. Mr. Thananan Vilailuck <i>Spouse and minor children</i>	12,002,100 1,210,000	16,800,000 -	- -	28,802,100 1,210,000	16,800,000 -
10. Mr. Jong Diloksombat <i>Spouse and minor children</i>	- -	- -	- -	- -	- -
11. Mr. Pracha Phathayakorn <i>Spouse and minor children</i>	310,000 -	- -	- -	310,000 -	- -
12. Ms. Numthip Burapapongsanon <i>Spouse and minor children</i>	- -	- -	- -	- -	- -

- 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](http://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](http://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 form (Form 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](http://www.samartcorp.com) or the e-mail address at [Pongthep.V@samartcorp.com](mailto: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 2015 were summarized as follows:

- One on One Meeting with Analyst & Investors      60      Times
- Announcement of Company's Performance              4      Times
- Road Show    14      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 form (Form 56-1). (Details are provided under **"Management Structure" in the topic of "the Remuneration of Directors and Managements"**).

- **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**

More than half of the members of the Board of Directors are not a part of management team. Within this half, one-third of the directors and at least 3 members are independent and has no business relations or personal with the Company's Management. Free from executives' influences, they oversee the Company's direction with neutrality and pay careful attention to the rights of shareholder and stakeholder. To strike a balance of power within the Company, the positions of Chairman of Board of Directors and CEO must not be attained by the same person. The Chairman of Board of Directors should be an independent member.

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 2 Independent Directors namely Dr. Thongchat Hongladaromp and Mr. Pradang Prichayangkul have working experience relating to the Company's business.**

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

- **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 the topic of **"3. Nomination and appointment of the Directors and Management"**.

### 5.5) Board of Directors' Activities in 2015

#### 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 **"Policy and Overview on business Operation"** in the topic of **"Corporate Vision, Mission, Goals and Strategies"**.

#### 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 **“1.2 Business Ethics”** 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. Committees”**. In addition, Committees’ Charters have also been set and disclosed on the Company’s website ([www.samartcorp.com](http://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. **In addition, the Board of Directors set its quorum of the meeting to be at least 2/3 of all directors attending in the meeting.**

Details of directors' attendance for 2015 with total 8 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	7-8	8/8	<ul style="list-style-type: none"><li>- Considered the Company Operating Performance and Financial Statements for 2014 as well as quarterly performance of 2015;</li><li>- Considered the sufficiency of the Company’s Internal Control System;</li><li>- Acknowledged the 2014 Committees’ activities;</li><li>- Acknowledged Assessment Result on Quality on Arrangement of AGM of Shareholders for 2015, Assessment Result on Corporate Governance of Thai Listed Companies for 2015;</li><li>- Acknowledged the assessment of CG according to ASEAN CG Scorecard 2014/2015;</li><li>- Acknowledged the 2015 Assessment Result on sustainable Anti-Corruption Progress Indicators of Thai Listed Companies;</li><li>- Acknowledged the SET Sustainability Awards 2015;</li><li>- Acknowledged the 2014 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 2015;</li><li>- Considered the interim payment for first six months of 2015;</li><li>- Considered the dividend payment for year 2014;</li><li>- Considered matters concerning to 2015 AGM agenda and provide opinions to shareholders for consideration;</li><li>- Considered the appointment of Committees’ members;</li><li>- Considered Annual Salary increase for 2016, 2015 Bonus and 2016 Bonus Payment Policy;</li><li>- Considered the Directors &amp; Officer Liabilities and Corporate Reimbursement Insurance;</li><li>- Reviewed and revised the Company’s Corporate Governance Policy, Business Ethics and Committee Charter;</li><li>- Considered vision, mission and the Company’s 2016 business plan;</li><li>- Considered to allow the minority shareholders to propose matter in the agenda and enquiries prior to the meeting date of AGM;</li><li>- Acknowledged the securities holding report of the Company’s directors and the executives which has been changed from the previous meeting;</li><li>- Considered and approved on the establishment of the Company subsidiary and the management appointment of its subsidiary;</li><li>- Considered the Samart Group business positioning and new image guideline;</li><li>- Considered and approved the appointment of Chief of Internal Audit Department and Audit Committee’s Secretary replaced for the existing one who resigned;</li><li>- Considered and approved the criteria additional revision on the Related Party Transactions of the Company or between subsidiaries and Executive Directors or the connected person in normal business transactions / supporting the normal business transactions with related parties under standard business terms;</li></ul>
2.	Mr. Pradang	Prichayangkun	Apr. 2008	7-8	8/8	
3.	Mr. Seri	Suksathaporn	Feb. 1999	16-11	8/8	
4.	Mrs. Siripen	Vilailuck	Feb. 1993	22-10	7/8 <sup>(1)</sup>	
5.	Mr. Charoenrath	Vilailuck	Feb. 1993	22-10	8/8	
6.	Mr. Watchai	Vilailuck	Feb. 1993	22-10	8/8	
7.	Mr. Sirichai	Rasameechan	Feb. 1996	19-10	8/8	
8.	Mr. Prinya	Waiwatana	Apr. 2010	5-8	8/8	

Remark : <sup>(1)</sup> Due to the Company business engagement.

Directors	Directorship in the Company	Term of Directorship (Year- month)	Number of Attendance /Total Number of Meeting	Summary of consideration
				<ul style="list-style-type: none"> <li>- Considered and approved the distribution of the investment in ordinary shares of subsidiaries;</li> <li>- Considered and approved on the Related Party Transactions;</li> <li>- Considered and approved the appointment of the managements.</li> </ul>

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 2015, the committee conducted 6 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	6/6 5/6 <sup>(1)</sup> 6/6	<ul style="list-style-type: none"> <li>- Reviewed the financial statement and the consolidated financial statement of the Company and its subsidiaries for 2015 to ensure that the financial reporting system is correctly, adequately disclosed and beneficial to the operators;</li> <li>- Reviewed the connected transactions or transactions which may have conflict of interests with the Company to ensure that the Company's consideration procedures are transparent and fair including the information has been adequately, correctly and completely disclosed in the financial statement and has complied with the laws on securities and stock exchange;</li> <li>- Reviewed on strictly compliance with the laws and operating guidelines prescribed The Securities and Exchange Commission (SEC) as well as other relevant laws. In addition, the Internal Audit Unit always randomly reviewed such compliance to strengthen confidence of the shareholders and the investors. In this regard, the Company's assessment result on compliance with good corporate governance received favorable feedback continually ;</li> <li>- Reviewed the company's internal control system on quarterly basis to ensure that the Company has adequate and appropriate internal control system and also urged the Internal Audit Department to follow up the matters assigned to sure that the management has revised or improved the works pursuant to its recommendations within the time frame specified in the audit report.</li> <li>- Considered duties and responsibilities of the Internal Audit Unit to make them in line with the international standards as well as approved the internal audit plan for 2015 to ensure that the internal audit activities are effectively and efficiency.</li> <li>- Considered the nomination, appointment and annual remuneration of the external auditor for 2015 to propose to the Board of Directors to further request for approval from the shareholders' meeting;</li> <li>- Performed self-assessment prepared to ensure that the Committee has independently performed duties with good governance, adequately supervised the internal control systems to make them appropriate with the business operations. The assessment results showed that the Audit Committee could perform duties as per assigned and apply knowledge and capability prudently and independently as well as provide recommendations which were benefit to all stakeholders.</li> </ul>

*Remark : <sup>(1)</sup> Due to prior business engagement.*

### 3) Executive Board

In 2015, the committee conducted 12 meetings, were as follows:

Directors	Number of Attendance/ Total Number of Meeting	Summary of consideration
1. Mr. Charoenrath Vilailuck	12/12	<ul style="list-style-type: none"> <li>- Quarterly considered business operation plan and solutions of each LOB;</li> <li>- Monthly reviewed and monitor business operations to be in line with the plan;</li> <li>- Considered the followings prior to submit for further approval from the Board of Directors: <ul style="list-style-type: none"> <li>• Investments/Dispose of investments;</li> <li>• The Company's 2016 Strategic Implementation Plan;</li> </ul> </li> <li>- Considered Annual Salary increase for 2016, 2015 Bonus and 2016 Bonus Payment Policy for the employees and the management of the Company proposed for further consideration to the Nominating &amp; Compensation Committee;</li> <li>- Considered new hire and promotion of manpower;</li> <li>- Considered the employees' marketing ideas and business plans contest;</li> <li>- Considered and approved on the establishment of the Company subsidiary and the management appointment of its subsidiary.</li> </ul>
2. Mr. Watchai Vilailuck	9/12 <sup>(1)</sup>	
3. Mr. Sirichai Rasameechan	12/12	
4. Mr. Jong Diloksombat	12/12	
5. Mr. Thananan Vilailuck	9/12 <sup>(1)</sup>	
6. Mr. Teerachai Phongpanangam <sup>(2)</sup>	7/12	

*Remark :* <sup>(1)</sup> Went abroad for business trip.

<sup>(2)</sup> Has been appointed as Executive Director on May 13, 2015.

### 4) Corporate Governance Committee

In 2015, the committee conducted 3 meetings, were as follows:

Directors	Number of Attendance/ Total Number of Meeting	Summary of consideration
1. Mr. Seri Suksathaporn	3/3	<ul style="list-style-type: none"> <li>- Acknowledged to allow the minority shareholders to propose matter in the agenda and enquiries prior to the meeting date of AGM 2015;</li> <li>- Acknowledged the Board Self-Assessment, CEO and Company Secretary Assessment Evaluation for 2014;</li> <li>- Reviewed and considered the amendment of Company's Corporate Governance Policy, Business Ethics and Committee Charter in line with the international corporate governance criteria;</li> <li>- Considered the 2014 Corporate Governance Committees' activities;</li> <li>- Considered Corporate Governance Report to disclosed Annual Report 2014;</li> <li>- Acknowledged the assessment of CG according to ASEAN CG Scorecard 2014/2015;</li> <li>- Acknowledged assessment result on sustainable development level with regard to anti-corruption of the Thai Listed Companies in 2015;</li> <li>- Acknowledged the announcement of sustainable awards of the listed companies in 2015;</li> <li>- Considered the criteria of Corporate Governance evaluation for 2016;</li> <li>- Considered the Board and Committees Self Assessment Form for 2015;</li> <li>- Considered the criteria of CEO and Company Secretary Assessment for 2015;</li> <li>- Arranged the meetings between the Company's Non-Executive Directors without the participation of the Company's Management to discuss the management problems of the Company.</li> </ul>
2. Mr. Pradang Prichayangkun	3/3	
3. Mr. Sirichai Rasameechan	3/3	
4. Mr. Prinya Waiwatana	3/3	

## 5) Nominating & Compensation Committee

In 2015, the committee conducted 3 meetings, were as follow:

Directors	Number of Attendance/ Total Number of Meeting	Summary of consideration
1. Dr. Tongchat Hongladaromp	3/3	<ul style="list-style-type: none"> <li>- Selected, and nominated appropriate candidates to be the Directors for replacement;</li> <li>- Selected, and nominated appropriate candidates to be the Committee Member;</li> <li>- Considered remuneration of Board members and Committees' members;</li> <li>- Considered Annual Salary increase for 2016, 2015 Bonus and 2016 Bonus Payment Policy;</li> <li>- Considered the 2014 Nominating &amp; Compensation Committees' activities;</li> <li>- Considered the selected and nominated the appropriate candidates to be management.</li> </ul>
2. Mr. Pradang Prichayangkun	3/3	
3. Mr. Seri Suksathaporn	3/3	

## 6) Risk Management Committee

In 2015, 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"> <li>- Acknowledged organization risks and important risks of the Business Groups 2015;</li> <li>- Advised and guidelines on risk management to the executives within the Group of Companies;</li> <li>- Supervised and followed up on compliance with the risk management policy and framework continually to ensure that the Group of Companies will have effective risk management system;</li> <li>- Reviewed and improved risk management policy of the Group of Companies to make it in line with the specified business operation plans;</li> <li>- Encouraged the executives and the employees on realization of the importance of risk management so that the Group of Companies can achieve the set targets.</li> </ul>
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. Pracha Phathayakorn	3/3	

## 7) Sustainable Development Committee

In 2015, the committee conducted 2 meetings, were as follow:

Directors	Number of Attendance/ Total Number of Meeting	Summary of consideration
1. Mr. Watchai Vilailuck	2/2	<ul style="list-style-type: none"> <li>- Considered on participation in Sustainability Awards contest and provide information for the Stock Exchange of Thailand on preparation of the list of Thailand Sustainability Investment;</li> <li>- Reviewed the Company's social responsibility policy;</li> <li>- Enhanced the Company's arrangement of the activities to cultivate the employees' consciousness on having volunteer spirit, sacrificing for the benefit of the society;</li> <li>- Conducted the Sustainable Development Committee self-evaluation for 2015 and the assessment results including the recommendations shall be used for improving with aims for the efficiency of the operations;</li> <li>- Monitored operational results on social responsibility activities of the Company in 2015;</li> <li>- Considered the report of the Sustainable Development Committee to disclose in the annual report 2015.</li> </ul>
2. Mr. Sirichai Rasameechan	2/2	
3. Mr. Jong Diloksombat	2/2	
4. Mr. Thananan Vilailuck	2/2	
5. Mr. Pracha Phathayakorn	2/2	
6. Mr. Teerachai Phongpanangam	2/2	
7. Mrs. Rosalin Charoenwong	2/2	
8. Mrs. Phongsri Saluckpetch	2/2	
9. Ms. Kanokwan Chanswangpuvana	2/2	
10. Mrs. Jirawan Rujisonthi	2/2	

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

#### **Meeting among members of Non-Executive Directors**

In 2015, the Company has arranged the meeting among only members of the Non-Executive Directors of the Company prior or after 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 **"1.2 Business Ethics"**).

#### **5.7) Internal Control System and Internal Audit**

(Details are provided under **"Internal Control System, Risk Management and Anti-Corruption"**)

#### **5.8) Risk Management**

(Details are provided under **"Internal Control System, Risk Management and Anti-Corruption"**)

#### **5.9) Board, Committees, CEO and Company Secretary Assessment**

##### **5.9.1 Board Self-Assessment**

The Corporate Governance Committee has initiated the Self Assessment form for Board members to review and evaluate their performance for 2015 as a whole. The assessment form, which has been approved by the Board of Directors in its meeting No.8/2015 on December 18, 2015 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, 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 **97.84%**.

##### **5.9.2 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 2015. The assessment form, which has been approved by the Board of Directors in its meeting No. 8/2015 on December 18, 2015. 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 **98.89%**.

### 5.9.3 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 **98.13%**.

### 5.9.4 Committee Self-Assessment

The Corporate Governance Committee has initiated the Self Assessment form for Committee members to review and evaluate their performance for 2015 were as follows: Executive Board Member, Nominating & Compensation Committee, Corporate Governance Committee, Risk Management Committee and Sustainable Development 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.8/2015 on December 18, 2015 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 **95.00%**;
2. Corporate Governance Committee has an **excellent** evaluation by obtaining average score **100%**;
3. Nominating & Compensation Committee has an **excellent** evaluation by obtaining average score **99.70%**;
4. Risk Management Committee has an **excellent** evaluation by obtaining average score **93.80%**.
5. Sustainable Development Committee has a **very good** evaluation by obtaining average score **89.17%**.

### 5.9.5 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.8/2015 on December 18, 2015 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 **98.65%**.

#### 5.9.6 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.8/2015 on December 18, 2015 and sent to all directors for assessment. 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 **97.79%**.

#### 5.10) Development of Directors and Management

The Company specified that whenever there is a change of director, there shall be an orientation for a new director every time so that he/she can adequately acknowledge essential information before performing duties. 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.

However, during the past year, no new director has been appointed as an additional member of the Board of Directors, so the Company has not arranged the orientation for the new director for 2015.

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 2015, the directors have attended the additional training courses as follows:

Directors	Courses
1. Mr. Watchai Vilailuck	<ul style="list-style-type: none"> <li>- Top Executive Program in Energy Literacy for a Sustainable Future (Class 6), Thailand Energy Academy (TEA);</li> <li>- Top Executive Program in Industrial Development and Investment (Class 2), Institute of Business and Industrial Development (IBID).</li> </ul>
2. Mr. Pradang Prichayangkun	<ul style="list-style-type: none"> <li>- Annual Seminar 2015 "Various Topics for Audit Committee" by EY Office Company Limited.</li> </ul>

## 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 29, 2016 and the meeting had also approved the additional policies of Money Laundering Policy and Tax Policy in the Company business ethics 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, Managements, Employees and relevant parties must disclose the transactions with interest to the Audit Committee to consider the appropriateness of such transactions. The Audit Committee will carefully review prior to submit with opinion 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 2015, total amount of medical treatment fee reimbursed by the employees of the Company and its subsidiaries amounted to Baht 3.94 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, in case of death of the employee or his/her immediate family member, the funeral allowance shall be provided, in case the employee is sick or gives birth, a visiting in hospital shall be arranged and fitness center and special discount for Company's products, including 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 2015, the Company has awarded 2 scholarships at master degree levels to the employees, i.e. 2 on 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.

### Record on 2015 accident at work of Samart Group

LOB	Lost Time Accidents in 2015 (Time)
1. ICT Solutions and Services	-None-
2. Mobile Multimedia	-None-
3. Call Center	-None-
4. Utilities and Transportations	-None-
5. Technology Related Services	-None-

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](http://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](http://www.samartcorp.com)).

- **Customer policies**

The Company has a policy to put emphasis on creation of satisfaction and confidence values to our customer, the Company's benefactor, on continued basis and such practices have been disclosed in the Company's business ethics. 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;

- SIM and its subsidiaries including control and inspection of product's quality before distribution. The Company has launched many models of mobile phones with variety functions to serve customers' needs in all levels and continued to improve after sales services. The i-mobile service centers provide a total solution to customers both the complete mobile phone sales and repair services. The technicians have been stationed at the repair centers to oversee the repair works, upgrade software and provide other services to customers as well as guarantee to change new product immediately within 7 days if there is any problem and has spare units while repairing. In addition, the Company provides training course to our employees who work at service centers nationwide continuously in order to give more understanding of products and services and expertise to answer questions and solve problem of customers in a timely manner. SIM has appointed the Authorized Service Centers and Drop Points to service customers nationwide with the same quality as i-mobile service centers.

Moreover, the Company provides call center services for consultation and complaint of customers, and also for control the quality prior release for satisfaction in goods and services of customers.

Moreover, the Company set Customer Retention Management (CRM) unit called "i-club". The customer who has service at i-mobile shop and subscribe as a member of i-club will receive 10% discount for new product, 30% discount for accessories. In addition, there are special activities, benefits and 10-40% discounts from the leading stores participating. At present, total i-club members are more than 700,000. 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.

- Samart Telcoms Public Co., Ltd. offers a full range of integrated business throughout supply chain for customer services and the establishment of nationwide service center, by Samart Communication Services Co., Ltd. for Flexibility Conveniently and earlier service of ICT Solution and Services to customers provides support have 38 centers nationwide and Network Operation Center (NOC), which provides design and failure analysis to clients 24 hours.
- Samart Communication Services Co., Ltd. has been ISO 20000 standard for quality IT service management to improve customer satisfaction for customers.
- Samart Communication Services Co., Ltd. and Samart Comtech Co., Ltd. maintain the standard of service from ISO 9001:2008 which receive more confidence in their services from customers.
- Samart Infonet Co., Ltd increased customer satisfaction by improvement and development of customer service through CRM system and increased our engineers' skills and expertise through international certification.
- Net Service (Thailand) Co., Ltd focused more on development of specialized information technology to be core products e.g. Human Resource Management and Website Management and the Company also enhanced its staffs' efficiencies by continuous training for knowledge in Information Technology.
- Posnet Co., Ltd. provided development of Electronic Data Capturing system for commercial banks to support new technologies serving current customers such as TLE security Version 3 and 3G network connection.
- Smarterware Co., Ltd. provided staffs training programs of new technologies according to the direction for application development. The company has continuously monitored and verified works under the process to ensure understanding of software application development compliance with CMMI Level 5. More importantly, the company has still maintained international standard of CMMI Level 5, the highest level certified by Software Engineering Institute (SEI) in development process of quality software development. Moreover, the company targeted development of expertise in GIS and Mobile Application development.
- Portalnet Co., Ltd. has expanded staff knowledge to cover SAP Solution Manager and SAP HANA also received Partner Center of Expertise certification from SAP, which is a testament for a quality SAP maintenance service.
- One To One Contacts Public Company Limited has developed quality service to be a multi-channel contact center supporting all service requirements. The Company launched Cloud Contact Center and Social Media Monitoring which are modern and well-known technologies in overseas to develop customers' business.

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

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 has the policy on treatment with business competitor under rules and fair competitions to encourage trading such practice have been disclosure in the Company's Business Ethics 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.

- **Anti-Corruption policies**

The Company operates business by adhering to good corporate governance principle. Anti-corruption policy has been specified as fraudulent act might occur from operation and transaction with the stakeholders, where the directors, the executives and the employees of the Company, the subsidiaries and the affiliated companies shall strictly comply with. The Company has disclosed in the Company's code of Business Ethics, so that the employees shall use it as the practical guidelines. In addition, details on anti-corruption policy, practical guidelines on anti-corruption and operating results on compliance with such policy have been disclosed in **"Internal Control, Risk Management and Anti-Corruption"**.

- **Money Laundering Policy**

The Company realizes the importance of and adherence to criteria and laws relating to anti-money laundering. The Company will strictly adhere to the laws and regulations and Anti-Money Laundering Act B.E. 2542 including its amendments.

- **Tax Policy**

The Company's tax practices shall be fully and correctly pursuant to the laws as follows:

1. Tax planning and management by paying tax correctly and completely as per specified by the laws.
2. Remit tax within the period of time specified by the law.
3. Conduct risk assessment which may impact to tax payment correctively.

- **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 2015, 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 2015, the Company has 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. The Company has promoted environmental care and efficient use of resources among its employees via both internal communications and the “Reduce and Reuse” project every year. In 2015, the Company organized the project under the concept “Lor.Ling Plus, Minus, Multiplied, Divided by” concept with aim to encourage the behavioral changing and realize the use of resources with the most benefits through The “Roadshow” events and internal media advertising for create the awareness about saving energy in their daily lives to internal staffs. 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 has specified Non-violation of human rights policy by 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](http://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](http://www.samartcorp.com) under **"Contact Us"**.

Mailing Address : Secretary to the Audit Committee  
 Samart Corporation Public Company Limited  
 99/1 Moo 4, Software Park, 35<sup>th</sup> 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](http://www.samartcorp.com)) and HR's website ([www.samarthre.com](http://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](http://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; the Audit Committee, the Executive Board, the Corporate Governance Committee, the Nominating & Compensation Committee, the Risk Management Committee and the Sustainable Development Committee.

### 1) Audit Committee members <sup>(1)</sup> as of December 31, 2015

- |    |                                     |  |
|----|-------------------------------------|--|
| 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)                          |
|    | Miss Nantana Khangui <sup>(2)</sup> | Secretary of the Audit Committee                       |

*Remarks:* <sup>(1)</sup> 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 229.

<sup>(2)</sup> Has been appointed as Secretary of the Audit Committee on February 25, 2015.

### 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

- Review the Company's financial statement to ensure its accuracy and adequacy;
- 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 propose the appointment, rotation or dismissal chief of internal audit of the Company or any other related function who takes responsibilities to internal audit;
- 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 of the external auditors including propose their remuneration for further consideration;
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, 2015

- |  |  |
|--|--|
| 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                                       |
| 6. Mr. Teerachai Phongpanangam             | Member                                       |
| 7. Mr. Chakkrit Charuchinda <sup>(1)</sup> | Member                                       |

*Remarks: <sup>(1)</sup> Has been appointed as an Executive Board member on February 29, 2016.*

**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 managements 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, 2015

- |                              |  |
|------------------------------|--|
| 1. Mr. Seri Suksathaporn     | Chairman of the Corporate Governance Committee<br>(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 managements 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 directors, managements 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, 2015

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

**Terms of positions**

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

**Roles and Responsibilities of the Nominating & Compensation Committee**

1. Recruit, select, and nominate appropriate candidates for independent directors, Chairman of the Boards and Board members proposed to consideration of Board of Directors and/or further approval of the shareholders when those positions are vacant due to termination of terms or other reasons;

2. 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, 2015

- |                               |   |
|-------------------------------|---|
| 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. Pracha Phathayakorn    | Member                                    |

*Remark: The Board of Directors meeting on February 29, 2016 has approved the revision of the composition and qualification of the risk management committee by specify the members to be in Board Level and will be effective in May 2016.*

**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 managements 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, 2015

- |                                |  |
|--------------------------------|--|
| 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 Salucketch	Member
9. Ms. Kanokwan Chanswangpuvana	Member
10. Mrs. Jirawan Rujisonthi	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 appointments of the Directors and Managements**

- **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 managements. 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** to ensure that it conforms to the Company's business operation strategies. In case of vacancy by rotation or appointing of new director, the Nominating and Compensation Committee and Independent Directors will propose the appropriate candidate to the Board of Directors for approval and for further approval of the shareholder. 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, managements 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 managements 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 conflicts of interest protection have been set not only in the Company's Business Ethics but also disclosed in **"1.2 Business Ethics" under the topic of "Conflicts 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.

## 6. Compliance with other good corporate governance principles

The Company has complied with the Principles of Good Corporate Governance for Listed Companies pursuant to the guidelines specified by the Stock Exchange of Thailand, however, there were some principles that the Company have not yet complied with and the reasons for such non-compliances are as follows:

### **Section II: Equitable Treatment of Shareholders**

1. The Company has not yet allowed the minority shareholders to nominate candidates for directorships. However, the Board has appointed the Nomination and Compensation Committee (NC Committee) to nominate and propose the candidate to be the member of the Board by taking into consideration the information in the Director Pool Database of the Thai Institute of Directors. Other duties of the NC Committee are to recruit and select the appropriated candidates for directorships as per specified by the laws and the criteria, by considering from their qualifications, experiences, knowledge and expertise which are useful to the Company as well as necessary skills that the current member of the Board still lacks and then to further propose for the Board's consideration and for the shareholders' approval.
2. The Company has not yet specified the cumulative voting process for the director but the shareholder is entitled to vote on individual nominee where the Company shall nominate director's name and allow the shareholder to vote individually. One share of each shareholder shall have one vote pursuant to the Company's articles of association. By this way the shareholders shall truly select their desired director.
3. The Company has not yet established the procedure which specified that the directors and the top executives shall notify their trading activity of the Company's securities at least 1 day in advance before trading to the Board or the person appointed by the Board. However, even though the Company does not have such policy, the Company has a policy that the directors and the top executives shall report a change of their ownership of the Company's securities during the Board's meeting every time.

### **Section V: Responsibilities of the Board**

1. The Company did not establish a policy to set a limit that an individual executive director can hold director position in not more than 2 others listed companies and outside business group, but the Company has established a policy which specified that an individual director shall not hold director position in more than 5 listed companies. In addition, the Company has established the policy which stated that before any top executive holds the director position in other company, he/she shall notify the Executive Board for consideration and approval. In addition, he/she shall not be the director in the company which engages in the same business with the Company or the company which has competitive nature against the Company. The Nomination and Compensation Committee shall consider on appointment of the nominee for the directorship of the Company by taking into account the knowledge, capability and adequate time such person can devote to perform responsibilities for the Company.
2. None of the Company's Independent Director who is a member of the Board is a woman. However, one of the Company's Non-Executive Directors is a woman. Nonetheless, the Company does not have a policy on sexual discrimination in employment at all.
3. Ratio of the Company's Independent Directors who are the members of the Board is 50%, which is closed to the number of more than 50% as per specified in the Principles of Good Corporate Governance. At the same time, ratio of the Non-Executive Directors who are the members of the Board is 62.5% which is slightly less than the number of 66% as per specified in the Principles of Good Corporate Governance.
4. The Company has not yet participated in Thailand's Private Sector Collective Action Coalition Anti-Corruption Scheme (CAC). However, in 2015, the Company has joined the Partnership Against Corruption for Thailand (PACT) to attend the training courses and gather recommendation on anti-corruption procedures. The Company's representatives constantly attended the meetings with PACT as well as studied the operating procedures on participation with CAC. Currently, the Company is now considering on appropriateness and readiness on becoming the member of the CAC.

# Internal Control, Risk Management and Anti-Corruption

## 1. Internal Control in 2015

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

The Company puts emphasis on adequacy, appropriateness and coverage of its internal control system for all activities of its business operations in order to increase efficiency and effectiveness. Such internal control system has been continually developed by applying the principles and guidelines of The Committee of Sponsoring Organization of the Treadway Commission (COSO) and the Enterprise Risk Management (ERM) to ensure that all of its operation procedures can have proper internal control and risk management systems which comprised of 8 components as follows:

#### 1) Control Environment

The Company intends to operate businesses by clearly adhering to Good Corporate Governance principles, integrity and ethics. Responsibility as well as approval authority have been clearly segregated and they have been revised to make them constantly conform to the changes of the businesses. Key performance indicators (KPIs) have been used to follow up and compare the works performed with the targets set.

#### 2) Objectives Setting

The Company established strategic objectives and targets in the annual operation plan so that the works performed can be achieved as per the set targets. It also has a policy to encourage all divisions/units within the Company to prepare the operation manual and improve it to make it always up-to-date. The Internal Audit Unit shall strictly audit the compliance with the Company's regulations.

#### 3) Event Identification

The Company specified risks which may likely to impact the achievement of the Company's objectives and targets, both risks from external factors and internal factors and sorted out priority of risks from high to low. In addition, methods and plans for management of such risks have been specified and reported to the meeting of the Risk Management Committee.

#### 4) Risk Assessment

The Company's Risk Management Committee will supervise and prescribe risk management measures as well as assess risks which may impact business operations and targets of the Company. Such risks have been followed up, measured and reported to the executives for their acknowledgement every quarter in order to find preventive measures on time.

#### 5) Risk Response

The Company has proper internal control measures which are appropriated with the risks of the changing business. Risks in each operating procedures have been adjusted.

The Company's internal control measures included the segregation of responsibilities and approval authority for purpose of check and balance. The Internal Audit Unit shall review the adequacy and appropriateness of the internal control system.

## 6) Control Activities

The Company specified that internal control should be applied to all levels and operation manual must be prepared so that lines of business, divisions and departments can strictly follow by. The Company also has a written information technology security policy, for instance, access to computer center must be controlled and data including work systems in the computers must be backed up so that they can be available for usage in case of emergency.

## 7) Information and Communication

The Company's information technology system can link data throughout the organization and it will be developed continually to assure that the system is proper and enough for data transmission and receiving. Data Center has been established as the Company's operation center and its application has been controlled by the international standards. The Company also has accredited certification to ISO 27001 (Information Security Management System) standards.

## 8) Monitoring Activities

The Internal Audit Unit has responsibilities to audit the operations pursuant to the specified internal control system and directly report such results to the Audit Committee, who shall hold the meeting every quarter. In case material defects have been found, the Company's management team will be immediately notified for consideration on corrective and preventive measures in the future.

The Internal control system must be assessed and reported to the Board. During the Board of Directors' Meeting No. 2/2559 on February 29, 2016, 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. Siriwan Suratepin, an auditor license no 4604 audited the Company's financial statements for period ending December 31, 2015 without any comment on the Company's internal control system as significant error.

## 1.2 Internal Audit

The Company's Internal Audit Unit is an independent unit of which its line of command will directly report to the Audit Committee. It has responsibility to audit operations within the Company and follow up the audit results.

Annual audit plan will include the analysis of risks which may impact the Company and the ranking of risks from the highest to the lowest, so that the internal audit team can audit such risks by their priorities. Annual audit plan must be proposed to the Audit Committee for consideration and approval.

In addition, the Internal Audit Unit is also responsible to audit internal control systems of the operations including to provide advises on implementation of internal control system, risk management, good governance and compliance with the laws and other related regulations.

The Company determines to encourage the Internal Audit Unit to perform the work pursuant the international standards by applying COSO 2013 Framework, so that the Company can achieve the objectives and targets set.

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

During the Meeting of the Audit Committee No. 1/2015 on February 25, 2015, the meeting resolved to appoint Miss Nantana Khangui, who has keen knowledge and experiences on audit works, to be the head of the Company's Internal Audit Unit and can operate the work independently with the support from the Audit Committee.

The Audit Committee shall supervise to ensure that the Chief of Internal Audit Unit has suitable and adequate academic education, experiences and trainings with the duties performed.

The Audit Committee deemed that the Chief of Internal Audit Unit has suitable qualifications and can effectively perform duties. During 2015, the Chief of Internal Audit Unit has performed the following duties:

1. To supervise the audit works to make them conform to the plans approved by the Audit Committee.
2. To report important issues concerning internal control systems of the Company which have been found upon audit process.
3. To give suggestion to the Company's executives and employees on efficient performance.
4. To control the audit work to ascertain that the Company's performance meet legal requirements, regulations of the Stock Exchange of Thailand or regulations of the relevant government agencies.
5. To coordinate, supervise and control on various aspects, such as risk management, code of conducts and etc.

The consideration of the appointment, removal and relocation of the head of internal audit are required to have an approved from the Audit Committee. Please see more details on qualifications of the head of internal audit under Topic "Curriculum Vitae of Head of Internal Audit" in page 274.

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. Please see more details of the Company Secretary in pages 240-241.

## 2. Risk Management

The Company established risk management policy which included the analysis of possible risks which may have materials impacts, preparation of risk mitigation plan as well as improvement of internal control systems in order to be able to effectively control and manage risks and report the results to the Company's Board of Directors. These methods can ensure that the Company will have proper risk management and the risks can be effectively and efficiently managed.

Criteria for risk assessment in each level has been clearly defined, both at corporate level and operation level, so that risks in all operation procedures can be thoroughly identified. Risks will be considered in 2 aspects, i.e. likelihood and impacts. Risks will be ranked as high, medium and low.

The Company has appointed the Risk Management Committee, whose chairman of the committee is the Company's Executive Chairman and its committee members are the high level management of the relevant units. This committee shall hold the meeting to assess and review risks of various departments as well as propose the policies related to risk management. During 2015, the Risk Management Committee conducted 3 meetings altogether.

Apart from undertakings risk management as per mentioned above, the Company also arranged the seminar to provide knowledge to the employees at all levels, for instance, on December 14, 2015, the Company has arranged the Enterprise Risk Management Training Course, with aims to make the employees able to completely and thoroughly identify risks of business including prepare the operation plan to minimize risks. This training course emphasized on practical session that can be immediately applied. Hence, the Company was confident that its risk management strategy and targets can be effectively achieved.

### 3. Anti-Corruption

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

#### **Duties and Responsibilities**

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

#### **Anti-corruption Policy**

The Company operates business by always adherence to good corporate governance and anti-corruption policy which may occur from operation and transaction with the stakeholders. The directors, the executives and the employees of the Company, its subsidiaries and associated companies shall strictly comply with the following principles:

##### **1. Political impartiality and Political Assistance**

The Company has the policy to conduct business with political impartiality and compliance with the laws as well as democratic form of government with the King as Head of State. The directors, the executives and the employees shall have political rights and liberty pursuant to the law, however, they shall not perform any act which can make the Company loose impartiality or damage from involvement in the political activities as well as usage of any resources of the Company for such act.

##### **2. Donation for Charity and Supporting Fund.**

The Company supports for community and social development for better quality of life including enhancement of economy of the community and society through business processes or donation for charity of which the proceed shall be used for public charity only as well as supports for the Company's business with clear evidences and in line with the Company's regulations.

##### **3. Receiving and Giving Present, Property or Other Benefits.**

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](http://www.samartcorp.com))

## General Operating Guidelines

### 1. The process of Risk assessment and Risk Management

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. Prevention

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

### 3. Training and communication

To encourage operations pursuant to anti-corruption policies by providing training to 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](http://www.samarthre.com))

### 4. Reporting and reporting channels

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. Governance and monitoring of the policy compliance

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.

During the past year, the Company did not find any employees' misconducts, only the case where the employee failed to comply with the Company's rules and regulations, and the Company has explained the correct rules and regulations to such employee already.

The Company did not find any directors and executives' misconducts nor any resignation due to breach of the corporate governance principles as well as any case which may damage the Company from performing duty within the Company.

During year 2015 the Company has receive the assessment result in anti-corruption development progress of listed companies year 2015 and was ranked in **Level 3 (Established)** as has shown of the company policies level specify for operation, communicate and training staffs regarding to the polices and anti-corruption guidelines. The mentioned assessment program held by Thaipat Institute in collaborates with The Securities and Exchange Commission (SEC).

# Connected Transactions

## 1. Related transactions which might have conflicts of interest in 2015

Related Parties	Transaction Type	Value of Transaction (Million Baht)	Necessity of Transactions
1. Vilailuck International Holdings Co., Ltd. (VIH) The major shareholder of Samart Corporation PCL. (SC) with 18.42% stake owner.  <u>Director of VIH</u> (related person) 1. Mrs. Siripen Vilailuck 2. Mr. Charoenrath Vilailuck 3. Mr. Watchai Vilailuck	SC rented office space at Software Park Building via 30 year lease agreement from VIH : The building owner.  - Rental, Services charge for public utilities and property tax. (Monthly rental and service charge of Baht 2,836,758.11 and yearly property tax of Baht 782,643.75)  <b>Remarks :</b> The rate of Service Fee will be increased 5% annually in accordance with the service conditions in the Services Agreement.	34.824	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. 1/2016 on February 24, 2016)
	- Rental, Service charge and Property Tax (11 <sup>th</sup> -12 <sup>th</sup> floor) for SC (for the period during August 1, 2012 - July 31, 2015 and extend the contract to April 30, 2017 with monthly rental and service charge of Baht 914,835.38)	11.105	The rental and service charge for public utilities were reasonable compared to market price in nearby area and the same price compared with other renters (rent area was 1,614 sq. meters).  The Audit Committee in its meeting No. 1/2016 on February 24, 2016, resolved that such rental has the same rate charged to other customers.
	- Rental, Service charge and Property Tax: (mezzanine floor) for SC (for the period during August 1, 2012 - July 31, 2015 and extend the contract to April 30, 2017 with monthly rental and service charge of Baht 262,054.42)	3.181	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).  The Audit Committee in its meeting No. 1/2016 on February 24, 2016, resolved that such rental has the same rate charged to other customers.
	- Rental, Service charge and Property Tax (25 <sup>th</sup> floor, HOF) for SC (for the period during June 1, 2014 - December 31, 2015 with monthly rental and service charge of Baht 72,540.67 for area 127.98 sq. meters)	0.880	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.  The Audit Committee in its meeting No. 1/2016 on February 24, 2016, resolved that such rental has the same rate charged to other customers.
	- Telephone preventive-maintenance (Total outstanding as of December 31, 2015 was Baht 4,036)	0.005	It was a normal business transaction, which been charged in proportion of actual usage.  The Audit Committee in its meeting No.1/2016 on February 24, 2016, resolved that it was the same rate charged to other customers.

Related Parties	Transaction Type	Value of Transaction (Million Baht)	Necessity of Transactions
	<p>- Miscellaneous expenses paid for entertain and Property tax to VIH by SC. (Total outstanding as of December 31, 2015 was Baht 42,175)</p> <p>Miscellaneous transactions of SC and its subsidiaries paid to VIH during January - December 2015. Actual miscellaneous payments i.e. service charge for public utilities, water supply, overtime air condition and parking lots were as follows;</p> <p>- Samart Corporation PCL. (SC) 0.466</p> <p>- One to One Contracts PCL. (SC is a major shareholder) 9.740</p> <p>- Vision and Security System Co., Ltd. (Subsidiary of SC) 0.038</p> <p>- Samart U-Trans Co., Ltd. (Subsidiary of SC) 0.046</p> <p>- Teda Co., Ltd. (Subsidiary of SC) 0.074</p> <p>- Transec Power Service Co., Ltd. (Subsidiary of SC) 0.017</p> <p>- Samart Telcoms PCL. (STC) 5.138 (SC is a major shareholder)</p> <p>- Samart Communication Services Co., Ltd. (Subsidiary of STC) 5.477</p> <p>- Posnet Co., Ltd. (Subsidiary of STC) 0.028</p> <p>- Thai Trade Net Co., Ltd. (Subsidiary of STC) 0.040</p> <p>- Samart Infonet Co., Ltd. (Subsidiary of STC) 1.075</p> <p>- Samart Comtech Co., Ltd. (Subsidiary of STC) 11.187</p> <p>- Smarterware Co., Ltd. (Subsidiary of STC) 0.363</p> <p>- Potalnet Co., Ltd. (Subsidiary of STC) 0.008</p> <p>- IT Absolute Co., Ltd. (Subsidiary of STC) 0.031</p> <p>- Samart Ed-Tech Co., Ltd. (Subsidiary of STC) 0.033</p> <p>- Samart I-Mobile PCL. (SIM) 2.943 (SC is a Major shareholder)</p> <p>- Samart Multimedia Co., Ltd. (Subsidiary of SIM) 2.040</p> <p>- I-Mobile Plus Co., Ltd. (Subsidiary of SIM) 3.243</p> <p>- I-Sport Co., Ltd. (Subsidiary of SIM) 0.282</p> <p>(Total outstanding as of December 31, 2015 was Baht 2,754,544)</p>	<p>0.451</p>	<p>The Audit Committee in its meeting No.1/2016 on February 24, 2016, resolved that it was a normal business transaction, which been charged in proportion of actual usage.</p> <p>The Audit Committee in its meeting No. 1/2016 on February 24, 2016, resolved that Such service charge was the actual payment, which was the same rate charged to other customers.</p>

Related Parties	Transaction Type	Value of Transaction (Million Baht)	Necessity of Transactions
	<ul style="list-style-type: none"> <li>- Samart Multimedia Co., Ltd. (Subsidiary of SIM) sold the EDT Top 10 Guidebook to VIH (Total outstanding as of December 31, 2015 was Baht 19,544)</li> <li>- Samart I-Mobile PCL. (SIM) (SC is a Major shareholder) sold the mobile telephone to VIH (Total outstanding as of December 31, 2015 was Baht 67,350)</li> </ul>	<p>0.020</p> <p>0.143</p>	<p>The Audit Committee in its meeting No.1/2016 on February 24, 2016, 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.1/2016 on February 24, 2016, resolved that it was a normal business transaction, for sale and purchase of goods, according to the general trade conditions.</p>
<p>2. Vilailuck Property Co., Ltd. (VPP) whose major shareholder of 12.50% is Vilailuck International Holding Co., Ltd. (VIH) and VIH is the major shareholder of SC.</p> <p><u>Director of VPP</u> (related person)</p> <p>1. Mrs. Siripen Vilailuck</p>	<p>Payments of Vilailuck Property Co., Ltd. paid in advance by SC were as follows:</p> <ul style="list-style-type: none"> <li>- Miscellaneous expenses for example; telephone, copy and training. (Total outstanding as of December 31, 2015 was Baht 247,456)</li> <li>- Samart Engineering Co., Ltd. (SE) (Subsidiary of SC) sold DTH satellite dish to VPP (Total outstanding as of December 31, 2015 was Baht 24,663)</li> <li>- Samart Engineering Co., Ltd. (SE) (Subsidiary of SC) Advanced payment by SE for officer's salary working to VPP (Total outstanding as of December 31, 2015 was Baht 470,044)</li> <li>- Samart I-Mobile PCL. (SIM) (SC is the major shareholder) sold mobile phone to VPP (Total outstanding as of December 31, 2015 was Baht 38,570)</li> </ul>	<p>0.001</p> <p>-</p> <p>-</p> <p>-</p>	<p>Advanced payment for normal business of which repayment. The Audit Committee in its meeting No.1/2016 on February 24, 2016, resolved that it was the real advanced expense.</p> <p>The Audit Committee in its meeting No.1/2016 on February 24, 2016, resolved that it was a normal business transaction, for sale and purchase of goods, according to the general trade conditions.</p> <p>Advanced payment for normal business of which repayment. The Audit Committee in its meeting No.1/2016 on February 24, 2016, resolved that it was the real advanced expense.</p> <p>The Audit Committee in its meeting No.1/2016 on February 24, 2016, resolved that it was a normal business transaction, for sale and purchase of goods according to the general trade conditions.</p>
<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"> <li>- Miscellaneous expense such as telephone and Medical fee. (Total outstanding as of December 31, 2015 was Baht 984)</li> <li>- Samart Corporation PCL. (SC) miscellaneous expense paid for gardening and house cleaning to VLX</li> <li>- Samart Telcoms PCL. (STC) (SC is a major shareholder) miscellaneous paid for service ie. Service charge for public utilities, house cleaning, electricity and water supply to VLX</li> </ul>	<p>-</p> <p>0.045</p> <p>0.045</p>	<p>Advanced payment for normal business of which repayment. The Audit Committee in its meeting No.1/2016 on February 24, 2016, resolved that it was the real advanced expense.</p> <p>Advance payment for normal business of which repayment will be settled from time to time (monthly/ quarterly basis). The Audit Committee in its meeting No.1/2016 on February 24, 2016, resolved that it was the real advanced expense.</p> <p>Advance payment for normal business of which repayment will be settled from time to time (monthly/ quarterly basis). The Audit Committee in its meeting No.1/2016 on February 24, 2016, resolved that it was the real advanced expense.</p>

Related Parties	Transaction Type	Value of Transaction (Million Baht)	Necessity of Transactions
	<ul style="list-style-type: none"> <li>- Smarterware Co., Ltd. (Subsidiary of STC) provided system development service to VLX (Total outstanding as of December 31, 2015 was Baht 100,537)</li> <li>- Samart I-Mobile PCL. (SIM) (SC is the major shareholder) sold mobile phone to VLX (Total outstanding as of December 31, 2015 was Baht 9,600)</li> </ul>	<p>-</p> <p>0.009</p>	<p>The Audit Committee in its meeting No.1/2016 on February 24, 2016, resolved that it was a normal service business transaction, according to the general trade conditions.</p> <p>The Audit Committee in its meeting No.1/2016 on February 24, 2016, 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. Mrs. Siripen Vilailuck 2. Mr. Charoenrath Vilailuck 3. Mr. Watchai Vilailuck</p>	<p>SC and its subsidiaries paid for rent rooms and miscellaneous expenses to training and seminars at The Marriott Rayong Resort and Spa with Phupa Tara Co., Ltd. Actual payments were as follows;</p> <ul style="list-style-type: none"> <li>- Samart Corporation PCL. (SC) - Samart Telcoms PCL. (STC) (SC is a major shareholder) (Total outstanding as of December 31, 2015 was Baht 36,514)</li> <li>- Vision and Security System Co., Ltd. (Subsidiary of SC) (Total outstanding as of December 31, 2015 was Baht 5,178)</li> <li>- Vision and Security System Co., Ltd. (Subsidiary of SC) sold and installation for CCTV system to Phupa Tara Co., Ltd. (Total outstanding as of December 31, 2015 was Baht 254,125)</li> </ul>	<p>1.209 1.254</p> <p>-</p> <p>0.306</p>	<p>The Audit Committee in its meeting No.1/2016 on February 24, 2016, resolved that it was a normal service business transaction, according to the general trade conditions.</p> <p>The Audit Committee in its meeting No.1/2016 on February 24, 2016, resolved that it was a normal business transaction, for sale and purchase of goods and service, according to the general trade conditions.</p>
<p>5. Phupa Tara Khao Yai Co., Ltd. whose indirect shareholder of 21.19% is Vilailuck International Holding Co., Ltd. (VIH) and VIH is the major shareholder of SC.</p> <p><u>Director of Phupa Tara Khao Yai Co., Ltd.</u> (related person)</p> <p>1. Mr. Watchai Vilailuck</p>	<ul style="list-style-type: none"> <li>- Vision and Security System Co., Ltd. (Subsidiary of SC) maintenance service for CCTV system to Phupa Tara Khao Yai Co., Ltd. (Total outstanding as of December 31, 2015 was 5,179 Baht)</li> </ul>	<p>0.052</p>	<p>The Audit Committee in its meeting No.1/2016 on February 24, 2016, resolved that it was a normal business transaction, for sale and purchase of goods and service, according to the general trade conditions.</p>

Related Parties	Transaction Type	Value of Transaction (Million Baht)	Necessity of Transactions
6. I.Q. Wine Co., Ltd. has Executive Director of SC is a related person.  <u>Director of I.Q. Wine Co., Ltd.</u> (related person)	Sale and purchase of goods (wine) of SC and its subsidiaries paid to I.Q. Wine during January - December 2015. Actual payments were as follows; - Samart Corporation PCL. (SC) - Vision and Security System Co.,Ltd. (Subsidiaries of SC)	0.631 0.066	The Audit Committee in its meeting No.1/2016 on February 24, 2016, resolved that it was a normal business transaction, for sale and purchase of goods, according to the general trade conditions.
1. Mr. Thananan Vilailuck	- Samart Telcoms PCL. (STC) (SC is a major shareholder) - Thai Trade Net Co.,Ltd. (Subsidiary of STC) - Samart Comtech Co.,Ltd. (Subsidiary of STC) - Samart Communication Services Co.,Ltd. (Subsidiary of STC) - Potalnet Co.,Ltd. (Subsidiary of STC) - Samart I-Mobile PCL. (SIM) (SC is a Major shareholder) - One to One Contacts PCL. (SC is a major shareholder)  (Total outstanding as of December 31, 2015 was Baht 452,784)	0.442 0.028 0.589 0.007 0.040 3.102 0.009	
	- I.Q. Wine Co., Ltd. rented office space at Smart One Building from SC (for the period during January 1, 2015 - December 31, 2017 with monthly rental and service charge of Baht 31,680)	0.370	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 70 sq. meters).  The Audit Committee in its meeting No.1/2016 on February 24, 2016, resolved that such the rental charge were reasonable and the same rate charged to other customers.
	- I.Q. Wine Co., Ltd. rented office space from Samart Engineering Co., Ltd. (Subsidiary of SC) (for the period during March 1, 2015 - February 28, 2020 with monthly rental and service charge of Baht 34,450) (Total outstanding as of December 31, 2015 was Baht 92,102)	0.413	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 530 sq. meters).  The Audit Committee in its meeting No.1/2016 on February 24, 2016, resolved that such the rental charge were reasonable and the same rate charged to other customers.
	- Samart Infonet Co., Ltd. (Subsidiary of STC) provide internet service to I.Q. Wine Co., Ltd. (Total outstanding as of December 31, 2015 was Baht 11,235)	0.126	The Audit Committee in its meeting No.1/2016 on February 24, 2016, resolved that it was a normal service business transaction, according to the general trade conditions.

Related Parties	Transaction Type	Value of Transaction (Million Baht)	Necessity of Transactions
	<ul style="list-style-type: none"> <li>- Samart I-Mobile PCL. (SIM) (SC is the major shareholder) sold mobile phone to I.Q. Wine Co., Ltd. (Total outstanding as of December 31, 2015 was Baht 464,000)</li> <li>- Vision and Security System Co., Ltd. (Subsidiary of SC) sold and installation for CCTV system to I.Q. Wine Co., Ltd.</li> </ul>	<p>0.433</p> <p>0.026</p>	<p>The Audit Committee in its meeting No.1/2016 on February 24, 2016, 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.1/2016 on February 24, 2016, resolved that it was a normal business transaction, for sale and purchase of goods, according to the general trade conditions.</p>
<p>7. Nirvana Memorial Park Co., Ltd. whose indirect shareholder of 16.95% is Vilailuck International Holding Co., Ltd. (VIH) and VIH is the major shareholder of SC.</p> <p><u>Director of Nirvana Memorial Park Co., Ltd.</u> (related person)</p> <p>1. Mr. Watchai Vilailuck 2. Mr. Sirichai Rasameechan</p>	<ul style="list-style-type: none"> <li>- Samart Infonet Co., Ltd. (Subsidiary of STC) provide internet service to Nirvana Memorial Park Co., Ltd. (Total outstanding as of December 31, 2015 was Baht 18,190)</li> <li>- Vision and Security System Co., Ltd. (Subsidiary of SC) sold and installation for CCTV system to Nirvana Memorial Park Co., Ltd.</li> </ul>	<p>0.077</p> <p>0.073</p>	<p>The Audit Committee in its meeting No.1/2016 on February 24, 2016, resolved that it was a normal service business transaction according to the general trade conditions.</p> <p>The Audit Committee in its meeting No.1/2016 on February 24, 2016, resolved that it was a normal business transaction, for sale and purchase of goods, according to the general trade conditions.</p>
<p>8. CSV Asset Co., Ltd. (CSV) whose major shareholder of 99.99% is VIH and VIH is the major shareholder of SC.</p> <p><u>Director of CSV</u> (related person)</p> <p>1. Mr. Charoenrath Vilailuck 2. Mr. Watchai Vilailuck</p>	<p>SC rented Land from CSV for location of office building. (The Smart One Building)</p> <p>(for the period during February 16, 2015 - June 15, 2015 with monthly rental charge of Baht 38,000 and during June 16, 2015 - December 30, 2015 with monthly rental charge Baht 40,000) (Total outstanding as of December 31, 2015 was Baht 108,000)</p> <p>SC sold The Smart One Building (4 floor, area 4,224 sq. meters and built in year 2003) to CSV</p>	<p>0.400</p> <p>42.120</p>	<p>Such transaction was complied with the Rental Agreement No. SC-035/2558 dated February 16, 2015 (for the period during February 16, 2015 - June 15, 2015) and No. SC-036/2558 dated June 16, 2015 (for the period during June 16, 2015 - December 30, 2015) rent area was 1,612 sq. meters (2 pieces of land). The rental charge were reasonable compare to market price in nearby area.</p> <p>The Audit Committee in its meeting No.1/2016 on February 24, 2016, resolved that such the rental charge were reasonable compared to market price in nearby area.</p> <p>The price of building was reasonable compared to current market price and assess the value of building by professional.</p> <p>The Audit Committee in its meeting No.1/2016 on February 24, 2016, resolved that it was reasonable compared to market price and real asset cost.</p>
<p>9. Ascon Construction PCL. has Director of SC is a major shareholder</p> <p><u>Director of Ascon Construction PCL.</u> (related person)</p> <p>1. Mr. Charoenrath Vilailuck 2. Mr. Watchai Vilailuck</p>	<ul style="list-style-type: none"> <li>- Samart Engineering Co., Ltd. (SE) (Subsidiary of SC) sold DTH satellite dish and Antenna to Ascon Construction PCL. (Total outstanding as of December 31, 2015 was Baht 309,111.78)</li> </ul>	-	<p>The Audit Committee in its meeting No.1/2016 on February 24, 2016, resolved that it was a normal business transaction, for sale and purchase of goods, according to the general trade conditions.</p>

Related Parties	Transaction Type	Value of Transaction (Million Baht)	Necessity of Transactions
10. The Museum Co., Ltd. (In Cambodia) whose major shareholder of 74.26% is Vilailuck International Holding Co., Ltd. (VIH) and VIH is the major shareholder of SC  <u>Director of The Museum Co., Ltd</u> (related person) 1. Mr. Charoenrath Vilailuck 2. Mr. Watchai Vilailuck	- Vision and Security System Co., Ltd. (VSS) (Subsidiary of SC) maintenance service for CCTV system to The Museum Co., Ltd.	0.023	The Audit Committee in its meeting No.1/2016 on February 24, 2016, resolved that it was a normal service business transaction, 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, management and the stakeholders who had conflict of interest would not participate in the such connected transactions. The approval on the connected transaction would be complied with the regulations and notifications of the Stock Exchange of Thailand (SET).

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)

Transaction	As of December 31		
	2015	2014	2013 (Restated) <sup>(1)</sup>
Cash and cash equivalents	1,998,626	1,632,084	1,653,441
Trade and other receivables	10,927,191	8,754,374	7,844,678
Accrued income	2,982,277	3,155,598	4,168,404
Inventories	1,894,596	3,719,871	2,288,801
Property, plant and equipment	5,768,961	4,644,430	4,561,959
Intangible assets	800,616	830,427	910,860
Total assets	27,317,052	26,135,593	24,081,199
Bank overdrafts and short-term loans from financial institutions	10,202,660	11,275,588	6,311,638
Trade and other payables	2,795,882	2,961,462	4,147,401
Current portion of debentures	870,000	1,560,000	1,460,000
Accrued project cost	630,102	655,421	761,730
Debentures - net of current portion	3,285,000	-	-
Long-term loans from financial institutions - net of current portion	2,946	103,278	1,057,981
Total liabilities	18,999,152	17,874,040	15,549,958
Issued and fully paid - up	1,006,504	1,006,504	1,002,096
Unappropriated Retained earning	5,345,109	5,313,436	4,710,911
Non - controlling interests of subsidiaries	2,308,739	2,402,283	1,976,503
Shareholders' equity	6,009,161	5,859,269	6,554,738
Revenues from sales, contact work and services	18,366,092	23,879,691	22,292,842
Total revenues	18,586,432	24,195,809	22,420,429
Cost of sales, contact work and service sold	14,335,122	18,653,119	16,908,410
Selling and admin expenses	2,553,845	2,762,459	2,577,032
Finance cost	540,535	451,974	509,713
Gain (Loss) on exchange	15,513	52,176	(31,439)
Total costs and expenses	16,945,644	21,443,723	19,572,468
Profit attributable to equity holders of the Company	807,688	1,484,139	1,473,899
Basic earning per share (Baht/share)	0.80	1.48	1.48
Cash flows from operating activities	2,235,993	51,872	2,069,237
Cash flows from investing activities	(2,122,507)	(1,430,676)	(849,966)
Cash flows from financing activities	222,565	1,357,984	(674,897)
Par value (Baht / share)	1	1	1
Common shares outstanding (Thousand shares)	1,006,504	1,006,504	1,002,096
Weighted average number of ordinary shares (Thousand shares)	1,006,504	1,005,564	997,970
Book value (Baht / share)	5.97	5.83	6.57
Dividend per share (Baht / share)	0.50 <sup>(2)</sup>	0.85	0.80

**Remarks :** <sup>(1)</sup> During the year 2014, the Company and its subsidiaries have changed in accounting policy on cancellation of building and building improvement appraisal value based on cost basis and restated in 2013;

<sup>(2)</sup> Dividend per share comprised of interim dividend for January - June 2015 of Baht 0.30 and Baht 0.20 which will be proposed for consideration of shareholders in the Annual General Meeting 2016.

**Financial Ratios of Samart Corporation Pcl. and its Subsidiaries**

Financial Ratio		Samart Corporation Pcl. and Subsidiaries		
		2015	2014	2013 (Restated) <sup>(*)</sup>
<b><u>LIQUIDITY RATIO</u></b>				
Current ratio	(Times)	1.27	1.10	1.23
Acid test ratio	(Times)	1.14	0.89	1.07
Cash turnover	(Times)	0.14	0.003	0.15
Receivable turnover ratio	(Times)	1.89	2.89	3.25
Average collection period	(Days)	190.48	124.57	110.77
Inventory turnover ratio	(Times)	6.57	8.75	15.52
Days sales outstanding	(Days)	54.79	41.14	23.20
Payable turnover ratio	(Times)	6.86	6.42	5.44
Payment period	(Days)	52.48	56.07	66.18
Cash cycle	(Days)	192.79	109.64	67.79
<b><u>PROFITABILITY</u></b>				
Gross Profit Margin	(%)	21.95	21.89	24.15
Operating Profit Margin	(%)	8.90	11.52	12.78
Other revenue - to - Total revenues	(%)	1.19	1.31	0.57
Cash-to-income	(Times)	1.37	0.02	0.73
Net profit margin	(%)	4.35	6.13	6.57
Return On Equity	(%)	13.61	23.91	24.19
<b><u>EFFICIENCY RATIO</u></b>				
Return On Assets	(%)	3.02	5.91	6.46
Return On Fixed Assets	(%)	31.79	43.65	40.89
Assets Turnover	(Times)	0.70	0.96	0.98
<b><u>FINANCIAL POLICY RATIO</u></b>				
Debt to equity	(Times)	2.28	2.16	1.82
Interest coverage	(Times)	5.33	1.79	5.63
Debt serviceability	(Times)	0.65	0.01	0.67
Dividend payout ratio	(%)	62.30	57.64	54.50

**Remark :** <sup>(\*)</sup> The Company and its subsidiaries have restated the consolidated financial statements in 2013 and 2012:

- The Company and its subsidiaries due to change in accounting policy for building and building improvement from cancellation of a revaluation basis to a cost basis;
- The subsidiary Companies' adoption of Thai Financial Reporting Standard Interpretation 4: Determining whether an Arrangement contains a Lease and Thai Financial Reporting Standard Interpretation 12: Service Concession Arrangements.

# Management Discussion and Analysis 2015

## Performance Overview

In the year 2015, Samart Corporation Public Company Limited or SMART achieved total consolidated revenue of Baht 18,586 million, a 23.18% fall from that of 2014. The total revenues from sales, contracts and services decreased to Baht 18,366 million in 2015 from Baht 23,880 million, or decreased by 23.09% in 2014. The reduction in revenue was mainly a consequence of falling sales in Mobile Multimedia segment, underperformance in ICT Solutions and Services, and Technology Related segments.

In 2015, the Company incurred total expenses worth Baht 16,946 million, a decrease of Baht 4,498 million or 20.98% as compared to that of the year 2014. The costs of sales and contracts, alongside services dropped to Baht 14,335 million in 2015 from Baht 18,653 million, or decreased by Baht 4,318 in 2014. However, the gross profit margin remained stable. The reduction in total expenses were a consequence of falling revenues which in turn caused by shrinking consumption and increased competitiveness in Mobile Multimedia segment, and more significantly mobile phone market. Moreover, the slowdown in economy prolonged the pace of business auctioning in the ICT Solutions and Services segment. The Company registered total selling and administrative expenses of Baht 2,554 million, a decrease of Baht 209 million from the previous year.

The consolidated financial cost in the year 2015 totaled to Baht 541 million, an increase of 19.59% from the previous year, due to increased long-term debentures to facilitate working capital.

Income tax expense of the year summed up to Baht 107 million, a reduction of Baht 198 million from the previous year as a consequence of reduced Profit before Tax.

In terms of consolidated net profit, the Company recorded the consolidated net profit attributable to equity holders worth Baht 808 million, a fall of 45.6% from the year before, contributed mainly by the decrease in net profit in Mobile Multimedia and ICT Solutions and Services segments.

## Consolidated Operating Results

Revenues from sales and contracts as well as services in the year 2015 added to Baht 18,366 million, a 23.09% fall from the previous year.

### Sales and Services Revenue breakdown

Line of Business	Sales and Services Income Y 2015 (MB)	Sales and Services Income Y 2014 (MB)	%YoY Growth
ICT Solutions and Services	5,657	6,523	-13.28%
Mobile Multimedia	7,704	12,354	-37.64%
Call Center	940	669	40.51%
Utilities and Transportations	2,581	2,413	6.96%
Technology Related Services	1,483	1,919	-22.72%
Related parties	1	2	-50.00%
<b>Sales and Services Revenue</b> (before eliminated of related parties transaction)	<b>18,366</b>	<b>23,880</b>	<b>-23.09%</b>

## ICT Solutions and Services (“SAMTEL”) Business

The slowdown in economy coupled with reduction in consumption and investment during the past year contributed to the government’s sluggish disbursement which in turn delayed the auctioning process. Subsequently, sales and services revenues from ICT Solutions for the year fell by 13.37% to Baht 5,716 million. Meanwhile, gross profit margin for the year 2015 increased slightly to 20.54% from 20.18%. The Company has signed over 70 new projects during the course of 2015, with the total value of Baht 7,057 million. At the end of 2015, the Company has a backlog of Baht 8,242 million.

## Mobile Multimedia (“SIM”) Business

As a result of extremely competitive environment in the smartphone market, the revenues from sales and services for Mobile Multimedia segment in the year 2015 decreased to Baht 7,730 million from Baht 12,370 million in the previous year. The fall in sales of mobile phones led to reduction in gross margin to 20.30% in 2015 from 21.42% in 2014. Mobile Multimedia segment can be further divided into three sub-segments as follows.

### Handset Business

Mobile Multimedia segment has seen the revenues from sales and services generated mainly, or 90 percent, from mobile phone products. During the year 2015, 3.3 million units of i-Mobile phones were sold, out of which 75 percent being smartphone and 25% feature phone. When compared to the year 2014, sales quantity fell both for smartphone and feature phone, from 3.5 to 2.5 million units and 1.2 to 0.8 million units respectively. Furthermore, the average price of a mobile phone in the year 2015 also fell from that in 2014, to 2,542 Baht from 2,656 Baht. The main reasons for reduction in sales of mobile phone in 2015 were economic slowdown and increased competition in the handsets market. The gross profit margin of handsets business hence fell to 19.63% from 20.37% in the previous year.

### Content Business

Content business segment achieved revenues from sales and services worth Baht 865 million, an increase of 15.52% compared to that in the previous year. The revenue improvement was primarily contributed from the television programme business, a new addition to the business segment, and Chelsea Celebration Football Match. However, gross profit margin showed a reduction to 26.77% from 30.82% in 2014, a result of an expanded proportion of revenue from the new business whose gross profit margin is relatively lower. According to the Company continued to place emphasis on business and customer base expansion, thus, a new business such as E-Commerce has been entered by the Company in attempt to strengthen its Content business segment. For the year 2016, the Company has planned to increase the proportion of revenues from sales and services generated by E-Commerce business for Mobile Multimedia segment. Also, partnering up with various organisations will be part of the process to boost the Content segment further.

### MVNO Business

The bundling strategy of MVNO and mobile phone products continued to acquire new subscribers. However, when compared to the year 2014, total revenue reduced by 52.59% while gross profit margin fell to 12.84% from 37.66%, due to downwards movement in prepaid subscribers - a response to increased competition amongst telecommunication service providers and the Company’s restructuring of its telecommunication services sector.

## Call Center (“OTO”) business

One To One Contacts Public Company Limited (OTO) recognized revenues from sales and services summing up to Baht 988 million in 2015, an increase of 27.65% from the previous year. The increased in revenues from sales and services was majorly contributed by Customer Service Representative Outsourced, Fully Outsourced Contact Center Management and Contact Center Facility Outsource sectors. Nevertheless, the increasing competitiveness in the industry led to gross profit margin falling to 14% from 17% in the previous year. For the year 2016, the Company is determined to continue to focus on international expansions and partnerships.

## Non-Listed Businesses

### Utilities and Transportations Business

One of the important factors to the Company’s growth is Utilities and Transportations segment whose revenues from sales and services grew to Baht 2,991 million from Baht 2,739 million in the previous year, an increase of 9.2%. The rise in revenues from sales and services was a result of growth in the air traffic control business in Cambodia achieved by Cambodia Air Traffic Service Company Limited (CATS). In the year 2015, CATS recorded an increase in revenue of 22.83% alongside continuously increasing number of flights to 86,616 from 76,950 in the previous year.

Additionally, the Company has put in place plans to expand the Utilities and Transportation business segment. The year 2015, Samart U-Trans Co., Ltd. or “SUT” was under study the possibility of setting up power plant projects in Thailand and neighbouring countries. Studies were conducted on waste-to-energy power plant, coal-fired power plant, hydroelectric power plant as well as power generator cable business. The Company already got an approval from Cambodia government to build 2,000 MW coal fired power plant in Kong Island. Currently, the Company is going to negotiate with Cambodia in order to sign the Project Development Agreement (PDA). Additionally, the Company is now under negotiation with EGAT (the purchaser of electricity) and expects to sign the MOU of tariff as soon as possible.

### Technology Related Services Business

Revenues from sales and services generated by Technology Related Services decreased in 2015 to Baht 1,483 million from Baht 1,919 million in 2014. The reduction in sales and services revenues mainly came from Samart Engineering Company Limited or “SE” which was a reaction to the drop in Digital TV coupon redemption as compared to that in the previous year. The sales and services revenue was hence decreased by 12.37% in comparison with the previous year. Moreover, sales and services revenues recorded by Vision and Security System Company Limited or “VSS” also experienced a 65.31% fall due to economic downturn, coupled with a host of situations that weakened investor confidence and lengthened government’s disbursement.

## Financial Statement

### Assets

As of 31st December 2015, the consolidated assets grew by Baht 1,181 million to Baht 27,317 million, a 4.52% increase from the previous year. Current assets rose by Baht 234 million to Baht 19,389 million, a result of rising account receivables and other receivables. In addition, non-current assets increased to Baht 7,928 million from Baht 6,980 million in the previous year, due mainly to increased investments in fixed assets.

Cash and cash equivalents also increased to Baht 1,999 million from Baht 1,632 million in the year before.

### Trade account receivables

As of 31st December 2015, the Company has account receivables worth Baht 10,927 million, an increase of Baht 2,173 million as compared to the last year-end. The rise in account receivables was mainly due to the increase in average collection period experienced in ICT Solutions and Services and Mobile Multimedia segments, an effect of economic slowdown.

### Debt-to-Equity Ratio (D/E Ratio)

As of 31st of December 2015, Debt-to-Equity Ratio (total liabilities over total equities) increased to 2.28 times from 2.16 times in the previous year. Interest-bearing liabilities to equities also increased to 1.75 times from 1.61 times in 2014, a result of long-term debentures taken up as working capital.

### Liquidity

As of 31st of December 2015, Current Ratio (total current assets over total current liabilities) was at 1.27 times, as compared to 1.10 times in the previous year. The increase in Current Ratio was corresponding to the increase in account receivables and other receivables.

The Company's net cash flow from operating activities was Baht 2,236 million, net cash flow from investing activities Baht 2,122 million and net cash flows from financing activities was Baht 223 million. All in all, cash and cash equivalents in the year 2015 increased by Baht 366 million to Baht 1,999 million.

### Sources of Fund

As of 31st of December 2015, the consolidated shareholders equity totaled to Baht 8,318 million, a rise of Baht 56 million from the previous year, while unappropriated retained earnings increased to Baht 5,345 million.

Consolidated total liabilities climbed to Baht 18,999 million, in consequence of increasing long-term debentures opted to facilitate the Company's working capital.

## 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 EY 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, 2015, 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 2015, 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 2015, 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 the following notes to the financial statements:

- a) As discussed in Note 43.5 j) 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 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 2015 the subsidiary company has not set up provision for fine from the project delay.

- b) As discussed in Note 6 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.



Siriwan Suratepin

Certified Public Accountant (Thailand) No. 4604

EY Office Limited

Bangkok: 23 February 2016

# Statement of financial position

Samart Corporation Public Company Limited and its subsidiaries

As at 31 December 2015

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	7	1,998,625,629	1,632,084,446	165,110,643	103,815,312
Temporary investments	8	22,080,615	131,757,928	13,176,875	66,556,367
Trade and other receivables	9	10,927,191,248	8,754,373,509	378,503,132	240,668,520
Accrued income		2,982,276,730	3,155,597,934	856,314,782	724,101,601
Short-term loans	10	188,017	252,684	928,423,916	311,006,099
Inventories	11	1,894,596,065	3,719,871,357	14,342,542	12,457,513
Current portion of finance lease receivables	12	60,076,211	18,224,661	-	-
Other current assets	13	1,504,016,179	1,743,112,288	152,231,515	169,543,212
<b>Total current assets</b>		<b>19,389,050,694</b>	<b>19,155,274,807</b>	<b>2,508,103,405</b>	<b>1,628,148,624</b>
<b>Non-current assets</b>					
Restricted bank deposits	7, 14	215,612,558	287,617,580	-	-
Available-for-sale investments	15	175,718,886	267,359,025	-	-
Investments in associates	16	10,778,085	7,203,644	-	-
Investments in subsidiaries	17	-	-	6,850,387,999	6,858,053,553
Finance lease receivables - net of current portion	12	12,526,251	32,203,720	-	-
Investment properties	18	76,788,250	74,672,500	-	-
Property, plant and equipment	19	5,768,960,692	4,644,429,953	320,693,599	287,356,414
Prepaid rental to a related company	20	166,964,000	179,486,300	166,964,000	179,486,300
Goodwill		392,816,372	392,542,637	-	-
Intangible assets	21	800,616,142	830,427,186	-	-
Assets held for future projects	22	23,911,300	24,121,040	23,911,300	24,121,040
Deferred tax assets	37	189,690,836	122,751,966	-	-
Other non-current assets					
Deposits		65,820,545	63,751,136	4,251,407	4,182,316
Others		27,797,652	53,751,115	9,497,874	8,676,120
Total other non-current assets		93,618,197	117,502,251	13,749,281	12,858,436
<b>Total non-current assets</b>		<b>7,928,001,569</b>	<b>6,980,317,802</b>	<b>7,375,706,179</b>	<b>7,361,875,743</b>
<b>Total assets</b>		<b>27,317,052,263</b>	<b>26,135,592,609</b>	<b>9,883,809,584</b>	<b>8,990,024,367</b>

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 2015

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Bank overdrafts and short-term loans from financial institutions	23	10,202,660,133	11,275,587,667	1,055,000,000	2,800,549,985
Trade and other payables	24	2,795,882,266	2,961,462,306	888,477,056	528,124,136
Short-term loans	25	22,153,500	18,294,405	176,000,000	367,000,000
Current portion of debentures	26	870,000,000	1,560,000,000	-	-
Current portion of long-term loans from financial institutions	27	104,594,678	337,490,968	-	-
Current portion of liabilities under finance lease agreements	28	30,429,825	18,344,330	10,811,413	1,721,420
Income tax payable		71,553,971	71,481,982	-	-
Accrued project cost		630,102,333	655,421,498	27,182,842	8,118,513
Other current liabilities	29	590,427,966	510,706,723	150,377,902	67,256,967
<b>Total current liabilities</b>		<b>15,317,804,672</b>	<b>17,408,789,879</b>	<b>2,307,849,213</b>	<b>3,772,771,021</b>
<b>Non-current liabilities</b>					
Long-term loans from subsidiary companies	6	-	-	728,000,000	728,000,000
Debentures - net of current portion	26	3,285,000,000	-	2,500,000,000	-
Long-term loans from financial institutions - net of current portion	27	2,946,066	103,278,062	-	-
Liabilities under finance lease agreements - net of current portion	28	37,482,144	37,379,009	24,896,277	4,483,248
Provision for long-term employee benefits	30	204,591,340	148,021,636	33,939,307	24,568,481
Deferred tax liabilities	37	134,366,944	160,371,000	8,382,167	20,253,508
Other non-current liabilities					
Deposits		13,231,211	12,442,610	14,199,781	16,229,649
Others		3,729,907	3,758,300	-	-
Total other non-current liabilities		16,961,118	16,200,910	14,199,781	16,229,649
<b>Total non-current liabilities</b>		<b>3,681,347,612</b>	<b>465,250,617</b>	<b>3,309,417,532</b>	<b>793,534,886</b>
<b>Total liabilities</b>		<b>18,999,152,284</b>	<b>17,874,040,496</b>	<b>5,617,266,745</b>	<b>4,566,305,907</b>

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 2015

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
<b>Liabilities and shareholders' equity (continued)</b>					
<b>Shareholders' equity</b>					
Share capital	31				
Registered					
1,207,804,692 ordinary shares of Baht 1 each		1,207,804,692	1,006,503,910	1,207,804,692	1,006,503,910
Issued and fully paid-up					
1,006,503,910 ordinary shares of Baht 1 each		1,006,503,910	1,006,503,910	1,006,503,910	1,006,503,910
Share premium		243,404,011	243,404,011	243,404,011	243,404,011
Retained earnings					
Appropriated - statutory reserve	32	120,780,469	100,660,183	120,780,469	100,660,183
Unappropriated		5,345,108,504	5,313,435,691	2,769,955,849	2,947,251,756
Other components of shareholders' equity		(706,635,422)	(804,735,124)	125,898,600	125,898,600
Equity attributable to owners of the Company		6,009,161,472	5,859,268,671	4,266,542,839	4,423,718,460
Non-controlling interests of the subsidiaries		2,308,738,507	2,402,283,442	-	-
<b>Total shareholders' equity</b>		<b>8,317,899,979</b>	<b>8,261,552,113</b>	<b>4,266,542,839</b>	<b>4,423,718,460</b>
<b>Total liabilities and shareholders' equity</b>		<b>27,317,052,263</b>	<b>26,135,592,609</b>	<b>9,883,809,584</b>	<b>8,990,024,367</b>

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

## Income statement

Samart Corporation Public Company Limited and its subsidiaries

For the year ended 31 December 2015

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
<b>Revenues</b>					
Revenues from sales and contract work		10,679,410,141	16,009,526,025	780,452,681	1,114,198,838
Service income		7,686,681,830	7,870,165,138	18,967,000	17,523,982
Other income	33	220,340,119	316,117,904	1,102,476,259	2,363,451,041
<b>Total revenues</b>		18,586,432,090	24,195,809,067	1,901,895,940	3,495,173,861
<b>Expenses</b>	34				
Cost of sales and contract work		8,548,480,682	13,034,710,346	724,461,137	1,057,443,648
Cost of services		5,786,641,234	5,618,408,507	18,399,927	16,996,325
Selling expenses		1,199,405,109	1,500,575,600	-	-
Administrative expenses		1,354,440,269	1,261,883,744	383,762,189	326,763,811
Other expenses	35	56,676,274	28,144,436	8,555,693	11,167,341
<b>Total expenses</b>		16,945,643,568	21,443,722,633	1,135,178,946	1,412,371,125
<b>Profit before share of loss from investments in associates, finance cost and income tax expenses</b>		1,640,788,522	2,752,086,434	766,716,994	2,082,802,736
Share of loss from investments in associates	16.2	(6,425,358)	(1,796,356)	-	-
<b>Profit before finance cost and income tax expenses</b>		1,634,363,164	2,750,290,078	766,716,994	2,082,802,736
Finance cost	36	(540,535,409)	(451,973,814)	(156,901,643)	(79,967,868)
<b>Profit before income tax expenses</b>		1,093,827,755	2,298,316,264	609,815,351	2,002,834,868
Income tax expenses	37	(107,041,817)	(304,616,818)	(27,196,911)	(158,402,325)
<b>Profit for the year</b>		986,785,938	1,993,699,446	582,618,440	1,844,432,543
<b>Profit attributable to:</b>					
Equity holders of the Company		807,687,824	1,484,138,768	582,618,440	1,844,432,543
Non-controlling interests of the subsidiaries		179,098,114	509,560,678		
		986,785,938	1,993,699,446		
<b>Earnings per share</b>	38				
Basic earnings per share					
Profit attributable to equity holders of the Company		0.80	1.48	0.58	1.83
Diluted earnings per share					
Profit attributable to equity holders of the Company		0.80	1.47	0.58	1.83

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 2015

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
<b>Profit for the year</b>		986,785,938	1,993,699,446	582,618,440	1,844,432,543
<b>Other comprehensive income (loss):</b>					
<i>Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods:</i>					
Exchange differences on translation of financial statements in foreign currencies		122,336,441	18,001,358	-	-
		122,336,441	18,001,358	-	-
Loss on changes in value of available-for-sale investments	15	(72,959,878)	(72,925,877)	-	-
Income tax effect	37	14,591,976	14,585,175	-	-
		(58,367,902)	(58,340,702)	-	-
Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods - net of income tax		63,968,539	(40,339,344)	-	-
<i>Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods:</i>					
Actuarial loss	30	(38,656,398)	(11,750,530)	(6,489,263)	(1,806,506)
Income tax effect	37	7,475,279	2,350,106	1,297,853	361,301
		(31,181,119)	(9,400,424)	(5,191,410)	(1,445,205)
Changes in revaluation of land	19, 22	-	66,454,846	-	9,043,337
Income tax effect	37	-	(13,290,969)	-	(1,808,667)
		-	53,163,877	-	7,234,670
Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods - net of income tax		(31,181,119)	43,763,453	(5,191,410)	5,789,465
<b>Other comprehensive income (loss) for the year</b>		32,787,420	3,424,109	(5,191,410)	5,789,465
<b>Total comprehensive income for the year</b>		1,019,573,358	1,997,123,555	577,427,030	1,850,222,008
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Company		870,150,332	1,501,885,570	577,427,030	1,850,222,008
Non-controlling interests of the subsidiaries		149,423,026	495,237,985		
		1,019,573,358	1,997,123,555		

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 2015

(Unit: Baht)

	Consolidated financial statements												
	Equity attributable to owners of the Company												
	Issued and fully paid-up share capital	Share premium	Retained earnings		Other components of shareholders' equity						Total equity attributable to shareholders of the Company	Non-controlling interest of the subsidiaries	Total shareholders' equity
					Other comprehensive income		Surplus on revaluation of land	Surplus on revaluation of subsidiary companies	Difference on investments in subsidiaries arising from changes in shareholding percentage at lower (higher) than the book value of subsidiaries	Total other components of shareholders' equity			
					Exchange differences	on translation of financial statements in foreign currencies							
			Appropriated - statutory reserve	Unappropriated									
<b>Balance as at 31 December 2013</b>	1,002,095,910	223,788,411	100,660,183	4,710,910,545	(193,988,561)	(5165,408)	118,663,930	143,383,163	454,390,015	517,283,139	1,976,503,348	8,531,241,536	
Profit for the year	-	-	-	1,484,138,768	-	-	-	-	-	-	509,560,678	1,993,699,446	
Other comprehensive income for the year	-	-	-	(6,195,187)	12,197,654	(29,327,871)	7,234,670	33,837,536	-	23,941,989	(14,322,693)	3,424,109	
Total comprehensive income for the year	-	-	-	1,477,943,581	12,197,654	(29,327,871)	7,234,670	33,837,536	-	23,941,989	495,237,985	1,997,123,555	
Dividend paid (Note 39)	-	-	-	(875,418,435)	-	-	-	-	-	-	(875,418,435)	-	
Increase share capital and share premium from warrant exercised (Note 31)	4,408,000	19,615,600	-	-	-	-	-	-	-	24,023,600	-	24,023,600	
Changes in shareholding percentage in subsidiaries	-	-	-	-	-	-	-	-	(1,345,960,252)	(1,345,960,252)	204,292,723	(1,141,667,529)	
Decrease in non-controlling interests of the subsidiaries from dividend payment of subsidiaries	-	-	-	-	-	-	-	-	-	-	(326,674,670)	(326,674,670)	
Increase in non-controlling interest of the subsidiary from acquisition of investment	-	-	-	-	-	-	-	-	-	-	7,924,056	7,924,056	
Increase in non-controlling interest from increase in registered capital of the subsidiary	-	-	-	-	-	-	-	-	-	-	45,000,000	45,000,000	
<b>Balance as at 31 December 2014</b>	1,006,503,910	243,404,011	100,660,183	5,313,435,691	(181,790,907)	(34,493,279)	125,898,600	177,220,699	(891,570,237)	(804,735,124)	2,402,283,442	8,261,552,113	

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 2015

(Unit: Baht)

Consolidated financial statements													
Equity attributable to owners of the Company													
		Share premium	Retained earnings	Other components of shareholders' equity							Total equity attributable to shareholders of the Company	Non-controlling interest of the subsidiaries	Total shareholders' equity
				Other comprehensive income		Surplus on revaluation of land	Surplus on revaluation of land of subsidiary companies	Difference on investments in subsidiaries arising from changes in shareholding percentage at lower (higher) than the book value of subsidiaries	Total other components of shareholders' equity				
				Exchange differences on translation of financial statements in foreign currencies	Deficit on changes in value of available-for-sale investments								
										Appropriated - statutory reserve			
Issued and fully paid-up share capital													
Balance as at 31 December 2014	1,005,503,910	243,404,011	100,660,183	5,313,435,691	(181,790,907)	(34,493,279)	125,898,600	177,220,699	(891,570,237)	(804,735,124)	5,899,268,671	2,402,283,442	8,261,552,113
Profit for the year	-	-	-	807,687,824	-	-	-	-	-	-	807,687,824	179,098,114	986,785,938
Other comprehensive income for the year	-	-	-	(21,292,074)	113,096,126	(29,341,544)	-	-	-	-	83,754,582	(29,675,088)	32,787,420
Total comprehensive income for the year	-	-	-	786,395,750	113,096,126	(29,341,544)	-	-	-	-	83,754,582	149,423,026	1,019,573,358
Dividend paid (Note 39)	-	-	-	(734,602,651)	-	-	-	-	-	-	(734,602,651)	-	(734,602,651)
Transfer to statutory reserve (Note 32)	-	-	20,120,286	(20,120,286)	-	-	-	-	-	-	-	-	-
Changes in shareholding percentage in subsidiaries	-	-	-	-	-	-	-	-	-	-	14,345,120	14,345,120	(42,289,391)
Decrease in non-controlling interests of the subsidiaries from dividend payment of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(56,634,511)	(42,289,391)
Balance as at 31 December 2015	1,005,503,910	243,404,011	120,780,469	5,345,108,504	(68,694,781)	(63,834,823)	125,898,600	177,220,699	(877,225,117)	(706,635,422)	6,009,161,472	2,308,738,507	8,317,899,979

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

# Statement of changes in shareholders' equity

Smart Corporation Public Company Limited and its subsidiaries

For the year ended 31 December 2015

(Unit: Baht)

	Separate financial statements				
	Share capital issued and fully paid	Share premium	Retained earnings		Total shareholders' equity
			Appropriated - Statutory reserve	Unappropriated	
<b>Balance as at 31 December 2013</b>	1,002,095,910	223,788,411	100,660,183	1,979,682,853	3,424,891,287
Profit for the year	-	-	-	1,844,432,543	1,844,432,543
Other comprehensive income for the year	-	-	-	(1,445,205)	5,789,465
Total comprehensive income for the year	-	-	-	1,842,987,338	1,850,222,008
Dividend paid (Note 39)	-	-	-	(875,418,435)	(875,418,435)
Increase share capital and share premium from warrant exercised (Note 31)	4,408,000	19,615,600	-	-	24,023,600
<b>Balance as at 31 December 2014</b>	1,006,503,910	243,404,011	100,660,183	2,947,251,756	4,423,718,460

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 2015

(Unit: Baht)

	Separate financial statements				
	Share capital issued and fully paid	Share premium	Retained earnings		Other components of shareholders' equity
			Appropriated - Statutory reserve	Unappropriated	
<b>Balance as at 31 December 2014</b>	1,006,503,910	243,404,011	100,660,183	2,947,251,756	4,423,718,460
Profit for the year	-	-	-	582,618,440	582,618,440
Other comprehensive income for the year	-	-	-	(5,191,410)	(5,191,410)
Total comprehensive income for the year	-	-	-	577,427,030	577,427,030
Transfer to statutory reserve (Note 32)	-	-	20,120,286	(20,120,286)	-
Dividend paid (Note 39)	-	-	-	(734,602,651)	(734,602,651)
<b>Balance as at 31 December 2015</b>	<b>1,006,503,910</b>	<b>243,404,011</b>	<b>120,780,469</b>	<b>2,769,955,849</b>	<b>4,266,542,839</b>

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

## Statement of cash flows

Samart Corporation Public Company Limited and its subsidiaries

For the year ended 31 December 2015

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
<b>Cash flows from operating activities</b>					
Profit before tax		1,093,827,755	2,298,316,264	609,815,351	2,002,834,868
Adjustments to reconcile net income before tax to net cash provided by (paid from) operating activities					
Unrealised (gain) loss on exchange		(10,394,862)	(23,565,829)	181,764	(29,258,910)
Gain on disposal of temporary investments in trading securities	8, 33	(13,990,731)	(15,606,220)	(4,545,935)	(9,267,176)
Loss on change in value of temporary investment in trading securities	8, 35	11,409,962	9,217,595	3,573,740	5,569,687
Loss on changes in fair value of forward exchange contracts		24,060,326	6,538,183	18,773,469	26,793,794
Bad debts and doubtful accounts		18,916,442	3,151,600	-	-
Reversal the write-down of cost of inventory to net realisable value		(27,514,206)	(20,294,813)	-	-
Allowance for diminution in value of sales promotion receivables		20,592,075	35,924	-	-
Allowance for diminution in value of advance for purchase of inventories		4,182,910	374,302	-	-
Increase (decrease) in allowance for withholding tax deducted at source		5,586,755	6,209,294	(2,452,057)	2,095,153
Gain on disposals of available-for-sale investmetns	15, 33	(4,889,745)	-	-	-
Share of loss on investment in associated companies	16	6,425,358	1,796,356	-	-
Gain on disposal of investments in subsidiaries	33	-	-	-	(1,102,108,737)
Transfer equipment to expense		4,008,635	2,736,944	-	-
Depreciation	19	1,424,031,122	1,343,693,091	32,684,385	33,998,829
(Gain) loss on disposal of plant, equipment and intangible assets	33	(47,501,234)	(8,477,924)	(41,886,585)	30,699
Loss on write-off equipment	35	-	9,580,332	-	-
Gain on compensation received from insurance	33	(215,404)	(60,036,012)	-	-
Amortisation of prepaid rental to a related company	20	12,522,300	12,522,300	12,522,300	12,522,300
Amortisation of intangible asset	21	128,816,966	144,417,659	-	-
Transfer intangible asset to cost		1,513,098	61,045	-	-
Depreciation of assets held for future projects	22	209,740	209,740	209,740	209,740
Loss on the subsidiaries liquidation		-	-	375,408	-
Gain on debt reduction	33	-	(2,000,000)	-	-
Amortisation of interest income under finance lease		(6,603,158)	(7,647,448)	-	-
Amortisation of deferred interest expense under finance lease	36	2,838,276	1,823,960	521,954	335,347
Loss on write-off other current asset		-	-	12,324,732	-

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 2015

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
<b>Cash flows from operating activities (continued)</b>					
Reversal in allowance for warranty		(10,208,000)	(977,000)	-	-
Provision for long-term employee benefits	30	16,515,351	19,385,161	2,881,563	2,649,897
Interest income		(9,856,016)	(11,872,070)	(26,740,874)	(8,899,136)
Interest expense		518,899,615	417,297,475	155,944,933	79,125,646
Gain on revaluation of investment property	18, 33	(2,115,750)	(17,210,529)	-	-
Loss on revaluation of land		-	3,471,802	-	3,471,802
Income from operating activities before changes in operating assets and liabilities		3,161,067,580	4,113,151,182	774,183,888	1,020,103,803
Operating assets (increase) decrease					
Trade and other receivables		(2,199,372,727)	(831,628,775)	(136,669,326)	(131,577,386)
Inventories		1,709,850,736	(1,514,338,073)	(1,885,029)	122,095,487
Accrued income		173,321,204	1,016,606,251	(132,213,181)	(720,240,098)
Other current assets		152,003,144	(160,395,097)	34,022,205	(16,723,227)
Other non-current assets		23,883,825	16,056,921	(67,914)	(521,342)
Operating liabilities increase (decrease)					
Trade and other payables		(327,930,013)	(1,324,451,168)	347,025,434	465,831,152
Other current liabilities		73,754,937	(222,972,286)	83,120,935	(175,936,410)
Other non-current liabilities		760,208	5,209,926	(2,029,867)	(132,800)
Cash flows from operating activities		2,767,338,894	1,097,238,881	965,487,145	562,899,179
Cash paid for purchase of temporary investments in trading securities	8	(36,354,937)	(373,209,062)	(18,265,755)	(164,392,930)
Proceed from sale of temporary investments in trading securities	8	139,616,470	280,344,381	72,617,442	108,563,504
Cash received from repayment from short-term loans to employees		285,954	109,503	7,284	9,533
Cash paid to provide short-term loans to employees		(221,287)	(217,734)	(15,100)	(14,300)
Cash paid for interest expenses		(519,259,096)	(417,798,766)	(147,915,627)	(78,719,671)
Cash paid for corporate income tax		(404,630,170)	(620,111,065)	(63,925,189)	(168,239,330)
Cash received from income tax refundable		289,216,980	85,516,193	8,173,524	1,189,681
<b>Net cash flows from operating activities</b>		<b>2,235,992,808</b>	<b>51,872,331</b>	<b>816,163,724</b>	<b>261,295,666</b>

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 2015

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
<b>Cash flows from investing activities</b>					
Cash paid to provide short-term loans to related parties	6	-	-	(965,410,000)	(171,600,000)
Cash received from repayment from short-term loans to related parties	6	-	-	348,000,000	93,000,000
Cash received from interest income		10,246,580	11,579,388	25,473,818	10,179,282
Decrease in fixed deposits		8,996,549	14,767,990	-	-
(Increase) decrease in restricted bank deposits		72,005,022	(156,723,210)	-	-
Proceed from sales of available-for-sale investments	15	31,822,865	-	-	-
Cash paid to purchase available-for-sale investments	15	(8,252,859)	(167,181,844)	-	-
Cash paid for investment in associate	16	(9,999,799)	(9,000,000)	-	-
Net cash outflows from acquisition of investment in subsidiaries	17	-	(63,171,750)	-	-
Cash received from finance lease receivables		37,654,975	23,444,191	-	-
Cash received from subsidiary liquidation		-	-	13,286,642	-
Proceeds from sales of plant, equipment and intangible assets		51,272,022	12,936,793	42,731,338	52,893
Cash paid for acquisition of equipment		(2,303,811,717)	(1,167,515,585)	(37,654,757)	(5,288,956)
Cash received from insurance claims		227,225	104,691,793	-	-
Cash paid for intangible assets		(21,049,881)	(41,147,933)	-	-
Increase in non-controlling interests of subsidiaries		8,382,171	6,644,197	-	-
<b>Net cash flows used in investing activities</b>		<b>(2,122,506,847)</b>	<b>(1,430,675,970)</b>	<b>(573,572,959)</b>	<b>(73,656,781)</b>

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 2015

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
<b>Cash flows from financing activities</b>					
Proceeds from partial sale of investments in subsidiaries	17	37,672,824	1,624,115,815	-	1,460,165,055
Cash paid for additional purchase of investments in subsidiaries	17	(67,758,842)	(3,101,328,136)	(5,996,496)	(3,040,214,731)
Decrease in bank overdrafts		(69,235,662)	(26,296,453)	-	-
Proceeds from short-term loans from financial institutions		16,922,625,845	13,441,014,865	7,046,695,502	3,941,570,334
Cash paid to settle short-term loans from financial institutions		(15,628,406,733)	(10,099,198,236)	(9,277,245,487)	(1,436,617,349)
Proceeds from bill of exchange		1,505,000,000	450,000,000	805,000,000	100,000,000
Cash paid to settle bill of exchange		(920,000,000)	(150,000,000)	(320,000,000)	-
Increase (decrease) in trust receipts		(2,882,910,984)	1,326,841,495	-	-
Repayment of settle short-term loans from related parties	6	-	-	(191,000,000)	(5,000,000)
Repayment of short-term loans from unrelated parties		(26,815,905)	(96,740,000)	-	-
Proceeds from short-term loans from unrelated parties		30,675,000	13,500,000	-	-
Proceeds from issuance debentures	26	4,355,000,000	2,420,000,000	2,500,000,000	-
Cash paid to debentures redemption	26	(1,760,000,000)	(2,320,000,000)	-	-
Proceeds from long-term loans from related parties		-	-	-	100,000,000
Cash paid to settle long-term loans from financial institutions		(338,642,850)	(1,408,681,644)	-	(410,791,276)
Cash paid to settle liabilities under finance lease agreements		(23,777,014)	(12,405,776)	(4,146,302)	(1,977,510)
Proceeds from call-up share capital subsidiaries		-	373,523,365	-	-
Proceeds from share issued due to warrants exercised of the Company and its subsidiaries		-	76,731,600	-	24,023,600
Dividend paid	39	(734,602,651)	(875,418,435)	(734,602,651)	(875,418,435)
Increase in non-controlling interests of the subsidiaries from proceeds of ordinary shares of subsidiaries		-	49,000,000	-	-
Changes in shareholding percentage in subsidiaries		10,075,759	-	-	-
Decrease in non-controlling interests of the subsidiaries from dividend payment		(186,333,451)	(326,674,670)	-	-
<b>Net cash flows from (used in) financing activities</b>		222,565,336	1,357,983,790	(181,295,434)	(144,260,312)
<b>Increase (decrease) in translation adjustments</b>		30,489,886	(536,680)	-	-
<b>Net increase (decrease) in cash and cash equivalents</b>		366,541,183	(21,356,529)	61,295,331	43,378,573
<b>Cash and cash equivalents at beginning of the year</b>		1,632,084,446	1,653,440,975	103,815,312	60,436,739
<b>Cash and cash equivalents at end of the year</b>		1,998,625,629	1,632,084,446	165,110,643	103,815,312
<b>Supplement disclosures of cash flows information</b>					
Non-cash items					
Transfer inventories to equipment		97,004,668	104,270,472	-	-
Transfer equipment to intangible assets		14,115,967	11,939,911	-	-
Increase in fixed asset payable		120,909,074	10,556,477	3,361,866	381,219
Acquisitions of equipment under finance leases agreements		31,188,770	-	31,188,770	-
Transfer asset for future use and land to property investment	18	-	57,461,971	-	-

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

# Notes to consolidated financial statements

## Samart Corporation Public Company Limited and its subsidiaries

For the year ended 31 December 2015

### 1. General information

Samart Corporation Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the design 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, 35<sup>th</sup> 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 Samart 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)	
			2015 Percent	2014 Percent
The Samart Engineering Co., Ltd.	Manufacture and distribution of television and radio antenna and satellite dishes as well as the provision of Broadcast Network Solutions	Thailand	100	100
Samart U-Trans Co., Ltd.	Provision for system integrator for transportation energy and utilities system	Thailand	100	100
Samart Telcoms Public Co., Ltd.	Sale of Telecoms equipment including designation, installation and communications system services	Thailand	70.14	70.07
Samart I-Mobile Public Co., Ltd.	Distribution of communication and electronic equipment	Thailand	71.47	71.47
One to One Contacts Public Co., Ltd.	Provision for customer contact center services	Thailand	69.18	70.76
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
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

Company's name	Nature of business	Country of incorporation	Percentage of shareholding (direct and indirect)	
			2015 Percent	2014 Percent
Samart RadiTech Co., Ltd.	Provision for nuclear technology services and use of radiation for commercial purposes	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
Samart Digital TV Co., Ltd.	Deregister its business and completely liquidate in 2015 (2014: Provision for broadcast network service)	Thailand	-	100
Samart Research and Development Co., Ltd.	Deregister its business in 2013 and completely liquidate in 2015	Thailand	-	100

\* *Suvarnabhumi Environment Care Co., Ltd. is in process of transferring its operation to Suvarnabhumi Environment Services Co., Ltd., which is a new subsidiary company established under the same conditions as Suvarnabhumi Environment Care Co., Ltd.*

#### Indirect subsidiaries held by the Company's subsidiaries

Company's name	Nature of business	Country of incorporation	Percentage of shareholding (direct and indirect)	
			2015 Percent	2014 Percent
<b>Subsidiaries directly held by One to One Contacts Public Co., Ltd.</b>				
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	69.18	70.76
One to One (Cambodia) Co., Ltd.	Provision of customer contact service	Cambodia	69.18	70.76
<b>Subsidiaries held by Samart Inter Holding Co., Ltd.</b>				
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
<b>Subsidiary held by The Samart Engineering Co., Ltd.</b>				
Contact-In-One Co., Ltd.	Institute of telecommunication mechanic	Thailand	100	100
<b>Subsidiary held by Samart U-Trans Co., Ltd.</b>				
Teda Co., Ltd.	Engineering, procurement and construction (EPC) contractor and maintenance services for power substations and power transmission	Thailand	94.5	80
Samart U-Trans (Myanmar) Co., Ltd.	Provide services and consultations regarding trades in Myanmar	Myanmar	100	-
Samart Waste2Power Co., Ltd.	Provide municipal Solid Waste and Landfill Waste management by collecting, separating, Refused Derived Fuel (RDF) producing and convert waste to be electricity	Thailand	100	-

Company's name	Nature of business	Country of incorporation	Percentage of shareholding (direct and indirect)	
			2015 Percent	2014 Percent
<b>Subsidiary held by Teda Co., Ltd.</b> Transec Power Services Co., Ltd.	Installation, commissioning and maintenance services for power substation and any high voltage systems	Thailand	94.35	80
Teda Construction Co., Ltd.	Deregister its business and completely liquidate in 2015 (2014: Civil construction and civil engineering services for power substation and power transmission projects)	Thailand	-	80
<b>Subsidiaries held by Samart Telcoms Public Co., Ltd.</b>				
Samart Communication Services Co., Ltd.	Design and installation of communication network, public rural telephone project	Thailand	70.14	70.07
Posnet Co., Ltd.	Electronic fund transfer	Thailand	70.14	70.07
Thai Trade Net Co., Ltd.	Electronic data interchange	Thailand	70.14	70.07
Samart Broadband Services Co., Ltd.	Ceased its operation since 2008	Thailand	70.14	70.07
Samart Comtech Co., Ltd.	Design and installation of telecommunications network	Thailand	70.14	70.07
Smarterware Co., Ltd.	Manufacture production of software packages and provision of software development services	Thailand	70.14	70.07
Samart Telecommunication (Cambodia) Co., Ltd.	Ceased business in 2010, currently is in processing of liquidation	Cambodia	70.14	70.07
Samart Infonet Co., Ltd.	Provision for internet services	Thailand	70.14	70.07
Samart eD Tech Co., Ltd.	e-learning courseware development consultation	Thailand	70.14	70.07
Net Media Co., Ltd.	Distribution of information system and communications equipment	Thailand	70.14	70.07
Portalnet Co., Ltd.	Design and installation of Enterprise Resource Planning (ERP) system and fully integrate ERP solution for government and public sectors	Thailand	70.14	70.07
<b>Subsidiary held by Samart Broadband Services Co., Ltd.</b>				
IT Absolute Co., Ltd.	Distribution of information system and communications equipment	Thailand	70.14	70.07
<b>Subsidiary held by Samart Comtech Co., Ltd.</b>				
Net Service (Thailand) Co., Ltd.	Development of information technology system for government agencies and private companies	Thailand	42.08	42.04

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 of incorporation</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 (shareholding indirect)	
			2015 Percent	2014 Percent
<b>Subsidiaries held by Samart I-Mobile Public Co., Ltd.</b>				
Samart Multimedia Co., Ltd.	Provision content services via audiotext and call center	Thailand	71.47	71.47
I-Mobile International Co., Ltd.	Provision the general management business including business planning and business coordination	Thailand	71.47	71.47
Brain Source Co., Ltd.	Research and development of mobile phone applications	Thailand	71.47	71.47
I-Mobile Plus Co., Ltd.	Provision of wireless telecommunication business	Thailand	71.47	71.47
Samart I-Mobile (Malaysia) Sdn. Bhd.	Distributor of mobile phones and provider of entertainment content	Malaysia	71.47	71.47
Teleconnext Co., Ltd.	Distributor of mobile phones and accessories	Hong Kong	71.47	71.47
I-Mobile Inter trade Co., Ltd.	Temporarily ceased its business	Thailand	71.47	71.47
Samart Mobile Services Co., Ltd.	Temporarily ceased its business	Thailand	69.61	69.61
<b>Subsidiaries held by Samart Multimedia Co., Ltd.</b>				
Samart Interactive Media Co., Ltd.	Distribution of goods and provision of services related to horoscopes and astrology	Thailand	71.47	71.47
I-Sport Co., Ltd.	Provision of information of sports via full option interactive multimedia	Thailand	35.74	35.74
Entertainment Tree Co., Ltd. (The Company has control and sets policies for operation and financial management over this company)	Production, sale and provision of all kinds of entertainment-related content through multiple channels	Thailand	32.16	32.16
<b>Subsidiaries held by I-Mobile International Co., Ltd.</b>				
Pt. Samart I-Mobile Indonesia	Temporarily ceased its business	Indonesia	71.47	71.47
I-Mobile (Cambodia) Co., Ltd.	Ceased business in 2006, currently is in process of liquidation	Cambodia	-	-
<b>Subsidiary held by Samart I-Mobile (Malaysia) Sdn. Bhd.</b>				
Pemata Benar Sdn. Bhd.	Not yet operational	Malaysia	71.47	71.47
<b>Subsidiary held by I-Mobile Inter trade Co., Ltd.</b>				
I-Mobile Direct Co., Ltd.	Temporarily ceased its business (2014: Distributor of mobile phones)	Thailand	71.47	71.47
<b>Subsidiaries held by I-Sport Co., Ltd.</b>				
SiamSport Television Co., Ltd.	TV media, sport license and sport-related business	Thailand	35.74	35.74
I-Sport Media Co., Ltd.	Temporarily ceased its business	Thailand	35.74	35.74

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) 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.
- f) Material balances and transactions between the Company and its subsidiary companies have been eliminated from the consolidated financial statements.
- g) 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.
- h) 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 “Difference on investments in subsidiaries arising from changes in shareholding percentage at higher than the book value of subsidiaries”. 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 “Difference on investments in subsidiaries arising from changes in shareholding percentage at lower than the book value of subsidiaries”.

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

### 3. New financial reporting standards

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

#### a. Financial reporting standards that became effective in the current year

The Company has adopted the revised (revised 2014) and new financial reporting standards issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2015. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the financial statements of the Company and its subsidiaries. However, some of these standards involve changes to key principles, which are summarised below.

#### **TAS 19 (revised 2014) Employee Benefits**

This revised standard requires that the entity recognise actuarial gains and losses immediately in other comprehensive income while the former standard allowed the entity to recognise such gains and losses immediately in either profit or loss or other comprehensive income, or to recognise them gradually in profit or loss.

This revised standard does not have any impact on the financial statements as the Company and its subsidiaries already recognise actuarial gains and losses immediately in other comprehensive income.

#### **TFRS 10 Consolidated Financial Statements**

TFRS 10 prescribes requirements for the preparation of consolidated financial statements and replaces the content of TAS 27 Consolidated and Separate Financial Statements dealing with consolidated financial statements. This standard changes the principles used in considering whether control exists. Under this standard, an investor is deemed to have control over an investee if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns, even if it holds less than half of the shares or voting rights. This important change requires the management to exercise a lot of judgement when reviewing whether the Company and its subsidiaries have control over investees and determining which entities have to be included in preparation of the consolidated financial statements.

This standard does not have any impact on the financial statements of the Company and its subsidiaries.

#### **TFRS 11 Joint Arrangements**

TFRS 11 supersedes TAS 31 Interests in Joint Ventures. This standard requires an entity investing in any other entity to determine whether the entity and other investors have joint control in the investment. When joint control exists, there is deemed to be a joint arrangement and the entity then needs to apply judgement to assess whether the joint arrangement is a joint operation or a joint venture and to account for the interest in the investment in a manner appropriate to the type of joint arrangement. If it is a joint operation, the entity is to recognise its shares of assets, liabilities, revenue and expenses of the joint operation, in proportion to its interest, in its separate financial statements. If it is a joint venture, the entity is to account for its investment in the joint venture using the equity method in the financial statements in which the equity method is applied or the consolidated financial statements (if any), and at cost in the separate financial statements.

This standard does not have any impact on the financial statements since the Company and its subsidiaries already apply the equity method to account for the investment in a joint venture.

#### **TFRS 12 Disclosure of Interests in Other Entities**

This standard stipulates disclosures relating to an entity's interests in subsidiaries, joint arrangements and associates, including structured entities. This standard therefore has no financial impact on the financial statements of the Company and its subsidiaries.

#### **TFRS 13 Fair Value Measurement**

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurement. Entities are to apply the guidance under this standard if they are required by other financial reporting standards to measure their assets or liabilities at fair value. The effects of the adoption of this standard are to be recognised prospectively.

This standard does not have any significant impact on the financial statements of the Company and its subsidiaries.

**b. Financial reporting standards that will become effective in the future**

During the current year, the Federation of Accounting Professions issued a number of the revised (revised 2015) and new financial reporting standards and accounting treatment guidance which is effective for fiscal years beginning on or after 1 January 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards. The Company's and its subsidiaries' management believes that the revised and new financial reporting standards and accounting treatment guidance will not have any significant impact on the financial statements when it is initially applied.

## 4. Significant accounting policies

### 4.1 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.

Facility rental service and customer service representative outsource are recognised as revenue on a monthly basis, as stipulated in the agreement.

#### *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.

#### *Advertising income*

Advertising income is recognised upon the broadcasting of such programmes.

#### *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 from telephone services 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.

*Royalty and technical assistance fee*

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

*Revenue from sales under finance lease agreements*

Finance lease 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.

#### **4.2 Cash and cash equivalents**

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

#### **4.3 Trade accounts receivable**

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

#### **4.4 Inventories**

Finished goods and work in process are valued at the lower of cost (under the weighted average method) and net realisable value. The cost of inventories includes all production costs and attributable factory overheads.

Raw materials and factory supplies are valued at the lower of average cost and net realisable value and are charged to production costs whenever consumed.

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

#### **4.5 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 associates are accounted for in the consolidated financial statements using the equity method.
- d) 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. If the last bid price of the last working day of the year as quoted on the Stock Exchange 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.

#### 4.6 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value. Any gains or losses arising from changes in the value of investment properties are recognised in profit or loss when incurred.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

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

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

Land is initially recorded at cost on the acquisition date, and subsequently revalued by an independent professional appraiser to its fair value. Revaluations are made with sufficient regularity to ensure that the 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 a revaluation of the Company's and subsidiaries' assets, the increase is credited directly to the other comprehensive income and the cumulative increase is recognised in 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's 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 and equipment is calculated by reference to their costs on the 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 - 7 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.

#### **4.8 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>
Computer software	3, 5 and 10 years and contract periods
Right for air time	5 years
License	5 years

#### **4.9 Service concession arrangements**

The subsidiary determines conditions of an arrangement whereby a grantor, which is the Royal Government, controls or regulates what services the operator must provide using the assets and also controls any significant residual interest in the assets at the end of the term of the arrangement.

The subsidiary recognises and measures the consideration received depending on the conditions of service concession arrangement. An intangible asset is recognised to the extent that the subsidiary receives a right to charge users of the public service. A financial asset is recognised to the extent that an operator has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor.

The subsidiary recognises the consideration, based upon the conditions of service concession arrangement, received from the air traffic control service and system installation in Cambodia as an intangible asset because the subsidiary receives a right to charge users of the public service and amortises such intangible asset as expense in the profit or loss on a straight-line basis of the concession period of which expire in the year 2033.

#### **4.10 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's and its subsidiaries' cash generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The 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.

#### **4.11 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.

#### **4.12 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.

#### **4.13 Arrangement contains a Lease**

The subsidiary determines whether an arrangement is, or contains, a lease, based on the substance of the arrangement as at the effective date of the arrangement. This is to conclude whether the arrangement meets the criteria pertaining to fulfilment of the arrangement depending upon a specific asset and the arrangement conveying a right to control the use of the underlying asset.

#### **4.14 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.

#### **4.15 Impairment of assets**

At the end of each reporting period, the Company and its subsidiaries perform impairment reviews in respect of the property, plant and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The Company and its subsidiaries also 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 land 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.

#### **4.16 Employee benefits**

##### **Short-term employee benefits**

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

##### **Post-employment benefits**

###### *Deferred contribution plans*

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

##### **Provision for vacation**

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

#### 4.17 Provisions

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

#### 4.18 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.

#### 4.19 Derivatives

##### Forward exchange contracts

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

#### 4.20 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company and its subsidiaries apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company and its subsidiaries measure fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

- Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Company and its subsidiaries determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

## 5. Significant accounting judgements and estimates

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

### **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.

### **Fair value of financial instruments**

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercise judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk (bank and counterparty, both) liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

### **Reduction cost to net realisable value of inventories**

Determining the reduction cost to net realisable value of inventories requires management to exercise judgement in term of estimating losses on outstanding inventories, based on the selling price expected in the ordinary course of business less the estimated costs to completion or estimated additional expenses 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.

**Investment property**

The subsidiary companies present investment property at the fair value estimated by an independent appraiser, and recognise changes in the fair value in profit or loss. The fair value of investment properties are determined by the independent valuer using the market approach. The valuation involves certain assumptions and estimates.

**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 at revalued amounts. Such amounts are determined by the independent valuer using the market approach. 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 and delay penalty**

The Company and its subsidiary companies have contingent liabilities as a result of litigation and delay penalty. The managements have used judgement to assess the results of the litigation and delay penalty in which they believe that the provisions made would be sufficient. However, actual results could differ from the estimates.

## 6. 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 Cost of fund plus 0.25 percent per annum.
  - 5.2 12-month fixed deposit rate of the commercial banks that frequently use.
  - 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: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
<b>Transactions with subsidiary companies</b>				
(eliminated from the consolidated financial statements)				
Purchase of goods and services	-	-	467	375
Management fee income	-	-	409	399
Guarantee fee income	-	-	2	3
IT Service fee income	-	-	98	96
Dividend income	-	-	445	660
Interest income	-	-	26	7
Disposals fixed assets	-	-	1	-
Other income	-	-	70	71
Other expenses	-	-	9	10
Interest expenses	-	-	9	12
<b>Transactions with related companies</b>				
Purchase of goods and service	18	18	-	-
Sales and service income	1	2	-	-
Disposals fixed assets	42	-	42	-
Other expenses	82	90	53	52
Other income	1	-	-	-

As at 31 December 2015 and 2014, the balances of the account between the Company and those related parties were as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
<b>Trade accounts receivable - related parties (Note 9)</b>				
Related companies (related by shareholder)	1,008	803	-	-
Total trade accounts receivable - related parties	1,008	803	-	-
<b>Amount due from and advance to related parties (Note 9)</b>				
Subsidiary companies	-	-	53,526	47,581
Related companies (related by shareholder)	815	941	253	471
Total amount due from and advance to related parties	815	941	53,779	48,052
<b>Trade accounts payable - related parties (Note 24)</b>				
Subsidiary companies	-	-	497,274	196,341
Related companies (related by shareholder)	909	35	-	-
Total trade accounts payable - related parties	909	35	497,274	196,341
<b>Other payables and accrued interest expenses - related parties (Note 24)</b>				
Subsidiary companies	-	-	2,990	2,778
Related companies (related by shareholder)	2,493	5,393	1,256	943
Total other payables and accrued interest expenses - related parties	2,493	5,393	4,246	3,721

#### Loans to related parties and loans from related parties

As at 31 December 2015 and 2014, 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 2014	During the year		31 December 2015
		Increase	Decrease	
The Samart Engineering Co., Ltd.	143,400	897,000	(345,000)	695,400
Suvarnabhumi Environment Care Co., Ltd.	164,601	27,410	-	192,011
Vision and Security System Co., Ltd.	-	41,000	-	41,000
Samart Digital TV Co., Ltd.	3,000	-	(3,000)	-
Total	311,001	965,410	(348,000)	928,411

#### Loans from subsidiary companies

(Unit: Thousand Baht)

Short-term loans to subsidiary companies	Separate financial statements			
	31 December 2014	During the year		31 December 2015
		Increase	Decrease	
Samart U-Trans Co., Ltd.	367,000	-	(191,000)	176,000
Total	367,000	-	(191,000)	176,000

(Unit: Thousand Baht)

Long-term loans from subsidiary companies	Separate financial statements			
	31 December 2014	During the year		31 December 2015
		Increase	Decrease	
Cambodia Air Traffic Services Co., Ltd.	542,000	-	-	542,000
Kampot Power Plant Co., Ltd.	186,000	-	-	186,000
Total	728,000	-	-	728,000

- a) 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).

In addition, on 3 February 2014, the Company obtained an additional Baht loan from Cambodia Air Traffic Services Co., Ltd., amounting to Baht 100 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 from the date of first drawdown.

- b) 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 years ended 31 December 2015 and 2014, 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	
	2015	2014	2015	2014
Short-term employee benefits	98.9	90.4	26.0	25.8
Post-employment benefits	1.2	1.1	0.4	0.4
Total	100.1	91.5	26.4	26.2

#### Significant agreements with related parties

##### *Long-term rental agreements*

The Company and its subsidiary companies entered into office rental agreements with Vilailuck International Holding Co., Ltd., a related company, for use in their operations. This contract will expire in April 2017. The Company and its subsidiary companies have to pay a monthly rental fee of 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 43.2.1 to the financial statements.

##### *Service agreement*

The Company and its subsidiary companies entered into facility service agreements with Vilailuck International Holding Co., Ltd., a related company. This contract will expire in April 2017, under which they have to pay monthly facility service fees of approximately Baht 4 million (Separate financial statements: Baht 3 million).

**Disposals on fixed assets and lease with related party**

On 12 November 2015, the meeting of the Board of Directors of the Company has passed a resolution approving the sale of Smart One Building, for which the Company previously built on leased land, to CSV Asset Co., Ltd., a related company, at a price of Baht 42 million, which is equal to the appraisal price determined by an independent professional appraiser. The Company and the subsidiary have continued to lease the building from CSV Asset Co., Ltd. for use as office, at the market rate, whereby the Company and the subsidiary are required to pay monthly rental of about Baht 1.4 million (Separate financial statements: Baht 0.5 million).

**Guarantee obligations with related parties**

The Company has outstanding guarantee obligations with its related parties, as described in Note 43.4.2 to the financial statements.

**7. Cash and cash equivalents**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Cash	2,620	2,559	26	20
Bank deposits	2,211,619	1,917,143	165,085	103,795
Less: Restricted bank deposits	(215,613)	(287,618)	-	-
Total	1,998,626	1,632,084	165,111	103,815

As at 31 December 2015, bank deposits in saving accounts and fixed deposits carried interests at the rate between 0.05 and 4.00 percent per annum (2014: between 0.01 and 6.00 percent per annum).

**8. Temporary investments**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Trading securities (Note 8.1)	22,063	122,743	13,177	66,556
Fixed deposit with financial institution	18	9,015	-	-
Total	22,081	131,758	13,177	66,556

**8.1 Temporary investments in trading securities**

Movements of the temporary investments in trading securities account for the years ended 31 December 2015 and 2014 were summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Balance at beginning of the year	122,743	23,490	66,556	7,029
Purchase during the year	36,355	373,209	18,266	164,393
Disposals during the year				
Proceed from sales	(139,616)	(280,344)	(72,617)	(108,564)
Gain on disposals (Note 33)	13,991	15,606	4,546	9,267
Total	(125,625)	(264,738)	(68,071)	(99,297)
Loss on change in value (Note 35)	(11,410)	(9,218)	(3,574)	(5,569)
Balance as at end of the year	22,063	122,743	13,177	66,556

## 9. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
<b>Trade accounts receivable - related parties (Note 6)</b>				
<i>Aged on the basis of due dates</i>				
Not yet due	835	639	-	-
Past due				
Up to 3 months	9	-	-	-
Over 12 months	473	473	-	-
Total	1,317	1,112	-	-
<u>Less:</u> Allowance for doubtful debts	(309)	(309)	-	-
Total trade accounts receivable - related parties, net	1,008	803	-	-
<b>Trade accounts receivable - unrelated parties</b>				
<i>Aged on the basis of due dates</i>				
Not yet due	3,583,302	4,890,144	1,714	1,537
Past due				
Up to 3 months	3,117,810	2,252,015	174,155	117,810
3 - 6 months	2,646,800	1,010,480	4,988	4,634
6 - 12 months	851,431	81,712	64,680	9,667
Over 12 months	483,083	518,060	78,046	59,198
Total	10,682,426	8,752,411	323,583	192,846
<u>Less:</u> Allowance for doubtful debts	(119,832)	(106,834)	(588)	(588)
Allowance for sales return	(5,736)	-	-	-
Total trade accounts receivable - unrelated parties, net	10,556,858	8,645,577	322,995	192,258
Total trade accounts receivable - net	10,557,866	8,646,380	322,995	192,258
<b>Other receivables</b>				
Amount due from and advance to related parties (Note 6)	815	941	53,779	48,052
Security business receivables	1,022,626	1,022,626	-	-
Other receivables - unrelated parties	389,947	107,898	1,783	413
Total	1,413,388	1,131,465	55,562	48,465
<u>Less:</u> Allowance for doubtful debts	(1,044,063)	(1,023,471)	(54)	(54)
Total other receivables - net	369,325	107,994	55,508	48,411
Total trade and other receivables - net	10,927,191	8,754,374	378,503	240,669

- a) The Company and three subsidiary companies (Samart Telcoms Public Co., Ltd., Samart Communication Services Co., Ltd. and Samart Comtech Co., Ltd.) have transferred their collection rights from projects and trade accounts receivable to banks as collateral for loans and credit facilities. As at 31 December 2015, the balances of the above trade accounts receivable included the receivables that were transferred their collection rights to banks totaling Baht 1,667 million (2014: the Company and five subsidiary companies (Samart I-Mobile Public Co., Ltd., Samart Telcoms Public Co., Ltd., Samart Communication Services Co., Ltd., Samart Comtech Co., Ltd. and Kampot Power Plant Co., Ltd.) totaling Baht 621 million) (Separate financial statements: Baht 323 million (2014: Baht 192 million)).
- b) As at 31 December 2015, trade accounts receivable of Samart Telcoms Public Co., Ltd., a subsidiary company, included amounts of Baht 4 million (2014: Baht 4 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 2015, 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 1,023 million (2014: Baht 1,023 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 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, Samart Broadband Services Co., Ltd. (buyer) shall order the company to transfer the repayment made by the previous shareholder (a bank) at the rate of 99.7888 percent as formula which was described in the agreement.

d) On 2 November 2015, One to One Contacts Public Co., Ltd., a subsidiary company, filed lawsuits with the Civil Court, seeking settlement of trade accounts receivable - unrelated party that were more than 6 months past due, totaling Baht 75 million. The case is currently in the process of a court-led mediation and both parties have expressed an intention to reach a compromise agreement. The subsidiary company’s management has consulted with legal counsel and believes that full settlement will be received. Therefore as at 31 December 2015, the subsidiary company has not set aside allowance for doubtful debts.

e) As at 31 December 2015, 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 483 million (2014: Baht 518 million) and of the Company totaling Baht 78 million (2014: Baht 59 million). This is because such trade 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.

## 10. Short-term loans

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Short-term loans to related parties (Note 6)	-	-	928,411	311,001
Short-term loans to employees	188	253	13	5
Total short-term loans	188	253	928,424	311,006

## 11. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories-net	
	2015	2014	2015	2014	2015	2014
Finished goods	1,538,961	2,823,626	(52,289)	(71,862)	1,486,672	2,751,764
Work in process	149,596	253,279	(22,296)	(31,219)	127,300	222,060
Raw materials and supplies	211,623	432,375	(3,391)	(2,444)	208,232	429,931
Goods in transit	72,392	316,124	-	(8)	72,392	316,116
Total	1,972,572	3,825,404	(77,976)	(105,533)	1,894,596	3,719,871

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories-net	
	2015	2014	2015	2014	2015	2014
Finished goods	14,059	12,078	-	-	14,059	12,078
Work in process	284	379	-	-	284	379
Total	14,343	12,457	-	-	14,343	12,457

During the current year, subsidiary companies reversed the write-down of cost of inventories by Baht 18 million (2014: Baht 21 million), and reduced the amount of inventories recognised as expenses during the year.

## 12. Finance lease receivables

(Unit: Thousand Baht)

	Consolidated financial statements	
	2015	2014
Finance lease receivables (contractual value)	265,446	214,086
<u>Less:</u> Receipts	(175,379)	(137,724)
Exchange differences on translation of financial statements in foreign currencies	(12,519)	(16,902)
Finance lease receivables	77,548	59,460
<u>Less:</u> Unearned interest income	(4,946)	(9,031)
Finance lease receivables - net of unearned interest income	72,602	50,429
<u>Less:</u> Current portion of finance lease receivables	(60,076)	(18,225)
Finance lease receivables - net of current portion	12,526	32,204

- a) Kampot Power Plant Co., Ltd., a subsidiary company, has entered into an agreement to generate and supply electricity to Kampot Cement plant in Cambodia. The agreement is valid for a period of 10 years and expires within 2017. Considering conditions stipulated in the agreement, it was found that this agreement constitutes the lease agreement as all the risks and rewards of the assets have been transferred to Kampot Cement plant in Cambodia. Therefore, it is considered a finance lease and the subsidiary company recorded an initial finance lease receivable of USD 6 million, equivalent to Baht 214 million.

- b) One to One Contacts Public Co., Ltd., a subsidiary company, has entered into an agreement to lease call center service. The agreement is valid for a period of 1 year. Considering conditions stipulated in the agreement, it was found that this agreement constitutes the lease agreement as all the risk and rewards of the assets have been transfer to the lessee. Therefore, it is considered a finance lease receivable and the subsidiary company recorded an initial finance lease receivable of Baht 51 million.

### 13. Other current assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Withholding tax and prepaid tax expenses	502,693	597,355	22,331	14,222
Prepaid expenses	323,777	447,918	24,132	14,340
Refundable value added tax	295,814	277,290	41,001	45,272
Advance for purchase of inventories and equipment	217,701	276,444	53,971	89,507
Advance payments	23,269	53,467	168	650
Others	156,744	102,542	10,629	5,552
Less: Allowance for diminution in value of advance for purchase of inventories	(15,982)	(11,904)	-	-
Total other current assets - net	1,504,016	1,743,112	152,232	169,543

### 14. Restricted bank deposits

These represent fixed deposits pledged by some subsidiaries with the banks to secure credit facilities, letter of guarantees obtained from the banks and certain bank deposits restricted to secure under debt settlement under domestic letters of credit.

### 15. Available-for-sale investments

As at 31 December 2015 and 2014, the subsidiary companies have available-for-sale investments as the followings:

(Unit: Thousand Baht)

Common stock/Warrant	Consolidated financial statements					
	2015			2014		
	No. of shares	Fair value as at the Purchase / reclassification date	Fair value	No. of shares	Fair value as at the Purchase / reclassification date	Fair value
	(Thousand shares)			(Thousand shares)		
Q Technology (Group) Co., Ltd. (a company listed in Hong Kong Stock Exchange)	12,000	143,299	88,035	14,000	167,182	129,967
Siam Sport Syndicate Public Co., Ltd.	29,150	82,700	58,884	27,213	77,829	57,691
Warrants No. 3 of Siam sport Syndicate Public Co., Ltd.	-	-	-	1,668	1,618	701
Ferrum Public Co., Ltd. (formerly known as "M-Link Asia Corporation Public Co., Ltd.")	30,000	108,450	28,800	25,000	106,500	79,000
Total		334,449	175,719		353,129	267,359
Less: Change in value		(158,730)			(85,770)	
Total available-for-sale investments		175,719			267,359	

Movements of available-for-sale investments account during the years ended 31 December 2015 and 2014 were summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	
	2015	2014
<b>Net book value at beginning of the year</b>	267,359	173,103
Purchase during the year	8,253	167,182
Disposals during the year		
Proceeds from sales	(31,823)	-
Less: Gain on disposal (Note 33)	4,890	-
Total	(26,933)	-
Loss on changes in value	(72,960)	(72,926)
<b>Net book value at end of the year</b>	<b>175,719</b>	<b>267,359</b>

## 16. Investments in associates

### 16.1 Details of associates:

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Consolidated financial statements					
			Shareholding percentage		Cost		Carrying amounts based on equity method	
			2015 (%)	2014 (%)	2015	2014	2015	2014
<b>Associate held by the subsidiary companies</b>								
SLA Asia Co., Ltd. (held by Samart Communication Services Co., Ltd.)	Operate an installation of telecommunication network project	Thailand	30	30	9,000	9,000	4,912	7,204
Chiang Mai Waste2Power Co., Ltd. (held by Samart Waste2Power Co., Ltd.)	Solid waste and landfill waste management (Currently, it does not operate the main business)	Thailand	50	-	10,000	-	5,866	-
Total					19,000	9,000	10,778	7,204

On 18 March 2015, a meeting of Board of Directors of the Company, passed a resolution approving the joint establishment by Samart Waste2Power Co., Ltd., a subsidiary company, with Ferrum Energy Co., Ltd. (formerly known as "Mlink Energy Co., Ltd."), of a new company named Chiang Mai Waste2Power Co., Ltd. to provide Local Administration and private sector with Solid Waste and Landfill Waste management by separating solid waste to produce Refuse Derived Fuel (RDF) which can be used to produce electricity and all related general proceeding. This new company has a registered capital of 2 million shares of Baht 10 per share, or a total of Baht 20 million, and 100 percent of registered capital was called up. The subsidiary company holds 50 percent of share capital in this company.

The subsidiary company and Ferrum Energy Co., Ltd. (formerly known as "Mlink Energy Co., Ltd."), registered the establishment on 6 May 2015 and paid up the capital in full amount, totaling Baht 20 million.

## 16.2 Share of loss

During the years, the subsidiary companies recognised share of loss from investments in associates in the consolidated financial statements as follows:

(Unit: Thousand Baht)

Company's name	Consolidated financial statements	
	Share of loss from investments in associates during the year	
	2015	2014
<b>Associates held by the subsidiary companies</b>		
SLA Asia Co., Ltd. (held by Samart Communication Services Co., Ltd.)	2,292	1,796
Chiang Mai Waste2Power Co., Ltd. (held by Samart Waste2Power Co., Ltd.)	4,134	-
<b>Total</b>	<b>6,426</b>	<b>1,796</b>

## 16.3 Summarised financial information of associates

Summarised information about financial position

(Unit: Million Baht)

	SLA Asia Co., Ltd.		Chiang Mai Waste2Power Co. Ltd.	
	2015	2014	2015	2014
Current assets	17	24	12	-
<b>Net assets</b>	<b>17</b>	<b>24</b>	<b>12</b>	<b>-</b>
Shareholding percentage (%)	30%	30%	50%	-
<b>Carrying amounts of associates based on equity method</b>	<b>5</b>	<b>7</b>	<b>6</b>	<b>-</b>

Summarised information about comprehensive income

(Unit: Million Baht)

	For the years ended 31 December			
	SLA Asia Co., Ltd.		Chiang Mai Waste2Power Co. Ltd.	
	2015	2014	2015	2014
Revenue	69	84	-	-
Loss	(6)	(8)	(8)	-
<b>Total comprehensive loss</b>	<b>(6)</b>	<b>(8)</b>	<b>(8)</b>	<b>-</b>

## 17. Investments in subsidiaries

### 17.1 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	
	2015 Million Baht	2014 Million Baht	2015 Percent	2014 Percent	2015 Thousand Baht	2014 Thousand Baht	2015 Thousand Baht	2014 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 Telcoms Public Co., Ltd.	618	618	70.14	70.07	1,537,050	1,531,054	281,492	303,145
Samart I-Mobile Public Co., Ltd.	440	440	70.94	70.94	3,804,577	3,804,577	140,471	336,097
One to One Contacts Public Co., Ltd.	280	280	68.43	68.43	89,609	89,609	22,992	21,076
Vision and Security System Co., Ltd.	20	20	70	70	14,000	14,000	-	-
Suvarabhumi Environment Services Co., Ltd.	0.25	0.25	90	90	225	225	-	-
Suvarabhumi Environment Care Co., Ltd.	50	50	90	90	44,990	44,990	-	-
Samart RadiTech Co., Ltd.	46	46	100	100	46,000	46,000	-	-
Cambodia Samart Co., Ltd.								
(The Company has control over this company's operation)	USD 25,000	USD 25,000	49	49	24,244	24,244	-	-
Samart Inter Holding Co., Ltd.	USD 17 million	USD 17 million	100	100	583,829	583,829	-	-
Samart Digital TV Co., Ltd.*	-	1	-	100	-	1,000	-	-
Samart Research and Development Co., Ltd.*	-	20	-	100	-	20,936	-	-
Total investments in subsidiaries					6,931,917	6,947,857	444,955	660,318
Less: Allowance for diminution in value of investments					(81,529)	(89,803)		
Total investments in subsidiaries - net					6,850,388	6,858,054		

\* The subsidiary company liquidation in 2015.

### 17.2 Details of investments in subsidiaries that have material non-controlling interests

(Unit: Thousand Baht)

Company's name	Proportion of equity interest held by non-controlling interests		Accumulated balance of non-controlling interests		Profit/loss allocated to non-controlling interests during the year		Dividends paid to non-controlling interests during the year	
	2015	2014	2015	2014	2015	2014	2015	2014
	(%)	(%)						
Samart I-Mobile Public Co., Ltd. and its subsidiaries	28.53	28.53	922,016	975,740	2,364	191,512	56,088	188,315
Samart Telcoms Public Co., Ltd. and its subsidiaries	29.86	29.93	1,034,986	1,041,222	113,969	216,022	120,205	129,560
One to One Contacts Public Co., Ltd. and its subsidiaries	30.82	29.24	246,108	235,787	20,361	19,037	10,040	8,799

### 17.3 Summarised financial information that based on amounts before inter-company elimination about subsidiaries that have material non-controlling

Summarised information about financial position

(Unit: Thousand Baht)

	Samart I-Mobile Public Co., Ltd. and its subsidiaries		Samart Telcoms Public Co., Ltd. and its subsidiaries		One to One Contacts Public Co., Ltd. and its subsidiaries	
	2015	2014	2015	2014	2015	2014
Current assets	8,736,328	9,336,624	5,706,001	5,647,200	811,110	636,380
Non-current assets	1,257,585	1,301,601	4,333,614	3,291,216	207,449	267,570
Current liabilities	6,711,978	7,145,773	5,700,808	5,333,154	164,184	84,145
Non-current liabilities	51,697	72,403	880,011	126,406	15,524	13,420

## Summarised information about comprehensive income

(Unit: Thousand Baht)

	For the years ended 31 December					
	Samart I-Mobile Public Co., Ltd. and its subsidiaries		Samart Telcoms Public Co., Ltd. and its subsidiaries		One to One Contacts Public Co., Ltd. and its subsidiaries	
	2015	2014	2015	2014	2015	2014
Revenue	7,798,735	12,493,692	5,792,684	6,727,807	996,299	790,433
Profit	57,968	719,677	394,886	698,918	66,229	65,985
Other comprehensive income (loss)	(49,681)	(48,411)	(13,207)	22,840	(164)	(879)
Total comprehensive income (loss)	8,287	671,266	381,679	721,758	66,065	65,106

## Summarised information about cash flows

(Unit: Thousand Baht)

	For the years ended 31 December					
	Samart I-Mobile Public Co., Ltd. and its subsidiaries		Samart Telcoms Public Co., Ltd. and its subsidiaries		One to One Contacts Public Co., Ltd. and its subsidiaries	
	2015	2014	2015	2014	2015	2014
Cash flows from (used in) operating activities	238,623	(2,585,616)	900,642	3,492,046	87,470	64,012
Cash flows used in investing activities	(88,364)	(324,468)	(2,003,093)	(891,729)	(34,258)	(199,625)
Cash flows from (used in) financing activities	(159,672)	2,630,552	1,061,353	(2,505,381)	(33,545)	342,732
Translation adjustments	19,112	8,170	(7)	-	(64)	(81)
Net increase (decrease) in cash and cash equivalents	9,699	(271,362)	(41,105)	94,936	19,603	207,038

**17.4 Change in investments in subsidiaries held by the Company and subsidiary companies****17.4.1 Acquisition and disposal of investments**

During the years, the Company and its subsidiaries had acquisition and disposal transactions of investments in related parties as follows:

*Acquisition of investments by the Company*

Share's name	Number of shares		Purchase price	
	2015 (Million shares)	2014 (Million share)	2015 (Million Baht)	2014 (Million Baht)
Samart Telcoms Public Co., Ltd.	0.4	-	6.0	-
Samart I-Mobile Public Co., Ltd.	-	1,094.5	-	3,033.6

*Acquisition of investment by the subsidiaries*

Share's name	Number of shares		Purchase price	
	2015 (Million shares)	2014 (Million share)	2015 (Million Baht)	2014 (Million Baht)
Samart I-Mobile Public Co., Ltd.	-	16.7	-	61.0

### Disposal of investments by the Company

Share's name	Number of shares		Selling price	
	2015 (Million shares)	2014 (Million share)	2015 (Million Baht)	2014 (Million Baht)
Samart I-Mobile Public Co., Ltd.	-	493.4	-	1,407.3
One to One Contacts Public Co., Ltd.	-	10.0	-	54.0

### Disposal of investments by the subsidiary

Share's name	Number of shares		Selling price	
	2015 (Million shares)	2014 (Million share)	2015 (Million Baht)	2014 (Million Baht)
Samart I-Mobile Public Co., Ltd.	-	52.4	-	164.3
One to One Contacts Public Co., Ltd.	6.3	-	37.7	-

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., Samart I-Mobile Public Co., Ltd. and One to One Contacts Public Co., Ltd. as at 31 December 2015 were 70.14 percent, 71.47 percent and 69.18 percent, respectively (2014: the percentage of shareholding of the Company were 70.07 percent, 71.47 percent and 70.76 percent, respectively).

### 17.4.2 Establishment of new companies

On 13 November 2014, a meeting of Board of Directors of the Company passed a resolution approving Samart U-Trans Co., Ltd., a subsidiary company, to establish three new subsidiaries as follows:

Company's name	Nature of business	Country of incorporation	Registered share capital	Percentage of shareholding
SAMART Waste2Power Co., Ltd.	To provide municipal Solid Waste and Landfill Waste management by collecting, separating, Refused Derived Fuel (RDF) producing and convert waste to be electricity.	Thailand (on 9 January 2015)	Baht 50 million	The subsidiary company holds 99.99% (called up 25% of its share capital)
Samart U-Trans (Lao) Co., Ltd.	To provide collection programming service, web design service, hardware and Information Technology software maintenance service; and repair, install, and develop any programs and websites relating to Information Technology system.	Lao (currently, has not yet registered the establishment)	Lao Kip 1,000 million (or equivalent Baht 4 million)	The subsidiary company holds 99.99%
Samart U-Trans (Myanmar) Co., Ltd.	To provide services and consultations regarding trades in Myanmar including all related general proceedings	Myanmar (on 29 December 2014)	USD 50,000 (or equivalent Baht 1.6 million)	The subsidiary company holds 99.99% (called up in full)

### 17.4.3 Additionally call-up share capital of subsidiary

On 23 November 2015, the meeting of the Board of Directors of One to One Professional Company Limited, a subsidiary company of One to One Contacts Public Co., Ltd., passed a resolution approving to call up the remaining 75% of its registered share capital, or equivalent to Baht 0.75 million. One to One Contacts Public Co., Ltd. paid for the share subscription for 100,000 ordinary shares at Baht 7.5 each, totaling Baht 0.75 million in December 2015.

#### 17.4.4 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 completed its liquidation on 10 April 2015.
- b) On 25 June 2015, an extraordinary meeting of Teda Construction 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 June 2015 and completed its liquidation on 23 July 2015.
- c) On 6 August 2015, an extraordinary meeting of Samart Digital TV 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 14 August 2015 and completed its liquidation on 7 October 2015.

#### 17.4.5 Establishment and disposal of investment in Samart Solar To Power Co., Ltd.

On 11 September 2015, a meeting of Board of Directors of Samart U-Trans Co., Ltd., a subsidiary company, passed a resolution approving the establishment of new joint venture company name "Samart Solar To Power Co., Ltd.", with Power Solution Technologies Public Co., Ltd. The business of the new company is electricity generation from solar energy and other alternative energy projects. It has a registered capital of Baht 25 million, with the subsidiary company holding 80 percent and Power Solution Technologies Public Co., Ltd. holding 20 percent. The subsidiary company registered the establishment of this company with the Ministry of Commerce on 21 September 2015.

In addition, a meeting of Board of Directors of this subsidiary company passed a resolution approving the establishment by Samart Solar To Power Co., Ltd., of four new subsidiary companies as follows:

Company's name	Nature of business	Country of incorporation	Registered share capital	Registration date	Shareholding percentage
1. Multi Solar Energy Co., Ltd.	Electricity generation from solar energy and other alternative energy projects.	Thailand	Baht 10 million	22 September 2015	Samart Solar To Power Co., Ltd. holds 99.97%
2. Solar Power Plus Co., Ltd.	Electricity generation from solar energy and other alternative energy projects.	Thailand	Baht 10 million	22 September 2015	Samart Solar To Power Co., Ltd. holds 99.97%
3. Power Plus Energy Co., Ltd.	Electricity generation from solar energy and other alternative energy projects.	Thailand	Baht 10 million	22 September 2015	Samart Solar To Power Co., Ltd. holds 99.97%
4. PS Solar Co., Ltd.	Electricity generation from solar energy and other alternative energy projects.	Thailand	Baht 10 million	22 September 2015	Samart Solar To Power Co., Ltd. holds 99.97%

Subsequently, on 12 November 2015 the Company's Board of Directors passed a resolution approving the sale by Samart U-Trans Co., Ltd., a subsidiary company, to sell the ordinary shares in Samart Solar To Power Co., Ltd. amount of 1,999,700 shares or 80% of Samart Solar To Power Co., Ltd. to Ferrum Energy Co., Ltd. total amount of Baht 8 million (Currently, Samart Solar To Power Co., Ltd. has Baht 25 million share capital comprising 2.5 million shares at par value of Baht 10 each and 40% paid-up). This is to alteration of project expecting to invest from 4 projects to 1 project on supporting public sector Solar Farm projects in which the Company has not gain any economic of scale advantageous both in human resource and negotiation power with distributors as expected.

#### **17.4.6 Additional acquisition of investment in subsidiary**

On 5 October 2015, a meeting of the Board of Directors of Samart U-Trans Co., Ltd., a subsidiary company, passed a resolution approving the purchase of ordinary shares of Teda Co., Ltd., a subsidiary that was 80% held by Samart U-Trans Co., Ltd. Samart U-Trans Co., Ltd. has gradually purchased 5,848,707 shares (or 14.35% of all shares) at a price of Baht 10.56 per share (equivalent to the book value of Teda Co., Ltd. per its financial statements as of the second quarter of 2015), or for a total of Baht 62 million. The additional acquisition was made because of Teda Co., Ltd.'s has performed well and has the opportunity to increase its profitability in the future, and increased Samart U-Trans Co., Ltd.'s shareholding in Teda Co., Ltd. from 80% up to 94.35%.

### **17.5 Change in investments in subsidiaries held by Samart Telcoms Public Co., Ltd.**

#### **17.5.1 Change in share capital of subsidiary**

On 17 February 2014, an Extraordinary General Meeting of the shareholders of Samart Broadband Services Co., Ltd., a subsidiary company, passed a special resolution to decrease its registered share capital from Baht 221 million (22.1 million ordinary shares of Baht 10 each) to Baht 55.3 million (5.5 million ordinary shares of Baht 10 each) by canceling 16.6 million ordinary shares of Baht 10 each. These share capital are 25 percent paid-up. This decrease in share capital is to be returned to the shareholders of Baht 41.4 million. The subsidiary company registered the decrease in share capital with the Ministry of Commerce on 28 April 2014.

#### **17.5.2 Purchase of investments**

On 17 December 2013, a meeting of Board of Directors of Samart Telcoms Public Co., Ltd., a subsidiary company, 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. 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 of the ordinary shares in the subsidiary over the fair value, amounting to approximately Baht 0.2 million as goodwill in non-current assets in the consolidated financial statements.

The fair value of the assets and liabilities of Net Services (Thailand) Co., Ltd. acquired as at the acquisition date can be summarised as follows:

(Unit: Thousand Baht)

Cash and cash equivalents	2,888
Unearned revenue	3,800
Intangible assets	5,329
Other non-current assets	366
Trade and other payables	(2,423)
Other current liabilities	(150)
Net assets from acquisition of subsidiary company	9,810
Proportion of non-controlling interests in subsidiary at 40 percent	(3,924)
Net assets from acquisition of subsidiary company in proportion of shareholding at 60 percent	5,886
Cash used in acquisition of investment in subsidiary company	6,060
Goodwill	174

Net cash outflows from acquisition of ordinary shares of Net Services (Thailand) Co., Ltd. were presented below.

(Unit: Thousand Baht)

	Consolidated financial statements
Cash used in acquisition of investment in subsidiary company	6,060
Less: Cash and cash equivalents of the subsidiary company	(2,888)
Net cash outflows from purchase of ordinary shares in subsidiary	3,172

On 13 January 2014, Samart Comtech Co., Ltd. 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 million.

### 17.5.3 Liquidation

On 21 December 2009, a meeting of the Board of Directors of Samart Telecommunication (Cambodia) Co., Ltd., a subsidiary company, passed a resolution to dissolve the company. At present, the process of deregistration and liquidation of this subsidiary company is in progress.

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

### 17.6.1 Purchase of investment

On 12 November 2014, a meeting of Board of Directors of Samart I-Mobile Public Co., Ltd., a subsidiary company, passed a resolution to approve the purchase by I-Sport Co., Ltd., an another subsidiary company, of approximately 6 million ordinary shares with a par value of Baht 10 each of Siam Sport Television Co., Ltd. from an existing shareholder, representing 100 percent interest in that company. This company operates in television media, sport license and sports-related business.

Subsequently, on 26 December 2014, I-Sport Co., Ltd. purchased that company's share with mutually agreed price as stipulated in a share transfer document at Baht 10 per share, totaling approximately Baht 60 million. 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 of the ordinary shares in the subsidiary over the fair value, amounting to approximately Baht 59 million as goodwill in non-current assets in the consolidated financial statements.

The fair value of the assets and liabilities of Siam Sport Television Co., Ltd. acquired as at the acquisition date can be summarised as follows:

(Unit: Thousand Baht)

Trade and other receivable	75,290
Equipment	173,532
Intangible assets	3,534
Deferred tax assets	10,040
Other non-current assets	16,458
Bank overdrafts	(13,635)
Trade and other payables	(29,710)
Other current liabilities	(204,453)
Other non-current liabilities	(30,105)
Net assets from acquisition of subsidiary company	951
Cash used in acquisition of investment in subsidiary company	60,000
Goodwill	59,049

Net cash outflows from acquisition of ordinary shares of Siam Sport Television Co., Ltd. were presented below.

(Unit: Thousand Baht)

	Consolidated financial statements
Cash used in acquisition of investment in subsidiary company	60,000
<u>Less:</u> Cash and cash equivalents of the subsidiary company	-
Net cash outflows from purchase of ordinary shares in subsidiary	60,000

On 26 December 2014, I-Sport Co., Ltd. fully paid to the former shareholder (the seller).

## 17.6.2 Change in share capital of subsidiary companies

### Reduction of share capital

On 4 February 2014, the Extraordinary Meeting of the shareholders of I-Mobile Direct Co., Ltd., a subsidiary company, passed a special resolution to reduce its share capital from Baht 2.25 million (22,500 ordinary shares of Baht 100 each) to Baht 0.6 million (6,000 ordinary shares of Baht 100 each) by canceling 16,500 ordinary shares of Baht 100 each. The subsidiary company registered the reduction in its share capital with the Ministry of Commerce on 13 March 2014.

### Increment of registered share capital

On 3 December 2014, an Extraordinary Meeting of the shareholders of I-Sport Co., Ltd., a subsidiary company, passed the following resolution:

- 1) Approving to call-up a further Baht 10 million of the uncalled portion of its capital, or equivalent to 25% of its registered share capital. The subsidiary received payment on 26 December 2014 as a result its paid-up share capital amounts to Baht 40 million, or 100% of the registered share capital.
- 2) Approving the increment of its registered share capital from Baht 40 million (4 million ordinary shares of Baht 10 each) to Baht 120 million (12 million ordinary shares of Baht 10 each) by issuing 80 million ordinary shares with a par value of Baht 10 each. The subsidiary company registered the increase of share capital on 11 December 2014 with the Ministry of Commerce.

### 17.6.3 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. 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.

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., 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.	5,000,000	US dollars 0.33	US dollars 1.65 million
Samart I-Mobile (Malaysia) Sdn. Bhd.	2,000,000	Malaysian Ringgit 0.05	Malaysian Ringgit 0.10 million

Samart I-Mobile Public Co., Ltd. made full payment of Baht 55 million for the acquisition of these companies to I-Mobile International Co., Ltd. on 31 January 2014.

As at 31 December 2015, Samart I-Mobile Public Co., Ltd. is currently in the process of disposal of investment in I-Mobile International Co., Ltd. and I-Mobile International Co., Ltd., a subsidiary company, is currently in the process of disposal of investment in Pt. Samart I-Mobile Indonesia.

### 17.6.4 The plan to list I-Sport Co., Ltd. on the Market for Alternative Investment (MAI)

On 29 July 2015, the Extraordinary General Meeting of shareholders of I-Sport Co., Ltd., a subsidiary company, passed a resolution to approve the plan to list it on the Market for Alternative Investment (MAI) with the following details.

1. To transform the company into a public limited company for the issuance and the initial public offering (IPO) of its shares and to list on the MAI Stock Exchange.
2. To increase the registered share capital from Baht 120 million (12 million ordinary shares of Baht 10 each) to Baht 160 million (16 million ordinary shares of Baht 10 each) through an issuance of additional 4 million ordinary shares of Baht 10 each to offer 3 million shares to the initial public offering (IPO) and offer 1 million shares to the existing shareholders which are the Company and Siam Sport Syndicate Public Co., Ltd. In addition, Siam Sport Syndicate Public Co., Ltd. intends to offer 1 million shares to the initial public offering (IPO).
3. To change the par value of ordinary shares from Baht 10 per share to Baht 0.25 per share. However, the changing of the par value does not affect to the portion of the issuance of its shares.

As at 31 December 2015, the subsidiary company has not yet proceeded the above matters.

### 17.6.5 Liquidation of subsidiaries

- a) On 11 October 2006, an extraordinary meeting of the shareholders of I-Mobile (Cambodia) Co., Ltd., a subsidiary company, passed a resolution to liquidate the company. The process of registering that company's dissolution and its subsequent liquidation are in progress.
- b) On 27 March 2014, a General Meeting of the shareholders of Take A Look 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 9 April 2014 and registered the completion of liquidation with the Ministry of Commerce on 20 June 2014.

## 17.7 The offering of warrants of subsidiary companies

### 17.7.1 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 was summarised below.

(Number of unit: Thousand Units)

Warrants issuance to	Balance as at 31 December 2013	Exercised during the year	Balance as at 31 December 2014
Directors	475	(475)	-
Employees	589	(589)	-
Total	1,064	(1,064)	-

#### 17.7.2 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 was summarised below.

(Number of unit: Thousand Units)

Warrants issuance to	Balance as at 31 December 2013	Transfer during the Period	Exercised during the Period	Balance as at 31 December 2014
Directors	18,560	(11,750)	(6,810)	-
Employees	8,220	11,750	(19,970)	-
Total	26,780	-	(26,780)	-

## 18. Investment properties

(Unit: Thousand Baht)

	Consolidated financial statements	
	2015	2014
Balance at beginning of year	74,673	-
Transfer in (fair value at transfer date)	-	57,462
Gain from a fair value adjustment	2,115	17,211
Balance at end of year	76,788	74,673

During the year 2014, the management of Samart RadiTech Co., Ltd. and The Samart Engineering Co., Ltd. had changed the objective to use their owner-occupation to be owner-occupied property for investment property. Therefore they had been transferred and classified these assets to investment properties.

The investment properties of subsidiary companies represent land. Their fair values have been determined based on the valuation performed by an independent professional valuer, using the market comparison approach.

## 19. 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	
<b>Cost/Revalued amount:</b>							
31 December 2013	518,218	391,249	2,084,778	11,686,711	209,736	332,322	15,223,014
Additions	-	3,892	145,085	857,607	21,933	149,556	1,178,073
Transfer in/(transfer out)	-	(1,611)	205,942	(130,902)	(252)	(342,602)	(269,425)
Transfer to investment properties	(38,762)	-	-	-	-	-	(38,762)
Disposals	-	-	(26,305)	(30,857)	(22,549)	-	(79,711)
Revaluations	81,731	-	-	-	-	-	81,731
Acquisitions of subsidiaries during the year	-	-	52,154	198,991	18,345	-	269,490
Translation adjustments	14	40	(1,053)	2,513	45	49	1,608
31 December 2014	561,201	393,570	2,460,601	12,584,063	227,258	139,325	16,366,018
Additions	-	7,109	240,198	2,074,898	19,490	108,781	2,450,476
Transfer in/(transfer out)	-	(3,832)	(274,564)	104,941	775	(25,586)	(198,266)
Disposals	-	(53,618)	(163,997)	(243,795)	(11,036)	-	(472,446)
Translation adjustments	303	829	1,903	52,080	1,450	7	56,572
31 December 2015	561,504	344,058	2,264,141	14,572,187	237,937	222,527	18,202,354

(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	
<b>Accumulated depreciation:</b>							
31 December 2013	-	282,430	1,817,815	5,737,590	132,101	-	7,969,936
Depreciation for the year	-	20,474	153,059	1,144,287	25,874	-	1,343,694
Transfer in/(transfer out)	-	-	(939)	(139,099)	(229)	-	(140,267)
Accumulated depreciation on disposals	-	-	(25,185)	(30,072)	(19,228)	-	(74,485)
Acquisitions of subsidiaries during the year	-	-	30,627	55,185	10,146	-	95,958
Translation adjustments	-	37	(1,010)	1,683	38	-	748
31 December 2014	-	302,941	1,974,367	6,769,574	148,702	-	9,195,584
Depreciation for the year	-	17,200	177,599	1,199,441	29,791	-	1,424,031
Transfer in/(transfer out)	-	-	(276,610)	(459)	(159)	-	(277,228)
Accumulated depreciation on disposals	-	(53,570)	(163,892)	(243,772)	(7,441)	-	(468,675)
Translation adjustments	-	356	2,059	30,186	1,076	-	33,677
31 December 2015	-	266,927	1,713,523	7,754,970	171,969	-	9,907,389
<b>Allowance for impairment loss:</b>							
31 December 2013	-	7,680	8,717	2,661,654	-	13,068	2,691,119
Decrease during the year	-	-	(454)	(164,661)	-	-	(165,115)
31 December 2014	-	7,680	8,263	2,496,993	-	13,068	2,526,004
31 December 2015	-	7,680	8,263	2,496,993	-	13,068	2,526,004
<b>Net book value:</b>							
31 December 2014	561,201	82,949	477,971	3,317,496	78,556	126,257	4,644,430
31 December 2015	561,504	69,451	542,355	4,320,224	65,968	209,459	5,768,961
<b>Depreciation for the year:</b>							
2014 (Baht 1,172 million included in cost of sales and services, and the balance in selling expenses and administrative expenses)							1,343,694
2015 (Baht 1,235 million included in cost of sales and services, and the balance in selling expenses and administrative expenses)							1,424,031

(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	
<b>Cost/Revalued amount:</b>							
31 December 2013	193,983	222,689	495,401	113,630	37,942	-	1,063,645
Additions	-	111	1,660	563	1,237	2,099	5,670
Transfer in/(transfer out)	-	-	1,581	-	-	(1,581)	-
Disposals	-	-	(3,141)	-	-	-	(3,141)
Revaluations	24,320	-	-	-	-	-	24,320
31 December 2014	218,303	222,800	495,501	114,193	39,179	518	1,090,494
Additions	-	465	29,685	1,386	6,336	28,900	66,772
Transfer in/(transfer out)	-	17	10,952	-	-	(10,874)	95
Disposals	-	(53,618)	(7,059)	(3,632)	(1,236)	-	(65,545)
31 December 2015	218,303	169,664	529,079	111,947	44,279	18,544	1,091,816
<b>Accumulated depreciation:</b>							
31 December 2013	-	179,311	455,550	111,181	26,178	-	772,220
Depreciation for the year	-	10,992	17,584	877	4,546	-	33,999
Accumulated depreciation on disposals	-	-	(3,081)	-	-	-	(3,081)
31 December 2014	-	190,303	470,053	112,058	30,724	-	803,138
Depreciation for the year	-	7,449	18,843	1,043	5,349	-	32,684
Accumulated depreciation on disposals	-	(53,571)	(7,051)	(3,631)	(447)	-	(64,700)
31 December 2015	-	144,181	481,845	109,470	35,626	-	771,122

(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	
Net book value:							
31 December 2014	218,303	32,497	25,448	2,135	8,455	518	287,356
31 December 2015	218,303	25,483	47,234	2,477	8,653	18,544	320,694
Depreciation for the year:							
2014 (All depreciation included in administrative expenses)							33,999
2015 (All depreciation included in administrative expenses)							32,684

- a) As at 31 December 2015, the Company and its subsidiaries had machinery, vehicles and equipment under finance lease agreements with net book values of Baht 63 million and Separate financial statements: Baht 25 million (2014: Baht 57 million and Separate financial statements: Baht 4 million).
- b) As at 31 December 2015, certain items of building and equipment of the Company and its subsidiaries were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation and allowance for impairment loss of those assets amounted to approximately Baht 5,460 million and Separate financial statements: Baht 601 million (2014: Baht 5,440 million and Separate financial statements: Baht 586 million).
- c) The Company and subsidiaries arranged for an independent professional valuer to appraise the value of land during the fourth quarter of 2014, using the market comparison approach. As a result of the reappraisal, the carrying amounts of land and surplus on revaluation of land increased by approximately Baht 82 million (Separate financial statements: Baht 24 million).

Had the land carried in the financial statements based on historical cost basis, their net book value as of 31 December 2015 and 2014 would have been as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Land	97,738	97,738	62,701	62,701

- 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. Currently the above equipment are transferred to intangible assets (service concession) in accordance with TFRIC 12 Service Concession Arrangements, as described in Note 43.5 a) to the financial statements.
- e) Siam Sport Television Co., Ltd., a subsidiary company, has mortgaged of assets with total net book value amounting to approximately Baht 50 million (2014: Baht 59 million) as collateral against credit facilities received from a bank.

## 20. Prepaid rental to a related company

(Unit: Thousand Baht)

	Consolidated financial statements/Separate financial statements	
	2015	2014
Prepaid rental	375,669	375,669
Less: Accumulated amortisation	(208,705)	(196,183)
Prepaid rental - net	166,964	179,486

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.

## 21. Intangible assets

(Unit: Thousand Baht)

	Consolidated financial statements				
	Service concession	Computer software	Right under license for provide communications via satellite	Right for air time	Total
<b>Cost</b>					
31 December 2013	948,277	306,615	235,499	-	1,490,391
Addition during the year	4,754	36,394	-	-	41,148
Acquisition of subsidiary during the year	-	5,641	-	3,534	9,175
Transfer in/(Transfer out)	11,890	(17)	-	-	11,873
Disposal/write-off	(15)	(647)	-	-	(662)
Translation adjustments	4,617	(140)	-	-	4,477
31 December 2014	969,523	347,846	235,499	3,534	1,556,402
Addition during the year	14,408	6,642	-	-	21,050
Transfer in/(Transfer out)	(1,513)	14,459	-	(343)	12,603
Disposal/write-off	(6)	-	-	-	(6)
Translation adjustments	97,086	12,032	-	-	109,118
31 December 2015	1,079,498	380,979	235,499	3,191	1,699,167
<b>Accumulated amortization</b>					
31 December 2013	294,378	174,693	110,460	-	579,531
Amortisation during the year	32,593	63,885	47,940	-	144,418
Transfer out	-	(6)	-	-	(6)
Accumulated amortisation for disposal/write-off of intangible asset	(14)	(344)	-	-	(358)
Translation adjustments	1,847	543	-	-	2,390
31 December 2014	328,804	238,771	158,400	-	725,975
Amortisation during the year	35,319	44,920	47,940	638	128,817
Transfer in	-	343	-	-	343
Accumulated amortisation for disposal/write-off of intangible asset	(5)	-	-	-	(5)
Translation adjustments	32,872	10,549	-	-	43,421
31 December 2015	396,990	294,583	206,340	638	898,551
<b>Net book value</b>					
31 December 2014	640,719	109,075	77,099	3,534	830,427
31 December 2015	682,508	86,396	29,159	2,553	800,616

### *Service concession*

Cambodia Air Traffic Services Co., Ltd., a subsidiary company, has service concession arrangement which can be summarised as follows:

Name of concession:	Contract to build, cooperate and transfer on air traffic control system (BCT contract)
Description of arrangement:	To develop and sole operate of the civil air traffic control and navigation system of Cambodia
Period of concession:	32 years expire in the year 2033
Significant conditions:	The subsidiary company is obliged to pay a fee to the Royal Government of the Kingdom of Cambodia based on its revenue. In addition, the subsidiary company has to transfer the ownership of the civil air traffic control, navigation system and all equipment to the Kingdom of Cambodia at the end of concession period without charge.

### *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 2015, 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 2015, 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 statement of financial position.

### *Right for air time*

On 26 December 2014, I-Sport Co., Ltd., a subsidiary company, purchased shares of Siam Sport Television Co., Ltd. (a subsidiary company) with mutually agreed price. As a result of the purchase of investment under the acquisition method, the subsidiary company recorded the right for air time of sport program as intangible assets with five years useful live.

## 22. Assets held for future projects

(Unit: Thousand Baht)

	Consolidated financial statements			
	Revaluation basis	Cost basis		Total
	Land	Building and improvement	Machinery and equipment	
<b>Cost/Revalued amount:</b>				
31 December 2013	60,696	4,195	11,478	76,369
Transfer to investment properties	(18,700)	-	-	(18,700)
Decrease in revaluation during the year	(18,748)	-	-	(18,748)
31 December 2014	23,248	4,195	11,478	38,921
31 December 2015	23,248	4,195	11,478	38,921
<b>Accumulated depreciation:</b>				
31 December 2013	-	3,112	11,478	14,590
Depreciation for the year	-	210	-	210
31 December 2014	-	3,322	11,478	14,800
Depreciation for the year	-	210	-	210
31 December 2015	-	3,532	11,478	15,010
<b>Net book value:</b>				
31 December 2014	23,248	873	-	24,121
31 December 2015	23,248	663	-	23,911
<b>Depreciation for the year:</b>				
2014 (All depreciation included in administrative expenses)				210
2015 (All depreciation included in administrative expenses)				210

(Unit: Thousand Baht)

	Separate financial statements			
	Revaluation basis	Cost basis		Total
	Land	Building and improvement	Machinery and equipment	
<b>Cost/Revalued amount:</b>				
31 December 2013	41,996	4,195	11,478	57,669
Decrease in revaluation during the year	(18,748)	-	-	(18,748)
31 December 2014	23,248	4,195	11,478	38,921
31 December 2015	23,248	4,195	11,478	38,921
<b>Accumulated depreciation:</b>				
31 December 2013	-	3,112	11,478	14,590
Depreciation for the year	-	210	-	210
31 December 2014	-	3,322	11,478	14,800
Depreciation for the year	-	210	-	210
31 December 2015	-	3,532	11,478	15,010
<b>Net book value:</b>				
31 December 2014	23,248	873	-	24,121
31 December 2015	23,248	663	-	23,911
<b>Depreciation for the year:</b>				
2014 (All depreciation included in administrative expenses)				210
2015 (All depreciation included in administrative expenses)				210

The Company and subsidiaries arranged for an independent professional valuers to appraise the value of land during the fourth quarter of 2014, using the market comparison approach. As a result of the reappraisal, the carrying amounts of total assets and surplus on revaluation of land for 2014 decreased by approximately Baht 19 million (Separate financial statements: decreased Baht 19 million).

Had the land been carried in the financial statements based on historical cost basis, their net book value as at 31 December 2015 and 2014 would have been as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Land	24,948	24,948	24,948	24,948

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

(Unit: Thousand Baht)

	Interest rate (percent per annum)		Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014	2015	2014
Bank overdrafts	6.50 - 7.68	7.13 - 7.78	1,232	70,468	-	-
Short-term loans from financial institutions	2.15 - 4.75	3.30 - 6.63	7,710,471	6,416,252	470,000	2,700,550
Bill of exchange	2.10 - 2.50	2.95 - 3.40	885,000	300,000	585,000	100,000
Trust receipts						
Baht	3.05 - 3.35	1.53 - 4.45	1,542,622	4,438,578	-	-
US dollars	1.61 - 1.90	1.53 - 1.55	63,335	50,290	-	-
Total			10,202,660	11,275,588	1,055,000	2,800,550

Bank overdrafts, short-term loans from financial institutions and trust receipts of subsidiaries are secured by the pledge of certain bank deposits of the subsidiaries, 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, its subsidiaries, Siam Sport Syndicate Public Co., Ltd., and two people (former directors of Siam Sport Television Co., Ltd.).

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.

## 24. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Trade accounts payable - related parties (Note 6)	909	35	497,274	196,341
Trade accounts payable - unrelated parties	1,878,618	2,301,230	311,438	247,579
Other payables - related parties	2,493	5,393	3,034	1,876
Accrued interest expenses to related parties	-	-	1,212	1,845
Total other payables and accrued interest expenses - related parties (Note 6)	2,493	5,393	4,246	3,721
Other payables - unrelated parties	527,094	254,669	28,466	37,989
Other payables for purchase of machinery and equipment	134,570	14,288	3,842	651
Accrued expenses	220,476	355,090	32,478	41,096
Accrued interest expenses to unrelated parties	31,722	30,757	10,733	747
Total trade and other payables	2,795,882	2,961,462	888,477	528,124

## 25. Short-term loan

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Short-term loans from related parties (Note 6)	-	-	176,000	367,000
Short-term loans from unrelated party	22,154	18,294	-	-
Total short-term loans	22,154	18,294	176,000	367,000

*Short-term loans from unrelated party*

This represents short-term loan from Siam Sport Syndicate Public Co., Ltd. which carries interest at a rate of 12-month fixed deposit rate of a commercial bank and at cost of fund plus 0.25 percent per annum (2014: at a rate of 5 percent per annum).

## 26. Debentures

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Debentures	4,155,000	1,560,000	2,500,000	-
<u>Less:</u> Current portion of debentures	(870,000)	(1,560,000)	-	-
Debentures - net of current portion	3,285,000	-	2,500,000	-

Movements in the debenture account for the years ended 31 December 2015 and 2014 were as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
<b>Balance at beginning of year</b>	1,560,000	1,460,000	-	-
<u>Add:</u> Debentures issued during the year	4,355,000	2,420,000	2,500,000	-
<u>Less:</u> Redemption of debentures during the year	(1,760,000)	(2,320,000)	-	-
<b>Balance at end of year</b>	4,155,000	1,560,000	2,500,000	-

As at 31 December 2015 and 2014, debentures are unsubordinated, unsecured debentures with registered name and carried fixed interests between 2.14 and 4.80 percent per annum (2014: between 2.99 and 3.80 percent per annum) (Separate financial statements: between 4.35 and 4.80 percent per annum (2014: Nil) with repayment term from February 2016 to May 2020.

## 27. Long-term loans from financial institutions

The details of long-term loans from financial institutions as at 31 December 2015 and 2014 were summarised below.

(Unit: Thousand Baht)

No.	Credit facilities  (Million Baht)	Significant terms and conditions of loan agreements			Consolidated financial statements	
		Repayment term	Collateral	Interest rate (percent per annum)	2015	2014
Subsidiaries						
Kampot Power Plant Co., Ltd.						
1.	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. The final payment is due in February 2015.	LIBOR+1	-	24,570
Cambodia Air Traffic Services Co., Ltd.						
2.	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 Company (until the outstanding loan reduces to 60 percent 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+2.75	31,388	94,595
Samart Telcoms Public Co., Ltd.						
3.	1,552	<u>For the loan facility amount of Baht 600 million</u> 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 <u>For the loan facility amount of Baht 952 million</u> 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 Portanet Co., Ltd.	MLR-1.75	49,320	260,880

(Unit: Thousand Baht)

No.		Credit facilities		Significant terms and conditions of loan agreements			Consolidated financial statements	
		(Million Baht)		Repayment term	Collateral	Interest rate (percent per annum)	2015	2014
Siam Sport Television Co., Ltd.								
4.	57	<ul style="list-style-type: none"><li>- The 1<sup>st</sup> to the 3<sup>rd</sup> periods payment interest of loans withdrawn with the installment at the end of month.</li><li>- From the 4<sup>th</sup> period, the principal and interest payment not less than Baht 1.14 million per month, which have to be paid within 5 years.</li></ul>	<ul style="list-style-type: none"><li>1. Siam Sport Syndicate Public Company Limited (the former shareholder)</li><li>2. Two people (former directors of Siam Sport Television Co., Ltd.)</li><li>3. Motor vehicles with transmission tools and equipment</li></ul>	MLR-0.50 for the first year MLR-0.25 for the 2 <sup>nd</sup> year until the last payment date		5,939	18,662	
5.	30	The principal and interest will be monthly repaid at Baht 0.55 million with the first installment on 20 August 2012, which have to be paid within 5 years.	<ul style="list-style-type: none"><li>1. Siam Sport Syndicate Public Company Limited (the former shareholder)</li><li>2. Two people (former directors of Siam Sport Television Co., Ltd.)</li><li>3. Motor vehicles with transmission tools and equipment</li></ul>	3		9,383	15,632	
6.	30	<ul style="list-style-type: none"><li>- The 1<sup>st</sup> to the 3<sup>rd</sup> periods payment interest of loans withdrawn at 25<sup>th</sup> of each month.</li><li>- From the 4<sup>th</sup> period, the principal and interest payment not less than Baht 1.35 million per month with the first installment on 25 October 2014, which have to be paid within 2 years.</li></ul>	<ul style="list-style-type: none"><li>1. Siam Sport Syndicate Public Company Limited (the former shareholder)</li><li>2. Two people (former directors of Siam Sport Television Co., Ltd.)</li></ul>	MLR-0.50		11,511	26,430	
Total loans from financial institutions							107,541	440,769
Less: Current portion							(104,595)	(337,491)
Long-term loans - net of current portion							2,946	103,278

## 28. Liabilities under finance lease agreements

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Liabilities under finance lease agreements	71,767	60,183	37,868	6,583
<u>Less:</u> Deferred interest expenses	(3,855)	(4,460)	(2,161)	(379)
Total	67,912	55,723	35,707	6,204
<u>Less:</u> Portion due within one year	(30,430)	(18,344)	(10,811)	(1,721)
Liabilities under finance lease agreements - net of current portion	37,482	37,379	24,896	4,483

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	
	2015	2014	2015	2014	2015	2014
Future minimum lease payments	32,572	20,946	39,195	39,237	71,767	60,183
Deferred interest expenses	(2,142)	(2,602)	(1,713)	(1,858)	(3,855)	(4,460)
Present value of future minimum lease payments	30,430	18,344	37,482	37,379	67,912	55,723

(Unit: Thousand Baht)

	Separate financial statements					
	Less than 1 year		1 - 5 years		Total	
	2015	2014	2015	2014	2015	2014
Future minimum lease payments	11,692	1,977	26,176	4,606	37,868	6,583
Deferred interest expenses	(881)	(256)	(1,280)	(123)	(2,161)	(379)
Present value of future minimum lease payments	10,811	1,721	24,896	4,483	35,707	6,204

## 29. Other current liabilities

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Undue output tax	126,428	86,218	-	-
Deposits	181,365	133,424	147,823	65,330
Value added tax payable	23,717	49,296	-	-
Others	258,918	241,769	2,555	1,927
Total	590,428	510,707	150,378	67,257

### 30. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, was as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
<b>Provision for long-term employee benefits at beginning of year</b>	148,022	113,733	24,568	20,112
Included in profit or loss:				
Current service cost	13,280	18,521	1,825	1,707
Interest cost	5,945	5,220	1,057	943
Included in other comprehensive income:				
Actuarial loss arising from				
Demographic assumptions changes	1,489	11,751	395	1,806
Financial assumptions changes	31,090	-	5,100	-
Experience adjustments	7,475	-	994	-
Increase from acquisition of subsidiaries	-	3,153	-	-
Benefits paid during the year	(2,710)	(4,356)	-	-
<b>Provision for long-term employee benefits at end of year</b>	<b>204,591</b>	<b>148,022</b>	<b>33,939</b>	<b>24,568</b>

Line items in profit or loss under which long-term employee benefit expenses are recognised are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Cost of services	3,327	3,216	-	-
Selling expenses	4,156	3,798	-	-
Administrative expenses	11,742	16,727	2,882	2,650
<b>Total expenses recognised in profit or loss</b>	<b>19,225</b>	<b>23,741</b>	<b>2,882</b>	<b>2,650</b>

The Company and its subsidiaries expect to pay Baht 16 million of long-term employee benefits during the next year (Separate financial statements: Baht 0.2 million) (2014: Baht 1 million, Separate financial statements: Nil).

As at 31 December 2015, the weighted average duration of the liabilities for long-term employee benefit is 11 - 22 years (Separate financial statements: 11 years) (2014: 17 years, Separate financial statements: 17 years).

Key actuarial assumptions are summarised below.

(Unit: percent per annum)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Discount rate	2.6 - 3.3	4.3	2.6	4.3
Salary increase rate	4.0 - 7.0	4.0 - 7.0	4.0 - 7.0	4.0 - 7.0
Turnover rate	0 - 24	0 - 24	0 - 24	0 - 24

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2015 are summarised below:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	Increase (decrease) in liabilities		Increase (decrease) in liabilities	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(19.8)	17.6	(2.8)	3.2
Salary increase rate	22.3	(19.6)	3.1	(2.8)
	Increase 20%	Decrease 20%	Increase 20%	Decrease 20%
Turnover rate	(20.6)	25.5	(2.4)	2.7

## 31. Share capital and warrants

31.1 On 5 February 2015, an extraordinary meeting of the Company passed a resolution approving as follows:

1. To approve the increase in its registered share capital from Baht 1,007 million (1,006,503,910 ordinary shares of Baht 1 per share) to Baht 1,208 million (1,207,804,692 ordinary shares of Baht 1 per share) by using 201,300,782 new ordinary shares with a par value of Baht 1 each. The Company registered the increase of share capital on 9 February 2015 with the Ministry of Commerce.
2. To approve the issuance of warrants ("SAMART-W WARRANT") not over 201,300,782 warrants, the offering price per unit is Baht 0, to the shareholders. The exercise ratio is 5:1. The warrants have three years maturity from the issuance date and the exercise price is Baht 45 per share.

The Company fixed the Record Date on 13 February 2015 for determining the shareholders for entitlement to receive warrants and 16 February 2015 as the share register book closing date.

After the share register book closing date, there are 201,265,500 warrants which can be issued and distributed to the shareholders.

31.2 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 2015, the Company's directors, the Company and subsidiaries' employees had exercised their rights of the second project to convert 30,000,000 warrants (2014: 30,000,000 warrants) 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
	(Thousand Units)	(Thousand shares)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)
Total for the second quarter of 2009 to the fourth quarter of 2012	14,144	14,144	14,144	62,938	77,082
The first quarter to the fourth quarter of 2013	11,448	11,448	11,448	50,946	62,394
The first quarter to the second quarter of 2014	4,408	4,408	4,408	19,616	24,024
Total	30,000	30,000	30,000	133,500	163,500

Movements of warrants for the year were summarised below.

(Number of unit: Thousand units)

Warrants issuance to	Balance as at 31 December 2013	Exercised during the year	Balance as at 31 December 2014
Directors	2,900	(2,900)	-
Employees	1,508	(1,508)	-
Total	4,408	(4,408)	-

## 32. 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.

### 33. Other income

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Management fee income	-	-	409,464	399,374
Income from debt reduction from suppliers	-	2,000	-	-
Selling support income	28,152	29,421	-	-
Interest income	16,459	19,520	26,741	8,899
Gain on exchange	15,513	52,176	-	9,589
Gain on revaluation of investment property	2,115	17,211	-	-
Gain on disposal of plant, equipments and intangible assets	47,501	8,478	41,887	-
Gain on disposal of investment in subsidiaries	-	-	-	1,102,109
Gain on disposal of temporary investment in trading securities (Note 8)	13,991	15,606	4,546	9,267
Gain on disposal of available-for-sale investments (Note 15)	4,890	-	-	-
Dividend income from subsidiaries	-	-	444,955	660,318
Dividend income from temporary investments in trading securities	4,639	7,096	872	1,239
Gain from compensation receipt from insurance	215	60,036	-	-
IT service fee from subsidiary companies	-	-	98,456	96,404
Others	86,865	104,574	75,555	76,252
Total	220,340	316,118	1,102,476	2,363,451

#### Compensation received from insurance - Fire

On 29 March 2014, there was fire at a backup site used to provide computer software services for the core business operations of Portalnet Co., Ltd., a subsidiary company. The fire caused damage to fixed assets of the subsidiary with net book values totaling Baht 54 million. However, the subsidiary company had insurance coverage for direct damage to most of these assets, with net book values totaling Baht 45 million, while assets with net book values amounting to Baht 10 million did not have insurance coverage.

Subsequently, on 30 June 2014, the subsidiary company received a letter from the insurance company confirming that it would receive compensation for these losses of approximately Baht 104 million and the subsidiary company recorded the insurance compensation claim received net of the losses from the fire incident, amounting to Baht 60 million, as other income in the income statement for the year ended 31 December 2014. The subsidiary company has already received the full amount of insurance compensation in August 2014.

### 34. Expenses by nature

Significant expenses by nature are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Salaries, wages and other employee benefits	2,250,853	2,032,130	164,019	153,362
Promotion and advertising expenses	653,554	998,241	30,071	19,706
(Increase) decrease in changes in inventories of finished goods and work in progress	1,388,348	(1,295,518)	(1,885)	122,095
Depreciation	1,424,240	1,343,902	32,894	34,209

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Rental expenses from operating lease agreements	295,127	268,127	45,490	46,986
Raw materials and consumables used	161,537	630,895	-	-
Loss on change in value of temporary investments in trading securities	11,410	9,218	3,574	5,570
Amortisation expenses	141,339	156,940	12,522	12,522
Raw materials, equipment and cost of projects used	3,883,637	4,875,383	719,827	1,055,271
Purchase finished goods for sales	3,784,027	10,022,805	-	-

### 35. Other expenses

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Provision for doubtful debts and diminution in value of assets	38,091	9,044	-	5,567
Loss on change in value of temporary investments in trading securities (Note 8)	11,410	9,218	3,574	5,569
Loss on write-off equipments	-	9,580	-	-
Loss on exchange	-	-	4,607	-
Others	7,175	302	375	31
Total other expenses	56,676	28,144	8,556	11,167

### 36. Finance cost

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Interest expense on:				
Bank loans, overdrafts and trust receipts	518,900	417,298	147,095	67,565
Loans from related parties	-	-	8,850	11,561
Liabilities under finance lease agreements	2,838	1,824	522	335
Total interest expenses	521,738	419,122	156,467	79,461
Bank charges	18,797	32,852	435	507
Total finance cost	540,535	451,974	156,902	79,968

### 37. Income tax

Income tax expenses for the years ended 31 December 2015 and 2014 are made up as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
<b>Current income tax:</b>				
Current income tax charge	189,725	274,291	37,770	159,738
Adjustment in respect of current income tax of previous year	1,201	683	-	-
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	(83,884)	29,643	(10,573)	(1,336)
<b>Income tax expense reported in the income statement</b>	<b>107,042</b>	<b>304,617</b>	<b>27,197</b>	<b>158,402</b>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2015 and 2014 were as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Deferred tax relating to loss on changes in value of available-for-sale investments	14,592	14,585	-	-
Deferred tax relating to loss on actuarial loss	7,475	2,350	1,298	361
Deferred tax relating to revaluation of land	-	(13,291)	-	(1,809)
Total	22,067	3,644	1,298	(1,448)

The reconciliation between accounting profit and income tax expenses was shown below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Accounting profit before tax	1,093,828	2,298,445	609,815	2,002,835
Applicable tax rate	16.5% - 25%	16.5% - 25%	20%	20%
Accounting profit before tax multiplied by applicable tax rate	218,213	456,920	121,963	400,567
Adjustment in respect of current income tax of previous year	1,201	683	-	-
Effects of:				
Promotional privileges (Note 41)	(56,788)	(116,852)	-	-
Utilisation of tax loss carry forward	(24,900)	(40,725)	-	-
Non-deductible expenses	57,972	55,567	2,100	7,326
Additional expense deductions allowed	(65,643)	(62,348)	(2,740)	(180)
Income not subject to tax	(5,673)	(4,886)	(94,126)	(249,311)
Others	(27,843)	1,150	-	-
Total	(122,875)	(168,094)	(94,766)	(242,165)
Deferred tax assets not recognised	10,503	15,108	-	-
Income tax expenses reported in income statement	107,042	304,617	27,197	158,402

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	
	2015	2014	2015	2014
<b>Deferred tax assets</b>				
Loss on changes in value of available-for-sale investments	31,746	17,154	-	-
Allowance for doubtful accounts	12,621	5,451	-	-
Allowance for diminution in value of inventories	15,368	20,799	-	-
Allowance for asset impairment	13,447	6,574	-	490
Accumulated depreciation - Equipment	46,492	41,328	514	2,634
Provision for long-term employee benefits	41,226	30,051	6,934	5,074
Unused tax loss	70,891	37,091	-	-
Others	43,636	31,088	16,227	3,023
Total	275,427	189,536	23,675	11,221

(Unit: Thousand Baht)

	Statements of financial position			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
<b>Deferred tax liabilities</b>				
Accumulated amortisation - License	6,342	15,420	-	-
Accumulated amortisation - Intangible assets	103,856	119,201	-	-
Surplus on revaluation of land	91,723	87,941	31,475	31,475
Others	18,182	4,593	582	-
Total	220,103	227,155	32,057	31,475
Deferred tax, net	55,324	(37,619)	(8,382)	(20,254)

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	
	2015	2014	2015	2014
Deferred tax assets	189,691	122,752	-	-
Deferred tax liabilities	(134,367)	(160,371)	(8,382)	(20,254)
Deferred tax, net	55,324	(37,619)	(8,382)	(20,254)

As at 31 December 2015 the subsidiary companies has deductible temporary differences and unused tax losses totaling Baht 662 million and Indonesian Rupiah 25,619 million (2014: Baht 780 million and Indonesian Rupiah 33,232 million), on which deferred tax assets have not been recognised as the Company believes that the subsidiaries' future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

Details of expiry date of unused tax losses are summarised as below.

(Unit: Million)

	Consolidated financial statements			
	2015		2014	
	(Baht)	(Indonesia Rupiah)	(Baht)	(Indonesia Rupiah)
31 December 2015	-	-	70	8,334
31 December 2016	42	8,877	140	8,877
31 December 2017	456	11,765	456	11,765
31 December 2018	73	3,966	73	3,966
31 December 2019	41	290	41	290
31 December 2020	50	721	-	-
	662	25,619	780	33,232

### 38. 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.

#### 38.1 Weighted average number of ordinary shares

(Unit: Thousand Shares)

	Consolidated financial statements/Separate financial statements	
	2015	2014
Balance brought forward	1,006,504	1,002,096
Add: Weighted average number of ordinary shares in issue during the year	-	3,468
Weighted average number of ordinary shares	1,006,504	1,005,564

#### 38.2 Reconciliation of basic and diluted earnings per share

	Consolidated financial statements					
	Profit for the year		Weighted average number of ordinary shares		Earnings per share	
	2015 (Thousand Baht)	2014 (Thousand Baht)	2015 (Thousand Shares)	2014 (Thousand Shares)	2015 (Baht)	2014 (Baht)
<b>Basic earnings per share</b>						
Profit attributable to equity holders of the Company	807,688	1,484,139	1,006,504	1,005,564	0.80	1.48
<b>Effect of dilutive potential ordinary shares</b>						
Warrants issuance 201,265,500 units (2014: Nil)			-	719		
<b>Diluted earnings per share</b>						
Profit of ordinary shareholders assuming the conversion of warrants to ordinary shares	807,688	1,484,139	1,006,504	1,006,283	0.80	1.47

	Separate financial statements					
	Profit for the year		Weighted average number of ordinary shares		Earnings per share	
	2015 (Thousand Baht)	2014 (Thousand Baht)	2015 (Thousand Shares)	2014 (Thousand Shares)	2015 (Baht)	2014 (Baht)
<b>Basic earnings per share</b> Profit attributable to equity holders of the Company	582,618	1,844,433	1,006,504	1,005,564	0.58	1.83
<b>Effect of dilutive potential ordinary shares</b> Warrants issuance 201,265,500 units (2014: Nil)			-	719		
<b>Diluted earnings per share</b> Profit of ordinary shareholders assuming the conversion of warrants to ordinary shares	582,618	1,844,433	1,006,504	1,006,283	0.58	1.83

### 39. Dividends

	Approved by	Total dividends	Dividend per share	Paid on
		(Million Baht)	(Baht)	
<b>2015</b>				
Dividends from 2014 income	Annual General Meeting of the shareholders on 29 April 2015	855	0.85	
<u>Less:</u> Interim dividend on income for the six-month period ended 30 June 2014	A meeting of Board of Directors on 8 August 2014	(422)	(0.42)	5 September 2014
Dividends from income for the year 2014 paid in 2015		433	0.43	19 May 2015
Interim dividend on income for the six-month period ended 30 June 2015	A meeting of Board of Directors on 14 August 2015	302	0.30	11 September 2015
Total dividend payment for the year ended 31 December 2015		735	0.73	
<b>2014</b>				
Dividends from 2013 income	Annual General Meeting of the shareholders on 29 April 2014	804	0.80	
<u>Less:</u> Interim dividend on income for the six-month period ended 30 June 2013	A meeting of Board of Directors on 14 August 2013	(351)	(0.35)	12 September 2013
Dividends from income for the year 2013 paid in 2014		453	0.45	19 May 2014
Interim dividend on income for the six-month period ended 30 June 2014	A meeting of Board of Directors on 8 August 2014	422	0.42	5 September 2014
Total dividend payment for the year ended 31 December 2014		875	0.87	

## 40. 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. The contributions for the year 2015 amounting to approximately Baht 60 million (2014: Baht 51 million) (Separate financial statements: Baht 8 million (2014: Baht 7 million)) were recognised as expenses.

## 41. 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:			
3.1 Exemption from corporate income tax on net income from promoted operations for a period of 8 years commencing as from the date of first earning operating income. Furthermore, accumulated losses incurred during the corporate income tax exemption period, the subsidiary is allowed to utilise the losses as a deduction against net income for a period of 5 years after the expiry of the tax exemption period, whether from any one year or from several years.	Commencing until 31 July 2015	Commencing until 29 April 2017	Commencing until 21 June 2019
3.2 Exemption from income tax on dividends paid from the income of the promoted operations for which corporate income tax is exempted, throughout the corporate income tax exemption.	Granted	Granted	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 2015 and 2014 could be divided between BOI promoted activities and Non-BOI promoted activities as follows:

(Unit: Thousand Baht)

	2015	2014
BOI promoted	360,082	672,815
Non-BOI promoted	41,326	4,755
Total service income	401,408	677,570

## 42. 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. 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.

### 2. 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.

### 3. Call Center

Total Customer Management Solutions both turnkey implementation as well as outsourced contact center management for government agencies and private sector.

### 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.

### 5. Technology Related Services

Manufacture and distribution of television and radio antennas and satellite dishes, Distribution, installation and maintenance of Communication and Security Systems including Total Waste Management Solution in Suvarnabhumi Airport.

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 6 to the financial statement.

The following tables present revenue and profit and total assets/total liabilities information regarding the Company's and its subsidiaries' operating segments for the year ended 31 December 2015 and 2014, respectively.

(Unit: Million Baht)

For the years ended 31 December														
ICT Solutions and Services		Mobile Multimedia		Call Center		Utilities and Transportations		Technology Related		Adjustments and eliminating		Consolidation		
2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	
Sales and services income														
- Third parties		5,657	6,523	7,704	12,354	940	669	2,581	2,413	1,483	1,919	-	-	18,365
- Related parties		59	75	26	16	48	105	410	326	63	211	(605)	(731)	1
Total sales and services income		5,716	6,598	7,730	12,370	988	774	2,991	2,739	1,546	2,130	(605)	(731)	18,366
Cost of sales and services		4,542	5,266	6,183	9,744	847	639	1,992	1,833	1,356	1,885	(585)	(714)	14,335
Gross profit		1,174	1,332	1,547	2,626	141	135	999	906	190	245	(20)	(17)	4,031
Unallocated income (expenses):														
Other income														220
Selling expenses														(1,199)
Administrative expenses														(1,354)
Other expenses														(57)
Share of loss from investments in associates														(6)
Finance cost														(541)
Income tax expenses														(107)
Non-controlling interests of the subsidiaries														(179)
Profit for the year														(510)
Assets														
Trade accounts receivable		2,228	1,737	7,066	5,941	330	209	663	352	813	801	(542)	(395)	10,558
Inventories		415	353	863	2,516	17	18	146	70	455	764	(2)	(2)	1,894
Investment property		-	-	-	-	-	-	-	-	77	75	-	-	77
Property, plant and equipment		3,890	2,746	780	760	176	236	272	285	658	628	(7)	(10)	5,769
Intangible assets		80	127	9	22	13	20	760	667	-	-	(61)	(4)	801
Others		3,399	3,900	1,276	1,399	482	418	2,281	2,046	11,269	10,291	(10,489)	(9,834)	8,218
Segment total assets		10,012	8,863	9,994	10,638	1,018	901	4,122	3,420	13,272	12,559	(11,101)	(10,245)	27,317
Segment total liabilities		6,581	5,460	6,763	7,218	180	98	1,296	945	6,721	6,121	(2,543)	(1,967)	18,998
Additions (decrease) to non-current assets other than financial instruments and deferred tax assets														
		1,098	(143)	7	351	(67)	72	80	(130)	32	1,887	(53)	(2,068)	1,097
														(31)

**Geographic information**

Revenue from external customers is based on locations of the customers.

(Unit: Thousand Baht)

	2015	2014
Revenue from external customers		
Thailand	16,333,220	21,913,177
Cambodia	1,615,014	1,394,570
Others	417,858	571,944
Total	18,366,092	23,879,691
Non-current assets (other than financial instruments and deferred tax assets)		
Thailand	5,683,577	4,517,529
Cambodia	962,788	942,245
Others	-	15,083
Total	6,646,365	5,474,857

**Major customers**

For the year 2015, its subsidiaries had revenue from three major customers totaling of Baht 3,383 million, mainly arising from sales by Mobile Multimedia segment (2014: totaling of Baht 5,499 million derived from four major customers, mainly arising from sales by Mobile Multimedia segment).

## 43. Commitments and contingent liabilities

The Company and its subsidiaries have commitments and contingent liabilities other than those disclosed in other notes as follows:

**43.1 Capital commitments**

As at 31 December 2015, Cambodia Air Traffic Services Co., Ltd., a subsidiary company, has capital commitments approximately USD 1.7 million (2014: Nil), relating to the purchase of system and major maintenance service.

**43.2 Operating lease commitments**

43.2.1 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	
	2015	2014	2015	2014
Payable:				
In up to 1 year	176	135	45	31
In over 1 and up to 5 years	104	62	20	30

43.2.2 As at 31 December 2015, Samart I-Mobile Public Co., Ltd., a subsidiary company, has future minimum sublease payments expected to be received under non-cancellable totaled approximately Baht 6 million (2014: Baht 12 million). During 2015, the subsidiary company recognised rental expenses of Baht 5 million (2014: Baht 5 million) and subleasing revenue of Baht 5 million (2014: Baht 5 million).

43.2.3 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 million per month, totaling approximately Baht 15 million (2014: Baht 78 million).

### 43.3 Commitments in uncalled portions of investments

The subsidiaries are committed to pay the uncalled portions of their investments as follows:

	Currency	Amount (Million)	
		2015	2014
The local subsidiary companies	Baht	144	106
The overseas subsidiary companies	Malaysian Ringgit	3	3
	USD	3	3

### 43.4 Guarantees

#### 43.4.1 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	
	2015	2014	2015	2014
<b>Baht</b>				
Performance guarantees	3,358	3,560	549	549
Guarantee electricity use and others	379	378	1	1
<b>Yen</b>				
Performance guarantees	58	55	-	-
<b>Euro</b>				
Performance guarantees	3	2	-	-
<b>Swiss franc</b>				
Performance guarantees	2	2	-	-
<b>US Dollar</b>				
Performance guarantees	1	-	-	-

#### 43.4.2 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.

- a) 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)

	Guaranteed facilities	
	2015	2014
<b>Baht</b>		
The Samart Engineering Co., Ltd.	1,512	2,362
Teda Co., Ltd.	2,620	703
Vision and Security System Co., Ltd.	344	344
Samart U-Trans Co., Ltd.	100	101
Transec Power Services Co., Ltd.	120	80
Suvarnabhumi Environment Care Co., Ltd.	72	72
Samart RadiTech Co., Ltd.	60	60
	4,828	3,722
<b>US Dollar</b>		
The Samart Engineering Co., Ltd.	6	6
	6	6
<b>Japanese Yen</b>		
Teda Co., Ltd.	-	4
	-	4

- 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	
	2015	2014
Samart I-Mobile (Malaysia) Sdn. Bhd.	-	96
Samart Mobile Services Co., Ltd.	55	55
Samart Multimedia Co., Ltd.	113	116
I-Mobile Inter trade Co., Ltd.	10	10
Pt. Samart I-Mobile Indonesia	181	166
Samart Mobile Services Co., Ltd., I-Mobile International Co., Ltd., I-Mobile Inter trade Co., Ltd. and Teleconnext Co., Ltd. (joint use the same facilities with Samart I-Mobile Public Co., Ltd.)	1,876	1,798
Teleconnext Co., Ltd. and 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)	700	700
I-Mobile International Co., Ltd. (joint use the same facilities with Samart I-Mobile Public Co., Ltd.)	200	200
I-Mobile Plus Co., Ltd.	20	20
I-Sport Co., Ltd.	5	5
I-Mobile Plus Co., Ltd. (joint use the same facilities with Samart I-Mobile Public Co., Ltd.)	111	105

(Unit: Million Baht)

	Guaranteed facilities	
	2015	2014
Samart Multimedia Co., Ltd., Teleconnext Co., Ltd., I-Mobile International Co., Ltd., I-Mobile Plus Co., Ltd. and I-Mobile Direct Co., Ltd. (joint use the same facilities with Samart I-Mobile Public Co., Ltd.)	2,000	1,500
I-Sport Co., Ltd. and Siam Sport Television Co., Ltd.	35	-

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

- c) 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. is guarantor of credit facilities of its subsidiary company from banks and a leasing company amounting to Baht 30,987 million (2014: Baht 23,729 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 49 million (2014: Baht 261 million).
- d) The Company has credit bank guarantee facilities of Baht 1,000 million by the banks and has allowed Samart U-Trans Co., Ltd., full access to the facilities. The Samart Engineering Co., Ltd., and Suvarnabhumi Environment Care Co., Ltd., subsidiaries, are also allowed to draw down amounts of Baht 150 million and Baht 20 million, respectively, from the facilities.
- e) The Company and The Samart Engineering Co., Ltd., a subsidiary company, have cross-guaranteed the credit facility of Baht 65 million (2014: Baht 65 million) granted by a commercial bank to the Company and such subsidiary.
- f) Siam Sport Television Co., Ltd., a subsidiary company, had guaranteed facilities with Siam Sport Syndicate Public Co., Ltd., Siam Sport Books Co., Ltd. and Siam Sport Syndicate Public Co., Ltd.'s director relating to bank guarantee for cash management of the credit facilities of Baht 25 million (2014: Baht 25 million).

#### 43.5 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, which currently transferred to intangible assets (service concession) in accordance with TFRIC 12 Service Concession Arrangements, 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 4 satellite channels rental service agreements with private company. The 4 agreements will expire in the year 2017. As at 31 December 2015, the subsidiary company is obliged to pay the service fee of Baht 40 million (31 December 2014: USD 1 million and Baht 74 million).
- d) On 15 February 2011, the Company entered into a lift 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 1 million per quarter (2014: Baht 1 million per quarter). The agreement is expiring in 2020.
- e) On 8 November 2013, the Company entered into an agreement with Aeronautical Radio of Thailand Limited, for the supply and installation of the Thailand Modernization CNS/ATM System Project (TMCS Project). The Company was obliged to install and deliver hardware and application software within the contract period. Subsequently, the Company was unable to deliver the first phase of the project work within the stipulated delivery date, and Aeronautical Radio of Thailand Limited therefore charged a delay penalty, calculated from the due date for the delivery of the first phase. However, during April 2015, the Company completed delivery of the first phase to Aeronautical Radio of Thailand Limited in full and inspection of the work delivered has been completed.

Later, on 7 July 2015, the Company received a formal letter from Aeronautical Radio of Thailand Limited charging a delay penalty of approximately Baht 53 million. However, Samart U-Trans Co., Ltd., a subsidiary company and the Company’s supplier counterparty, expects to be able to claim damages from its supplier in accordance with the conditions of its contract, and the subsidiary company has issued a letter exercising its right to penalise the counterparty. Therefore as at 31 December 2015, the Company set aside a provision of Baht 20 million for the project delay penalty, recording it as expense in the income statement. The Company’s management believes that this provision is adequate. In addition, on 27 July 2015, the Company sent a letter to Aeronautical Radio of Thailand Limited disputing the exercise of the right to penalise the Company, explaining that the Company disagreed with the penalty calculation method and the amount of the penalty notified, drawing attention to the facts of what had occurred and requesting that the penalty be waived, since the delay in delivery of the first phase does not result in any monetary or other damages to Aeronautical Radio of Thailand Limited. The Company, therefore, requested that Aeronautical Radio reconsider and be fair to the Company.

- f) The Company and Samart U-Trans Co., Ltd., a subsidiary company, entered into purchase and installment contract with various local and foreign companies. The Company and its subsidiary company obligated to comply with certain condition and to make the following payments for equipment and services.

(Unit: Million)

Currency	2015	2014
Baht	4	255
Australian dollar	-	1
US dollar	1	-

- g) Teda Co., Ltd. and Transec Power Services Co., Ltd., the 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	2015	2014
Baht	565	451.8
US dollar	-	0.1
Euro	-	0.2

#### **Other commitments of Samart Telcoms Public Co., Ltd. group**

- h) 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 0.2 million per month (2014: USD 0.2 million per month.).
- i) 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 obligated 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 2015, 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.
- j) 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 2015 the subsidiary company has not set up provision for fine from the project delay.

- k) On 27 September 2013, Samart Comtech Co., Ltd., a subsidiary company, entered into an agreement with a government agency to provide data entry, including the installation of computer hardware. The subsidiary hired two subcontractors to provide the services for key in data to the government agency. Subsequently, in the year 2015, the two subcontractors delivered the data to the government agency late and the government agency charged a delay penalty of Baht 88 million to the subsidiary company, by settle it against the amounts payable to the subsidiary. In May and November 2015, it was partially settled of Baht 56 million. However, the subsidiary's management assessed that this delay of work was not the subsidiary's fault and as stipulated in the hire of work contracts the subsidiary will be able to collect the penalties from the subcontractors. Therefore, as at 31 December 2015, the subsidiary company has not set aside any provision for these delay penalties in its accounts.
- 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. The subsidiary company is obliged to comply with the conditions stipulated in the contract and pay a service fee totaling approximately Baht 0.1 million per month (2014: Baht 0.2 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 6 million per month (2014: Baht 6 million per month).
- n) On 3 November 2009, Samart Comtech Co., Ltd., a subsidiary company, entered into an agreement with government agency, whereby it was to provide information systems development services. The subsidiary was obliged to install and deliver all hardware and application software within a certain date. However, the subsidiary delivered the work after the deadline (2 November 2012), and the government agency charged a delay penalty, calculated from the day after each delivery deadline or the extended deadline until all work has been delivered and is working properly. Subsequently, during May 2013, the subsidiary company delivered all systems to the government agency and the inspection process for the work delivered was completed on 26 November 2014.

Later, on 26 March 2015, the subsidiary company received a formal letter notifying it of the results of the work acceptance inspection from a government agency and the charging of a delay penalty of Baht 43 million. In April 2015, the government agency settled the penalty against the final payment payable amount to the subsidiary. However, the subsidiary's management requested permission to appeal to the government agency for clarify the reason and requested that the penalty could be waived.

- o) 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 Baht 4 million per quarter (2014: Baht 5 million and Baht 8 million per quarter).
- p) Portalnet Co., Ltd., a subsidiary company, entered into a contract with Let Systems Ltd. to provide system maintenance services for computer software applications for core business operation by transferring the assignment to provide maintenance services from Siemens AG. The subsidiary is obligated to comply with the conditions stipulated in the contract and pay service fee of approximately Euro 0.01 million per month (2014: Euro 0.01 million per month).
- q) Posnet Co., Ltd., a subsidiary company, entered into two agreements with a private limited company to provide system maintenance services. Subsequently, during the year 2015, that company charged a penalty and compensatory damages totaling of Baht 8 million to the subsidiary under these two agreements, for breaches of the conditions stipulated therein. The subsidiary is currently requesting details of the penalties and compensation from such company. The subsidiary's management has considered the matter and believes that the subsidiary will not have to pay the penalty and compensatory damages, and therefore, as at 31 December 2015, the subsidiary company has not set aside any provision in its accounts.

**Other commitments of Samart I-Mobile Public Co., Ltd. group**

- r) 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.

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.

In addition, the subsidiary receiving the licenses from the National Broadcasting and Telecommunications Commission (NBTC) has obligations to comply with certain conditions as state in the licenses, and to pay annual license fees, together with a fee for the Universal Service Obligation (USO) in accordance with conditions and requirements stipulated by the NBTC.

- s) On 4 May 2012, Samart I-Mobile Public Co., Ltd., a 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 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.
- t) On 22 October 2015, Samart I-Mobile Public Co., Ltd., a subsidiary company, entered into wholesale agreement to provide mobile phone services with CAT Telecom Public Co., Ltd., whereby the subsidiary company will resell mobile phone services to end-users. CAT Telecom Public Co., Ltd. is to commence providing service within 90 days after the agreement has been signed and until 3 August 2025. Under the terms of the agreement, the subsidiary company is obliged to pay minimum wholesale service fees at a stipulated rate.

However, due to a delay in distribution of mobile phone number by the Office of The National Broadcasting and Telecommunications Commission and technical delays, the subsidiary company was unable to commence the service within stipulated timeframe. On 12 January 2016, the subsidiary, therefore, submitted a letter informing CAT Telecom Public Co., Ltd. that it is requested a postponement of the commencement date.

#### 43.6 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 million. Income was recognised when the Buyer paid Baht 26 million for the aforementioned product of this agreement to the subsidiary company. Subsequently, in the fourth quarter of 2009, the authorised lawyer of the buyer gave a written notice to terminate such agreement to the subsidiary company on behalf of the Buyer and requested a refund of Baht 26 million. The Legal Department of the Company viewed that the execution of such agreement was not a result of deliberate misrepresentation of the substance of the agreement, as claimed by the Buyer, and the subsidiary company had not breached any provision to cause termination of the agreement. The sale and purchase agreement dated 22 July 2009 is still valid and binding the parties and the Buyer has no right to terminate such agreement. The management of subsidiary company believes that the subsidiary company has no obligation to reimburse the amount of Baht 26 million to the Buyer and there is no contingent liability.

On 19 March 2010, the subsidiary company brought a criminal charge against the Buyer for the offences related to misuse of cheques in the amount of Baht 14 million. Subsequently, on 24 October 2012, the Court of First Instance ruled that Super Cheng Co., Ltd. and associates, as the Buyer, had committed an offence under the Act promulgating liability for misuse of cheques. Subsequently, on 28 May 2013, the Appeal Court reversed the Court of First Instance’s verdict and ruled that Super Cheng Co., Ltd. and associates had not committed any offences under the Act promulgating liability for misuse of cheques. However, on 28 October 2013, the Legal Department of the Company filed a petition to the Supreme Court, seeking a judgment that Super Cheng Co., Ltd. and associates had committed an offence, in accordance with the decision of Court of First Instance. Subsequently, on 14 October 2014, the judgment of the Court of First Instance was overruled by the Supreme Court because the Court of First Instance’s judgment was not rendered in accordance with the stipulated rules and regulations, and the Court of First Instance was ordered to reconsider and reissue its judgment on the case. The new judgment of the Court of First Instance was against the Buyer for the offences related to misuse of cheques. In this regard, Super Cheng Co., Ltd. and associates, as the Buyer, have the right to lodge an appeal against the judgment of the Court of First Instance. On 1 October 2015 the Appeal Court reversed the Court of First Instance’s Instance’s judgment and ruled that Super Cheng Co., Ltd. and associates had not committed any offences under the Act promulgating liability for misuse of cheques. The subsidiary, however, has a right to file a petition to the Supreme Court against the Appeal Court’s verdict. The subsidiary company filed an appeal to the Supreme Court on 30 December 2015.

In addition, on 18 July 2014, the subsidiary company brought a civil charge against the Buyer with the Pattaya Provincial Court, demanding the Buyer to settle outstanding payment for goods amounting to Baht 18 million (Baht 14 million plus interest thereon). The Company’s Legal Department is of the opinion that the court will judge in favor of the subsidiary company. At present, the Court is considering the appeal.

On 15 December 2014, Super Cheng Co., Ltd., the buyer, filed a civil lawsuit against the subsidiary company with Thanyaburi Provincial Court, claiming that the subsidiary company breached the contract and demanding the damages of Baht 50 million (the principal of Baht 26 million plus interest and damages relating to marketing expenses and lack of income). The Legal Department of the Company is of the opinion that the buyer filed the lawsuit after the statute of limitations has already expired. At present, the Court is considering the appeal.

- 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 of 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 on 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 that was hired by the Company as a legal consultant with responsibility for this case is of the opinion that the Company is not responsible for the damages claimed since the claimant submitted the matter in dispute to the Arbitration Institution more than 10 years later, and so the statute of limitations has already expired.

Subsequently, the Arbitration Institution completed examination of the evidence of both the Company and the Organizing Committee and on 22 August 2013 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, the 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 was of the opinion that the Court was likely to dismiss the petition because there were no legal grounds for the Court to revoke the arbitral award and order the Company to make the payment. The Civil Court scheduled a hearing for the preliminary examination of the petition in May 2014.

On 29 August 2014, the Civil Court rescinded the Arbitration award, without ruling that the Company is obligated to make any payment to the Organizing Committee and the Sports Authority of Thailand. The Company filed an appeal on 28 November 2014, against the Civil Court's judgment with the Supreme Court. On 23 January 2015, the Organizing Committee and the Sports Authority of Thailand filed an appeal against the Civil Court's judgment with the Supreme Court. At the present, the Supreme Court is considering the appeal.

- c) 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. Later in 2010, the plaintiff had filed an appeal with the Supreme Court for a final judgment and the Supreme Court dismissed the case on 10 November 2015.

- d) 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 previous 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 2015, the Company estimated its contingent liabilities at Baht 0.6 million, (2014: Baht 0.6 million) and recorded this under the caption of "other non-current liabilities" in the statement of financial position.

#### 44. Fair value hierarchy

As at 31 December 2015, the Company and its subsidiaries had the assets and liabilities that were measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)

	Consolidated Financial Statements		
	Level 1	Level 2	Total
<b>Assets measured at fair value</b>			
Held for trade investments			
Equity instruments	22	-	22
Available-for-sale investments			
Equity instruments	176	-	176
Derivatives			
Foreign currency forward contracts	-	1	1
Land	-	561	561
Investment properties	-	77	77
Assets held for future projects	-	24	24
<b>Financial liabilities measured at fair value</b>			
Derivatives			
Foreign currency forward contracts	-	25	25
Debentures	-	4,155	4,155

(Unit: Million Baht)

	Consolidated Financial Statements		
	Level 1	Level 2	Total
<b>Assets measured at fair value</b>			
Held for trade investments			
Equity instruments	13	-	<b>13</b>
Land	-	218	<b>218</b>
Assets held for future projects	-	24	<b>24</b>
<b>Financial liabilities measured at fair value</b>			
Derivatives			
Foreign currency forward contracts	-	19	<b>19</b>
Debentures	-	2,500	<b>2,500</b>

## 45. Financial instruments

### 45.1 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.

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		Effective interest rate (% p.a.)	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015
<b>Financial Assets</b>											
Cash and cash equivalents	256	-	-	-	1,714	1,565	29	67	1,999	1,632	0.05 - 4.00
Temporary investments	-	-	-	-	-	9	22	123	22	132	-
Trade and other accounts receivable	-	-	-	-	-	-	10,927	8,754	10,927	8,754	-
Finance leases receivable	60	18	13	32	-	-	-	-	73	50	0.70 - 1.09
Restricted bank deposits	104	105	-	-	-	18	111	164	215	287	0.85 - 1.50
Available-for-sale investments	-	-	-	-	-	-	176	267	176	267	-
<b>Total</b>	<b>420</b>	<b>123</b>	<b>13</b>	<b>32</b>	<b>1,714</b>	<b>1,592</b>	<b>11,265</b>	<b>9,375</b>	<b>13,412</b>	<b>11,122</b>	
<b>Financial liabilities</b>											
Bank overdrafts	-	-	-	-	1	70	-	-	1	70	6.50 - 7.68
Short-term loans from financial institutions	4,818	4,895	-	-	2,893	1,521	-	-	7,711	6,416	2.15 - 4.75
Bill of exchange	885	300	-	-	-	-	-	-	885	300	2.10 - 2.50
Trust receipt											
- Baht	1,207	3,578	-	-	335	861	-	-	1,542	4,439	3.05 - 3.35
- US Dollar	63	50	-	-	-	-	-	-	63	50	1.61 - 1.90
Trade and other accounts payable	-	-	-	-	-	-	2,795	2,961	2,795	2,961	-
Short-term loans from unrelated parties	22	18	-	-	-	-	-	-	22	18	1.35 - 8.03
Debentures	870	1,560	3,285	-	-	-	-	-	4,155	1,560	2.24 - 4.80
Long-term loans from financial institutions	-	-	-	-	108	441	-	-	108	441	3.00 - 7.13
Liabilities under finance lease agreements	31	18	38	37	-	-	-	-	69	55	2.69 - 8.70
<b>Total</b>	<b>7,896</b>	<b>10,419</b>	<b>3,323</b>	<b>37</b>	<b>3,337</b>	<b>2,893</b>	<b>2,795</b>	<b>2,961</b>	<b>17,351</b>	<b>16,310</b>	

(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		2015	2014	2015	2014	2015	2014	2015	2014
2015	2014	2015	2014								
<b>Financial Assets</b>											
Cash and cash equivalents	-	-	-	165	104	-	-	165	104	0.05 - 1.00	0.10 - 1.50
Temporary investments	-	-	-	-	-	13	67	13	67	-	-
Trade and other accounts receivable	-	-	-	-	-	379	241	379	241	-	-
Short-term loans	-	-	-	928	311	-	-	928	311	2.48	3.80
Total	-	-	-	1,093	415	392	308	1,485	723		
<b>Financial liabilities</b>											
Short-term loans from financial institution	470	2,801	-	-	-	-	-	470	2,801	2.15 - 2.38	3.30 - 5.50
Bill of exchange	585	-	-	-	-	-	-	585	-	2.10 - 2.35	-
Trade and other accounts payable	-	-	-	-	-	889	528	889	528	-	-
Short-term loans from related parties	-	-	-	176	367	-	-	176	367	1.63	1.75
Debentures	-	-	2,500	-	-	-	-	2,500	-	4.35 - 4.80	
Long-term loans from related parties	-	-	-	728	728	-	-	728	728	0.57	0.63
Liabilities under finance lease agreements	11	2	25	-	-	-	-	36	6	2.70 - 4.75	4.75
Total	1,066	2,803	2,525	904	1,095	889	528	5,384	4,430		

### Foreign currency risk

The Company and its subsidiaries' exposure to foreign currency risk arises mainly from trading transactions and loans 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	
	2015	2014	2015	2014	2015	2014
	(Million)		(Million)		(Baht per 1 foreign currency unit)	
<b>Financial assets</b>						
US dollar	10	4	3	1	35.8295	32.7241
Euro	-	1	-	-	-	39.6482
Swiss franc	1	-	-	-	35.9197	-
<b>Financial liabilities</b>						
US dollar	13	33	1	-	36.2538	33.1132
Australian dollar	10	9	10	9	26.6681	27.0788
Euro	2	1	-	-	39.7995	40.3552
Swiss franc	1	1	-	-	36.7180	33.5627
Yen	-	1	-	-	-	0.2765

### Forward exchange contracts

The outstanding balance of forward exchange contracts of the Company and subsidiaries are summarised below.

Foreign currency	Consolidated financial statements	Separate financial statements	Contractual exchange rate	Contractual maturity date
	(Million)	(Million)	(Baht per 1 foreign currency unit)	
<b><u>As at 31 December 2015</u></b>				
<b>Bought amount</b>				
US dollar	47	-	34.98216 - 36.8566	January 2016 - January 2017
Australian dollar	10	10	28.39237 - 28.52496	April 2016
Euro	1	-	39.6700	February 2016
<b>Sold amount</b>				
US dollar	1	-	33.8625 - 34.5050	January 2016
<b><u>As at 31 December 2014</u></b>				
<b>Bought amount</b>				
US dollar	45	-	32.0627 - 33.3175	January - July 2015
Australian dollar	15	15	28.4263 - 30.1099	March - October 2015
<b>Sold amount</b>				
US dollar	8	-	32.4325 - 33.2875	January - July 2015

#### 45.2 Fair values of financial instruments

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

### 46. 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 2015, the Group's debt-to-equity ratio was 2.28:1 (2014: 2.16:1) and the Company's was 1.32:1 (2014: 1.03:1).

### 47. Events after the reporting period

On 5 February 2016, the Board of Directors of Samart I-Mobile Public Co., Ltd., a subsidiary company approved a joint investment between the subsidiary company and People Media Group Co., Ltd. to set up a new company with a registered capital of Baht 60 million, with shareholdings of 51% and 49%, respectively. The purpose of the joint investment is to operate an e-commerce business, launching an online marketplace under the name Thailandmall.com of which the differentiating factor will be the sale of distinctive and identifiably Thai products worldwide through integrated online and offline channels. This will also build the brand image and boost sales of Thai products overseas.

### 48. Approval of financial statements

These financial statements were authorised for issue by the Company's authorised Directors on 23 February 2016.

# Remuneration of the Auditors

## 1. Audit Fee

In 2015, the Company, subsidiaries and affiliated companies paid Audit Fee to the Company's auditor, EY Office Limited comprised of following details:

- Audit Fee for accounting period ended December 31, 2015 of the Company was Baht 2,200,000 of which excluded other miscellaneous payment of Baht 80,425 (i.e. auditors' traveling expenses, photo copy expenses etc.).
- Audit Fee for accounting period ended December 31, 2015 of the subsidiaries and affiliated companies pay to audit firm or other persons or firms that related to the audit firm were Baht 13,861,000 of which excluded other miscellaneous payment of Baht 932,939 (i.e. auditors' traveling expenses, photo copy expenses etc.).

In addition, the 4 overseas subsidiaries in Indonesia, Hong Kong and Cambodia paid audit fees to the auditors from the group of Ernst & Young Global Limited in each countries were Baht 2,370,066 excluded miscellaneous payment of Baht 15,971 (i.e. auditors' travelling expenses, photo copy expenses etc.).

Moreover, the 3 subsidiaries in Cambodia paid audit fees to PricewaterhouseCoopers (Cambodia) Ltd., as the auditors of its subsidiaries of Baht 1,957,099 which excluded other miscellaneous payment of Baht 131,039 (i.e. auditors' travelling expenses, photo copy expenses etc.). Meanwhile, another subsidiary in Malaysia paid audit fees to other audit firm which was suitable for its size of business total of Baht 210,000 excluding miscellaneous payment of Baht 7,980 (i.e. auditors' travelling expenses, photo copy expenses etc.).

## 2. Non-Audit Fee

In 2015, the Company's subsidiaries and affiliated companies paid Non-Audit fee comprised of following details:

- Smarterware Co., Ltd., an indirect subsidiary with stakeholding 70.14%, paid professional fee to EY Office Limited for the review of compliance conditions stipulated in the investment promotion certificate submitted to BOI for the period ended December 31, 2015 at Baht 70,000.
- Samart Ed-Tech Co., Ltd., an indirect subsidiary with stakeholding 70.14%, paid professional fee to EY Office Limited for the review of compliance conditions stipulated in the investment promotion certificate submitted to BOI for the period ended December 31, 2015 at Baht 70,000.
- Brain Source Co., Ltd., an indirect subsidiary with stakeholding 71.44%, paid professional fee to EY Office Limited for the review of compliance conditions stipulated in the investment promotion certificate submitted to BOI for the period ended December 31, 2015 at Baht 120,000.
- Siam Sport Television Co., Ltd., an indirect subsidiary with stakeholding 35.73%, paid professional fee to EY Office Limited for review revenue from the licenses granted by National Broadcasting and Telecommunications Commission (NBTC) totaling Baht 90,000.

# The Board of Directors, Managements and Company Secretary of Smart Corporation Public Company Limited

- The Board of Directors of Smart Corporation Public Company Limited as of December 31, 2015

Name-Surname / Position / Appointing Date	Age	Education / Training	Shareholding in Company <sup>(1)</sup> (%)	Relationship	Working Experience last 5 years		
					During	Position	Company / Department
<b>1. Dr. Tongchat Hongladaromp</b> - Chairman - Independent Director - Audit Committee Member - Chairman of the Nominating & Compensation Committee  <i>(To be appointed as a director on Apr. 25, 2008)</i>	77	- 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 <b>Training courses from Thai Institute                      of Directors Association (IOD) :</b> - Director Accreditation Program (DAP) in 2005 - Finance for Non-Finance Director Program in 2005	-	-	2008-Present	Chairman / Independent Director / Audit Committee Member	Smart Corporation Pcl.
					2008-Present	Chairman of the Nominating & Compensation Committee	Smart Corporation Pcl.
					2007-Present	<b>Position in other listed companies</b>	Linde (Thailand) Plc.
					1994-Present		Sahaviriya Steel Industries Pcl.
					2007-Present		Sahaviriya Steel Industries Pcl.
					2003-Present		PTT Pcl.
					Present	Senior Advisor	PTT Global Chemical Pcl.
					Present	Advisor to the Board of Directors	PTT Exploration and Production Pcl.
					<b>Position in non-listed companies</b>		
					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.
					2005-2011	Director, Assessment Committee	The Comptroller General's Department, Ministry of Finance

**Remark :** <sup>(1)</sup> 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 / Training	Shareholding in Company <sup>(1)</sup> (%)	Relationship	Working Experience last 5 years		
					During	Position	Company / Department
<b>2. Mr. Pradang Prichayangkun</b> - 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>	81	- 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 <b>Training courses from Thai Institute of Directors Association (IOD) :</b> - Director Certification Program (DCP) in 2004 - Audit Certification Program (ACP) in 2005	0.05% 500,000 shares	-	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.
						<b>Position in other listed companies</b> -	
						<b>Position in non-listed companies</b> -	
<b>3. Mr. Seri Suksathaporn</b> - 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>	79	- Master of Public Administration (MPA), University of Southern California, USA - Bachelor Degree in Political Science, Chulalongkorn University <b>Director Certification Program (DCP), Thai Institute of Directors Association (IOD) in 2003</b>	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.
						<b>Position in other listed companies</b> -	
						<b>Position in non-listed companies</b> 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
					Former		
					Former		
					Former		

**Remark :** <sup>(1)</sup> 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 / Training	Shareholding in Company <sup>(1)</sup> (%)	Relationship	Working Experience last 5 years		
					During	Position	Company / Department
<b>4. Mr. Prinya Waiwatana</b> - Independent Director - Corporate Governance Committee Member  <i>(To be appointed as a director on Apr. 27, 2010)</i>	68	- Bachelor Degree in Accounting, Chulalongkorn University <b>Training courses from Thai Institute            of Directors Association (IOD) :</b> - 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% 140,000 shares	-	2010-Present	Independent Director / Corporate Governance Committee Member	Samart Corporation Pcl.
					2010-Present	<b>Position in other listed companies</b> 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 / Nominating & Compensation Committee Member / Corporate Governance Committee Member	Thai Steel Cable Pcl.
						<b>Position in non-listed companies</b> -	
<b>5. Mrs. Siripen Vilailuck</b> - Director  <i>(To be appointed as a director on Feb. 25, 1993)</i>	76	- Director Certification Program (DCP), Thai Institute of Directors Association (IOD) in 2004	0.59% 5,960,250 shares	Mr. Charoenrath's Mr. Watchai's and Mr. Thananan's mother	1993-Present	Director	Samart Corporation Pcl.
						<b>Position in other listed companies</b> -	
					1975-Present 1993-Present	<b>Position in non-listed companies</b> Director Director	Samart Engineering Co., Ltd. Vilailuck International Holding Co., Ltd.

**Remark :** <sup>(1)</sup> 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 / Training	Shareholding in Company <sup>(1)</sup> (%)	Relationship	Working Experience last 5 years		
					During	Position	Company / Department
<b>6. Mr. Charoenrath Vilailuck</b> - Authorized Director - Executive Chairman & CEO - Chairman of the Risk Management Committee  <i>(To be appointed as a director on Feb. 25, 1993)</i>	56	- Bachelor Degree in Engineering (Electrical Engineering), The University of Newcastle, Australia - Leadership Program (Class 19), Capital Market Academy (CMA) in 2014 - Chief Executive Course for Urban Development Management, class 1, Urban Green Development Institute Bangkok in 2012 - National Defence course for the joint State-Private Sectors (Class 18), National Defence College of Thailand in 2005-2006 <b>Training courses from Thai Institute of Directors Association (IOD) :</b> - Director Certification Program (DCP) in 2004 - Director Accreditation Program (DAP) in 2004	11.20% 112,734,960 shares	Mrs. Siripen's son and Mr. Watchai's and Mr. Thananan's elder brother	1995-Present	Executive Chairman & CEO	Samart Corporation Pcl.
					1993-Present	Director	Samart Corporation Pcl.
					2008-Present	Chairman of the Risk Management Committee	Samart Corporation Pcl.
					<b>Position in other listed companies</b>		
					2003-Present	Director	Samart I-Mobile Pcl.
					1996-Present	Director / Executive Director	Samart Telecoms Pcl.
					2013-Present	Director	One To One Contacts Pcl.
					2013-Present	Executive Director / Risk Management Committee Member	One To One Contacts Pcl.
					<b>Position in non-listed companies</b>		
					1993-Present	Director	Vilailuck International Holding Co., Ltd.
					Present	Director	Subsidiaries and Affiliated Companies (as details in Directors and Managements in subsidiaries and affiliated companies)
					2000-2013	Director	One To One Contacts Co., Ltd.

**Remark :** <sup>(1)</sup> 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 / Training	Shareholding in Company <sup>(1)</sup> (%)	Relationship	Working Experience last 5 years		
					During	Position	Company / Department
<b>7. Mr. Watchai Vilailuck</b> - Authorized Director - President - Chief Operating Member of the Risk Management Committee - Chairman of the Sustainable Development Committee - Acting Chief Operating Officer of Call Center LOB - Acting Chief Operating Officer of Utilities and Transportations LOB and Technology Related Services LOB  <i>(To be appointed as a director on Feb. 25, 1993)</i>	53	- Bachelor Degree in Accounting, Faculty of Commerce and Accounting, Thammasat University - Certificate of Management Program, United Kingdom in 1985 - Certificate of Strategic Planning & Implementation, University of Michigan Business School, Singapore in 2000 - <b>Director Accreditation Program (DAP), Thai Institute of Directors Association (IOD) in 2004</b> - 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	12.52% 126,005,535 shares	Mrs. Sirpen's son and Mr. Charoenrath's younger brother and Mr. Thananan's elder brother	2000-Present	President	Samart Corporation Pcl.
					1993-Present	Director	Samart Corporation Pcl.
					2004-Present	Chief Operating Member of the Risk Management Committee	Samart Corporation Pcl.
					2013-Present	Chairman of the Sustainable Development Committee	Samart Corporation Pcl.
					May 2014-Present	Acting Chief Operating Officer of Call Center LOB	Samart Corporation Pcl.
					Present	Acting Chief Operating Officer of Utilities and Transportations LOB and Technology Related Services LOB	Samart Corporation Pcl.
					<b>Position in other listed companies</b>		
					2000-Present	Executive Chairman & CEO	Samart Telcoms Pcl.
					1996-Present	Director	Samart Telcoms Pcl.
					2013-Present	Director	One To One Contacts Pcl.
					2013-Present	Executive Chairman / Chairman of the Risk Management Committee	One To One Contacts Pcl.
					2003-Present	Director	Samart I-Mobile Pcl.
					2012-Present	Acting Managing Director - Service Provider Business	Samart I-Mobile Pcl.
					2003-Dec. 2015	CEO / Executive Chairman	Samart I-Mobile Pcl.
					2005-Dec. 2015	Chairman of the Risk Management Committee	Samart I-Mobile Pcl.

**Remark :** <sup>(1)</sup> 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 / Training	Shareholding in Company <sup>(1)</sup> (%)	Relationship	Working Experience last 5 years		
					During	Position	Company / Department
7. Mr. Watchai Vilailuck (cont.)		<ul style="list-style-type: none"> <li>- 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</li> <li>- The 5<sup>th</sup> Training Course on Administrative Justice for Executives, Institute of Administrative Justice, The Office of the Administrative Courts of Thailand in 2013-Aug. 2014</li> <li>- Top Executive Program in Energy Literacy for a Sustainable Future (Class 6), Thailand Energy Academy (TEA) in 2015</li> <li>- Top Executive Program in Industrial Development and Investment (Class 2), Institute of Business and Industrial Development (IBID) in 2015</li> </ul>			1993-Present	Director	Vilailuck International Holding Co., Ltd. Subsidiaries and Affiliated Companies (as details in Directors and Managements in subsidiaries and affiliated companies) One To One Contacts Co., Ltd.
					Present	Director	
					2000-2013	Director	

Remark : <sup>(1)</sup> 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 / Training	Shareholding in Company <sup>(1)</sup> (%)	Relationship	Working Experience last 5 years		
					During	Position	Company / Department
<b>8. Mr. Sirichai Rasameechan</b> - 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>	65	- Master of Accounting, Thammasat University - Bachelor Degree in Accounting, Thammasat University <b>Training courses from Thai Institute of Directors Association (IOD) :</b> - Director Certification Program (DCP) in 2000 - Finance for Non-Finance Director Program in 2000	-	-	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.
					2013-Present	Vice Chairman of the Sustainable Development Committee	Samart Corporation Pcl.
					<b>Position in other listed companies</b>		
					1998-Present	Director / Executive Director	Samart Telecoms Pcl.
					2013-Present	Director	One To One Contacts Pcl.
					2013-Present	Executive Director / Risk Management Committee Member / Corporate Governance Committee Member	One To One Contacts Pcl.
					2008-Present	Nominating & Compensation Committee Member	Samart I-Mobile Pcl.
					Aug. 2014-Dec. 2015	Director	Samart I-Mobile Pcl.
					2005-Dec. 2015	Risk Management Committee Member	Samart I-Mobile Pcl.
					<b>Position in non-listed companies</b>		
					Present	Director	Subsidiaries and Affiliated Companies (as details in Directors and Managements in subsidiaries and affiliated companies)
					Present	Speaker	Thai Institute of Directors Association (IOD)
					2000-2013	Director	One To One Contacts Co., Ltd.

**Remark :** <sup>(1)</sup> 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 Smart Corporation Public Company Limited as of December 31, 2015

Name-Surname / Position / Appointing Date	Age	Education / Training	Shareholding in Company <sup>(1)</sup> (%)	Relationship	Working Experience last 5 years		
					During	Position	Company / Department
<b>1. Mr. Charoenrath Viailuck</b>  <i>(To be appointed as an executive director on Feb. 25, 1993)</i>						- See details in "The Board of Directors of Smart Corporation Pcl." -	
<b>2. Mr. Watchai Viailuck</b>  <i>(To be appointed as an executive director on Feb. 25, 1993)</i>						- See details in "The Board of Directors of Smart Corporation Pcl." -	
<b>3. Mr. Sirichai Rasameechan</b>  <i>(To be appointed as an executive director on Feb. 20, 1996)</i>						- See details in "The Board of Directors of Smart Corporation Pcl." -	

**Remark :** <sup>(1)</sup> 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 / Training	Shareholding in Company <sup>(1)</sup> (%)	Relationship	Working Experience last 5 years		
					During	Position	Company / Department
<b>4. Mr. Thananan Vialluck</b> - Executive Director - Risk Management Committee Member - Sustainable Development Committee Member - Executive Vice Chairman - Corporate Strategy  <i>(To be appointed as an executive director on Feb. 28, 2007)</i>	49	- Master of Engineering, University of Florida, USA - Bachelor Degree in Engineering, Kasetsart University - <b>Director Accreditation Program (DAP), Thai Institute of Directors Association (IOD) in 2004</b>	2.98% 30,012,100 shares	Mrs. Siripen's son and Mr. Charoenrath's son and Mr. Watchai's younger brother	Dec. 2015-Present	Executive Vice Chairman - Corporate Strategy	Samart Corporation Pcl.
					2007-Present	Executive Director	Samart Corporation Pcl.
					2009-Present	Risk Management Committee Member	Samart Corporation Pcl.
					2013-Present	Sustainable Development Committee Member	Samart Corporation Pcl.
					2006-Nov. 2015	President of Mobile Multimedia LOB	Samart Corporation Pcl.
					<b>Position in other listed companies</b>		
					2013-Present	Director	One To One Contacts Pcl.
					2013-Present	Risk Management Committee Member	One To One Contacts Pcl.
					2011-Present	Director	Siam Sport Syndicate Pcl.
					2003-Present	Director	Samart I-Mobile Pcl.
					2003-Nov. 2015	Executive Director	Samart I-Mobile Pcl.
					2005-Nov. 2015	Risk Management Committee Member	Samart I-Mobile Pcl.
					2013-Nov. 2015	Chairman of the Sustainable Development Committee	Samart I-Mobile Pcl.
					2012-Nov. 2015	Acting Managing Director - Mobile Business	Samart I-Mobile Pcl.
					2006-Nov. 2015	President	Samart I-Mobile Pcl.
					<b>Position in non-listed companies</b>		
					1993-Present	Director	Vialluck International Holding Co., Ltd.
					Present	Director	Subsidiaries and Affiliated Companies (as details in Directors and Management in subsidiaries and affiliated companies)

Remark : <sup>(1)</sup> 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 / Training	Shareholding in Company <sup>(1)</sup> (%)	Relationship	Working Experience last 5 years		
					During	Position	Company / Department
<b>5. Mr. Jong Diloksoth</b> - 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>	56	- 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, Singapore in 2000 - Certificate of Crisis Management Master Class, VIMAC Business Group (M) Sdn Bhd Premier Provider of Business Intelligence in 2009 - Certificate of Executive Development Program, Faculty of Commerce and Accountancy, Thammasat University in 2005 - <b>Director Accreditation Program (DAP), Thai Institute of Directors Association (IOD) in 2004</b> - Capital Market Leader Program, The Securities and Exchange Institute of Business Administration of Chulalongkorn University in 2014 - National Defence Course (Class 57), National Defence College of Thailand in 2015	-	-	2012-Present	Executive Director	Samart Corporation Pcl.
					2009-Present	Risk Management Committee Member	Samart Corporation Pcl.
					2013-Present	Sustainable Development Committee Member	Samart Corporation Pcl.
					2012-Present	President of ICT Solutions and Services LOB	Samart Corporation Pcl.
					<b>Position in other listed companies</b>		
					2012-Present	Director / Executive Director / President / Corporate Governance Committee Member	Samart Telcoms Pcl.
					2012-Present	Chairman of the Risk Management Committee	Samart Telcoms Pcl.
					2013-Present	Chairman of the Sustainable Development Committee	Samart Telcoms Pcl.
					2005-Present	Corporate Governance Committee Member	Samart I-Mobile Pcl.
					2006-Nov. 2015	Nominating & Compensation Committee Member	Samart I-Mobile Pcl.
					2003-Nov. 2015	Risk Management Committee Member	Samart I-Mobile Pcl.
					2003-Nov. 2015	Director / Executive Director	Samart I-Mobile Pcl.
					2003-Jan. 2012	Chief Operating Officer	Samart I-Mobile Pcl.
					Present	<b>Position in non-listed companies</b> Director	Subsidiaries and Affiliated Companies (as details in Directors and Managements in subsidiaries and affiliated companies)

**Remark :** <sup>(1)</sup> Includes holding by spouse and minor children (See the securities holding information in the topic of the "4. Disclosure and Transparency")  
% of total number of voting rights

Name-Surname / Position / Appointing Date	Age	Education / Training	Shareholding in Company <sup>(1)</sup> (%)	Relationship	Working Experience last 5 years		
					During	Position	Company / Department
<b>6. Mr. Pracha Phathayakorn</b> - 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>	52	- 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 <b>Training courses from Thai Institute            of Directors Association (IOD) :</b> - 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.
					2013-Present	Sustainable Development Committee Member	Samart Corporation Pcl.
					<b>Position in other listed companies</b>		
					2013-Present	Director	One To One Contacts Pcl.
					2013-Present	Executive Director / Risk Management Committee Member	One To One Contacts Pcl.
					2005-2011	Independent Director and Audit Committee Member	Eternity Grand Logistics Pcl.
					Aug. 2015-Present	Director / Chief Operation Officer	Samart I-Mobile Pcl.
					2014-Present	Executive Director / Risk Management Committee Member	Samart I-Mobile Pcl.
					2013-Present	Sustainable Development Committee Member	Samart I-Mobile Pcl.
					2012-Aug. 2015	Executive Vice President	Samart I-Mobile Pcl.
					<b>Position in non-listed companies</b>		
					2015-Present	Director	Euromill Hotel Co., Ltd.
					2013-Present	Director	Subsidiaries and Affiliated Companies (as details in Directors and Managements in subsidiaries and affiliated companies) Paresa Corporation Co., Ltd.
					2005-2011	President	

**Remark :** <sup>(1)</sup> 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 Smart Corporation Public Company Limited as of December 31, 2015

Name-Surname / Position / Appointing Date	Age	Education / Training	Shareholding in Company <sup>(1)</sup> (%)	Relationship	Working Experience last 5 years		
					During	Position	Company / Department
<b>Mrs. Jirawan Rujisonthi</b> - Assistant Vice President - Corporate Secretary - Sustainable Development Committee Member  <i>(To be appointed as the Company Secretary on Dec. 19, 2014)</i>	41	- Master of Business Administration (MBA), Kasetsart University - Bachelor Degree in Business Administration, Rajamangala University of Technology Thanyaburi - Effective Minute Taking, Board of Trade of Thailand in 2006 - Fundamental Practice for Corporate Secretary (FPCS - Class 18), Thai Listed Companies Association in 2008 - Operation Excellent Program, Faculty of Commerce and Accountancy, Thammasart University in 2008 - <b>Effective Minute Taking</b> <b>(EMT-Class 14), Thai Institute of</b> <b>Directors Association (IOD) in 2002</b>	0.001% 7,600 shares	-	May. 2015-Present	Sustainable Development Committee Member	Smart Corporation Pcl.
					Dec. 2014-Present	Assistant Vice President - Corporate Secretary	Smart Corporation Pcl.
					2000-Nov. 2014	Assistant Company Secretary	Smart Corporation Pcl.
						<b>Position in other listed companies</b> -  <b>Position in non-listed companies</b> -	

**Remark :** <sup>(1)</sup> 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. Jirawan Rujisonthi 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 regulations;
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 Directors 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:**

- CG Forum 1/2015 "CG in Substance: Corporate Culture and Corporate Governance" from SET;
- Announcement improvement of an Material Transaction and Related Party Transaction (RPT) of Company Limited from SEC;
- Role of Top Management in driving the Organization's Anti Corruption Policies from Thai Listed Companies Association (Thailca);
- "Responsible Supply Chain Management" Class 1 from SET;
- CS Sharing Forum 2/2015 "Professional Corporate Secretary : key assistant for Good Corporate Governance" from SET;
- "Stakeholder Engagement" Class 2 from SET;
- "Effective CSR Communication" from SET;
- "Workplace Quality and Human Rights 2558" from SET;
- "Insights CG Report evaluation criteria" from SET;
- "Business Organizations Anti Corruption Guidelines" from PACT Network incorporate with Investment Banking Club, Association of Thai Securities Companies and PricewaterhouseCoopers Consulting (Thailand);
- "Thailand CG Forum: Governance as a driving force for business sustainability" from SET incorporate with SEC and Thai Institute of Directors (IOD).

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

1.	SC	=	Samart Coporation 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	=	I-Mobile I-Mobile (Malaysia) Sdn. Bhd	8.	SIMI	=	PT. Samart I-Mobile Indonesia
9.	TCON	=	Teleconnect Co., Ltd.	10.	BS	=	Brain Source Co., Ltd.	11.	IMP	=	I-Mobile Plus Co., Ltd.	12.	IMIT	=	I-Mobile Inter Trade Co., Ltd.
13.	IMD	=	I-Mobile Direct Co., Ltd.	14.	STC	=	Samart Telcoms Pcl.	15.	SCS	=	Samart Communication Services Co., Ltd	16.	SCT	=	Samart Comtech Co., Ltd.
17.	SBS	=	Samart Broadband Services Co., Ltd.	18.	TTN	=	Thai Trade Net Co., Ltd.	19.	PN	=	Posnet Co., Ltd.	20.	SIF	=	Samart Infonet Co., Ltd.
21.	STW	=	Smarterware Co. Ltd	22.	SAET	=	Samart Ed-Tech Co., Ltd.	23.	PTN	=	Portalnet Co., Ltd.	24.	OTO	=	One To One Contacts Pcl
25.	OIP	=	One To One Professional Co., Ltd.	26.	OTOC	=	One To One (Cambodia) Co., Ltd.	27.	CATS	=	Cambodia Air Traffic Services Co., Ltd.	28.	KPP	=	Kamport Power Plant Co., Ltd.
29.	SUT	=	Samart U-Trans Co., Ltd.	30.	SEC	=	Suvannabhumi Environment Care Co., Ltd.	31.	VSS	=	Vision and Security System Co., Ltd.	32.	SE	=	Samart Engineering Co., Ltd.
33.	OIO	=	Contact-In-One Co., Ltd.	34.	SH	=	Samart Inter Holding Co., Ltd.	35.	SRT	=	Samart Raditech Co., Ltd	36.	TEDA	=	Teda Co., Ltd.
37.	TS	=	Transec Power Services Co., Ltd.	38.	SW2P	=	Samart Waste2Power Co., Ltd.	39.	SUM	=	Samart U-Trans (Myanmar) Co., Ltd.	40.	NMD	=	Net Media Co., Ltd.
41.	ITAB	=	IT Absolute Co., Ltd.	42.	CW2P	=	Chiang Mai Waste2Power 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.	SLA	=	SLA Asia Co., Ltd.	48.	NST	=	Net Service (Thailand) Co., Ltd.
49.	SSTV	=	Siam Sport Television Co., Ltd.	50.	VIH	=	Vialluck International Holding Co., Ltd.								

(1)	Listed Companies	(2)	Held by SIM	(3)	Held by BUG	(4)	Held by IMI	(5)	Held by MIT
(6)	Held by I-SPORT	(7)	Held by STC	(8)	Held by OTO	(9)	Held by SE	(10)	Held by SH
(11)	Held by SUT	(12)	Held by TEDA	(13)	Held by SBS	(14)	Held by SCT	(15)	Held by SCS
(16)	Held by SW2P								

## 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. Pracha Phathayakorn				/			/
14. Mr. Teerachai Phongpanangam		/					/
15. Mrs. Rosalin Charoenwong							/
16. Mrs. Phongsri Salucketch							/
17. Miss Kanokwan Chanswangpuvana							/
18. Mrs. Jirawan Rujisonthi							/

**Remarks :** x = Chairman, / = Director, Committee Member

## Directors' list of Major Subsidiaries<sup>(\*)</sup>

Name of Directors	Subsidiaries		
	Samart I-Mobile Pcl.	Samart Telcoms Pcl.	Samart Comtech 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. Mrs. Sukanya Vanichjakvong	//		
15. Mr. Pracha Phathayakorn	//		
16. Mr. Pornchai Krivichian			/
17. Mr. Suchart Duangthawee			/
18. Miss Chotika Kamloonwesarch			/

**Remarks :** x = Chairman, / = Director, // = Executive Director

<sup>(\*)</sup> Subsidiaries which its revenue represent over 10% of Group revenue.

<sup>(1)</sup> Resigned from Chief Executive Officer effective on December 31, 2015 but still remain as SIM's Director and Authorized Director. In replacement of Chief Executive Officer, the Board of Director's meeting has approved the appointment of Mr. Chakkrit Charuchinda, effective on January 1, 2016;

<sup>(2)</sup> Resigned from SIM's Director, effective on December 31, 2015. In replacement of SIM's Director, the Board of Director's meeting has approved the appointment of Mr. Chakkrit Charuchinda, effective on January 1, 2016;

<sup>(3)</sup> Passed away on January 19, 2016. The Board of Directors' Meeting No. 2/2016 on February 29, 2016 approved the appointment of Mr. Piyapan Champasut as Chairman of the Board of Directors and Audit Committee member as his replacement effective from March 1, 2016.

# The Board of Directors, Managements and Company Secretary of Major Subsidiaries<sup>(\*)</sup> Smart I-Mobile Public Company Limited (“SIM”)

## ● The Board of Directors of Smart I-Mobile Public Company Limited as of December 31, 2015

Name-Surname / Position / Appointing Date	Age	Education / Training	Shareholding in SIM <sup>(**)</sup> (%)	Relationship	Working Experience last 5 years		
					During	Position	Company / Department
<b>1. Professor Suphachai Phisitvanich</b> - Chairman of the Board - Independent Director - Audit Committee Member  <i>(To be appointed as a director on May 11, 2005) (Passed away on January 19, 2016)</i>	75	- 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 <b>Training courses from Thai Institute of Directors Association (IOD) :</b> - The Role of Chairman Program (RCP) in 2006 - Board Performance Evaluation in 2004 - Director Certification Program (DCP) in 2003 - Director Accreditation Program (DAP) in 2003	0.13% 5,500,000 shares	-	2005-Jan. 19, 2016	Chairman of the Board of Directors / Independent Director	Smart I-Mobile Pcl.
					2009-Jan. 19, 2016	Audit Committee Member	Smart I-Mobile Pcl.
					<b>Position in other listed companies</b>		
					2009-Jan. 19, 2016	Independent Director	CP All Plc.
					2007-Jan. 19, 2016	Chairman of the Board of Directors	Aira Securities Plc.
					1994-Jan. 19, 2016	Director / Chairman of the Audit Committee / Chairman of the Corporate Governance Committee / Risk Management Committee	Bangkok Expressway Plc.
					2010-Jan. 19, 2016	Independent Director / Chairman of the Board of Directors	Aira Capital Co., Ltd.
					<b>Position in non-listed companies</b>		
					2009-Jan. 19, 2016	Chairman of the Board of Directors	Easy GolfCo., Ltd.
					2006-2013	Chairman of the Board of Directors	Sena Golden Sand Co., Ltd.

Remarks : <sup>(\*)</sup> Subsidiaries which its revenue represent over 10% of Group revenue.

<sup>(\*\*)</sup> Includes holding by spouse and minor children (See the securities holding information in the Annual Report 2015 of Smart I-Mobile Pcl.)

% of total number of voting rights

Name-Surname / Position / Appointing Date	Age	Education / Training	Shareholding in SIM <sup>(*)</sup> (%)	Relationship	Working Experience last 5 years		
					During	Position	Company / Department
2. Dr. Chotivud Chayavadhanangkura - Independent Director - Chairman of the Audit Committee - Chairman of the Corporate Governance Committee - Nominating & Compensation Committee Member  (To be appointed as a director on Sep. 30, 2003)	68	- 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 <sup>st</sup> Class Honour), Chulalongkorn University - Director Accreditation Program (DAP), Thai Institute of Directors Association (IOD) in 2004	0.07% 3,000,000 shares	-	2009-Present	Chairman of the Audit Committee	Samart I-Mobile Pcl.
					2003-2009	The Audit Committee Member	Samart I-Mobile Pcl.
					2003-Present	Independent Director	Samart I-Mobile Pcl.
					2008-Present	Chairman of the Corporate Governance Committee	Samart I-Mobile Pcl.
					2005-Present	Nominating & Compensation Committee Member	Samart I-Mobile Pcl.
					Position in other listed companies		
					-		
					Position in non-listed companies		
					2005-Present	Director	Greens Spot Co., Ltd.
					2005-Present	Director	BITIC Co., Ltd.
3. Mr. Kunthit Arunyakanda - Independent Director - Audit Committee Member - Chairman of the Nominating & Compensation Committee - Corporate Governance Committee Member  (To be appointed as a director on Sep. 30, 2003)	49	- 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	Chairman of the Nominating & Compensation Committee	Samart I-Mobile Pcl.
					2008-2009	Nominating & Compensation Committee Member	Samart I-Mobile Pcl.
					2003-Present	Independent Director / Audit Committee Member	Samart I-Mobile Pcl.
					2008-Present	Corporate Governance Committee Member	Samart I-Mobile Pcl.
					2005-2008	Chairman of the Corporate Governance Committee	Samart I-Mobile Pcl.
					Position in other listed companies		
					-		
					Position in non-listed companies		
					2001-Present	Director	Sam Nak-Noan A.M.C. Co., Ltd.

Remark : <sup>(\*)</sup> Includes holding by spouse and minor children (See the securities holding information in the Annual Report 2015 of Samart I-Mobile Pcl.)  
% of total number of voting rights

Name-Surname / Position / Appointing Date	Age	Education / Training	Shareholding in SIM <sup>(*)</sup> (%)	Relationship	Working Experience last 5 years		
					During	Position	Company / Department
<b>4. Mr. Charoenrath Vilailuck</b> - Authorized Director <i>(To be appointed as a director on Sep. 30, 2003)</i>		- See details in "The Board of Directors of Smart Corporation Pcl." -	-			- See details in "The Board of Directors of Smart Corporation Pcl." -	
<b>5. Mr. Watchai Vilailuck</b> - Authorized Director - Executive Chairman - 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 Smart Corporation Pcl." -	0.18% 7,781,000 shares			- See details in "The Board of Directors of Smart Corporation Pcl." -	
<b>6. Mr. Thananan Vilailuck</b> - Director <i>(To be appointed as a director on Sep. 30, 2003)</i>		- See details in "Executives and Managements of Smart Corporation Pcl." -	-			- See details in "Executives and Managements of Smart Corporation Pcl." -	

**Remark :** <sup>(\*)</sup> Includes holding by spouse and minor children (See the securities holding information in the Annual Report 2015 of Smart I-Mobile Pcl.)  
% of total number of voting rights

Name-Surname / Position / Appointing Date	Age	Education / Training	Shareholding in SIM <sup>(*)</sup> (%)	Relationship	Working Experience last 5 years		
					During	Position	Company / Department
<b>7. Mrs. Sukanya Vanichjakkong</b> - Authorized Director - President - Chairman of the Sustainable Development Committee - Executive Director - Risk Management Committee Member  <i>(To be appointed as a director on Nov. 12, 2015)</i>	49	- Master Degree in International Marketing, Chuo University Tokyo, Japan - Bachelor Degree in Journalism and Mass Communication, Thammasat University - <b>Director Certification Program (DCP), Thai Institute of Directors Association (IOD) in 2013</b>	0.34% 14,900,000 shares	Mr. Charoenrath's and Mr. Watchai's younger sister and Mr. Thananan's elder sister	Nov. 2015-Present	Director / Authorized Director / President / Chairman of the Sustainable Development Committee / Executive Director / Risk Management Committee Member	Samart I-Mobile Pcl.
					2013-Present	<b>Position in other listed companies</b> Director / Executive Director / Risk Management Committee Member / Chairman of the Sustainable Development Committee	One to One Contracts Pcl.
					2009-Present	Risk Management Committee Member	Samart Corporation Pcl.
					2000-Nov. 2015	Managing Director	One to One Contracts Pcl.
					2013-Present 2010-Present 2008-Present 2000-2013	<b>Position in non-listed companies</b> Chairman of the Board of Directors Director Director Director	One to One (Cambodia) Co., Ltd. The Memory Resort Co., Ltd. One to One Professional Co., Ltd. One to One Contacts Co., Ltd.
<b>8. Mr. Chakkrit Charuchinda</b> - Authorized Director - Chief Executive Officer - Chairman of Risk Management Committee - Executive Chairman  <i>(To be appointed as a director on Jan. 1, 2016)</i>	57	- Master of Public Administration and Business Administration, Webster University, USA - Bachelor of Laws, Ramkhamhaeng University - <b>Director Certification Program (DCP), Thai Institute of Directors Association (IOD) in 2013</b>	0.11% 4,657,700 shares	-	Present	Director / Chief Executive Officer / Chairman of Risk Management Committee / Executive Chairman	Samart I-Mobile Pcl.
					Jan. 2015-Present	<b>Position in other listed companies</b> Head of Mobile Multimedia LOB	Samart Corporation Pcl.
					2011-Dec. 31, 2015	<b>Position in non-listed companies</b> Managing Director	PTT Retail Management Co., Ltd.

Remark : <sup>(\*)</sup> Includes holding by spouse and minor children (See the securities holding information in the Annual Report 2015 of Samart I-Mobile Pcl.)

% of total number of voting rights

Name-Surname / Position / Appointing Date	Age	Education / Training	Shareholding in SIM <sup>(*)</sup> (%)	Relationship	Working Experience last 5 years		
					During	Position	Company / Department
<b>9. Mr. Sirichai Rasameechan</b> - Authorized Director - Risk Management Committee Member - Nominating & Compensation Committee Member  <i>(To be appointed as a director on Aug. 7, 2014 Resigned from a director on Dec. 31, 2015)</i>		- See details in "The Board of Directors of Samart Corporation Pcl." -					- See details in "The Board of Directors of Samart Corporation Pcl." -
<b>10. Mr. Pracha Phatthayakorn</b> - Authorized Director - Chief Operating Officer - Executive Director - Risk Management Committee Member - Sustainable Development Committee Member  <i>(To be appointed as a director on Aug. 13, 2015)</i>		- See details in "Executives and Managements of Samart Corporation Pcl." -					- See details in "Executives and Managements of Samart Corporation Pcl." -
<b>11. Mr. Piyapan Champasut</b> - Chairman of the Board - Independent Director - Audit Committee Member  <i>(To be appointed as a director on Mar. 1, 2016)</i>	68	- Honorary Doctorate of Philosophy, Ramkhamhaeng University - Honorary Master of Laws, Ramkhamhaeng University - Honorary Master of Arts (Public Administration), the National Institute of Development Administration (NIDA) - Bachelor of Laws, Chulalongkorn University - <b>Director Certification Program (DCP), Thai Institute of Directors Association (IOD) in 2008</b>	-	-	Mar. 2016-Present   2009-2011  2012-Present 1996-Present 2008-2011 2006-2011	Chairman of the Board of Directors / Independent Director / Audit Committee Member  <b>Position in other listed companies</b> Chairman of the Board of Directors  <b>Position in non-listed companies</b> Chairman of the Board of Directors Chairman of the Board of Directors Chairman of the Board of Directors Chairman of the Board of Directors	Samart I-Mobile Pcl.    Airports of Thailand Public Company Limited (AOT)  Terabyte Net Solution Public Company Limited P S Member Co., Ltd. Bangkok Mass Transit Authority The Transport Co., Ltd.

**Remark :** <sup>(\*)</sup> Includes holding by spouse and minor children (See the securities holding information in the Annual Report 2015 of Samart I-Mobile Pcl.)

% of total number of voting rights

● Executives & Managements of Smart I-Mobile Public Company Limited as of December 31, 2015

Name-Surname / Position / Appointing Date	Age	Education / Training	Shareholding in SIM <sup>(*)</sup> (%)	Relationship	Working Experience last 5 years	
					During	Position Company / Department
1. <b>Mr. Watchai Vilailuck</b> <i>(To be appointed as Executive Director on Sep. 30, 2003)</i>	- See details in "The Board of Directors of Smart Corporation Pcl." -	0.18% 7,781,000 shares	- See details in "The Board of Directors of Smart Corporation Pcl." -			
2. <b>Mr. Thananan Vilailuck</b> <i>(To be appointed as Executive Director on Sep. 30, 2003)</i>	- See details in "Executives and Managements of Smart Corporation Pcl." -	-	- See details in "Executives and Managements of Smart Corporation Pcl." -			
3. <b>Mr. Pracha Phathayakorn</b> <i>(To be appointed as Executive Director on Jan. 11, 2012)</i>	- See details in "Executives and Managements of Smart Corporation Pcl." -	-	- See details in "Executives and Managements of Smart Corporation Pcl." -			

Remark : <sup>(\*)</sup> Includes holding by spouse and minor children (See the securities holding information in the Annual Report 2015 of Smart I-Mobile Pcl.)  
% of total number of voting rights

Name-Surname / Position / Appointing Date	Age	Education / Training	Shareholding in SIM <sup>(*)</sup> (%)	Relationship	Working Experience last 5 years		
					During	Position	Company / Department
<b>4. Mrs. Sukanya Vanichjakkong</b> - Authorized Director - President - Chairman of the Sustainable Development Committee - Executive Director - Risk Management Committee Member  <i>(To be appointed as a Executive Director on Nov. 12, 2015)</i>	49	- Master Degree in International Marketing, Chuo University Tokyo, Japan - Bachelor Degree in Journalism and Mass Communication, Thammasat University - <b>Director Certification Program (DCP), Thai Institute of Directors Association (IOD) in 2013</b>	0.34% 14,900,000 shares	Mr. Charoenrath's and Mr. Watchai's younger sister and Mr. Thananan's elder sister	Nov. 2015-Present	Director / Authorized Director / President / Chairman of the Sustainable Development Committee / Executive Director / Risk Management Committee Member	Samart I-Mobile Pcl.
					2013-Present	<b>Position in other listed companies</b> Director / Executive Director / Risk Management Committee Member / Chairman of the Sustainable Development Committee	One to One Contracts Pcl.
					2009-Present	Risk Management Committee Member	Samart Corporation Pcl.
					2000-Nov. 2015	Managing Director	One to One Contracts Pcl.
					2013-Present 2010-Present 2008-Present 2000-2013	<b>Position in non-listed companies</b> Chairman of the Board of Directors Director Director Director	One to One (Cambodia) Co., Ltd. The Memory Resort Co., Ltd. One to One Professional Co., Ltd. One to One Contacts Co., Ltd.
<b>5. Mr. Chakkrit Charuchinda</b> - Authorized Director - Chief Executive Officer - Chairman of Risk Management Committee - Executive Chairman  <i>(To be appointed as a Executive Director on May. 12, 2015)</i>	57	- Master of Public Administration and Business Administration, Webster University, USA - Bachelor of Laws, Ramkhamhaeng University - <b>Director Certification Program (DCP), Thai Institute of Directors Association (IOD) in 2013</b>	0.11% 4,657,700 shares	-	Present	Director / Chief Executive Officer / Chairman of Risk Management Committee / Executive Chairman	Samart I-Mobile Pcl.
					Jan. 2015-Present	<b>Position in other listed companies</b> Head of Mobile Multimedia LOB	Samart Corporation Pcl.
					2011-Dec. 31, 2015	<b>Position in non-listed companies</b> Managing Director	PTT Retail Management Co., Ltd.

Remark : <sup>(\*)</sup> Includes holding by spouse and minor children (See the securities holding information in the Annual Report 2015 of Samart I-Mobile Pcl.)

% of total number of voting rights

Name-Surname / Position / Appointing Date	Age	Education / Training	Shareholding in SIM <sup>(*)</sup> (%)	Relationship	Working Experience last 5 years		
					During	Position	Company / Department
<b>6. Mr. Kitanun Rakkasikorn</b> - Vice President - Mobile Business, Seconded to be Managing Director, I-Sport Co., Ltd. - Risk Management Committee Member - Sustainable Development Committee Member  <i>(To be appointed  as Managing Director -  Multimedia Business  on Jan. 1, 2010)</i>	46	- Bachelor Degree in Business Administration (Marketing), Assumption University of Thailand (ABAC) - Certificate of Young Executive Development Program, Faculty of Commerce and Accountancy, Thammasat University - Certificate of Accounting Management, Faculty of Commerce and Accountancy, Chulalongkorn University	-	-	2014-Present	Risk Management Committee Member	Samart I-Mobile Pcl.
					2013-Present	Sustainable Development Committee Member	Samart I-Mobile Pcl.
						<b>Position in other listed companies</b> -	
						<b>Position in non-listed companies</b> Managing Director Managing Director Director	I-SPORT Co., Ltd. Samart Multimedia 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 2015 of Samart I-Mobile Pcl.)
<b>7. Mrs. Sumonthip Srimek</b> - Vice President - Account  <i>(To be appointed as  Management on Sep. 30, 2003)</i>	56	- Master Degree, Business Administration, Kasetsart University - Bachelor Degree in Accounting, Chiang Mai University	-	-	2003-Present	Vice President - Account	Samart I-Mobile Pcl.
						<b>Position in other listed companies</b> -	
						<b>Position in non-listed companies</b> -	

**Remark :** <sup>(\*)</sup> Includes holding by spouse and minor children (See the securities holding information in the Annual Report 2015 of Samart I-Mobile Pcl.)

% of total number of voting rights

Name-Surname / Position / Appointing Date	Age	Education / Training	Shareholding in SIM <sup>(*)</sup> (%)	Relationship	Working Experience last 5 years		
					During	Position	Company / Department
<b>8. Miss Kusuma Kerdipol</b> - Acting Vice President - Finance - Risk Management Committee Member  <i>(To be appointed as Management on Mar. 1, 2014)</i>	45	- Master Degree in Economics, Kasetsart University - Bachelor Degree in Economics, Thammasat University	-	-	May. 2015-Present	Acting Vice President - Finance	Samart I-Mobile Pcl.
					Mar. 2014-Apr. 2015	Vice President - Financial	Samart I-Mobile Pcl.
					2006-2013	Assistant Vice President - Finance Planning and Corporate Treasury	Samart I-Mobile Pcl.
						<b>Position in other listed companies</b>	
					2013-Feb. 2014	Assistant Vice President - Financial Planning and Corporate Secretary	One To One Contracts Pcl.
						<b>Position in non-listed companies</b>	
					May. 2015-Present	Executive Vice President	I-SPORT Co., Ltd.
					Nov. 2013-Present	Director	Samart I-Mobile (Malaysia) Sdn.Bhd.

Remark : <sup>(\*)</sup> Includes holding by spouse and minor children (See the securities holding information in the Annual Report 2015 of Samart I-Mobile Pcl.)

% of total number of voting rights

● Company Secretary of Samart I-Mobile Public Company Limited as of December 31, 2015

Name-Surname / Position / Appointing Date	Age	Education / Training	Shareholding in SIM <sup>(*)</sup> (%)	Relationship	Working Experience last 5 years		
					During	Position	Company / Department
<b>Miss Boonrut Mongkolratanakorn</b> - 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>	53	- Mini MBA, Business Administration, Thammasat University - Bachelor Degree in Accounting, Thammasat University - Law and Regulations for Corporate Secretary, Chulalongkorn University in 2003 - Internal Auditing Certificate Program (IACP), Federation of Accounting Professions in 2003 - Graduation Certificate in Advanced Accounting, Thammasat University in 1986  (Role and Responsibilities of the Company Secretary, please see in the Annual Report 2015 of Samart I-Mobile Pcl.)	0.0016% 70,000 shares	-	Nov. 2013-Present	Sustainable Development Committee Member	Samart I-Mobile Pcl.
					Aug. 2013-Present	Assistant Vice President - Company Secretary	Samart I-Mobile Pcl.
					2003-July 2013	Assistant Vice President - Internal Audit and Company Secretary	Samart I-Mobile Pcl.
					2003-Present	Secretary to Sub-Committees	Samart I-Mobile Pcl.
						<b>Position in other listed companies</b> -	
					Nov. 2014-Present	<b>Position in non-listed companies</b> Director	Samart I-Mobile (Malaysia) Sdn.Bhd

**Remark :** <sup>(\*)</sup> Includes holding by spouse and minor children  
% of total number of voting rights



## Samart I-Mobile Public Company Limited

### Board of Directors and 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. Prof. Suphachai Phisitvanich <sup>(1)</sup>	x		/				
2. Dr. Chotivid Chayavadhanangkur	/		x		x	/	
3. Mr. Kunthit Arunyananda	/		/		/	X	
4. Mr. Charoenrath Vilailuck	/						
5. Mr. Watchai Vilailuck <sup>(2)</sup>	/	x		x			
6. Mr. Thananan Vilailuck	/						
7. Mr. Chakkrit Charuchinda <sup>(3)</sup>	/	x		x			
8. Mrs. Sukanya Vanichjakvong	/	/		/			x
9. Mr. Jong Diloksombat					/		
10. Mr. Sirichai Rasameechan <sup>(4)</sup>	/			/		/	
11. Mr. Pracha Phathayakorn	/	/		/			/
12. Mr. Kitanun Rakkasikorn				/			/
13. Miss Chullada Sapsarasin				/			/
14. Miss Supanee Thawinwung							/
15. Miss Boonrut Mongkolratanakorn							/
16. Miss Kusuma Kerdpol				/			

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

<sup>(1)</sup> Passed away on January 19, 2016. The Board of Directors' Meeting No. 2/2016 on February 29, 2016 has approved the appointment of Mr. Piyapan Champasut as Chairman of the Board of Directors and Audit Committee member as his replacement effective from March 1, 2016;

<sup>(2)</sup> Resigned from Executive Chairman and Chairman of Risk Management Committee Member, effective on December 31, 2015;

<sup>(3)</sup> The Board of Director's meeting has approved the appointment of Mr. Chakkrit Charuchinda as SIM's Director, Executive Chairman and Chairman of Risk Management Committee Member, effective on January 1, 2016;

<sup>(4)</sup> Resigned from SIM's Director, effective on December 31, 2015 but still remain position of Nominating and Compensation Committee Member.

### Directors' list of Major Subsidiaries<sup>(\*)</sup>

- N/A -

**Remark :** <sup>(\*)</sup> Subsidiaries which its revenue represent over 10% of Group revenue (SIM)

## Samart Telcoms Public Company Limited (“SAMTEL”)

### ● The Board of Directors of Samart Telcoms Public Company Limited as of December 31, 2015

Name-Surname / Position / Appointing Date	Age	Education / Training	Shareholding in SAMTEL <sup>(*)</sup> (%)	Relationship	Working Experience last 5 years		
					During	Position	Company / Department
<b>1. Mr. Sombut Uthaisang</b> - Independent Director - Authorized Director - Chairman  <i>(To be appointed as a director on Apr. 24, 2008)</i>	79	- 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 <u>Training courses from Thai Institute of Directors Association (IOD) :</u> - Director Accreditation Program (DAP) in 2005 - Audit Committee Program (ACP) in 2013 - Role of the Chairman Program (RCP) in 2013	0.081% 500,000 shares	-	2008-Present 2008-2012	Chairman Chairman of the Corporate Governance Committee	Samart Telcoms Pcl. Samart Telcoms Pcl.
					2013-Present Jan. 2014-Present	<u>Position in other listed companies</u> Independent Director Independent Director	Thonburi Medical Centre Pcl. Bangkok Dusit Medical Services Pcl.
						<u>Position in non-listed companies</u> -	

Remark : <sup>(\*)</sup> Includes holding by spouse and minor children (See the securities holding information in the Annual Report 2015 of Samart Telcoms Pcl.)  
% of total number of voting rights

Name-Surname / Position / Appointing Date	Age	Education / Training	Shareholding in SAMTEL (*) (%)	Relationship	Working Experience last 5 years		
					During	Position	Company / Department
2. General Sumpun Boonyanun  - Independent Director - Chairman of the Audit Committee  - Chairman of the Nominating & Compensation Committee - Corporate Governance Committee Member  (To be appointed as a director on Apr. 24, 2008)	72	- 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 <b>Training courses from Thai Institute of Directors Association (IOD) :</b> - 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 - Anti-Corruption for Executive Program (ACEP) in 2014	0.016% 100,000 shares	-	2008-Present	Independent Director	Samart Telcoms Pcl.
					2008-Present	Chairman of the Audit Committee	Samart Telcoms Pcl.
					2008-Present	Chairman of the Nominating & Compensation Committee	Samart Telcoms Pcl.
					2008-Present	Corporate Governance Committee Member	Samart Telcoms Pcl.
						<b>Position in other listed companies</b> -	
3. Mr. Vichai Pokasamrit  - Independent Director - Audit Committee Member - Nominating & Compensation Committee Member - Chairman of the Corporate Governance Committee  (To be appointed as a director on Apr. 21, 2011)	66	- 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 in 2004 - Certificate of Urban Development Management, Australia - <b>Director Certification Program (DCP), Thai Institute of Directors Association (IOD) in 2011</b>	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.
						<b>Position in other listed companies</b> -	
						<b>Position in non-listed companies</b> 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				

Remark : (\*) Includes holding by spouse and minor children (See the securities holding information in the Annual Report 2015 of Samart Telcoms Pcl.)  
% of total number of voting rights

Name-Surname / Position / Appointing Date	Age	Education / Training	Shareholding in SAMTEL (*) (%)	Relationship	Working Experience last 5 years		
					During	Position	Company / Department
<b>4. Miss Rapeepan Luangaramrut</b> - Independent Director - Audit Committee Member - Nominating & Compensation Committee Member  <i>(To be appointed as a director on Apr. 24, 2008)</i>	59	- 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. - <b>Director Certification Program (DCP), Thai Institute of Directors Association (IOD) in 2003</b> - Leadership Program (Class 9), Capital Market Academy - National Defence College, Class 22 - Advanced Political and Electoral Development Institute (Class 3) - Chief Executive Course for Urban Green Development Management (Class 1), Urban Green Development Institute (BMA) - The 4 <sup>th</sup> Training Course on Administrative Justice for Executive, Institute of Administrative Justice - Chief Executive Course for Energy (Class 6), Thailand Energy Academy	-	-	2008-Present	Independent Director / Audit Committee Member	Samart Telcoms Pcl.
					2013-Present	Nominating & Compensation Committee Member	Samart Telcoms Pcl.
					2008-2013	Corporate Governance Committee Member	Samart Telcoms Pcl.
					2010-Present	<b>Position in other listed companies</b> Director	TPT Petrochemicals Pcl.
					2013-Present	<b>Position in non-listed companies</b> Consulting President	Dream House Co., Ltd.
					2012-Present	Director	Entertainment Tree Co., Ltd.
					2005-Present	Director	R Property Co., Ltd.
					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.
					2005-Present	Director	Siam Solvay Foundation
					1989-2011	Director	Solvay Peroxythai Co., Ltd.

**Remark :** (\*) Includes holding by spouse and minor children (See the securities holding information in the Annual Report 2015 of Samart Telcoms Pcl.)  
% of total number of voting rights

Name-Surname / Position / Appointing Date	Age	Education / Training	Shareholding in SAMTEL (*) (%)	Relationship	Working Experience last 5 years		
					During	Position	Company / Department
<b>5. Mr. Kajornvut Tayanukorn</b> - Director - Corporate Governance Committee Member  <i>(To be appointed as a director on Apr. 29, 2004)</i>	60	- Master of Business Administration, Thammasat University - <b>Director Accreditation Program            (DAP), Thai Institute of Directors            Association (IOD) in 2005</b>	0.081% 500,000 shares	-	2004-Present	Director	Samart Telcoms Pcl.
					2013-Present	Corporate Governance Committee Member	Samart Telcoms Pcl.
					2008-2013	Nominating & Compensation Committee Member	Samart Telcoms Pcl.
<b>6. Mr. Charoenrath Vilailuck</b> - 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." -	0.462% 2,854,600 shares		2001-Present	<b>Position in other listed companies</b> Executive Vice President	Bangkok Bank Pcl.
					2013-Present	<b>Position in non-listed companies</b> Executive Director	Processing Center Co., Ltd.
					- See details in "The Board of Directors of Samart Corporation Pcl." -		
<b>7. Mr. Watchai Vilailuck</b> - 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." -	0.267% 1,650,010 shares		- See details in "The Board of Directors of Samart Corporation Pcl." -		

Remark : (\*) Includes holding by spouse and minor children (See the securities holding information in the Annual Report 2015 of Samart Telcoms Pcl.)

% of total number of voting rights

Name-Surname / Position / Appointing Date	Age	Education / Training	Shareholding in SAMTEL (*) (%)	Relationship	Working Experience last 5 years		
					During	Position	Company / Department
<b>8. Mr. Sirichai Rasameechan</b> - 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." -
<b>9. Mr. Jong Dioksombat</b> - 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 Managements of Samart Corporation Pcl." -	0.065% 400,000 shares				- See details in "Executives and Managements of Samart Corporation Pcl." -

Remark : (\*) Includes holding by spouse and minor children (See the securities holding information in the Annual Report 2015 of Samart Telcoms Pcl.)  
% of total number of voting rights

● Executives & Managements of Smart Telcoms Public Company Limited as of December 31, 2015

Name-Surname / Position / Appointing Date	Age	Education / Training	Shareholding in SAMTEL <sup>(*)</sup> (%)	Relationship	Working Experience last 5 years		
					During	Position	Company / Department
<b>1. Mr. Charoenrath Vilailuck</b> (To be appointed as management on Jul. 26, 1996)	- See details in "The Board of Directors of Smart Corporation Pcl." -	- See details in "The Board of Directors of Smart Corporation Pcl." -	0.462% 2,854,600 shares	- See details in "The Board of Directors of Smart Corporation Pcl." -	- See details in "The Board of Directors of Smart Corporation Pcl." -	-	-
<b>2. Mr. Watchai Vilailuck</b> (To be appointed as management on Jul. 26, 1996)	- See details in "The Board of Directors of Smart Corporation Pcl." -	- See details in "The Board of Directors of Smart Corporation Pcl." -	0.267% 1,650,010 shares	- See details in "The Board of Directors of Smart Corporation Pcl." -	- See details in "The Board of Directors of Smart Corporation Pcl." -	-	-
<b>3. Mr. Sirichai Rasameechan</b> (To be appointed as management on Jul. 1, 1998)	- See details in "The Board of Directors of Smart Corporation Pcl." -	- See details in "The Board of Directors of Smart Corporation Pcl." -	0.024% 150,000 shares	- See details in "The Board of Directors of Smart Corporation Pcl." -	- See details in "The Board of Directors of Smart Corporation Pcl." -	-	-
<b>4. Mr. Jong Diloksombat</b> (To be appointed as management on Jan 11, 2012)	- See details in "Executives and Managements of Smart Corporation Pcl." -	- See details in "Executives and Managements of Smart Corporation Pcl." -	0.065% 400,000 shares	- See details in "Executives and Managements of Smart Corporation Pcl." -	- See details in "Executives and Managements of Smart Corporation Pcl." -	-	-

Remark : <sup>(\*)</sup> Includes holding by spouse and minor children (See the securities holding information in the Annual Report 2015 of Smart Telcoms Pcl.)  
% of total number of voting rights

Name-Surname / Position / Appointing Date	Age	Education / Training	Shareholding in SAMTEL (*) (%)	Relationship	Working Experience last 5 years		
					During	Position	Company / Department
<b>5. Mr. Pomchai Krivichian</b> - Executive Vice President - Network Solution Business Group - Sustainable Development Committee Member - Risk Management Committee Member  <i>(To be appointed as management on Mar. 1, 2005)</i>	50	- Master of Engineering, Bridgeport University, USA.	0.007% 42,000 shares	-	2015-Present	Executive Vice President - Network Solutions Business Group	Samart Telcoms Pcl.
					2011-2015	Executive Vice President - Network Services Business Group and System Integration Business Group	Samart Telcoms Pcl.
					2005-Present	Risk Management Committee Member	Samart Telcoms Pcl.
					2013-Present	Sustainable Development Committee Member	Samart Telcoms Pcl.
					2007-2010	Vice President - System Integration Business Group	Samart Telcoms Pcl.
					2005-2010	Vice President - Network Services Business Group	Samart Telcoms Pcl.
						<b>Position in other listed companies</b> -	
					Present	<b>Position in non-listed companies</b> Director	Subsidiaries, Affiliated and Related Companies (as details in the second table attached in 56-1 Form and the Annual Report 2015 of Samart Telcoms Pcl.)

**Remark :** (\*) Includes holding by spouse and minor children (See the securities holding information in the Annual Report 2015 of Samart Telcoms Pcl.)  
% of total number of voting rights

Name-Surname / Position / Appointing Date	Age	Education / Training	Shareholding in SAMTEL <sup>(*)</sup> (%)	Relationship	Working Experience last 5 years		
					During	Position	Company / Department
<b>6. Miss Chotika Kamloonwesaruch<sup>(1)</sup></b> - Executive Vice President - Enhanced Technology Solutions Business Group - Risk Management Committee Member - Sustainable Development Committee Member  <i>(To be appointed as management on Mar. 15, 2016)</i>	48	- Master of Engineering, King Mongkut's University of Technology North Bangkok	0.023% 140,000 shares	-	Mar. 2016-Present	Executive Vice President - Enhanced Technology Solutions Business Group	Samart Telcoms Pcl.
					2010-Present	Risk Management Committee Member	Samart Telcoms Pcl.
					2013-Present	Sustainable Development Committee Member	Samart Telcoms Pcl.
					Present	<b>Position in other listed companies</b> -  <b>Position in non-listed companies</b> Director  Subsidiaries, Affiliated and Related Companies (as details in the second table attached in 56-1 Form and the Annual Report 2015 of Samart Telcoms Pcl.)	
<b>7. Mr. Suchart Duangthavee<sup>(2)</sup></b> - Senior Vice President - Business Group - Risk Management Committee Member  <i>(To be appointed as management on Mar. 15, 2016)</i>	57	- Bachelor Degree of Engineering, King Mongkut's University of Technology North Bangkok	0.075% 466,000 shares	-	Mar. 2016-Present	Senior Vice President - Business Application Business Group	Samart Telcoms Pcl.
					2012-Present	Risk Management Committee Member	Samart Telcoms Pcl.
					Present	<b>Position in other listed companies</b> -  <b>Position in non-listed companies</b> Director  Subsidiaries, Affiliated and Related Companies (as details in the second table attached in 56-1 Form and the Annual Report 2015 of Samart Telcoms Pcl.)	

**Remark :** <sup>(\*)</sup> Includes holding by spouse and minor children (See the securities holding information in the Annual Report 2015 of Samart Telcoms Pcl.)

% of total number of voting rights

<sup>(1)</sup> Has been appointed Miss Chotika Kamloonwesaruch as Executive Vice President - Enhanced Technology Solutions Business Group on March 15, 2016

<sup>(2)</sup> Has been appointed Mr. Suchart Duangthavee as Senior Vice President - Business Group on March 15, 2016

Name-Surname / Position / Appointing Date	Age	Education / Training	Shareholding in SAMTEL (*) (%)	Relationship	Working Experience last 5 years		
					During	Position	Company / Department
<b>8. Mrs. Aroonluck Diolkwanich</b> - Vice President - Corporate Accounting - Risk Management Committee Member  <i>(To be appointed as management on Sep. 1, 2003)</i>	57	- Master of Accounting, Bridgeport University, USA. - Bachelor of Accounting, Thammasat University	-	-	2003-Present	Vice President - Corporate Accounting	Samart Telcoms Pcl.
					Present	<u>Position in other listed companies</u> - <u>Position in non-listed companies</u> Director Subsidiaries, Affiliated and Related Companies (as details in the second table attached in 56-1 Form and the Annual Report 2015 of Samart Telcoms Pcl.)	Subsidiaries, Affiliated and Related Companies (as details in the second table attached in 56-1 Form and the Annual Report 2015 of Samart Telcoms Pcl.)
<b>9. Mr. Dhiokpat Nisamaneevong</b> - Vice President - Finance & Investor Relations - Risk Management Committee Member  <i>(To be appointed as management on Feb. 1, 2014)</i>	46	- Master of Business Administration, Major Finance, Long Island University, School of Business, Booklyn Campus, New York - Bachelor of Business Administration, Concentration of Finance, Kasetsart University	-	-	Feb. 2014-Present	Vice President - Finance & Investor Relations	Samart Telcoms Pcl.
					2014-Present	Risk Management Committee Member	Samart Telcoms Pcl.
					2002-2014	<u>Position in other listed companies</u> Vice President - Lob Finance <u>Position in non-listed companies</u> Director Subsidiaries, Affiliated and Related Companies (as details in the second table attached in 56-1 Form and the Annual Report 2015 of Samart Telcoms Pcl.)	Samart I-Mobile Pcl.
					Present		Subsidiaries, Affiliated and Related Companies (as details in the second table attached in 56-1 Form and the Annual Report 2015 of Samart Telcoms Pcl.)

Remark : (\*) Includes holding by spouse and minor children (See the securities holding information in the Annual Report 2015 of Samart Telcoms Pcl.)  
% of total number of voting rights

● Company Secretary of Samart Telcoms Public Company Limited as of December 31, 2015

Name-Surname / Position / Appointing Date	Age	Education / Training	Shareholding in SAMTEL <sup>(*)</sup> (%)	Relationship	Working Experience last 5 years		
					During	Position	Company / Department
<b>Mr. Somchai Bunsupaporn</b> - Assistant Vice President - Internal Audit and Company Secretary - Sustainable Development Committee Member  <i>(To be appointed as Assistant Vice President - Internal Audit and Company Secretary on Oct. 28, 2003)</i>	58	- 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 2015 of Samart Telcoms Pcl.)	0.00006% 400 shares	-	2003-Present	Assistant Vice President - Internal Audit and Company Secretary	Samart Telcoms Pcl.
					2013-Present	Sustainable Development Committee Member	Samart Telcoms Pcl.
						<b>Position in other listed companies</b> -	
						<b>Position in non-listed companies</b> -	

Remark : <sup>(\*)</sup> Includes holding by spouse and minor children  
% of total number of voting rights

## Smart Telcoms Public Company Limited

### ● Directors and Managements in Subsidiaries, Affiliated and Related Companies as of December 31, 2015

		Company	Subsidiaries and Affiliated Companies														Related Companies																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																
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Remarks : 1) x = Chairman, / = Director, // = Executive Director, # = Management

2) Companies Symbol:

- STC = Smart Telcoms Pcl.
- SCS = Smart Telcoms Pcl.
- SCS = Smart Communication Services Co., Ltd.
- SCT = Smart Commerce Co., Ltd.
- PN = Posnet Co., Ltd.
- TTN = Thai Trade Net Co., Ltd.
- STW = Smartware Co., Ltd.
- SIF = Smart Infonet Co., Ltd.
- SAET = Smart Ed-Tech Co., Ltd.
- NET = Net Media Co., Ltd.
- ITAB = IT Absolute Co., Ltd.
- IMD = Smart Infonet Co., Ltd.
- NST = Net Service (Thailand) Co., Ltd.
- SLA = SLA Asia Co., Ltd.
- VSS = Vision and Security System Co., Ltd.
- SEC = Suvarabhumi Environment Care Co., Ltd.
- CS = Cambodia Smart Co., Ltd.
- SE = Smart Engineering Co., Ltd.
- SIH = Smart Infonet Co., Ltd.
- TEDA = Teda Co., Ltd.
- SW2P = Smart Waste2Power Co., Ltd.
- SUM = Smart U-Trans (Myanmar) Co., Ltd.
- CIO = Contact-In-One Co., Ltd.
- SMS = Smart Mobile Services Co., Ltd.
- IMP = I-Mobile Plus Co., Ltd.
- BS = Brain Source Co., Ltd.
- TCN = Teleconnect Co., Ltd.
- SIMM = I-Mobile International Co., Ltd.
- ENT = Entertainment Tree Co., Ltd.
- SIAM = Smart Interactive Media Co., Ltd.
- IMD = I-Mobile Direct Co., Ltd.
- SSTV = Siam Sport Television Co., Ltd.
- OTO = One To One Professional Co., Ltd.
- VIH = Vialuck International Holding Co., Ltd.
- SBS = Smart Broadband Services Co., Ltd.
- PTN = Portanet Co., Ltd.
- SUT = Smart U-Trans Co., Ltd.
- CATS = Cambodia Air Traffic Services Co., Ltd.
- BUG = Smart Multimedia Co., Ltd.
- SIAM = Smart Interactive Media Co., Ltd.
- IMT = PT. Samart I-Mobile Indonesia
- OTOC = One To One (Cambodia) Co., Ltd.

- Listed Companies
- Held by SBS
- Held by SIH
- Held by OTO
- Held by SC
- Held by I-SPORT
- Held by TEDA
- Held by IMT

\* Has been appointed Miss Chotika Kamloonsesaruch as Executive Vice President - Enhanced Technology Solutions Business Group on March 15, 2016

\*\* Has been appointed Mr. Suchart Duangthavee as Senior Vice President - Business Group on March 15, 2016

## Samart Telcoms Public Company Limited

### 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. 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. Pornchai Krivichian				/			/
11. Mr. Apichat Sirisalipochana				/			/
12. Miss Chotika Kamloonwesaruch				/			/
13. Mr. Suchart Duangthawee				/			
14. Mr. Dhilokpat Nisamaneevong				/			
15. Mr. Anupong Saowamas				/			
16. Mr. Senee Somma				/			
17. Mrs. Nisachol Udomwongwiwat							/
18. Miss Kanokwan Chanswangpuvana							/
19. Mr. Somchai Bunsupaporn							/

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

### Directors' list of Major Subsidiaries<sup>(\*)</sup>

Name-Surname	Samart Communication Services Co., Ltd.	Samart Comtech Co., Ltd.	Potalnet Co., Ltd.
1. Mr. Charoenrath Vilailuck	x	x	x
2. Mr. Watchai Vilailuck	/	/	/
3. Mr. Jong Diloksombat	/	/	/
4. Mr. Pornchai Krivichian	/	/	
5. Mr. Suchart Duangthawee		/	
6. Miss Chotika Kamloonwesaruch		/	
7. Mr. Dhilokpat Nisamaneevong			/
8. Mr. Nattavut Smavatkul			/

*Remarks : 1) x = Chairman, / = Director*

*2) <sup>(\*)</sup> Subsidiaries which its revenue represent over 10% of Group Revenue. (SAMTEL)*

## Samart Comtech Company Limited (“SCT”)

### ● The Board of Directors of Samart Telcoms Public Company Limited as of December 31, 2015

Name-Surname / Position / Appointing Date	Age	Education / Training	Shareholding in SCT <sup>(*)</sup> (%)	Relationship	Working Experience last 5 years		
					During	Position	Company / Department
<b>1. Mr. Charoenrath Vilailuck</b> - Chairman <i>(To be appointed as a director on May 3, 1995)</i>		- See details in “The Board of Directors of Samart Corporation Pcl.” -	0.00008% 2 shares	- See details in “The Board of Directors of Samart Corporation Pcl.” -			
<b>2. Mr. Watchai Vilailuck</b> - Director <i>(To be appointed as a director on May 3, 1995)</i>		- See details in “The Board of Directors of Samart Corporation Pcl.” -	0.00008% 2 shares	- See details in “The Board of Directors of Samart Corporation Pcl.” -			
<b>3. Mr. Jong Diloksombat</b> - Director <i>(To be appointed as a director on Dec 28, 2012)</i>		- See details in “Executive and Managements” Samart Corporation Pcl.” -	-	- See details in “Executive and Managements of Samart Corporation Pcl.” -			

Remark : <sup>(\*)</sup> Includes holding by spouse and minor children  
% of total number of voting rights

Name-Surname / Position / Appointing Date	Age	Education / Training	Shareholding in SCT <sup>(*)</sup> (%)	Relationship	Working Experience last 5 years		
					During	Position	Company / Department
<b>4. Mr. Pornchai Krivichian</b> - Director <i>(To be appointed as a director on Oct 12, 2007)</i>	50	- Master of Engineering, Bridgeport University, USA.	-	-	2007-Present	Director	Samart Comtech Co., Ltd.
					2015-Present	<b>Position in other listed companies</b> Executive Vice President - Network Solutions Business Group	Samart Telcoms Pcl.
					2012-Present	Executive Vice President - Network Services Business Group and System Integration Business Group	Samart Telcoms Pcl.
					2013-Present	Sustainable Development Committee Member	Samart Telcoms Pcl.
					2007-2010	Vice President - System Integration Business Group	Samart Telcoms Pcl.
					2005-2010	Vice President - Network Services Business Group	Samart Telcoms Pcl.
					Present	<b>Position in non-listed companies</b> Director	Subsidiaries, Affiliated and Related Companies (as details in the second table attached in 56-1 Form and the Annual Report 2015 of Samart Telcoms Pcl.)

**Remark :** <sup>(\*)</sup> Includes holding by spouse and minor children  
% of total number of voting rights

Name-Surname / Position / Appointing Date	Age	Education / Training	Shareholding in SCT <sup>(*)</sup> (%)	Relationship	Working Experience last 5 years		
					During	Position	Company / Department
<b>5. Miss Chotika Kamloonsaruch</b> - Director <i>(To be appointed as a director on Dec. 21, 2010)</i>	48	- Master of Engineering, King Mongkut's University of Technology North Bangkok	-	-	2010-Present	Director	Samart Comtech Co., Ltd.
					2013-Present	Managing Director and Vice President - Sales Group	Samart Comtech Co., Ltd.
					2004-2013	Vice President - Engineering Consultant	Samart Comtech Co., Ltd.
					Mar. 2016-Present	<b>Position in other listed companies</b> Executive Vice President - Enhanced Technology Solutions Business Group	Samart Telcoms Pcl.
					2010-Present	Risk Management Committee Member	Samart Telcoms Pcl.
<b>6. Mr. Suchart Duangthavee</b> - Vice President - Airport Business Management <i>(To be appointed as a director on Dec. 1, 2006)</i>	57	- Bachelor Degree of Engineering, King Mongkut's University of Technology North Bangkok	-		2013-Present	Sustainable Development Committee Member	Samart Telcoms Pcl.
					2011-2013	Director	Subsidiaries, Affiliated and Related Companies (as details in the second table attached in 56-1 Form and the Annual Report 2015 of Samart Telcoms Pcl.)
					2006-Present	<b>Position in non-listed companies</b> Vice President - Airport Business Management	Samart Comtech Co., Ltd.
					Sep. 2013-Present	General manager	Samart Comtech Co., Ltd.
					Mar. 2016-Present	<b>Position in other listed companies</b> Senior Vice President - Business Application Business Group	Samart Telcoms Pcl.
					2012-Present	Risk Management Committee Member	Samart Telcoms Pcl.
					Present	<b>Position in non-listed companies</b> Director	Subsidiaries, Affiliated and Related Companies (as details in the second table attached in 56-1 Form and the Annual Report 2015 of Samart Telcoms Pcl.)

Remark : <sup>(\*)</sup> Includes holding by spouse and minor children  
% of total number of voting rights

● Executives & Managements of Smart Comtech Company Limited as of December 31, 2015

Name-Surname / Position / Appointing Date	Age	Education / Training	Shareholding in SCT <sup>(*)</sup> (%)	Relationship	Working Experience last 5 years		
					During	Position	Company / Department
1. Miss Chotika Kamloonwesaruch - Managing Director - Vice President - Sales Group  (To be appointed as a management on Oct. 1, 2013)	48	- Master of Engineering, King Mongkut's University of Technology North Bangkok	-	-	2010-Present	Director	Samart Comtech Co., Ltd.
					2013-Present	Managing Director and Vice President - Sales Group	Samart Comtech Co., Ltd.
					2004-2013	Vice President - Engineering Consultant	Samart Comtech Co., Ltd.
					Mar. 2016-Present	<b>Position in other listed companies</b> Executive Vice President - Enhanced Technology Solutions Business Group	Samart Telcoms Pcl.
					2010-Present	Risk Management Committee Member	Samart Telcoms Pcl.
2. Mr.Danaisak Khonsue - Vice President - Engineering Consultant  (To be appointed as a management on Dec. 1, 2013)	44	- Bachelor Degree of Engineering, Saint John's University	-	-	2013-Present	Vice President - Engineering Consultant	Samart Comtech Co., Ltd.
					2009-2013	Assistant Vice President - Engineering Consultant	Samart Comtech Co., Ltd.
						<b>Position in other listed companies</b> -	
						<b>Position in non-listed companies</b> -	

Remark : <sup>(\*)</sup> Includes holding by spouse and minor children  
% of total number of voting rights

Name-Surname / Position / Appointing Date	Age	Education / Training	Shareholding in SCT <sup>(*)</sup> (%)	Relationship	Working Experience last 5 years		
					During	Position	Company / Department
<b>3. Korn Vajanapoom, Ph.D.</b> - Acting Vice President - Implementation  <i>(To be appointed as a  management on Nov. 1, 2015)</i>	39	- Doctor of Telecommunications Engineering, University of Pittsburgh	-	-	2015-Present	Acting Vice President - Implementation	Samart Comtech Co., Ltd.
					2013-2015	Assistance Vice President - Implementation	Samart Comtech Co., Ltd.
						<u>Position in other listed companies</u> -	
<b>4. Mr. Suchart Duangthavee</b> - Vice President - Airport Business Management  <i>(To be appointed as a  management on Oct. 1, 2013)</i>	57	- Bachelor Degree of Engineering, King Mongkut's University of Technology North Bangkok	-			<u>Position in non-listed companies</u> -	
					2006-Present	Director	Samart Comtech Co., Ltd.
					Sep. 2013-Present	Vice President - Airport Business Management	Samart Comtech Co., Ltd.
					2011-2013	General manager	Samart Comtech Co., Ltd.
						<u>Position in other listed companies</u>	
					Mar. 2016-Present	Senior Vice President - Business Application Business Group	Samart Telcoms Pcl.
					2012-Present	Risk Management Committee Member	Samart Telcoms Pcl.
					Present	<u>Position in non-listed companies</u> Director	Subsidiaries, Affiliated and Related Companies (as details in the second table attached in 56-1 Form and the Annual Report 2015 of Samart Telcoms Pcl.)

**Remark :** <sup>(\*)</sup> Includes holding by spouse and minor children  
% of total number of voting rights



# Curriculum Vitae of Head of Internal Audit

Educational background and work experience of Miss. Nantana Khangui, Manager - Internal Audit is as follows:

**Education :** - Bachelor Degree in Business Administration, Secretary Branch at Bangkok University

**Training :**

- Preparation for Collective Action Coalition Against Corruption Project (CAC) from Thai Listed Companies Association
- Anti - Corruption in practice from PACT Network
- CG Forum 3/2015 “Risk Oversight : High Priority Roles Of the Board” from SET
- IT Audit for Non - IT Auditor Master class (IT auditor with COBIT5) from NSTDA

**Training courses from The Institute of Internal Auditors of Thailand**

- Certified Professional Internal Auditor of Thailand (CPIAT) Course.
- Tools and Technique of Audit Manager.
- Internal audit practice according to the plan.
- Fraud Audit for internal auditors.
- Audit Technique with Internal Audit work.
- Writing audit report according to international standards.

**Work Experience :**

2014 - Present	Manager - Internal Audit Samart Corporation Pcl.
2011 - 2014	Sr. Officer - Internal Audit Samart Corporation Pcl.
1999 - 2011	Sr. Officer - Debt Management Center Samart Corporation Pcl.

**During the past year, The head of Internal Audit has attended trainings and seminars of concerned for internal auditing as follows:**

**Training courses from The institute of Internal Auditors of Thailand :**

- Core competencies of Internal auditor in best practice in concept
- Fraud case study and knowledge sharing for Internal Audit
- Internal Audit Technology at Forefront
- Internal audit practice according to the plan about ‘IT Governance and Business impact’
- 2015 Annual Seminar on “Smart IA in Digital World”

# General and Other Information

## Samart Corporation Public Company Limited

<b>Company</b>	:	<b>Samart Corporation Public Company Limited</b>
Head Office	:	99/1 Moo 4 Software Park, 35 <sup>th</sup> Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Thailand
Registration No.	:	0107536000188
Home Page	:	<a href="http://www.samartcorp.com">http://www.samartcorp.com</a>
Telephone	:	0-2502-6000
Fax.	:	0-2502-6186
Registered Capital	:	Baht 1,207,804,692
Number of shares sold	:	1,006,503,910 shares
Par Value	:	Baht 1 per share

## Other References

<b>Company registrar</b>	:	<b>Thailand Securities and Depository Co., Ltd.</b> 93, The Stock Exchange of Thailand Building, 14 <sup>th</sup> floor, Ratchadaphisek Road, Dindaeng, Bangkok 10400 Tel. 0-2009-9000, 0-2009-9378 Fax. 0-2009-9476
<b>Auditor</b>	:	<b>Ms. Siriwan Suratepin</b> Certified Public Accountant (C.P.A.) license No. 4604  : <b>EY Office Limited</b> 33 <sup>rd</sup> Floor, Lake Rajada Office Complex 193/136-137 Rajadapisek road, Klongtoey, Bangkok 10110 Tel. 0-2264-0777 Fax. 0-2264-0789-90
<b>Investor Relations</b>	:	<b>Mr. Pongthep Vichaikul</b> Email: <a href="mailto:Pongthep.V@samartcorp.com">Pongthep.V@samartcorp.com</a> Tel. 0-2502-6583 Fax. 0-2502-6186
<b>Corporate Secretary</b>	:	<b>Mrs. Jirawan Rujisonthi</b> Email: <a href="mailto:Jirawan.R@samartcorp.com">Jirawan.R@samartcorp.com</a> Tel. 0-2502-6042 Fax. 0-2502-6043
<b>Internal Audit</b>	:	<b>Ms. Nantana Khangui</b> Email: <a href="mailto:Nantana.K@samartcorp.com">Nantana.K@samartcorp.com</a> Tel. 0-2502-6192 Fax. 0-2502-6186

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



“The finish line is not the end  
but it is the start of **the next chapter of success.**”



SAMART CORPORATION PUBLIC COMPANY LIMITED  
99/1 moo 4, 35 fl., Software Park,  
Chaengwattana Rd., Klong Gluar Sub-district,  
Pak-kred District, Nonthaburi Province, 11120  
Tel : (662) 502 6000, [www.samartcorp.com](http://www.samartcorp.com)