

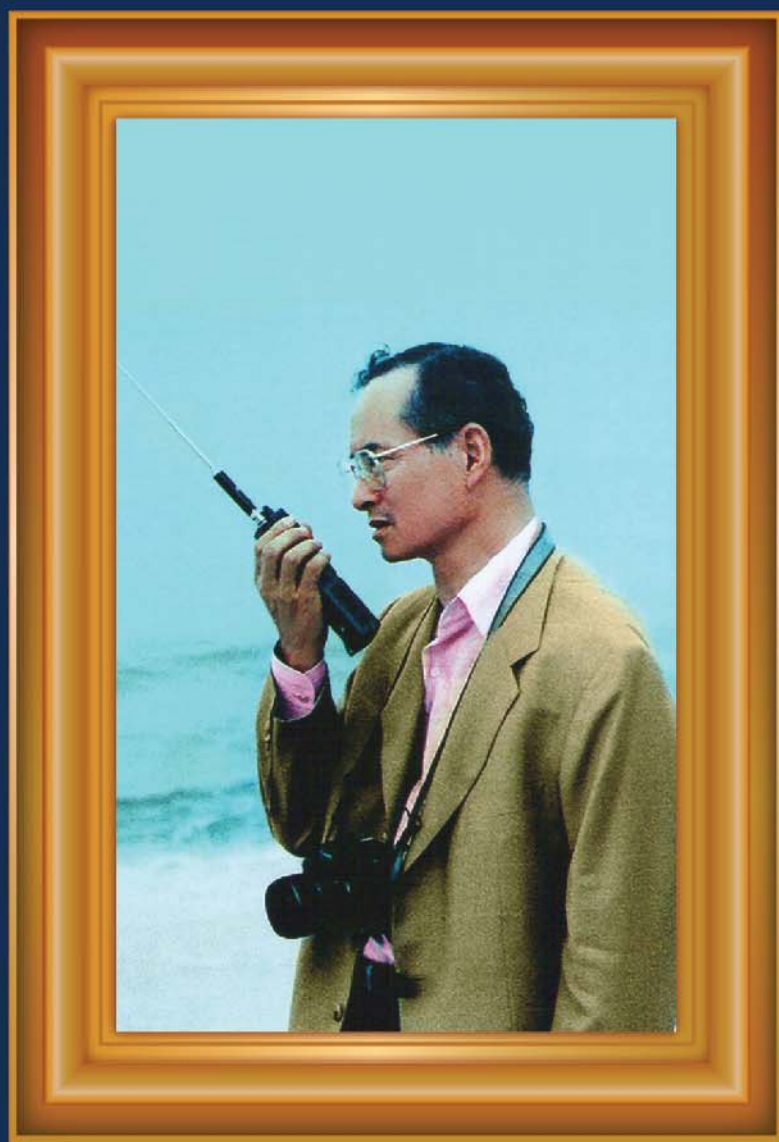


7 Decades...

7 Significant Steps of

SAMART

Annual Report
2016



Under the Graciousness
of His Majesty...

70 Years
of Reign



For the past 70 years, from 1946 to 2016, Thai people have lived under the graciousness of “**His Majesty King Bhumibol Adulyadej**” (King Rama 9). All his royal duties were done for the benefit and happiness of his people. He has always been and will continue to be “The Great” in Thai people’s hearts.



You will forever remain in our hearts. We humbly commemorate
the Royal grace of His Majesty King Bhumibol Adulyadej
SAMART CORPORATION PCL’s board committees, executives, and employees.



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Step



The First Step... the Step of Commencement

The name “SAMART” has been widely recognized for its products since it first kicked off the business as an electronics repair shop which was famous for its expertise and professional service.

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Step

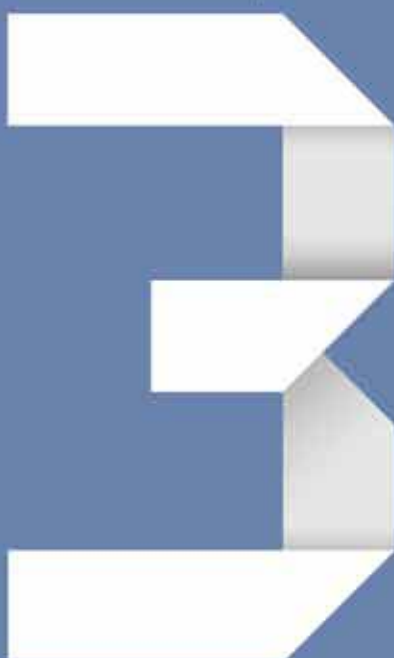


The Growing Step... to Antenna and Signal Receiver Business

With the vision that never ceases creating and improving, the company extended its market to the antenna and signal receiver segment which was the technology that allowed Thai people to receive information regardless of the areas.



Step



The Progressive Step... to Go “Public”

The business kept making progress and grew to the telecommunication systems business. Then in 1993, the company went public and listed in the stock exchange to prepare for its boundless business expansion.



Step



The Honored Step... with “Garuda” Emblem

In 2005, for the 50th anniversary of the company, SAMART Group was graciously granted the “Garuda” emblem which brought a tremendous honor to the board of directors and employees. This is also the promise that we will always bear in mind the teachings of His Majesty King Bhumibol Adulyadej and adopt them to our business practices to maximize advantages for public interest.



Step



The Sturdy Step... with the Clear Business Direction

Aiming to be a one-stop technology solution provider, the company significantly changes its business direction and set the course to satisfy the demands in the world of technology covering ICT Solution and Service, Mobile Multimedia, Call Center, Technology Related and Utilities and Transportations.





The Monumental Step... to Gain Acceptance in the Global Level

Not only does the company focus on the business development, but it also aims at being recognized for providing quality products and services. With this vision, SAMART Group and its affiliates adhere to international standards, such as those for software and services. The company also maintains business transparency and receives many global recognitions.



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The Step to the Firm and Sustainable Future

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SAMART Group will continue growing firmly in its 7th decade. With its strong foundation, it is ready to further the limitless business expansion by setting short-term and long-term goals and accomplishing them starting now. This is because we believe that with

“SAMART” we can build the strong future by now.



Message from the Board of Directors

A great loss was experienced in 2016 with the obituary of Thailand's beloved King Bhumibol Adulyadej. Praised for his utmost devotion to social development projects and to improve the life of his people, he innovatively utilized telecommunication technology to reach his people even in the most remote areas. He was known as the "Father of Telecommunication". Samart Corporation Pcl., honored to have been conferred with the royal garuda emblem, is tremendously grateful for the dedication. The Company is determined to apply His Majesty's philosophy to its business in order to continue developing technology and create virtuous society and high quality people that will contribute to the country's sustainable advancement.

2016 has been a challenging year for the Company due to the economic slowdown and the threats to the global economic recovery resulting from various factors, such as the United States' political instability and new economic policy, the United Kingdom's withdrawal from the European Union which affects Europe's economic recovery, and Europe and China's financial sector situation. As a preparation for prospective changes and to ensure that business objectives are met, the Company has been focusing on workforce development, improving employees' skills and knowledge, creating young professionals, actively adjusting its strategies to fit the current situation, and constantly seeking investment opportunities. The Company will celebrate its 7th decade by making its business an efficient, secure, and sustainable one.

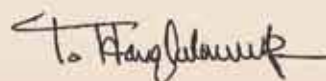
The following points are key achievements during the past year.

"i-Mobile" – a significant jumping-off point to a greater and sustainable goal

Mobile Multimedia business chain underwent tremendous changes last year. The Company restructured its business to make it more suitable for the digital age, preparing itself for intense competition and 'Internet of Things' concept for technologies. The Company's new campaign "Open by i-Mobile" has been a jumping-off point for to a greater and sustainable goal. The Company also started several new businesses such as complete digital commerce that will open up the service market, complete sports marketing that will be the first step to becoming Thailand's top sports agency.

Grow strong together with "ICT Solution & Service"

ICT Solution & Service continues to be one of Samart group's biggest drives that bring constant revenue. The business chain has been trusted by various authorities, public enterprises and private organizations. The Company aims to expand its customer network towards private sector and step up to evolve firmly and sustainably.



(Dr. Tongchat Hongladaromp)
Chairman

Samart Corporation Public Company Limited

"Energy business" Samart's next step to the future

Utilities and Transportations business chain has been performing well regularly thanks to the air traffic control business in Cambodia. It is foreseen that the business will continue to grow, given the power transmission line project and many other projects that are currently being considered. For example, air traffic control system in Laos, transmission lines in Myanmar, waste-to-energy power plant, and coal plant in Cambodia. The Company's goal is to expand its energy business chain for a strong, firm growth in the future.

Leaping firmly and steadily into the 7th decade

Despite the impact from last year's economic slowdown, the Company is still driven to build a firm ground for the future by managing its businesses efficiently to ensure a sustainable and steady advancement into its 7th decade in the industry. Samart group continues to provide innovative products and complete tech-related services. Its strong intention to strengthen the business in every aspect results in extensive product and service development to meet consumers' expectations and get ready for intense competition in the market. 4 out of more than 40 subsidiary companies are listed in the Stock Exchange of Thailand.

Bring Thai society to a strong and sustainable future

Samart Corporation Public Company Limited has prospered thanks to all supports from the Thai society. Thus, the Company not only focuses on expanding its business, but also on supporting and strengthening the society. Community service aiming to create "high quality society" has always been the Company's value. For example, "SAMART INNOVATION AWARD" is an innovation competition in which scholarships are given to telecommunication students. Relevant trainings are also provided. "SAMART MIND POWER" promotes merit making using various principles from Buddhism which are also applicable to daily life and work. "Kon Dee Samart" community service club is founded by Samart Corporation employees who arrange voluntary activities to help the community. "Samart Foundation" organizes community service and environmental projects like giving scholarships to support poor students, donating sports equipment and clothes to orphanages and disadvantaged children.

Samart Corporation Public Company Limited Board of Directors would like to thank all shareholders, business partners, valued customers, financial institutions, public authorities, our management team and employees, and relevant personnel, for their constant supports. From now on, the Company will continue to operate its business diligently and efficiently, improve its products and services for customers' greatest benefits, while adapting to the changing environment and maintaining high management standard. Samart Corporation Public Company Limited wish to keep your support and gracefully step up towards the bright future.



(Mr. Charoenrath Vilailuck)

Executive Chairman & CEO

Samart Corporation Public Company Limited





Board of Directors

1. Dr. Tongchat Hongladaromp

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

2. Mr. Pradang Prichayangkun

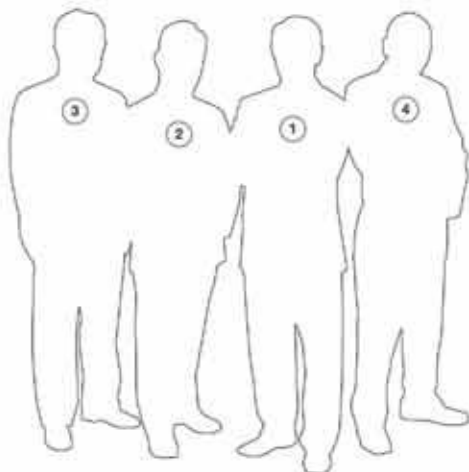
- Vice Chairman
- Independent Director
- Chairman of the Audit Committee
- Corporate Governance Committee Member
- Nominating & Compensation Committee Member

3. Mr. Seri Suksathaporn

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

4. Mr. 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

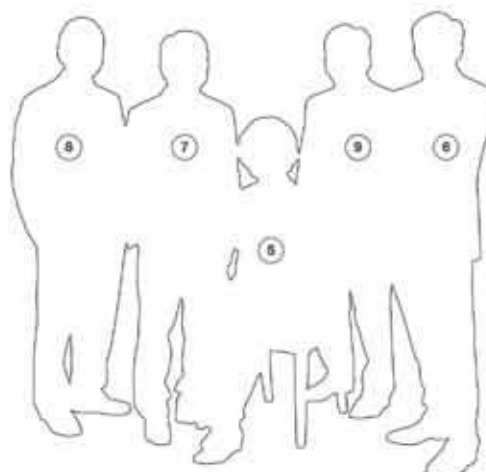
- Authorized Director
- President
- Chief Operating Member of the Risk Management Committee
- Chairman of the Sustainable Development Committee

8. Mr. Sirichai Rasameechan

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

9. Mr. Thananan Vilailuck

- Director
- Executive Vice Chairman - Corporate Strategy
- Risk Management Committee Member
- Sustainable Development Committee Member



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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.

Corporate Social Responsibilities Report

(Sustainable Development Report)

The Company places importance on social responsibility alongside with main business operations because it realizes that in order to keep the Company's business growing on sustainable basis it has to operate business with responsibility to society, communities and environment. Apart from CSR activities, such as an arrangement of innovation promotion projects, voluntary activities and donations which have been performed continually, the Company determined to make such activities more concretely so the Board of Directors approved to appoint the Sustainable Development Committee to specify policy framework and operating guidelines of the Company's environmental and social responsibility activities. Such operations shall be used as guidelines to follow up progress and assess the CSR activities then report to the Board of Directors. 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 Sustainable Committee's Meeting No. 2/2016 held on December 23, 2016 has passed a resolution to propose to the Corporate Governance Committee's Meeting and the Board of Directors' Meeting to consider on the change of name of the Sustainable Committee to be the Sustainable Development Committee and to propose on the revision of duties and responsibilities of social responsible policy to make them consistent and covering the sustainable development guidelines of the Stock Exchange of Thailand which focus on 3 aspects, i.e. economic, social and environment. The Board of Directors' Meeting No. 2/2017 held on February 22, 2017 has resolved on approval on the change of name to be the Sustainable Development Committee and also approved on the revision of duties and responsibilities, including the social responsibility policy as follows:

Duties and Responsibilities of the Sustainable Development Committee

1. Establish policy, strategy including operation plans for sustainable development which is consistent with the Company's business operations with regards to economic, social and environmental aspects.
2. Promote and support the Company's activities in order to make them achieve the targets pursuant to the sustainable development policy.
3. Supervise, review, follow-up progress of operations and evaluate efficiency on performance of the sustainable development policy.
4. Report the operating result to the Committee

Sustainable Development Policy

1. To conduct business based on governance principles and environmental and social responsibility including for sustainable development by taking into consideration the best interests of all stakeholders.
2. To build corporate culture which could cultivate the employees' consciousness on operations and volunteer spirit, devotion of personal time and effort for benefits of the whole community.
3. To promote and educate the employees at all levels on joint guidelines for sustainable development and environmental and social responsibility throughout the organization.
4. To promote the social and environmental projects or activities and works related to sustainable development

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 Sustainable Development Policy 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. 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 2016 as follows:

1) Assessment Result on Corporate Governance of Thai Listed Companies in 2016

SAMART, SAMTEL, SIM and OTO were assessed with “**Excellent**” Recognized Level **(5 Stars)**, SAMART and SAMTEL was assessed with **95** scores. Meanwhile, SIM and OTO was assessed with **93** scores from the survey of total 601 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.

2) Assessment Result on Quality on Arrangement of Annual General Meeting of Shareholders for 2016

All of SAMART, SAMTEL, SIM and OTO were assessed with 4 TIA with 94 scores. They were 601 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). 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 2016 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 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**”.

Nonetheless, the Board of Directors' Meeting No. 7/2016 held on November 10, 2016 resolved to approve to draft and clarify the Company's anti-corruption policy currently applicable, so that they can be further used as operating practices.

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. Propose reasonable remuneration packages according to market situations, business competitions, job descriptions, work qualities including assessment of company's performance on short term and long term based on Company's capability to pay for that remuneration packages. And provide opportunities for employees to express opinions and file complaints related to their jobs. Those suggestions and complaints will be seriously taken into consideration for formulating solutions. This important policy is meant to draw benefits to all parties and spawn camaraderie in the office.

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
- Knowledge Management
- 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:

- The Company has been organizing the SAMART Innovation Award and SAMART Brain2Works Projects for SAMART 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 SAMART 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.
- **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.

Moreover, in 2016 there were a various employee relation and employee engagement programs and activities to build synergy among employees, executives and organization i.e., Internal Survey Improvement Project and D-Club (CSR program) and etc.

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 support community and public safety 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 26

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 2016, the activities arranged by the Company included:

- **Development products and services based on the environment**
Smart group aims to develop products and services based on the security standards and environmental conservation. We also offer the telecommunications services which are friendly on an environment and use the environment energy worthy for the government and other related vision enterprises such as AMR projects of PEA.
- **Making employee aware of the valuable resources usage**
Smart group organizes the energy saving campaign called “Reduce, Refrain and Refuse” aiming to promote the efficiency of energy consumption among Smart people.

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.

Smart Innovation Award Project is an important activity that Smart Group of Companies conducted continually for more than 14 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 60 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 2016, 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, Smart 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

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

1. **Samart Innovation Award 2016** The annual contest was in its the 14th years. In 2016, Samart Corporation Pcl. with National Science and Technology Development Agency (NSTDA) and Department of Industrial Promotion (DIP) in organizing **“Young Technopreneur Project”** which have benefits to the program participants as following :
 - South Korea field trip for top 3 winners to visit the government and private organization which support a Start-up business.
 - The winner of Samart Innovation Awards 2016 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 20 outstanding teams, each receiving Baht 20,000.



- Commercial opportunity : During the past five years (2012 to 2016), 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 30 affairs. We also strive to find Thai people who are ready to join us in the future.

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 Lat Krabang, Kasetsart University, Rajamangala University of Technology Krungthep, Rajamangala University of Technology Thanyaburi, and Huachiew Chalermprakiet University.

SAMART SCHOLARSHIPS : enhanced the scholarship for make the education opportunity

- **SAMART Foundation** provided a research scholarship in master degree to Graduate studies of Mahidol University Alumni Association worth Baht 95,000.
- **SAMART Foundation** provided support of repair the temporary learning building of Ban Nong Bua Pattana Thailand Police Patrol School at Tambon Domepradit Amper Namyen Ubon Ratchatani.



- **Samart Corporation Pcl.** provided support of repair a learning building of Wat Thong Lang school at Uthaitani provinces worth Baht 200,000.
- **Samart Telcoms Pcl.** and **Samart Communication Services Co., Ltd.** provided support of Thai education for rural schools. They provided the learning equipments, Satellite and Television amount 10 pieces and scholarships to Police Patrol School as following: Ban Hauy Poa School, Hallmarparble School, Ban Na Nok Peed School in Loei and Fah Pratharn School in Nong Khai Province.



Sponsorship for SPORTS CAPABILITIES

- **Support for “Thai football with King Power”** : **SAMART GROUP** collaborated with King Power to support Thai football. They lead the smart Thai kids to train with Leicester City Academy in United Kingdom.
- **Support for “Thai football clubs”** : **SAMART GROUP** has been a sponcer of various Thai football clubs such as Muangthong United F.C., Buriram United F.C., Chonburi F.C., Port F.C. and Phrae United F.C.
- **Support for “Thailand Polo Association”** : **SAMART GROUP** collaborated with King Power to consign funds Bath 1,000,000 for Thailand Polo Association.
- **SAMART GROUP** support for the Football Association of Thailand.
- **Support for “the Bocce tournament of 4th PEA OPEN 2016”**: **Samart Telcoms Pcl.** provided support to the Bocce tournament of 4th PEA OPEN 2016 with PEA Petanque club worth Baht 65,000.
- **Support for “71th Chula-Thammasat Football Match”** : **Samart Corporation Pcl.** provided support for 71th Chula-Thammasat Football Match worth Baht 184,000.



- **Support for “IT Ladkrabang Open House 2016”** : **Vision and Security System Co., Ltd.** provided support for IT Ladkrabang Open House 2016 of King Mongkut’s Institute of Technology Lat Krabang Baht 10,000.

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.



LOTALTY AND GRATITUDE TO THAILAND ROYAL

- **“Samart - Nation Mini Marathon Run for King”**: **Samart Corporation Pcl.** and **Vision and Security System Co., Ltd.** joined force with Nation Radio in organizing “Samart-Nation Mini Marathon Run for King” worth Baht 1,000,000.





- **Merit Knitting Project** : To organize a happiness weaving activity as dedication to Father of Nation, His Late Majesty the King.
- **The occasion of Mother's Day** : To contribute jasmine on the occasion of Mother's Day from The national council on social welfare of Thailand Baht 10,200.
- **The condolence ceremony & mourning** : The executives and employee of **Samart Group** organized the condolences ceremony to mourn to the loss of majesty king Bhumibol Adulyadej on October 28, 2016 at Software Park Building.
- **The 50th day of the late King's passing** : **Samart Group** organized Merit making ceremony to show mourned and pay their respects on December 2, 2017.
- **Paying respects of His Majesty the late King** : **Samart Group's** employee pay their respects of His Majesty the late King in the Dusit Maha Prasat Throne Hall on December 19, 2016.
- **Donation black clothes**: **Samart Group** donated black clothes under the project call "Sharing black shirts to Thai underprivileged people".
- **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.
 - **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 6 grants from SAMART Corporation Pcl. for doing humanitarian activated and also contribute to social development worth Baht 30,000.



- **Blood Donation** : Samart Group collaborated with the conjunction of Thai Red Cross Society institutes to organize Annual Blood donation activity 3 times per year.
- **Other Support**
 - Support for “The construction of Kampong Chheutial Institute of Technology”, Cambodia amount Baht 1,000,000 by Samart Corporation Pcl.
 - Support for “The construction of PVC pipeline of Moo Ban Sam Yak KM. 39th” at Amper Pobphra, Tak Province to solve the water shortage problem about Baht 42,000.



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.

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”**.

Our Pride for 2016

Four years excellent awards of Contact Center Business

One to One Contacts Pcl. won **Outsourced Contact Center Vendor of the Year 2016** award which is consecutive for four years as a private enterprise, is leading in Contacts Center Thailand and having the well growth and the company development consistently.

Certified ISO 20000 of IT service

SAMART Communication Services Co., Ltd. (Service & Maintenance) and SAMART Comtech Co., Ltd. (Airport Operation Management) has been certified ISO 20000 of IT services as the efficiency and professional standard in IT services organization.

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).

During 2016, 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 2016, the Audit Committee held 6 meetings where the Company's management, Internal Audit Unit and the auditor jointly attended all of such meetings of which their essence can be summarized as follows:

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

The Audit Committee has reviewed the quarterly and annual financial statements and consolidated financial statements of the Company and its subsidiaries for 2016 by listening to and enquiring material information from the management and the auditor to ensure that the financial statements were correctly, truth worthy and corresponding to the generally accepted accounting principles before submitting to the Board of Directors for consideration and approval.

The Audit Committee is of opinion that the financial statements have been prepared pursuant to the general accepted accounting principles and its essence information was correctly, adequately disclosed and beneficial to the shareholders.

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

The Audit Committee has reviewed the connected transactions or the transactions which may have conflict of interest with the Company to ensure that the Company has transparent and fair consideration procedures and information in the financial statement was correctly and completely and it has been adequately disclosed.

The Audit Committee is of opinion that the connected transactions or the transactions which may have conflict of interest with the Company has been transparently considered and they were primarily for the Company's benefits.

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

The Audit Committee has reviewed the Company's business operations to ensure that they are strictly compliance with the securities and exchange laws, the regulations of the Stock Exchange of Thailand and the laws relevant to the Company's business as well as monitored the change in laws or regulations mentioned above on regular basis.

The Audit Committee is of opinion that the Company has strictly complied with laws and operating procedures specified by the Office of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) as well as the laws relevant to the Company's business.

4. Review the adequacy of internal control system

The Audit Committee has considered and approved the annual audit plan and report of the Internal Audit Unit as well as gave recommendations to the management and Internal Audit Unit for their consideration and rectification their operations to ensure that the Company has adequate and appropriate internal control system.

The Audit Committee deemed that the Company's annual internal audit plan has been prepared based on the Company's internal and external risks assessment criteria and overall internal control system was adequately and appropriately and no material defect or abnormality was detected.

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 provided recommendations on important matters pursuant to the annual audit plan to ensure that the internal audit operations have been effectively and efficiently performed.

The Audit Committee is of opinion that the operating results of the Internal Audit Unit achieved the objectives pursuant to the specified plans and were in line with the international standards.

6. Consider on selection and proposal for appointment of the Company's auditor for 2016

The Audit Committee has considered on selection and proposal for appointment of the Company's auditor and the auditing fee for 2016 based on the operating standards and consultancy rendered including suitable auditing fee as well as expertise on auditing work for each line of business of the Company.

The Audit Committee has considered to appoint the auditor from EY Office Limited to be the Company's auditor for 2016 based on their knowledge, competency, experiences, independency and understandings in the Company's businesses.

7. Assessment on performance of the Audit Committee for 2016

The Audit Committee stipulated that self-assessment shall be performed every year to ascertain that their operations shall be effectively and efficiently performed and they can put their best endeavor to preserve the Company's interests.

In conclusion, the Audit Committee is of opinion that the Company has placed importance on having concisely, adequately and appropriately internal control system which can cover risky operations and the Company's business operations have been compliance with the securities and exchange laws, the regulations of the Stock Exchange of Thailand and other relevant laws.



(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

During 2016, Thailand's economic conditions was still slow down and had to face with various risks both from within the outside the country continually. As a result, the Company is necessary to accelerate to strengthen the organization in various aspects in order to make the Company be able to operate business continually and ready to expand its business for sustainable growth. The Executive Board helped the Board of Directors to consider, inspect and screen important matters before proposing to the Board of Directors for consideration, so the Company and its subsidiaries can perform business without difficulties.

In 2016, the Executive Board held 12 meetings to consider various material matters and reported meeting results as well as solution guidelines including suggestions to the Board of Directors' for a constant appropriate consideration, which can be summarized as follows:

- **Specify strategy and operation plan**

To consider and specify strategy and operation plan of the Company, 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.

- **Inspect and follow up the Company and subsidiaries performance**

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.

- **Operate according to the works assigned by the Board of Directors**

To consider and approve the Company's investment and annual budget prior to further approved of the Board of Directors.

- **Consider employees remuneration policy and salary structure**

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 manage the work carefully, honestly and prudently and is ready to develop the business with fullest capacity by taking into consideration the maximum benefits of the Company, the shareholders and the stakeholders, as well as oversees to ensure that the Company has the management systems which are compliance with the laws and ethics pursuant to the corporate governance principles in order to lead the Company to progress steadily and on sustainable basis.



(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, which has been appointed by the Board of Directors, comprised of the Company's Executive Chairman as the Chairman and 4 directors as the members. In addition, there are 4 top management who are qualified, competent and have experiences beneficial for managing risks of the Group of the Companies, as the working group. Duties and responsibilities of this Committee are to specify risk management policy and framework, supervise risk management operations to make them consistent with the Company's strategy and objectives and recommend relevant guidelines to the executives of the Group of Companies in order to make certain that the Group's strategic operations can achieve the Company's objectives and targets as well as can 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 2016, the Risk Management Committee held 3 meetings to consider important matters which can be summarized as follows:

1. Identify and analyze all kinds of risks which may impact the Company's business operations in order to make the Company's operations achieve the specified objectives.
2. Establish the control system and prudently review the operating targets by taking into account the possibility of the specified targets.
3. Constantly review the Company's risks by checking whether they have been increased or changed over the course of time or not so that the problem can be resolved on time.
4. Support and promote for improvement and development of risk management system within the Company continually so that the material risks can be managed in the acceptable level.

Based on the above operations, the Risk Management Committee has considered and deemed that duties and responsibilities have been performed as per specified in the Risk Management Committee Charter by applying knowledge, capability and carefulness, so that the Company could have effective risk management system. In addition, the Committee also gave recommendations on risk management to the relevant parties for their improvement and for their better performance.



(Mr. Charoenrath Vilailuck)

Chairman of the Risk Management Committee
Samart Corporation Public Company Limited

Report of the Corporate Governance Committee

Dear Shareholders of Samart Corporation Public Company Limited

The Company places importance on encouragement and support for compliance with good corporate governance principles by emphasizing that the directors, executives and officers are key elements to build up governance culture on continued basis. In order to ensure that the Company shall have solid foundation and to strengthen confidence to all stakeholders, the Board of Directors assigned the Corporate Governance Committee (CG Committee) to take responsibility for and to develop governance practices pursuant to the corporate governance guidelines specified by the Office of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) as well as the ASEAN Corporate Governance Scorecard (ASEAN CG Scorecard).

In 2016, the CG Committee held 3 meetings which followed to the meeting plan. All of the committee has attended on every meeting 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 CG 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 including the ASEAN Corporate Governance Scorecard (ASEAN CG Scorecard). In addition in December 2016, the Corporate Governance Committee resolved to approve to make clear the draft of the Company's anti-corruption policy currently in use, so that it can be used as operating practice.

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

The CG 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 Chief Executive Officer (CEO) 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 CEO 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 shareholders 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 CG 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 2016 as follows:

1) Assessment Result on Corporate Governance of Thai Listed Companies in 2016

SAMART, SAMTEL, SIM and OTO were assessed with “Excellent” Recognized Level (**5 Stars**), SAMART and SAMTEL was assessed with 95 scores. Meanwhile, SIM and OTO was assessed with 93 scores from the survey of total 601 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.

2) Assessment Result on Quality on Arrangement of Annual General Meeting of Shareholders for 2016

All of SAMART, SAMTEL, SIM and OTO were assessed with 4 TIA with 94 scores. They were 601 listed companies assessed this year as surveyed by the Thai Investors Association.

Such above assessment could reflect strong effort the Company puts on corporate governance including its earnestness, dedication, endeavor on adherence to corporate governance principles constantly. The CG Committee still determines to operate the works transparently, fairly and with accountability. In addition, the CG Committee shall develop the efficiency on governance operations to strengthen the business growth of the Company in the long term which will be beneficial to all stakeholders, including the society and the country as a whole.



(Mr. Seri Suksathaporn)

Chairman of the Corporate Governance Committee
Samart Corporation Public Company Limited

Report of the Nominating and Compensation Committee

Dear Shareholders of Samart Corporation Public Company Limited

The Board of Directors has appointed the Nominating and Compensation Committee (NC Committee) to perform the assigned works concerning the nomination, selection and proposal of the qualified persons to hold the position of director and top management of the Company. Other duties assigned included to propose the compensation policy and payment guidelines and other benefits for the Board of Directors, the Committees, top management as well as the employees of the Company fairly and reasonably. The NC Committee consists of 3 members and all of them are the Independent Directors.

In 2016, 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 comparing with other companies in the same industry.

- **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 2017, bonus allocation for 2016 and bonus payment policy for 2017 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 economic and the Company's performance.

In 2016, the NC Committee has completely, carefully and independently performed duties and tasks as per assigned by the Board of Directors by taking into account the best interest of the shareholders and all stakeholders. Moreover, the NC Committee determines to perform duties and studies for nomination and compensation development guidelines which can yield the maximum benefits to the Company and all shareholders.



(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 Board of Directors realize the importance on sustainable development that shall lead to sustainable growth of the business, so it has to be developed together with the social responsibility, environment and corporate governance, so the Sustainable Development Committee (SD Committee) has been appointed to oversee such matters. Presently, the SD Committee comprises of 11 directors where the President is the Chairman of the Committee.

During 2016, the SD Committee arranged 2 meetings to follow up operations and consider matters pursuant to the sustainability development policy and the SD Committee Charter. The meeting results have been constantly reported to the Board of Directors of which their main points can be summarized as follows:

- Acknowledged the result of the Sustainability Awards 2015 and provide suggestion for sustainability development improvement;
- To review the Company's social responsibility policy and responsibility of the Company's SD Committee which covering 3 components of the sustainable development guidelines, i.e. economic, society, and environment;
- 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;
- To monitor operational results on social responsibility activities of the Company in 2016;
- To conduct the SD Committee self-evaluation for 2016 and the assessment results including the recommendations shall be used for improving with aims to have sustainable development and increase efficiency of the operations;
- To prepare a report on duties of the SD Committee during the past year to propose to the shareholders as well as to disclose in the annual report.

The SD Committee performed duties assigned by the Board of Directors with its best efforts and determined to develop the environment and social responsibility works of the Company continually while managed the works by adherence to corporate governance principles. The SD Committee believed that such operations shall be the important step to make the Company achieve the objectives and at the same time it shall be beneficial to the society, environment, all stakeholders and it also lead to sustainable growth for the Company.



(Mr. Watchai Vilailuck)

Chairman of the Sustainable Development Committee
Samart Corporation Public Company Limited

Financial Highlights

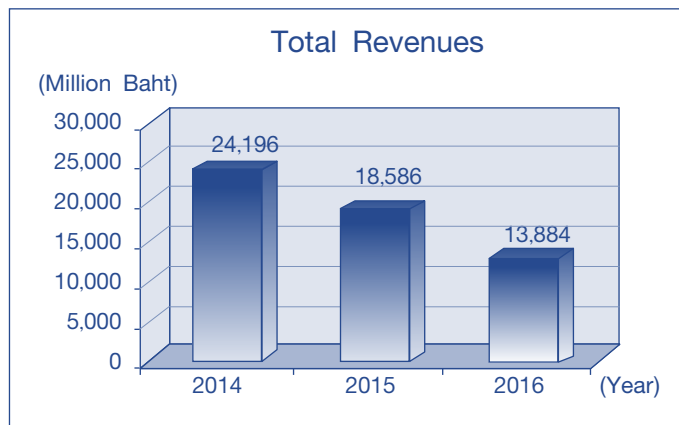
Samart Corporation Public Company Limited and Subsidiaries

(Unit : Million Baht)

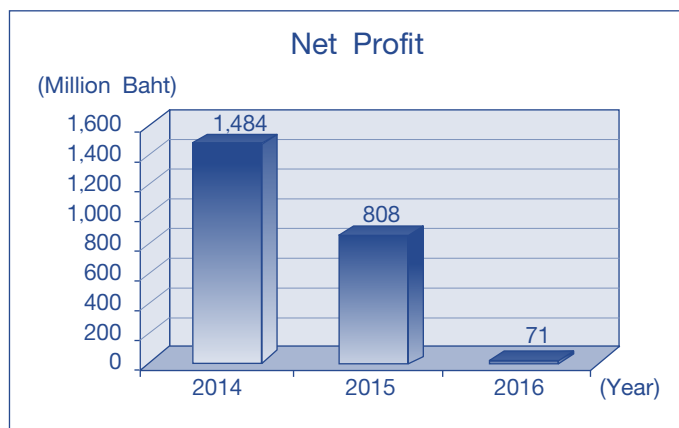
Information from Financial Statement	2016	2015	2014
Total Asset	25,216	27,317	26,136
Total Liabilities	17,309	18,999	17,874
Total Shareholders' Equity	7,907	8,318	8,262
Revenue from sales, contract work and services	13,676	18,366	23,880
Total Revenue	13,884	18,586	24,196
Gross Profit	2,635	4,031	5,227
Net Profit (Equity holder of the subsidiaries)	71	808	1,484

Financial Ratio	2016	2015	2014
Earning Per Share (Baht)	0.07	0.80	1.48
Book Value Per Share (Baht)	5.74	5.97	5.83
Dividend Per Share (Baht)	0.19 ^(*)	0.50	0.85
Net Profit Margin	0.51	4.35	6.13
Return on Equity	1.21	13.61	23.91
Return on Total Assets	0.27	3.02	5.91

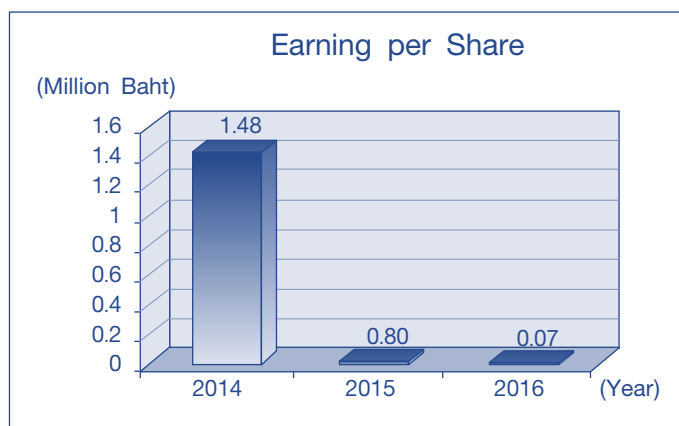
Remarks: ^(*) Dividend per share comprised of interim dividend for January - June 2016 of Baht 0.11 and Baht 0.08 which will be proposed for consideration of shareholders in the 2017 Annual General Meeting.



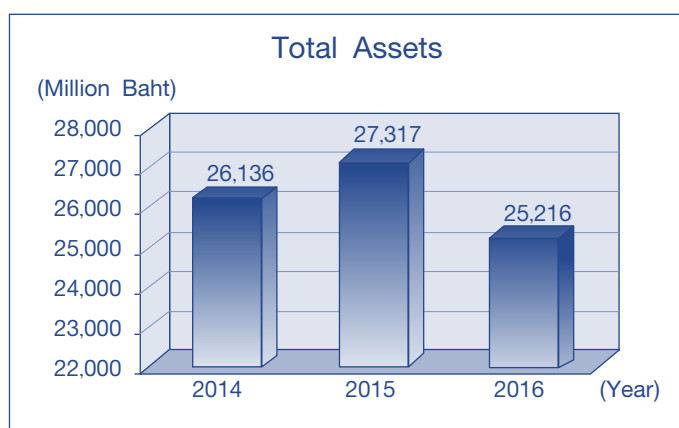
In 2016, total revenues were decreased to Baht 13,884 million resulted from the decrease in revenues of Mobile Multimedia and Technology Related Services Business.



Net profit for 2016 was Baht 71 million, decreased significantly as compared to the previous year. The main factor came from a decline in net profit from Mobile Multimedia, ICT Solution & Service and Technology Related Services Business.



In 2016, earnings per share was decreased to Baht 0.07 per share.



Total assets were Baht 25,216 million in 2016.

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 by outsourcing to an external survey provider to contact and interview with customers every time the Company's service teams finish delivering the service. The Company brought the survey 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. The Company has set a target of number of satisfied customers not less than 80 percent of total customers surveyed. In the survey, customers rated their degree of satisfaction on the services given reflecting their opinion ranging from Excellent, Good, Fair, Needs Improvement, Must Improve with scores of 5,4,3,2,1 respectively.

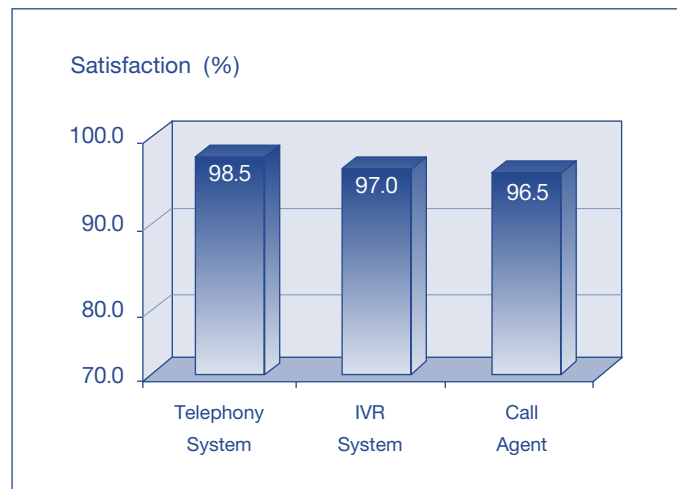
In 2016, the Company conducted surveys over satisfaction on after-sales services for 3,513 times. Overall score was at high level with average satisfaction score of 4.64 out of 5.00 or 92.9 percent. Numbers of customers rated in scales are "Excellent" at 68.1 percent, "Good" at 28.5 percent, "Fair" at 3.2 percent and "Needs Improvement" at 0.2 with none answering "Must Improve".

The Company acknowledged flaws and recommendations of customers from surveys through monthly management report and then created Corrective Action Requests (CARs) for the improvement process in order to prevent those flaws from recurrence, elevating quality of services to customers.

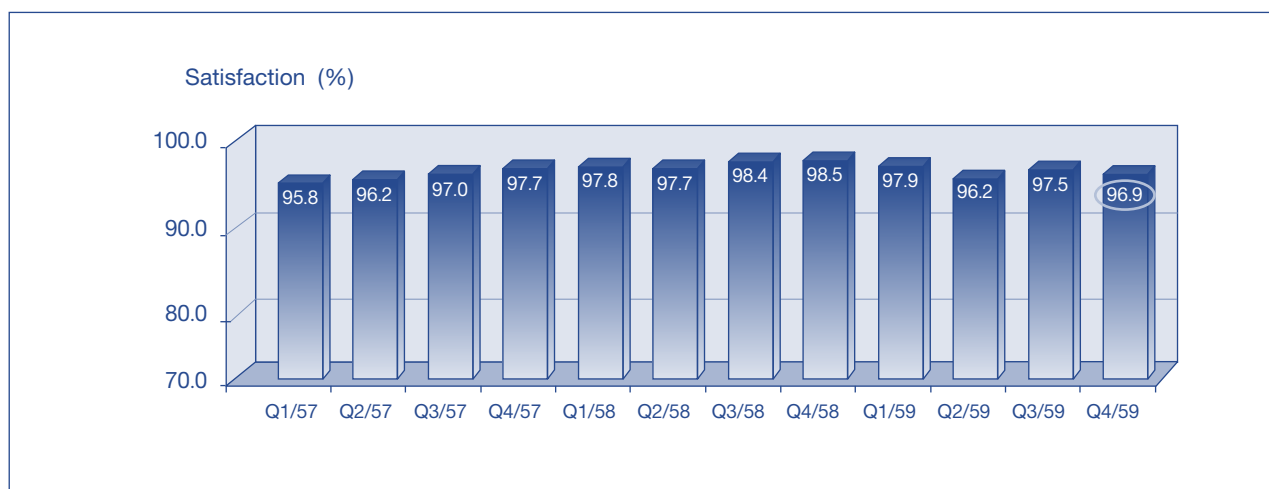
In addition, One To One Contact Pcl., a listed subsidiary, has conducted a survey of the end users' satisfaction every quarter, and summarizes it as the overall image annually. The results of the survey will be applied to improve the company's services effectively in terms of related systems and personnel's 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 2016, 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
19 projects	1. Telephony System 2. IVR System (Interactive Voice Recording) 3. Call Agent	<ul style="list-style-type: none"> • Clearly Signal of Telephony System • No drop call during the conversation • Useful Provide and modern information (IVR System) • Good sequence and easy to select menu • Cleary of Voice (IVR System) • Proactive of agent • Understand your requirements • Agent Manner

Satisfaction survey in 2016



In 2016, the results of the survey reveal that the end users are satisfied with the Telephony System at **98.5%** level, the IVR System at **97.0%** level, and the Call Agent at **96.5%** level. Moreover, it is found that the end users are increasingly satisfied with the company's services since the first quarter in 2014 to the fourth quarter in 2016. The end users' satisfaction of the services is higher from **95.8%** at the first quarter in 2014 to **96.9%** at the fourth quarter in 2016. Overall, the end users are satisfied with the company services since the first quarter in 2014 to the fourth quarter in 2016 at **97.3%** 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 undertakes business concerning telecommunication system. Its current business structure has been divided into 5 LOBs as follows: ICT Solution and Service, Mobile Multimedia, Call Center, Utilities and Transportations and Technology Related Services with subsidiaries and affiliated companies in each LOBS business operations as follows :

ICT Solution and Service	Provide solutions and services in information and communication technology including Network Solutions, Enhanced Technology in ICT and Business Application ranging from consulting, system design, installation and implementation, operation and maintenance as Total Solutions and Services for clients in government and private sectors.
Mobile Multimedia	Provide integrated businesses in distribution of mobile phones and wholesale and resale 3G mobile services as well as provide variety of information, news and edutainment content, entertainment business, producing TV programs broadcasted through new media platforms via mobile application, Facebook, YouTube and website in both iOS and Android.
Call Center	Provide Contact Center and Customer Management Services both turnkey implementation and outsourced contact center management.
Utilities and Transportations	Provide air traffic control services in Cambodia, electricity generation supplied to Kampot Cement factory in Cambodia and also provide design and installation services of electrical power transmission systems.
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.

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 generating 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.

Objectives and Strategy

The objectives of Samart Group are to be the leader on application of technology and offering of products and services in various categories in Thailand and to expand its business to the CLMV countries (Cambodia, Lao PDR, Myanmar and Vietnam). Moreover, the Company also targets to increase ratio of permanent income to be 50% of overall income within the next 3-5 years to sustain the Company’s growth. Presently, Samart Group’s business operation strategies of each line of business are as follows:

- **ICT Solution & Service** : Focus on creating permanent income of the business lines by offering fully integrated services, such as design-install-operate services as well as maintenance services, including to increasingly expand customer bases into private sector so that the Company can grow on sustainable basis.
- **Mobile Multimedia** : Focus on development of new digital businesses to harmonize with the changing consumers’ behaviors and collaboration with the partners on development of mobile phones which are best suits with the customers’ demands including development of new distribution channels and new format of contents communication channels on continued basis.
- **Call Center** : Determine to be the leading service provider on Customer Management Solutions for the CLMV countries by delivering excellent services with international standard quality that beyond the customers’ expectations.
- **Utilities and transportations and Technology Related Services** : Prepare readiness for new business opportunities to be emerged from the consolidation of economic integration of 10 ASEAN countries or “ASEAN Economic Community - AEC”, where main businesses that the Company places importance to are air traffic control and energy businesses.

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

2016

- Samart Waste2Power Co., Ltd. (“SW2P”), a subsidiary with 99.99% indirect holding by Samart U-Trans Co., Ltd., had set up Chiang Mai Waste2Power Co., Ltd. (“CW2P”), a joint venture company with Ferrum Energy Co., Ltd. under shareholder structure at 50% and 50% respectively to provide solid waste management by Refused Derived Fuel (RDF) and sell electricity to Provincial Electricity Authority (PEA). CW2P has registered on May 6, 2015. For the efficient management of CW2P, Ferrum Energy Co., Ltd. has offered to buy SW2P’s ordinary shares in CW2P. The Board of Directors of the Company in its meeting No. 5/2016 on May 11, 2016 has approved SW2P to dispose total of SW2P’s ordinary shares in CW2P at the amount of 99,998 shares or 50% of CW2P registered capital to Ferrum Energy Co., Ltd. at Baht 130 per share or approximately Baht 13 million.
- The Board of Directors of Samart I-Mobile Public Company Limited (“SIM”) No. 1/2016, held on February 5, 2016, approved the Company to joint invest with People Media Group Co., Ltd. (PMG) with registered capital of Bath 60 million under shareholder structure at 51%:49%. The joint investment company will operate E-Commerce business by launching E-Marketplace under the name “Thailandmall.com” of which its dominate point is selling distinctive identity Thai products throughout the world via online and offline integrated channel. It also creates the image and boost up sales of Thai products to foreigners as well.
- The Board of Directors of SIM No. 3/2016, held on March 29, 2016, approved Samart Multimedia Co., Ltd., a subsidiary with 99.99% holding, to acquire 30,000 ordinary shares with par value of Bath 100 per share, representing 100% of the issued and paid-up shares of Phoinikas Co., Ltd. from 3 individual persons, who had no conflict of interests, at the amount of not exceeding Bath 20 million.

Phoinikas Co., Ltd. Provides integrated services of Digital Marketing to cover all of the client marketing needs as well as services in other areas, from Data Analysis - Insight and strategic Planning & Development up to creative of digital & online media and production to achieve business goals. This investment will enhance the potential of the Company’s Multimedia Business and also create new business opportunities to this line of business. In addition, it can create opportunities to expand the Company’s customer base and acquire new business as well as cross-selling.

- On September 29, 2016, SIM had inform the dissolution of 3 inactive subsidiaries namely I-Mobile International Co., Ltd., a subsidiary with 99.99% directly held by the Company, Samart Interactive Media Co., Ltd. and The Nest Bangkok Co., Ltd., subsidiaries with 99.99% and 99.98% indirectly held by the Company’s subsidiary which does not affect the operation of the Company in any manner as they have no longer operated any business.
- The Board of Directors of Samart I-Mobile Plc. (SIM) in its meeting No. 9/2016 on December 15, 2016 has approved the disposal of all investment in Mall (Thailand) Co., Ltd. (MT), a subsidiary with 51% shareholding, to People Media Group Co., Ltd., another shareholder of MT with 49% shareholding, at the investment cost of which approximate to net book value of MT at the transaction date of Bath 15.3 million in order to focus on SIM’s core business. After disposal of this investment, MT will cease to be SIM’s subsidiary.
- On December 28, 2016, SIM had inform the dissolution of 2 inactive subsidiaries namely Brain Source Co., Ltd. and I-Mobile Direct Co., Ltd. subsidiaries with 99.88% directly and indirectly held by SIM according to the resolution of the Extraordinary General Meeting of Shareholders of both subsidiaries on December 28, 2016. These 2 subsidiaries are now under legal and liquidation process which does not affect the operation of the Company in any manner as they no longer operated any business.

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 "SMART-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 SMART-W Warrants. SMART-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 million (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 prorata 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 prorata 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.

Shareholding Structure

As of December 31, 2016, 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 51-52

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 99.62% 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 99.63% 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 4 subsidiaries which its revenue represent over 10% of Group revenue are Samart I-Mobile Public Company Limited, Samart Comtech Co., Ltd. and Cambodia Air Traffic Services Co., Ltd. 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 ^(*)	Percentage of income ^(**) 2016
1	ICT Solution and Service	Provide solutions and services in information and communication technology including Network Solutions, Enhanced Technology in ICT and Business Application ranging from consulting, system design, installation and implementation, operation and maintenance as Total Solutions and Services for clients in government and private sectors.	40.8%
2	Mobile Multimedia	Provide integrated businesses in distribution of mobile phones and wholesale and resale 3G mobile services as well as provide variety of information, news and edutainment content, entertainment business, producing TV programs broadcasted through new media platforms via mobile application, Facebook, YouTube and website in both iOS and Android	24.6%
3	Call Center	Provide Contact Center and Customer Management Services both turnkey implementation and outsourced contact center management.	6.7%
4	Utilities and Transportations	Provide air traffic control services in Cambodia, electricity generation supplied to Kampot Cement factory in Cambodia and also provide design and installation services of electrical power transmission systems.	23.3%
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.	4.6%

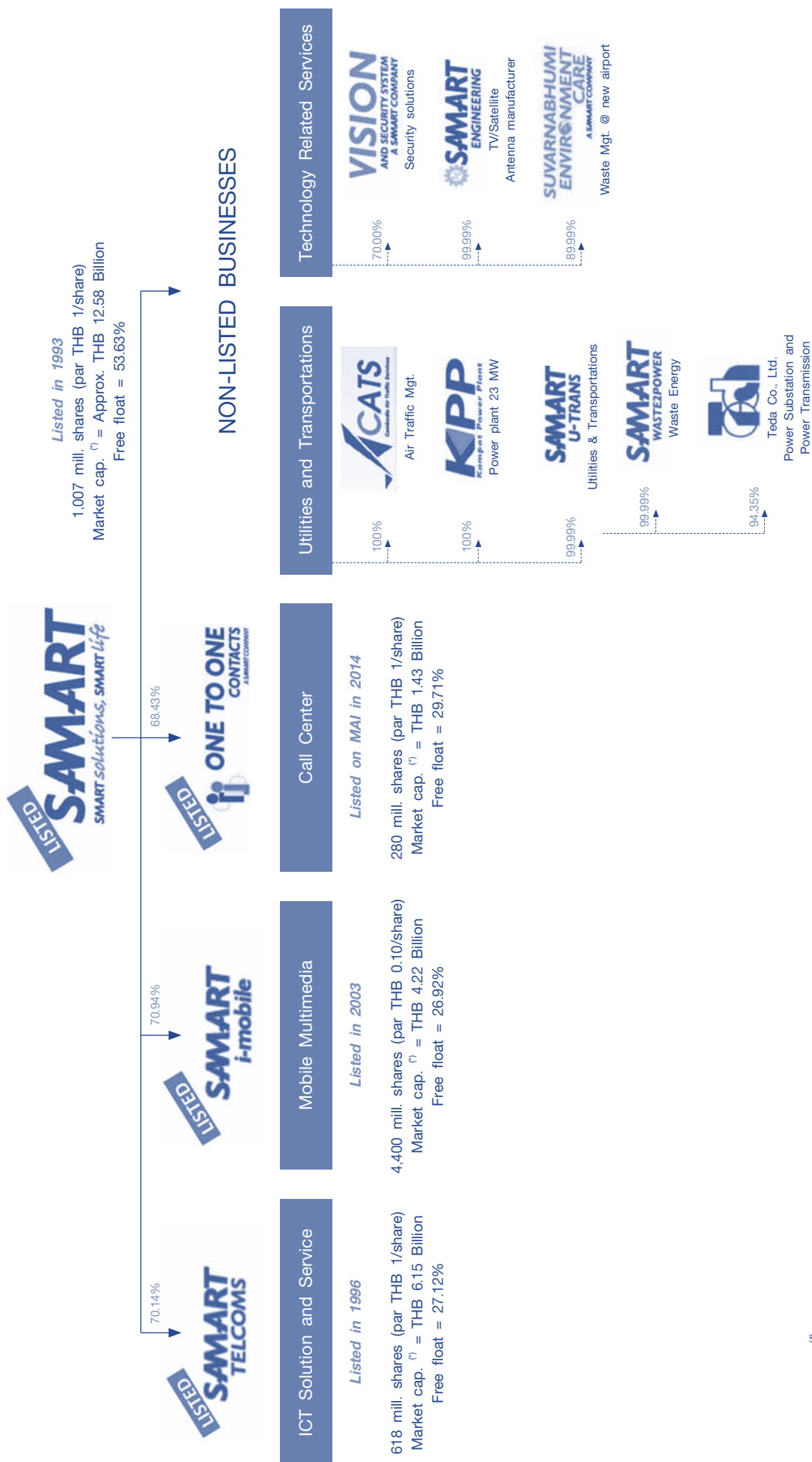
Remarks : ^(*) More information have been disclosed on Company's website (www.samartcorp.com) via Annual Information Disclosure of the Company (56-1 Form) and SEC's website (www.sec.or.th)

^(**) Percentage of 2016 consolidated revenue from sales, contract work and services.

Revenue from sales, contract work and service in 2016 was Baht 13,676 million with gross profit of Baht 2,635 million equivalent to 19.27% of total sales. Selling & Admin Expenses was Baht 2,239 million or 16.13% of total revenue while finance cost was Baht 502 million and tax of Baht 59 million of which resulted to the net profit of Baht 71 million.

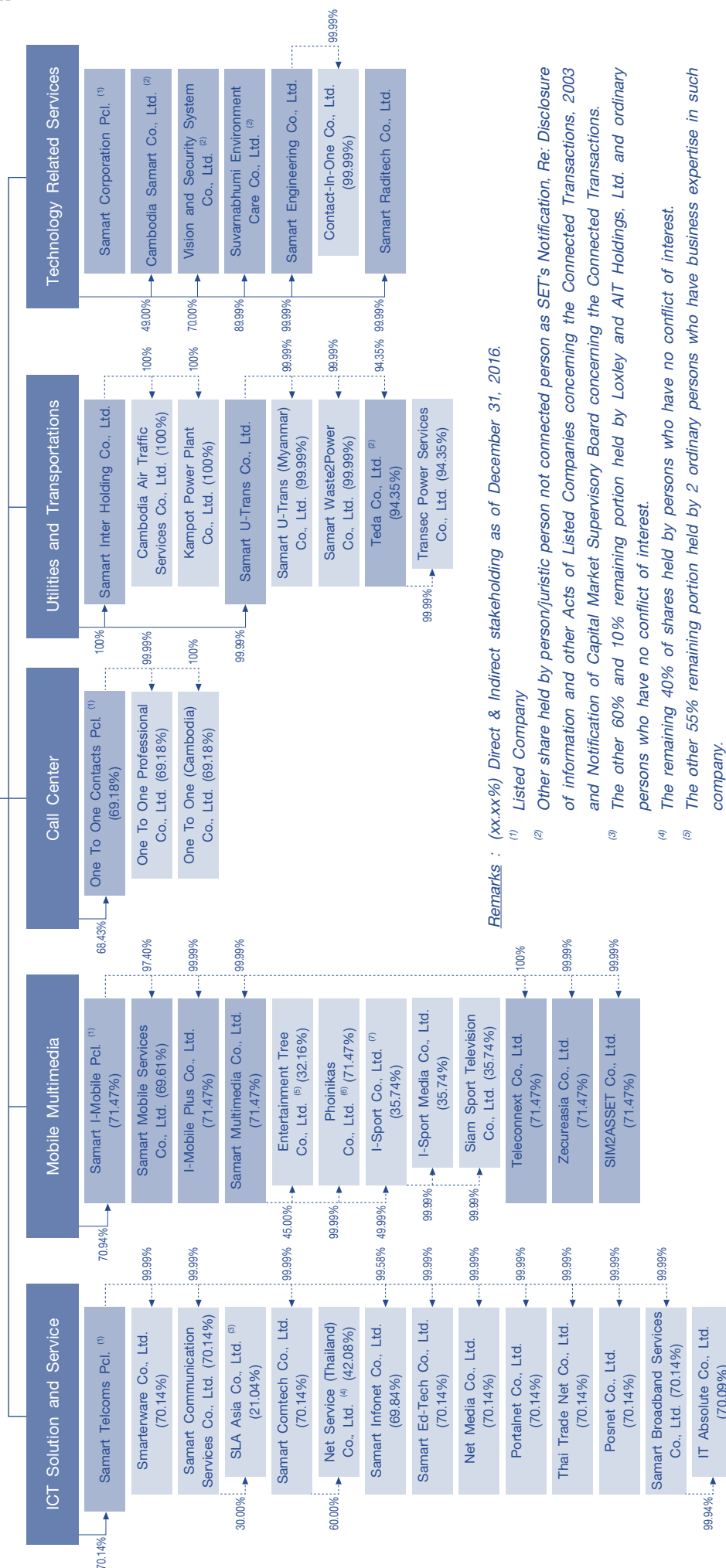
In terms of revenue contribution by lines of business (LOB), ICT Solution and Service generated 40.8% of the Group revenue in 2016, while Mobile Multimedia was 24.6%, Call Center was 6.7%, Utilities and Transportations was 23.3% and Technology Related Services was 4.6%.

Business Structure (by Management)



Business Structure (by Shareholding)

Samart Corporation Public Company Limited



Remarks : (xx.xx%) Direct & Indirect stakeholding as of December 31, 2016.

(1) Listed Company

(2) 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.

(3) The other 60% and 10% remaining portion held by Loxley and AIT Holdings, Ltd. and ordinary persons who have no conflict of interest.

(4) The remaining 40% of shares held by persons who have no conflict of interest.

(5) The other 55% remaining portion held by 2 ordinary persons who have business expertise in such company.

(6) Disposal of all investment to the former shareholder on January 16, 2017.

(7) The other 37.50% and 12.51% remaining portion held by Siam Sport Syndicate Plc. and 9 ordinary persons respectively.

Revenue Structure

(Unit : Million Baht)

Business Group	Operation by Company	% of Holding 2016 ⁽¹⁾	2014		2015		2016	
			Revenue ⁽²⁾	%	Revenue ⁽²⁾	%	Revenue ⁽²⁾	%
1) ICT Solution and Service	Samart Comtech Co., Ltd.	70.14	1,781.8	7.5	2,164.9	11.8	2,470.7	18.1
	Samart Telcoms Pcl.	70.14	1,723.3	7.2	1,118.2	6.1	891.5	6.5
	Samart Communication Services Co., Ltd.	70.14	1,792.7	7.5	1,200.2	6.5	802.5	5.9
	Other subsidiaries	-	1,225.7	5.1	1,173.8	6.4	1,418.5	10.3
Sub Total			6,523.5	27.3	5,657.1	30.8	5,583.2	40.8
2) Mobile Multimedia	Samart I-Mobile Pcl.	71.47	9,566.1	40.1	6,334.8	34.5	2,474.2	18.1
	Other subsidiaries	-	2,787.7	11.6	1,369.7	7.4	883.1	6.5
Sub Total			12,353.8	51.7	7,704.5	41.9	3,357.3	24.6
3) Call Center	One To One Contacts Pcl.	69.18	668.5	2.8	936.6	5.1	916.2	6.7
	Other subsidiaries	-	-	-	3.9	0.0	7.3	0.0
Sub Total			668.5	2.8	940.5	5.1	923.5	6.7
4) Utilities and Transportations	Cambodia Air Traffic Services Co., Ltd.	100	1,207.5	5.1	1,490.4	8.1	1,770.3	12.9
	Other subsidiaries	-	1,206.2	5.1	1,089.9	6.0	1,412.4	10.4
Sub Total			2,413.7	10.2	2,580.3	14.1	3,182.7	23.3
5) Technology Related Services	Samart Engineering Co., Ltd.	99.99	495.6	2.1	586.0	3.2	322.7	2.4
	Other subsidiaries	-	1,424.6	5.9	897.7	4.9	306.1	2.2
Sub Total			1,920.2	8.0	1,483.7	8.1	628.8	4.6
Total Sales and Services income			23,879.7	100.0	18,366.1	100.0	13,675.5	100.0

Remark : ⁽¹⁾ Direct & Indirect stake holding on December 31, 2016

⁽²⁾ Sales and Services income after connected transactions.

Changes during the year

In 2016, Samart Corporation Public Company Limited's total revenue was Baht 13,884 million. Net profit was Baht 71 million from its 5 lines of business.

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

ICT Solution and Service Business (“SAMTEL”)

Samart Telecoms Public Company Limited is one of Thailand's leading ICT solution and service providers. In 2016, SAMTEL won contracts for many projects of more than Baht 7,000 million in total. For example, Baht 2,639 million for a rental core business software from the Provincial Electricity Authority (PEA), Baht 298 million for providing security network system services to the Industrial Estate Authority of Thailand, and Baht 170 million for cloud computing system improvement project for the Ministry of Justice (MOJ). In addition, the Company still has year-end backlogs of Baht 8,777 million.

Mobile Multimedia Business (“SIM”)

Mobile Multimedia underwent the following changes in the past year.

Mobile Business

Aiming to offer the best to its customers, the company adapted well to the intensifying competition by reducing its diversity of mobile phone models and focusing more on the popular models. 2 new smart phone models with 3G and 4G functions were introduced to the market. The Company maintained the high quality and improved the services to meet customers' expectations. Major improvements include:

1. **Products:** The Company is very serious in product development to ensure that only the best products are available. In the past year, i-mobile i-style 712 - with the new operating system Android 6.0 Marshmallow and a dual sim feature - and i-mobile i-style 812 - with 4G reception - were developed to effectively meet the market's demands. Moreover, the Company is a licensed distributor for other mobile phones such as Huawei, OPPO, and Samsung, and will be expanding the business to cover more brands and mobile accessories like power banks, chargers, and phone cases.

The Company constantly improves and brings customers new experiences through renovated stores. This gives a good impression and builds trust. OPEN by i-mobile shops are now all over the country.

There are also O'Fix repair centers and payment services in shops and distributor stores. OPEN by i-mobile offers before and after-sales services ranging from giving advices on how to select the right phone, how to use the phone, and providing additional information which could be useful according to the customer's needs. These services are also posted online at www.i-mobilephone.com. After-sales services are available at nationwide repair centers where customers can bring their phones for check-ups and repairs. Temporary phones are provided during the repair.

In the last quarter of 2016, BlackPhone 2, a new smart phone with security system, was developed by subsidiary company Secure Asia Company Limited. It is planned to be launched in January 2017.

As for MVNO service, in the past year the Company focused on maintaining existing customers and expanding market using Bundle strategy with i-mobile phones. Promotions were launched to boost sales and data consumption. For example, a package with free calls, data, and applications that comes with a phone purchase. Moreover, the Company reached more customers through sale promoters and activity booths. Since November 2015, the Company has signed an agreement with CAT Telecom which is an 850 MHz 3G provider. CAT Telecom's network coverage is nationwide with more than 14,000 cellular base-stations. In May 2016, the Company started its 3G mobile phone brand, OPEN.

2. **Channel of Distribution:** Channels of distribution have been a huge part of the success. In 2016, products were sold through OPEN by i-mobile shops, hypermarkets, major appliance stores, telecommunication stores, computer stores, service provider shops, e-commerce platforms, and the online store at www.i-mobilephone.com
3. **Advertisement and Product Image Development:** During the past year, the Company has been promoting products through advertisements and promotions. Both above the line strategy - placing advertisements on different medias such as television, radio, prints, and digital media - and below the line strategy - arranging promotional events at sales point, road shows, event marketing in IT conferences like Mobile Expo and Commart - were used. Also, the Company communicates regularly with customers through social media and product review articles. These are powerful methods to reach target customers.

Non-Mobile Business

Different approaches have been applied to acknowledge the change in consumers' behaviors. The Company constantly updates fresh contents and information. Also, the company intends to set itself apart from other competitors by introducing different services. For example, Horoworld is not just another online/telephone horoscope service, but also organizes events and activities. In addition, mobile applications are regularly developed to improve communication with customers and increase sales. The Company's contents have been modified for distribution through different channels such as websites, free hand-outs, TV shows. In the past year, the company focused on expanding network and customer reach by starting E-commerce and full-option sports contents. The Company realizes the importance of media and content development, keeping its media up to date. As a result, numbers of website and social media users have constantly increased. The Company and its affiliates will continue expanding its content business.

Call Center Business (“OTO”)

One To One Contacts Pcl. provides outsourced contact center services, which is a growing business. In 2016, Social One, a social media monitoring service, was launched with an aim to provide information management service for social media. The service helps the company to expand its business through social media, reaching more to existing and potential customers. In addition, the Company utilizes Omni-Channel, a new technology which links together information from different channels in order to compile and analyze consumers' behaviors for business owners.

The Company's services constantly meet various international standards, including:

- ISO 9001:2015 - Quality management systems
- ISO/IEC 20000-1:2011- IT Service Management System
- ISO/IEC 27001:2013 - Information Security Management System
- Frost & Sullivan Thailand Excellence Awards 2016: Outsourced Contact Center Service Provider of the Year (5 consecutive years)

Utilities and Transportations Business

Samart U-Trans Company Limited (“SUT”)

SUT aims to expand Utilities and Transportations. In 2016, the Company was preparing for the waste-to-energy power purchase bidding in the coming year. Moreover, the Company sees possibilities of different power plants both in Thailand and neighboring countries such as coal-fired power plant, hydroelectric power plant, and transmission line business to prepare for Utilities and Transportations business growth.

Cambodia Air Traffic Services (“CATS”)

Cambodia Air Traffic Services is an air traffic control service provider in Cambodia, and also the Company’s key source of recurring revenue. In 2016, CATS served more than 95,715 flights, which was an increase of 10.50% from the prior year. More flights each year are still expected.

TEDA Company Limited (“TEDA”)

TEDA is SUT’s subsidiary company. It is a leader in power substation and transmission line design and construction with Metropolitan Electricity Authority (MEA), Provincial Electricity Authority (PEA) and Electricity Generating Authority of Thailand (EGAT) as major customers. In 2016, the Company signed contracts for several projects adding up to Baht 2,000 million. For example, Baht 1,163 million project including construction of 500/230kV high-voltage power stations KhonKaen 3 and 4, and Baht 1,241 million SuratThani-Phuket transmission line construction project.

Technology Related Services

Samart Engineering Company Limited (“SE”)

SE is a manufacturer and distributor of Digital TV receivers and set-top-boxes. During the past year, the Company had expanded the business to cover digital TV receivers for high buildings (Digital Head-end).

Industry and Competition Overview

Economic Overview

World economy was decelerating during the first half of 2016, as a result of China reducing exportation which after a decrease in demand from other countries, especially the United States. Japan's economy as well slowed down significantly. The first quarter GDP reached the lowest at 0%. In Europe, the economy recovered very slowly, but the situation eased up after EU and IMF's loan approval to the Greek government. In the second half of the year, the economy became unstable due to many contributing factors, including the UK leaving EU (Brexit), the Deutsche Bank crisis, and the US president election. These events negatively affected the Euro Zone economy.

Export continuously declined and caused production to cease as a consequence. Due to the instability of the Euro Zone economy, investors turned to lower-risk markets like Japan, which is considered a 'safe haven', causing Japanese Yen to continuously rise. This affected Japan's export sector and consequently, Japan's operating result. As for the U.S., overall economy was still weak. Employment outside of agricultural sector was lower than expected. Real estate sector also had weakened. As a result, IMF's U.S. GDP forecast this year and next year stood 1.6% and 2.2%, from 2.2% and 2.5% respectively. However, exportation growth in August, which was the first time in the last 20 months and improved PMI of the production sector resulted in the Central Bank announcing an increase in their interest rate. In China, following the PMI, the situation slightly improved in both production and service sectors. However, export sector still was quite weak. And banks faced greater risks of non-performing loans.

Thai economy in the first half of 2016 was gradually recovering, thanks to consumption of private sectors and tourism. Consumption increased after the drought situation was resolved. Tourism was better with increasing amount of local and foreign tourists. Most business owners were still cautious in investing because there was still some uncertainty in the demand recovery both in Thailand and internationally, especially in the export sector that suffered from economy recess in partner countries.

In the second half of 2016, Thai economy continued growing at a reduced rate. Credit business decelerated while non-performing loans increased. Private sector consumption slowed down due to less purchasing power from non-agricultural sectors, especially commercial sector. Farmers' income situation still hadn't fully recovered. Consequently, both agricultural and non-agricultural household confidence was still on the low side. Investment seemed to improve in some industries, for example, renewable energy, which had earned the government's support. Public sector expenses, both regular and investment expenses, increased and continued being the major economic drive. Foreign tourists decreased from last year, especially Chinese and Malaysian tourists, while more tourists from Europe, Russia, and the U.S. were seen. Despite a decrease in tourists, tourism income still increased. Domestic tourism was still expected to be quiet.

Information and Communication Technology Industry

Development of Infrastructure and Broadcasting

Office of the National Broadcasting and Telecommunications Commission (NBTC) continued to educate people on digital TV antenna installation to prepare for the higher-quality digital TV era with greater variety of channels. In June 2016, more than 90% of the digital TV network had been installed, including 45 main stations and 39 auxiliary stations as planned. The goal was to enable consistent signal reception in the ground system.

As for digital economy, a major policy to improve the economy and society using digital technology, Ministry of Digital Economy and Society was founded. Also, a draft version of the Digital Economy Planbook for 2016-2020 was created to enforce broadband service to reach remote areas with a minimum speed of 4 Mbps, schools, local hospitals, and community IT center with 30 Mbps, and regional public organizations with 100 Mbps. In addition, it was planned to make Thailand an ASEAN communication hub by investing in an international-standard data center in the country. Also, SMEs were encouraged to increase their GDP share to improve digital economy.

Transition from 3G to 4G technology allows more investment. In 2016, it increased as telecommunication companies started investing more. This was beneficial to network installation companies. Operators must prepare core networks to handle rapidly increasing data traffic due to LTE advance technology.

Telecommunication Industry: Mobile Device Usage

Nowadays, mobile devices have become an essential part of everyday life. According to the poll about ICT and telecommunication technology usage in the household level arranged by the National Statistical Office in 2016, surveyed on 62.8 million people over 6 years old, the number of mobile device users increased from 49.6 million (79.3%) in the previous year to 51.1 million (81.4%). Municipal areas see higher ratio of users at 86.6%, compared to 77.2% in non-municipal areas. Moreover, the number of users who own at least 2 devices also increased, and so did Smartphone users. Smartphones provide functions to make life more convenient. For example, social networks, online shopping, internet banking, stock trading, and much more. That is the reason Smartphone sales increased. The industry has tremendously expanded over the past years.

In addition to the increasing mobile device usage, mobile phone companies are competing heavily with each other. In 2016, promotions such as discounted prices were launched to attract customers. Non-voice service was introduced, resulting in the competition becoming more intense.

Telecommunication Industry: Telecommunication Services

Arrival of 1800 MHz and 900 MHz 4G network resulted in aggressive competition between service providers. They accelerated 4G network expansion to cover all provinces in Thailand. Transition from 3G to 4G and increasing Smartphone usage had a positive impact on application and content development. Once data can be sent and received smoothly over the network, a lot more mobile applications will be created to serve various businesses and users. Data traffic will rise with people's need for news and information. Smart device usage also plays a part in increasing the amount of users, most of which own more than 1 smart device.

Competition in Thailand's mobile device industry in 2016 was still intense. Service providers aimed to gain new customers while maintain existing customers. Service fee was cheap and discounts were also given out. However, in such a competitive industry, market share, profit margin, and operator's cash flow tend to decrease.

Risk Factors

Currently, Samart Corporation Public Company Limited operates in 5 major businesses: 1) ICT Solution and Service, 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 Solution and Service

ICT Solution and Service 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 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 Solution and Service 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 2016, the Company had trading account receivables in the amount of Baht 8,681.33 million whereby the account receivables of Baht 2,265.14 million past due for more than 12 months. However, the Company has booked the allowance for bad debts to amount of Baht 124.75 million. 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 2016, the Company had short-term investments in securities to amount of Baht 70.27 million. 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 ⁽¹⁾	464,458,195	46.15
- Vilailuck International Holding Co., Ltd. ⁽²⁾	185,352,200	18.42
- Mr. Watchai Vilailuck ⁽³⁾	126,005,535	12.52
- Mr. Charoenrath Vilailuck ⁽³⁾	112,734,960	11.20
- Mr. Thananan Vilailuck ⁽³⁾	30,012,100	2.98
- Mrs. Siripen Vilailuck	5,960,250	0.59
- Ms. Srintip Vilailuck	2,350,000	0.23
- Mrs. Sukanya Vanichjakvong	2,043,150	0.20
2. Bualuang Long - Term Equity Fund	40,159,600	3.99
3. Mr. Sakchai Sakchaicharoenkul	19,000,000	1.89
4. Bualuang Long - Term Equity Fund 75/25	16,579,200	1.65
5. Mr. Apisak Theppadungporn	15,416,000	1.53
6. Bualuang Infrastructure RMF	12,582,000	1.25
7. THAI NVDR Co., Ltd.	12,536,649	1.24
8. Electricity Generating Authority of Thailand Registered Provident Fund by BBL Asset Management Ltd.	12,330,800	1.23
9. Bualuang Flexible RMF	11,428,100	1.13
10. HSBC (SINGAPORE) NOMINEE PTE LTD	10,970,400	1.09
Total of top ten Major Shareholders	615,460,944	61.15
Total of the minority shareholders	391,042,966	38.85
Total paid up shares	1,006,503,910	100.00

Remark : Major Shareholders' report as of December 30, 2016 prepared by Thailand Securities Depository Co., Ltd.

⁽¹⁾ Vilailuck International Holding Co., Ltd., Mr. Chareonrath 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;

⁽²⁾ A holding company with 5 shareholders and stakeholding as follows :

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

⁽³⁾ 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 ⁽¹⁾	3,207,435,500	72.89
- Samart Corporation Pcl. ⁽²⁾	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 ⁽³⁾	14,900,000	0.34
- Mr. Watchai Vilailuck ⁽³⁾	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. Mr. Nuttapol Jurangkool	158,309,800	3.60
3. Mr. Thaveechat Jurangkool	88,658,500	2.02
4. Mr. Adul Boonrod	57,450,000	1.31
5. Provident Fund of Electricity Generating Authority of Thailand	40,288,100	0.92
6. Ms. Chomkamol Poompanmoung	29,001,800	0.66
7. Mr. Somruay Sae-Lim	15,400,900	0.35
8. EAST FOURTEEN LIMITED-EMERGING MARKETS SMALL CAP SERIES	14,993,100	0.34
9. EAST FOURTEEN LIMITED-DFA EMERG MARKET CORE EQ PORT	14,498,900	0.33
10. Mr. Prin Chirathivat	13,115,000	0.30
Total of top ten Major Shareholders	3,639,151,600	82.72
Total of the minority shareholders	761,098,400	17.28
Total paid up shares	4,400,250,000	100.00

Remark : Major Shareholders' report as of December 30, 2016 prepared by Thailand Securities Depository Co., Ltd.

⁽¹⁾ Samart Corporation Public Company Limited, Samart Telcoms Public Company Limited, Vilailuck International Holding Co., Ltd., Mrs. Sukanya Vanichjakvong, Mr. Watchai Vilailuck, Samart U-Trans Co., Ltd., One to One Contacts Public Company Limited 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;

⁽²⁾ A holding company of which Vilailuck International Holding Co., Ltd. and Vilailuck family hold 18.42% and 27.73% of the total shares respectively;

⁽³⁾ Includes holding by spouse and minor child.

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 ⁽¹⁾	447,374,400	72.39
- Samart Corporation PCL. ⁽²⁾	433,464,590	70.140
- Vilailuck International Holding Co., Ltd.	8,155,200	1.320
- Mrs. Sukanya Vanichjakvong ⁽³⁾	1,150,000	0.186
- Mr. Watchai Vilailuck ⁽³⁾	1,650,010	0.267
- Mr. Charoenrath Vilailuck ⁽³⁾	2,854,600	0.462
- Mr. Thananan Vilailuck ⁽³⁾	50,000	0.008
- Lobburi Industrial Estate Co., Ltd.	50,000	0.008
2. Bangkok Bank PCL.	29,966,560	4.85
3. Bualuang Long-Term Equity Funds (LTF)	12,333,400	2.00
4. Thai NVDR Co., Ltd.	8,546,667	1.38
5. Miss Woramas Sriwatanaprapa	6,030,300	0.98
6. Bualuang Flexible Retirement Mutual Funds	5,278,800	0.85
7. Bualuang Infrastructure Retirement Mutual Funds	4,355,300	0.70
8. Mr. Sutat Luangdansakul	3,800,000	0.62
9. Bualuang Siriphol Corporate Governance	3,067,400	0.50
10. Mrs. Natteera Boonsri	2,740,700	0.44
Total of top ten Major Shareholders	523,493,527	84.71
Total of the minority shareholders	94,506,473	15.29
Total paid up shares	618,000,000	100.00

Remark : Major Shareholders' report as of December 30, 2016 prepared by Thailand Securities Depository Co., Ltd.

⁽¹⁾ Samart Corporation PCL., Vilailuck International Holding Co., Ltd., Mrs. Sukanya Vanichjakvong, Mr. Watchai Vilailuck, Mr. Charoenrath Vilailuck, Mr. Thananan Vilailuck and Lobburi Industrial Estate Co., Ltd. as acting in concert according to the determination of the relationship or Behavior as an act with another person and the compliance with Section 246 and Section 247;

⁽²⁾ A holding company of which Vilailuck International Holding Co., Ltd. and Vilailuck family hold 18.42% and 27.73% of the total shares respectively;

⁽³⁾ Includes holding by spouse and minor child.

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. ^(*)	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	100.00

Remark : Shareholders' register book as of December 31, 2016.

^(*) 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%.

2.4 The shareholders of Cambodia Air Traffic Services Co., Ltd. are :

Name of shareholders	No. of shares held (Shares)	% of Total Shares
1. Samart Inter Holding Co., Ltd. ^(*)	250,000	100.00
Total of Shareholders	250,000	100.00

Remark : Shareholders' register book as of December 31, 2016.

^(*) The Listed Company operating on overseas infrastructure investment in Indo China with Samart Corporation Pcl. hold 100% as major shareholder.

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	2016 ⁽¹⁾	2015	2014
Earning Per share (Baht)	0.07	0.80	1.48
Dividend Per Share (Baht)	0.19	0.50	0.85
Dividend payout ratio (%)	268.62	62.29	57.63

Remarks : ⁽¹⁾ The Company has returned profit to its shareholders by way of dividend payment. Dividend for 2016 has been proposed for consideration of the shareholders at Baht 0.19 per share. Interim dividend for first six-month performance was paid on September 2016 at Baht 0.11 per share. The balance of Baht 0.08 will be paid on May 2017 of which subject to the approval of the shareholders. Total dividend payment will be 268.62% 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.	Samart I-Mobile Pcl. 99/10 Moo 4, Software Park, 26 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6000 Fax. 0-2502-6900	Provide integrated businesses in distribution of mobile phones and wholesale and resale 3G mobile services as well as provide variety of information, news and edutainment content, entertainment business, producing TV programs broadcasted through new media platforms via mobile application, Facebook, YouTube and website in both iOS and Android.	440	4,400,250,000	3,121,579,000	70.94
2.	Samart Mobile Services Co., Ltd. 37/1 Moo 2, Phaholyothin Rd., Klong Nueng, Klongluang, Pathumthanee 12120 Tel. 0-2502-6000 Fax. 0-2502-6496	Provide wholesale and resale 3G mobile services including telecommunication services	490	49,000,000	47,724,999 ⁽¹⁾	97.40
3.	Samart Multimedia Co., Ltd. 99/12 Moo 4, Software Park, 24 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6000 Fax. 0-2502-8136	Provide content services via fully integrated wire and wireless technologies both voice service via Audiotext and Call Center, and non voice services including content producer and developer.	200	2,000,000	1,999,997 ⁽¹⁾	99.99
4.	I-Sport Co., Ltd. 99/12 Moo 4, Software Park, 24 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6000 Fax. 0-2502-8136	Provide a full range of sport business from sport information services via digital channel, event, organizer, sport trip & tour, e-commerce of sport products and benefit management to sport player.	120	12,000,000	5,999,996 ⁽²⁾	49.99
5.	Teleconnext Co., Ltd. 183 Hopewell Centre, 23/F, Queen's Road East, Wanchai, Hong Kong Tel. 852-2980-1888 Fax. 852-2956-2192	Distribute mobile phones bundling with content services and provider interactive multimedia services in Hong Kong.	5,000,000 (HK\$)	5,000,000	5,000,000 ⁽¹⁾	100.00
6.	I-Mobile Plus Co., Ltd. 99/10 Moo 4, Software Park, 26 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6200 Fax. 0-2502-8532	Provide wholesale and resale 3G mobile service including telecommunication services	100	10,000,000	9,999,997 ⁽¹⁾	99.99
7.	Zecureasia Co., Ltd. (Formerly known as I-Mobile Inter Trade Co., Ltd.) 99/10 Moo 4, Software Park, 26 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6200 Fax. 0-2502-8532	Distribute mobile phones bundling with content services including security products and solution.	1.25	125,000	124,997 ⁽¹⁾	99.99

No.	Company	Type of Business	Registered Capital (Million Baht)	Outstanding Ordinary Share	Smart's Holdings	
					Amount	%
8.	Entertainment Tree Co., Ltd. 99/12 Moo 4, Software Park, 24 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6103 Fax. 0-2502-6361	Produce, distribute and provide variety of entertainment media, through television, telephone, internet satellite and others including provide installation of equipment, network, facilities and other related services.	5	500,000	225,000 ⁽²⁾	45.00
9.	I-Sport Media Co., Ltd. 99/12 Moo 4, Software Park, 24 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6000 Fax. 0-2502-8136	Operate business relating to sport advantages such as competition provider, live broadcasting, others activities and benefit management to sport player.	1	100,000	99,997 ⁽³⁾	99.99
10.	Siam Sport Television Co., Ltd. 66/26 Ramintra Rd., Nuanchan, Buang-gum, Bangkok 10230 Tel. 0-2502-6000 Fax. 0-2502-8136	TV Program owner on digital TV, 3 Sport Channels on True Vision, Production outsource, Live Broadcast and taped sporting events.	60	6,000,000	5,999,994 ⁽³⁾	99.99
11.	Phoinikas Co., Ltd. ⁽¹³⁾ 555 Phaholyothin Rd., Chatuchak, Bangkok 10900 Tel. 0-2502-6000 Fax. 0-2502-8136	Provide integrated Digital Marketing services covering a full range of client advertising and marketing needs.	3	30,000	29,998 ⁽²⁾	99.99
12.	SIM2ASSET Co., Ltd. 99/10 Moo 4, Software Park, 26 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6000 Fax. 0-2502-6491	Provide real estate agent services.	5 (Paid-up capital of Baht 2.5 million)	500,000	499,997 ⁽¹⁾	99.99
13.	Samart Telcoms Pcl. 99/7 Moo 4, Software Park, 29 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6610 Fax. 0-2502-6648	1. Multimedia communication service via satellite. 2. High Speed Multimedia Network rental service. 3. IT and Communication system distribution and installation service.	738	618,000,000	433,464,590	70.14
14.	Samart Communication Services Co., Ltd. 99/7 Moo 4, Software Park, 29 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6610 Fax. 0-2502-6648	Telecommunication networks services comprising procurement, operations, maintenance and repair of telecommunication equipment.	500	5,000,000	4,999,994 ⁽⁴⁾	99.99
15.	Samart Comtech Co., Ltd. 99/2 Moo 4, Software Park, 34 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6610 Fax. 0-2502-6648	Providing consulting, design, installation, operation management and maintenance services regarding information technology, communication system including advanced, specialized technologies.	225	2,250,000	2,249,995 ⁽⁴⁾	99.99

No.	Company	Type of Business	Registered Capital (Million Baht)	Outstanding Ordinary Share	Samart's Holdings	
					Amount	%
16.	Samart Broadband Services Co., Ltd. 99/7 Moo 4, Software Park, 29 th Fl., Chaengwattana Rd., Klong Gluar Pak-kred, Nonthaburi 11120 Tel. 0-2502-6610 Fax. 0-2502-6648	Data communication service over local broadband networks.	55.25	5,525,000	5,524,997 ⁽⁴⁾	99.99
17.	Thai Trade Net Co., Ltd. 99/27 Moo 4, Software Park, 8 th Fl., Chaengwattana Rd., Klong Gluar Pak-kred, Nonthaburi 11120 Tel. 0-2502-6610 Fax. 0-2502-6648	Electronic Data Interchange (EDI) and total value added services.	53	5,300,000	5,299,993 ⁽⁴⁾	99.99
18.	Posnet Co., Ltd. 99/4 Moo 4, Software Park, 32 nd Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6610 Fax. 0-2502-6648	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 ⁽⁴⁾	99.99
19.	Samart Ed-Tech Co., Ltd. 99/29 Moo 4, Software Park, 6 th 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 ⁽⁴⁾	99.99
20.	Samart Infonet Co., Ltd. 99/12 Moo 4, Software Park, 24 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6610 Fax. 0-2502-6648	Providing high-quality Internet Services for government and corporate organizations with FTTx, G.SHDSL, MPLS, Leased Line and Gigabit Internet including Co-Location and Cloud Hosting services along with Zimple, easy-to-use mini ERP service on cloud, for SME customers to manage accounting, finance, inventory and more.	62	6,200,000	6,173,794 ⁽⁴⁾	99.58
21.	Smarterware Co., Ltd. 99/25 Moo 4, Software Park, 10 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6610 Fax. 0-2502-6648	Total services for software development with consulting services for software design including specialized services in software engineering.	10	100,000	99,993 ⁽⁴⁾	99.99
22.	Net Media Co., Ltd. 99/2 Moo 4, Software Park, 34 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6610 Fax. 0-2502-6648	Providing video compression services and communication link for satellite uplink.	10.32	103,200	103,198 ⁽⁴⁾	99.99
23.	IT Absolute Co., Ltd. 99/2 Moo 4, Software Park, 34 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6610 Fax. 0-2502-6648	Distributor of electronic and technology equipments.	225	22,500,001	22,485,593 ⁽⁵⁾	99.94

No.	Company	Type of Business	Registered Capital (Million Baht)	Outstanding Ordinary Share	Samart's Holdings	
					Amount	%
24.	Portalnet Co., Ltd. 99/7 Moo 4, Software Park, 29 th Fl., Chaengwattana Rd., Klong Gluar Pak-kred, Nonthaburi 11120 Tel. 0-2502-6610 Fax. 0-2502-6648	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 ⁽⁴⁾	99.99
25.	Net Service (Thailand) Co., Ltd. 62 Thaniya Building, 10 th Fl., Silom Road, Suriyawong, Bangrak, Bangkok 10500 Tel. 0-2632-9396-9 Fax. 0-2632-9395	Services on development of IT system including software design and development for government and private sectors.	20	2,000,000	1,199,999 ⁽⁶⁾	60.00
26.	SLA Asia Co., Ltd. 99/7 Moo 4, Software Park, 29 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6610 Fax. 0-2502-6648	Providing services abroad regarding design and implementation of telecommunication and IT system including trading and maintenance of IT equipment in CLMV countries (Cambodia, Lao, Myanmar and Vietnam) in Southeast Asia.	30	300,000	90,000 ⁽⁷⁾	30.00
27.	One To One Contacts Pcl. 99/19 Moo 4, Software Park, 17 th 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	68.43
28.	One To One (Cambodia) Co., Ltd. 18-E4, 4th floor, The Icon Professional Building 216, Norodom Blvd., Tonle Bassac, Chamkarmorn, Phnom Penh, Kingdom of Cambodia Tel. (855) 23-932-222 Fax. (855) 23-932-223	Fully Outsourced Contact Center Management Services in Cambodia.	440,000 (USD)	88,000	88,000 ⁽⁸⁾	100.00
29.	One To One Professional Co., Ltd. 99/19 Moo 4 Software Park, 17 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2685-0000 Fax. 0-2685-0050	Provide Consultancy Service on personal management, recruitment, Contact Center Management Services and Debt collection.	1	100,000	99,997 ⁽⁸⁾	99.99
30.	Cambodia Air Traffic Services Co., Ltd. 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 ⁽¹⁰⁾	100.00
31.	Kampot Power Plant Co., Ltd. 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 ⁽¹⁰⁾	100.00

No.	Company	Type of Business	Registered Capital (Million Baht)	Outstanding Ordinary Share	Samar's Holdings	
					Amount	%
32.	Cambodia Samart Co., Ltd. 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	Distribute telecommunication equipment in Cambodia.	50,000,000 (Riel)	100	49	49.00
33.	Samart U-Trans Co., Ltd. 99/2 Moo 4, Software Park, 34 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6000 Fax. 0-2502-6176	System Integrator for Transportation, Energy and Utilities System.	500	100,000,000	99,999,994	99.99
34.	Suvarnabhumi Environment Care Co., Ltd. 99/2 Moo 4, Software Park, 34 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2134-3556 Fax. 0-2134-3558	Total Waste Management Solution in Suvarnabhumi Airport including construction of building, providing of equipment and implementation of Waste Management System. (Contract due date for Total Waste Management on Sep. 14, 2016)	50	5,000,000	4,499,994	89.99
35.	Vision and Security System Co., Ltd. 99/2 Moo 4, Software Park, 34 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6999 Fax. 0-2502-6393	Distribution, installation and maintenance of Security and Communication Systems.	20	2,000,000	1,400,000	70.00
36.	Samart Engineering Co., Ltd. 59 Moo 2, Phaholyothin Rd., Klong Nuang, Klongluang, Pathumthanee 12120 Tel. 0-2516-1188 Fax. 0-2516-4589	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
37.	Contact-In-One Co., Ltd. 99/3 Moo 4, Software Park, 33 rd Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2516-1188 Fax. 0-2516-4589	Institution for satellite dishes installation training.	1	100,000	99,993 ⁽⁹⁾	99.99
38.	Samart Inter Holding Co., Ltd. Level 54 Hopewell Centre, 183 Queen's Road East, Hong Kong Tel. 852-2980-1600 Fax. 852-2956-2192	A regional holding company for overseas infrastructure investment in Indo China.	20,000,000 (USD)	17,000,000	17,000,000	100.00
39.	Samart Raditech Co., Ltd. 99/2 Moo 4, Software Park, 34 th 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

No.	Company	Type of Business	Registered Capital (Million Baht)	Outstanding Ordinary Share	Samart's Holdings	
					Amount	%
40.	Teda Co., Ltd. 99/2 Moo 4, Software Park, 34 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6000 Fax. 0-2502-6904	Be Engineering, Procurement and Construction (EPC) Contractor and maintenance services for Power Substations and Power Transmission.	407.5	40,750,000	38,448,707 ⁽¹¹⁾	94.35
41.	Transec Power Services Co., Ltd. 99/2 Moo 4, Software Park, 34 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6000 Fax. 0-2502-6904	Contractor : Installation & Commissioning and Maintenance services for Power Substation & any High Voltage system.	15	150,000	149,998 ⁽¹²⁾	99.99
42.	Samart Waste2Power Co., Ltd. 99/2 Moo 4, Software Park, 34 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6000 Fax. 0-2502-6176	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 ⁽¹¹⁾	99.99
43.	Samart U-Trans (Myanmar) Co., Ltd. No. 40, Baho Street, Sanchaung Township, Yangon, 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	49,999 ⁽¹¹⁾	99.99

Remarks : ⁽¹⁾ Held by Samart I-Mobile Pcl.

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

⁽³⁾ Held by I-Sport Co., Ltd.

⁽⁴⁾ Held by Samart Telcoms Pcl.

⁽⁵⁾ Held by Samart Broadband Services Co., Ltd.

⁽⁶⁾ Held by Samart Comtech Co., Ltd.

⁽⁷⁾ Held by Samart Communication Services Co., Ltd.

⁽⁸⁾ Held by One To One Contacts Pcl.

⁽⁹⁾ Held by Samart Engineering Co., Ltd.

⁽¹⁰⁾ Held by Samart Inter Holding Co., Ltd.

⁽¹¹⁾ Held by Samart U-Trans Co., Ltd.

⁽¹²⁾ Held by Teda Co., Ltd.

⁽¹³⁾ Disposal of all investment to the former shareholders on January 16, 2017.

Management Structure

Board of Directors as of December 31, 2016

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

Remark : ^(*) 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, 2016).

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

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

Qualifications of Independent Director

1. Holding not **more than 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/or the Company's shareholders.

Roles and Responsibilities of Directors

1. Conduct business with responsibility, due care, and integrity uphold the duties according to the law, and Company's objectives, Articles of Association, resolutions of the Board of Directors and shareholders' meeting as well as disclosure sufficient information to the Shareholders;
2. Formulate policies and directions for the Company's operations. The Board must also supervise managerial and administrative departments to deliver all policies 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).

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. Therefore, the latest policies and operating guidelines on delegation of authorizes has been approved from the Executive Meeting No.12/2016 on December 22, 2016 effective on January 1, 2017 onwards.

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, 2016 for 4 companies as follows:

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

- | | |
|--|--|
| 1. Mr. Piyapan Champasut ⁽¹⁾ | 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 ⁽²⁾ | Director / Risk Management Committee Member |
| 5. Mr. Watchai Vilailuck ⁽²⁾⁽³⁾ | Authorized Director / Chief Executive Officer / Executive Chairman / Chairman of the Risk Management Committee |
| 6. Mr. Chakkrit Charuchinda ⁽⁴⁾ | Director |
| 7. Mrs. Sukanya Vanichjakvong ⁽²⁾ | Authorized Director / President / Chairman of Sustainable Development Committee / Executive Director / Risk Management Committee Member / Corporate Governance Committee Member / Nominating and Compensation Committee Member |
| 8. Mr. Pracha Phathayakorn ⁽²⁾ | Authorized Director / Executive Director / Risk Management Committee Member / Sustainable Development Committee Member |

Remark : ⁽¹⁾ Has been appointed as Chairman of the Board of Directors and Audit Committee member on March 1, 2016;

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

⁽³⁾ Has been appointed as Chief Executive Officer on November 1, 2016;

⁽⁴⁾ Resigned from Chief Executive Officer on October 31, 2016 and from directorship on February 15, 2017.

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 ⁽¹⁾ | Director / Corporate Governance Committee Member |
| 6. Mr. Charoenrath Vilailuck ⁽²⁾ | Executive Director / Risk Management Committee Member |
| 7. Mr. Watchai Vilailuck ⁽²⁾ | Executive Director / Chief Executive Officer & Executive Chairman / Chairman of the Risk Management Committee |
| 8. Mr. Thananan Vilailuck ⁽²⁾ | Executive Director / Risk Management Committee Member |
| 9. Mr. Sirichai Rasameechan ⁽²⁾ | Executive Director / Risk Management Committee Member |
| 10. Mr. Jong Diloksombat ⁽²⁾ | Executive Director / President / Risk Management Committee Member / Corporate Governance Committee Member / Chairman of the Sustainable Development Committee |

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

⁽²⁾ 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 |

4) Board of Directors of Cambodia Air Traffic Services Co., Ltd. ("CATS")

- | | |
|--------------------------------|----------|
| 1. Mr. Padet Limpisvasti | Chairman |
| 2. Mr. Charoenrath Vilailuck | Director |
| 3. Mr. Watchai Vilailuck | Director |
| 4. Mr. Teerachai Phongpanangam | Director |

Report of Directors attendance of the Company and Major Subsidiaries in 2016⁽¹⁾

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)	Cambodia Air Traffic Services Co., Ltd. (CATS)
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	8/8	-	-	-	-
6. Mr. Sirichai Rasameechan	7/8 ⁽²⁾	-	6/7 ⁽²⁾	-	-
7. Mr. Charoenrath Vilailuck	8/8	9/9	7/7	2/2	4/4
8. Mr. Watchai Vilailuck	8/8	9/9	7/7	2/2	4/4
9. Mr. Piyapan Champasut	-	7/9 ⁽⁴⁾	-	-	-
10. Dr. Chotivid Chayavadhanangkur	-	8/9	-	-	-
11. Mr. Kunthit Arunyananda	-	9/9	-	-	-
12. Mr. Thananan Vilailuck	4/8 ⁽³⁾	3/9 ⁽⁵⁾	3/7 ⁽³⁾	-	-
13. Mr. Jong Diloksombat	-	-	7/7	2/2	-
14. Mr. Pracha Phathayakorn	-	8/9	-	-	-
15. Mrs. Sukanya Vanichjakvong	-	9/9	-	-	-
16. Mr. Chakkrit Charuchinda	-	7/9 ⁽⁶⁾	-	-	-
17. Mr. Sombut Uthaisang	-	-	7/7	-	-
18. General Sumpun Boonyanun	-	-	7/7	-	-
19. Mr. Vichai Pokasamrit	-	-	7/7	-	-
20. Ms. Rapeepan Luangaramrut	-	-	7/7	-	-
21. Mr. Kajornvut Tayanukorn	-	-	6/7 ⁽⁷⁾	-	-
22. Mr. Pornchai Krivichian	-	-	-	2/2	-
23. Miss Chotika Kamloonwesaruch	-	-	-	1/2 ⁽⁸⁾	-
24. Mr. Suchart Duangthawee	-	-	-	2/2	-
25. Mr. Padet Limpisvasti	-	-	-	-	4/4
26. Mr. Teerachai Phongpanangam	-	-	-	-	4/4

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

⁽²⁾ Due to sickness;

⁽³⁾ Has been appointed as Director, effective on April 29, 2016;

⁽⁴⁾ Has been appointed as Chairman of the Board of Directors and Audit Committee member on March 1, 2016;

⁽⁵⁾ Resigned from SIM's Director, effective on April 25, 2016;

⁽⁶⁾ Resigned from SIM's Director, effective on February 15, 2017;

⁽⁷⁾ The Company business engagement;

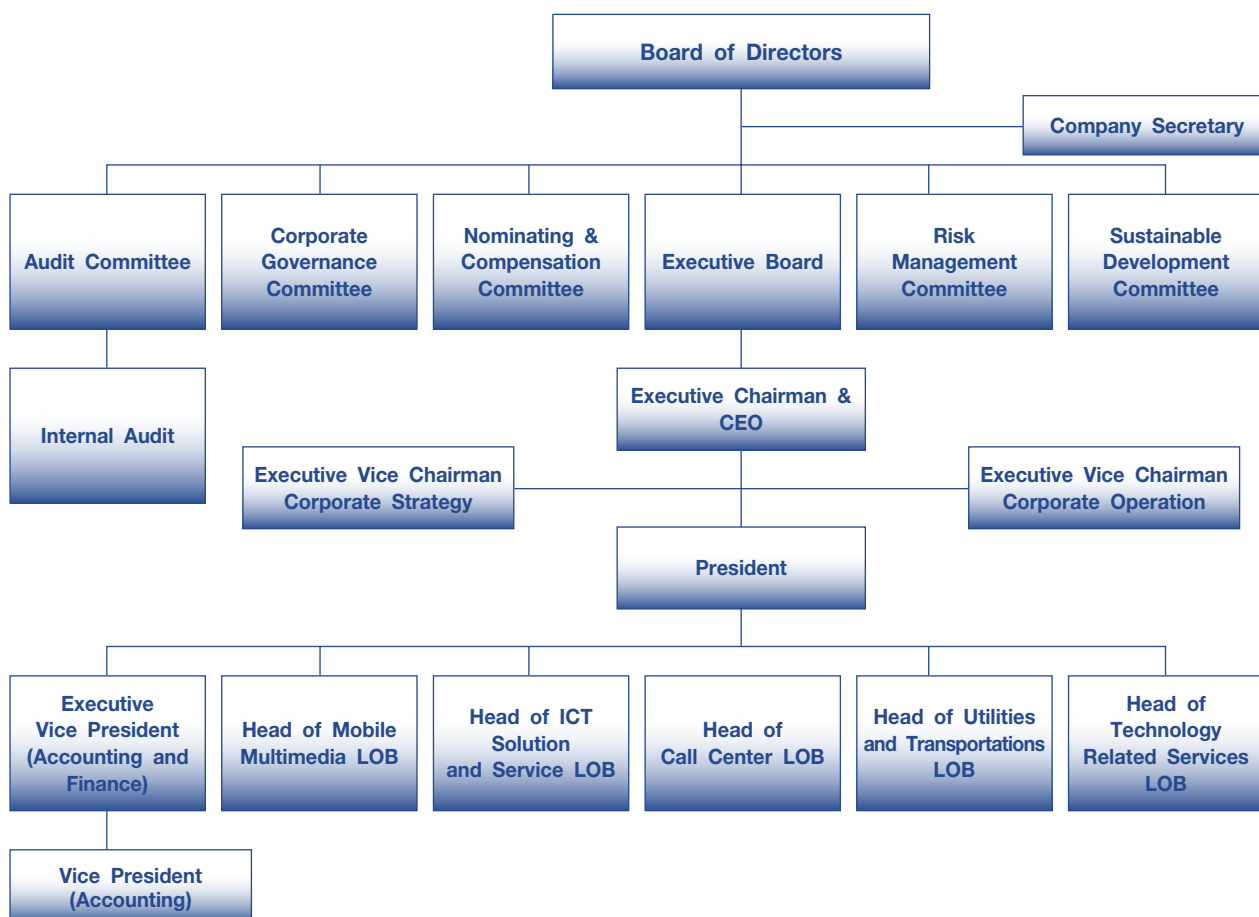
⁽⁸⁾ The Company overseas business engagement;

Detail of the Curriculum Vitae of Directors are provided under **"Directors, Managements and Company Secretary"** and **"Directors, Managements and Company Secretary of subsidiaries"** in page 232.

Management

The Company's management structure comprised of 7 Committees; Board of Directors, Audit Committee, Corporate Governance Committee, Nominating & Compensation Committee, Executive Board, 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, 2016 were as follows:

The Company's Corporate Structure



Management of the Company

- | | |
|--|---|
| 1. Mr. Charoenrath Vilailuck | Executive Chairman & CEO |
| 2. Mr. Watchai Vilailuck ⁽¹⁾ | President / Head of Mobile Multimedia LOB / 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 ⁽²⁾ | Executive Vice Chairman |
| 4. Mr. Jong Diloksombat | Executive Director / President of ICT Solution and Service LOB |
| 5. Mr. Thananan Vilailuck | Executive Vice Chairman - Corporate Strategy |
| 6. Mr. Pracha Phathayakorn | Executive Vice President (Accounting & Finance) |

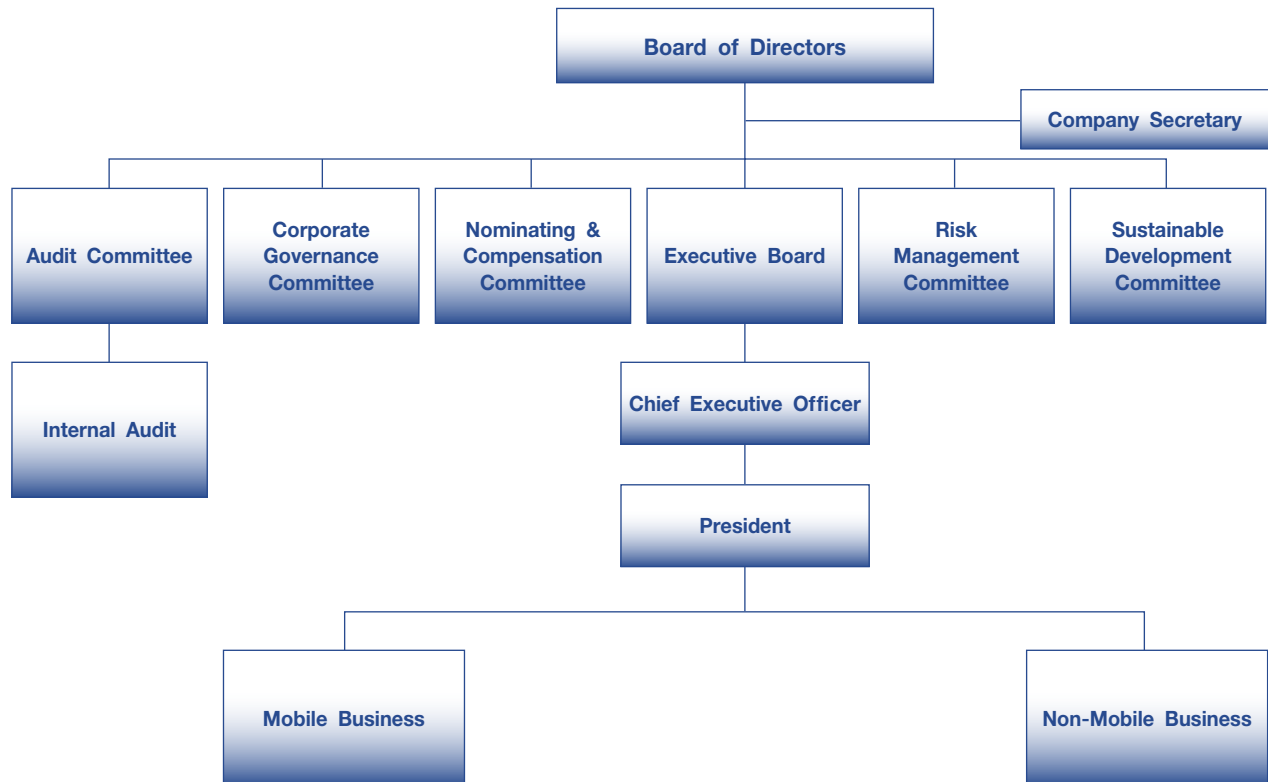
Remark : ⁽¹⁾ Has been appointed as Head of Mobile Multimedia LOB in replacement of Mr. Chakkrit Charuchinda effective on November 1, 2016 onwards;

⁽²⁾ Resigned from Executive Vice Chairman effective on March 1, 2017 onwards.

Corporate Structure and the Management of the Company and major subsidiaries which its revenue represent over 10% of Group revenue total of 4 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 Executive Officer

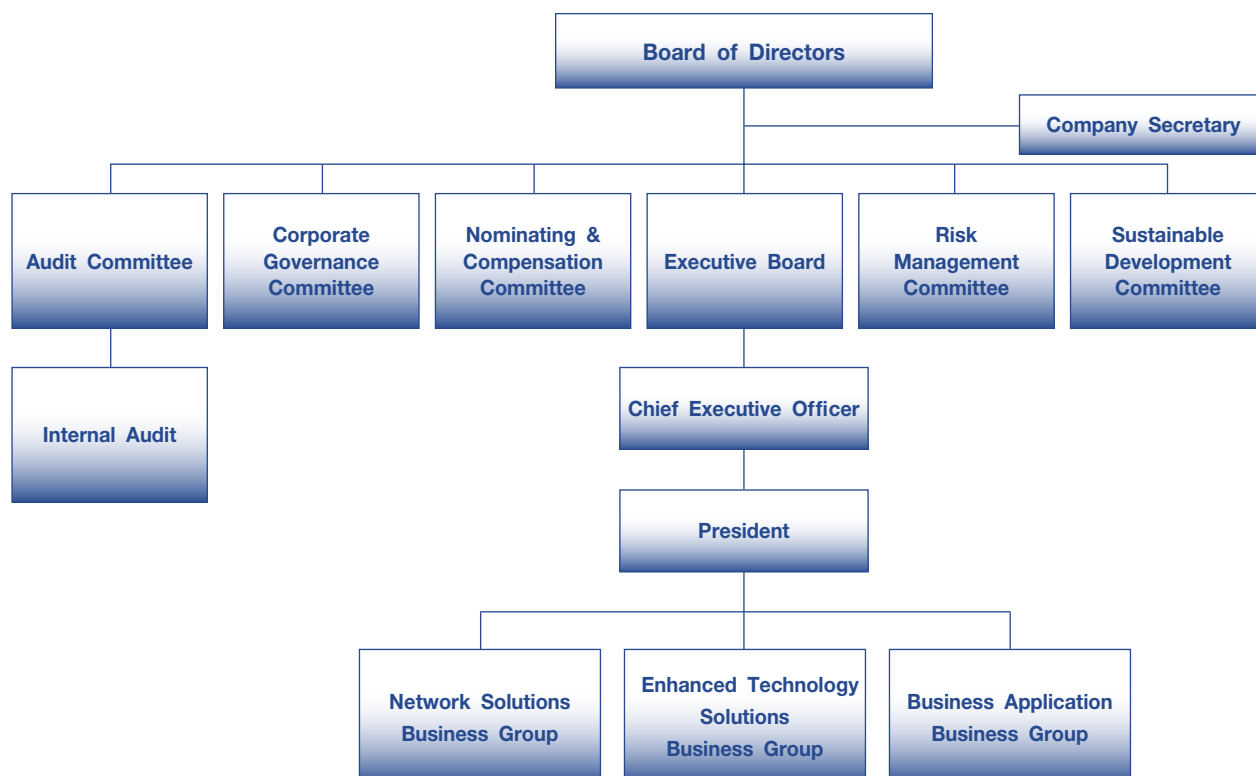
Management of Samart I-Mobile Pcl.

- | | |
|---|--|
| 1. Mr. Watchai Vilailuck ^(*) | Chief Executive Officer |
| 2. Mrs. Sukanya Vanichjakvong | President / Acting Managing Director - Mobile Business |
| 3. Mr. Thawatchai Majitnapakul | Vice President - Corporate Planning and Warehouse |
| 4. Mrs. Sumolthip Srimek | Vice President - Accounting |
| 5. Ms. Kusuma Kerdpol | Acting Vice President - Finance |

Remark : ^() Has been appointed as Chief Executive Officer on November 1, 2016;*

2) Samart Telcoms Pcl.

Corporate Structure of Samart Telcoms Pcl.



Remark : Corporate Accounting and Corporate Treasury are under President.

Management of Samart Telcoms Pcl.

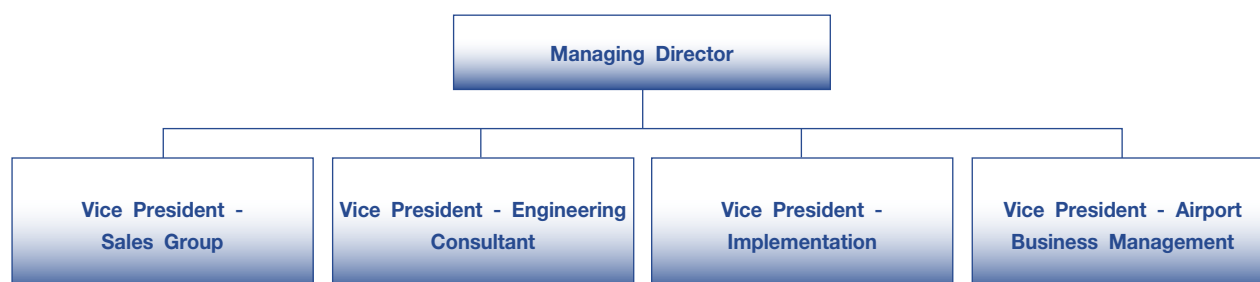
- | | | |
|----|---|---|
| 1. | Mr. Watchai Vilailuck | Executive Chairman & Chief Executive Officer |
| 2. | Mr. Jong Diloksombat | President |
| 3. | Mr. Pornchai Krivichian | Executive Vice President Network Solutions Business Group |
| 4. | Miss Chotika Kamloonwesaruch ⁽¹⁾ | Executive Vice President Enhanced Technology Solutions Business Group |
| 5. | Mr. Suchart Duangthavee ⁽²⁾ | Executive 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 Executive Vice President Business Application Business Group effective on February 1, 2017;

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. | Vice President - Implementation |
| 4. | Mr. Suchart Duangthavee | Vice President - Airport Business Management (ABM) |

4) Cambodia Air Traffic Services Co., Ltd.

Corporate Structure of Cambodia Air Traffic Services Co., Ltd.



Management of Cambodia Air Traffic Services Co., Ltd.

- | | | |
|----|-----------------------------|---------------------------------|
| 1. | Mr. Teeraphat Kulkijkamjorn | Managing Director |
| 2. | Mr. Saichon Pinsakul | ATS Operation Director |
| 3. | Mr. Krirkchai Thanon | Engineering Director |
| 4. | Ms. Siriporn Jamnuch | Accounting and Finance Director |
| 5. | Ms. Kamonrat Chanmee | Human Resource Director |
| 6. | Mr. Kamon Kongsang | Administrative Director |

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, 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 243-244

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 without other benefits. 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 2016 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 2016, the Company paid remuneration to directors and managements of the Company and major subsidiaries as follows:

1. Cash & Non - Cash remuneration paid to directors and management in 2016 was as follows:

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

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

Directors	Cash Remuneration						Non-Cash Remuneration
	Meeting Allowance ⁽¹⁾ (Baht)				Performance Bonus (Baht)	Total Amount (Baht)	
	Board of Directors ⁽²⁾	Audit Committee	Corporate Governance Committee	Nominating & Compensation Committee			
1. Dr. Tongchat Hongladaromp Chairman / Independent Director	240,000	150,000	-	60,000	250,000	700,000	-
2. Mr. Pradang Prichayangkun Vice Chairman / Independent Director	120,000	75,000	45,000	45,000	200,000	485,000	-
3. Mr. Seri Suksathaporn Director / Independent Director	120,000	75,000	60,000	45,000	200,000	500,000	-
4. Mrs. Siripen Vilailuck Director	120,000	-	-	-	200,000	320,000	-
5. Mr. Charoenrath Vilailuck Director	120,000	-	-	-	200,000	320,000	-
6. Mr. Watchai Vilailuck Director	120,000	-	-	-	200,000	320,000	-
7. Mr. Sirichai Rasameechan Director	105,000 ⁽³⁾	-	45,000	-	200,000	350,000	-
8. Mr. Prinya Waiwatana Director / Independent Director	120,000	-	45,000	-	200,000	365,000	-
9. Mr. Thananan Vilailuck Director	45,000 ⁽⁴⁾	-	-	-	-	45,000	-
Total	1,110,000	300,000	195,000	150,000	1,650,000	3,405,000	-

Remark : ⁽¹⁾ 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;

⁽²⁾ The 2016 meeting allowance is for 8 meetings of the Board of Directors meeting;

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

⁽⁴⁾ Has been appointed as Director on April 29, 2016.

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

Remuneration	Number of Persons	Total Amount (Baht)
Salary ⁽¹⁾	8	38,215,000
Bonus ⁽¹⁾	8	4,441,250
Provident Fund ^{(1) (2)}	8	3,104,650

Remark : ⁽¹⁾ The figures presented Salary, Bonus and Provident Fund for executives and management paid by the Company only. There were total 4 executives and management in 2016 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 received payment from other listed subsidiaries under other line of businesses;
- Mr. Chakkrit Charuchinda received payment from other listed subsidiaries under other line of businesses and resigned from Head of Mobile Multimedia LOB effective on October 31, 2016 onwards;

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

2. Total Remuneration of Major subsidiaries in 2016 :

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

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

Directors	Cash Remuneration						Non-Cash Remuneration
	Meeting Allowance (Baht)				Performance Bonus (Baht)	Total Amount (Baht)	
	Board of Directors	Audit Committee	Corporate Governance Committee	Nominating & Compensation Committee			
1. Mr. Piyapan Champasut ⁽¹⁾ Chairman / Independent Director	210,000	90,000	-	-	-	300,000	-
2. Dr. Chotivid Chayavadhanangkur Director / Independent Director	120,000	180,000	60,000	45,000	100,000	505,000	-
3. Mr. Kunthit Arunyananda Director / Independent Director	135,000	105,000	45,000	60,000	100,000	445,000	-
4. Mr. Charoenrath Vilailuck Director	135,000	-	-	-	100,000	235,000	-
5. Mr. Watchai Vilailuck Director	135,000	-	-	-	100,000	235,000	-
6. Mr. Thananan Vilailuck ⁽²⁾ Director	45,000	-	-	-	100,000	145,000	-
7. Mr. Pracha Phathayakorn Director	120,000	-	-	-	38,600	158,600	-
8. Mrs. Sukanya Vanichjakvong Director	135,000	-	30,000	15,000	13,700	193,700	-
9. Mr. Chakkrit Charuchinda ⁽³⁾ Director	105,000	-	-	-	-	105,000	-
10. Mr. Sirichai Rasameechan ⁽⁴⁾	-	-	-	30,000	100,000	130,000	-
11. Mr. Jong Diloksombat ⁽⁵⁾	-	-	15,000	-	100,000	115,000	-
Total	1,140,000	375,000	150,000	150,000	752,300	2,567,300	-

Remarks: ⁽¹⁾ Has been appointed as Chairman and Audit Committee Member on March 1, 2016;

⁽²⁾ Resigned from Director on April 25, 2016. There were 3 meetings during his directorship;

⁽³⁾ Resigned from Director on February 15, 2017;

⁽⁴⁾ Resigned from Director on December 31, 2015. However, still remains as Nominating and Compensation Committee Member until May 10, 2016. There were 2 meetings during his position;

⁽⁵⁾ Resigned from Director on November 12, 2015. However, still remains as Corporate Governance Committee Member until May 10, 2016. There was 1 meeting during his position.

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

Remuneration	Number of Persons	Total Amount (Baht)
Salary	5	20,529,070
Bonus	5	566,000
Provident Fund ^(*)	5	1,182,180

Remark : ^(*) 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) 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 ⁽¹⁾ (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	210,000	-	-	-	250,000	460,000	-
2. General Sumpun Boonyanun Director / Independent Director	105,000	150,000	45,000	60,000	200,000	560,000	-
3. Mr. Vichai Pokasamrit Director / Independent Director	105,000	75,000	60,000	45,000	200,000	485,000	-
4. Ms. Rapeepan Luangaramrut Director / Independent Director	105,000	75,000	-	45,000	200,000	425,000	-
5. Mr. Kajornvut Tayanukorn Director	90,000	-	45,000	-	200,000	335,000	-
6. Mr. Charoenrath Vilailuck Director	105,000	-	-	-	200,000	305,000	-
7. Mr. Watchai Vilailuck Director	105,000	-	-	-	200,000	305,000	-
8. Mr. Thananan Vilailuck ⁽²⁾ Director	45,000	-	-	-	-	45,000	-
9. Mr. Sirichai Rasameechan Director	90,000	-	-	-	200,000	290,000	-
10. Mr. Jong Diloksombat Director	105,000	-	45,000	-	200,000	350,000	-
Total	1,065,000	300,000	195,000	150,000	1,850,000	3,560,000	-

Remark : ⁽¹⁾ 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.

⁽²⁾ Has been appointed as Director on April 29, 2016.

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

Remuneration	Number of Persons	Total Amount (Baht)
Salary	5	19,804,250
Bonus	5	2,325,375
Provident Fund ⁽¹⁾	5	1,709,200

Remark : ⁽¹⁾ 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) Cash & 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.
- Cash & Non-Cash Remuneration of the Management of SCT

Remuneration	Number of Persons	Total Amount (Baht)
Salary ⁽¹⁾	4	8,799,000
Bonus ⁽¹⁾	4	1,106,500
Provident Fund ⁽¹⁾⁽²⁾	4	760,350

Remark : ⁽¹⁾ The figure presented Salary, Bonus and Provident Fund of the executive directors and managements received from Samart Comtech Co., Ltd. only. During 2016 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.;

⁽²⁾ 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.

2.4) Cash & Non-Cash Remuneration for Directors of Cambodia Air Traffic Services Co., Ltd. ("CATS")

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

Remuneration	Number of Persons	Total Amount (Baht)
Salary ⁽¹⁾	6	9,936,000
Bonus ⁽¹⁾	6	2,484,000
Provident Fund ⁽¹⁾⁽²⁾	6	676,110

Remark : ⁽¹⁾ The figure presented Salary, Bonus and Provident Fund of managements received from Samart Corporation Pcl., the managements have been working at CATS. Moreover, these managements received partial remuneration from CATS in U.S. dollar total of 125,400 U.S. dollar or approximately Baht 4,491,828;

⁽²⁾ Provident fund to executive directors and management have been provided by CATS 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)		
	2014	2015	2016
1. Mobile Multimedia	918	1,137	1,027
2. ICT Solution and Service	1,420	1,347	1,282
3. Call Center	2,045	2,090	2,343
4. Utilities and Transportations	613	542	537
5. Technology Related Services	655 ⁽¹⁾	379 ⁽¹⁾⁽²⁾	322
Total	5,651	5,495	5,511

Remark : ⁽¹⁾ 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;

⁽²⁾ 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		
	2014	2015	2016
1. Salary	1,334.64	1,556.43	1,580.59
2. Bonus	143.12	130.96	123.27
3. Provident Fund	46.85	56.84	59.52
4. Other remuneration (over time, special subsidy and commission)	103.30	122.69	107.75

Human Resources Management and Development Policy

The company always regards that our employees are valuable and crucial fundamental for the company's sustainable success 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 analyzing proper manpower planning, increasing performance efficiency and improving working procedure to cope with business working environmental and technology change as well as performance evaluation and potential assessment, developing individual capabilities at all levels progressively 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 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 2016, 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, data accuracy, and decreasing operation cost by applying technology to HR Portal services including of employee recruitment and selection such candidate application online, E-Document Workflow by K2 Application, and payroll services with E-Payslip systems. By the way, the Company has also applied for human resource development, such as knowledge management systems including of managing competency assessment systems and individual development plan (IDP) system. Furthermore, we would fully utilize hris data to support in HRM & HRD Policy decision making for sustainable organization achievement and preparing to Thailand 4.0 in the future.

- **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, the 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 professional working-style (Team of Professionals). Hence, these initiate the best cooperation among individual level through corporate level. In 2016, there were a various ER&EE programs and activities to build synergy among employees, executives and organization i.e., Internal Survey Improvement Project and D-Club (CSR program) etc.

- **Employee Innovation Recognition Policy :**

To become innovation organization, the Company has been organizing the SMART Innovation Award and SMART Brain2Works Projects 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 SAMART and also achieving business's needs and preparing staff for domestic and oversea business expansion. Therefore, the Company aspires to develop employees in all careers at all levels by harmonizing a wide range of development tools for increasing their skill, knowledge, capability through corporate culture and code of conduct according with SAMART 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 SAMART.

- **Employee Training & Development Policy:**

The Company regards the employees as a key success 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 encourage and develop the employees to facilitate the organization's strategies and goals most effectively and efficiently. The Company therefore conducts training courses deemed 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 Creating & Strategic Implementation Plan, 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, Administrative Management and Training and Assessments for Building Electricians, 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.

Furthermore, to accommodate business expansion, develop employee in English communication skill and achieve their competence continuously, the Company thus developed English communication skills both Classroom Training and E-Learning being used to support a large group of learner both new and current employees. This has enabled employee at all levels developing for this skill more conveniently at anywhere and anytime.

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.

- **Knowledge Management :**

For human resources developing in long term and adding business value, the Company thus considers information technology as an important tool for improving staff management efficiency, Project “SAMART knowledge sharing” has been implemented, this promotes knowledge management throughout organization and responds to business’ mission continuously and sustainably.

- **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 2016

Training	Frequency (Times)	Number of Participants (Persons)
In-House Training		
Managements	53	1,386
Employees	57	1,742
Sub-Total	110	3,128
External Training		
Managements	121	394
Employees	136	652
Sub-Total	257	1,046
Total	367	4,174

Training Expenses in 2016

In 2016, total expenses concerning the employees' participation in the trainings domestically and abroad of the Company and its subsidiaries were Baht 6.8 million. Total employees' training hours were 28,791 hours per year or averagely 6.9 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

- Creating & Strategic Implementation Plan
- Creating Customer Excellence
- Digital 4.0...
- Online Marketing Business
- Advertising 4.0
- Finance for Non-Finance
- Shift Your Presentation
- The Standard Contract Thai - English
- Law and Practices in Telecommunication, Imports for Radio & Using Communication
- Effective E-Mail & Memo Writing for Business English
- Big Data
- E-Learning English for Business
- 60th Years Better Future Today...Team of Professional
- Safety in Electrical Work
- Orientation Samart Group
- Annual Work Plan
- Applications for SAP Module-Project System, Sale Order
- Application for PR Workflow
- Application for Windows 10
- Application for Jabber
- Paperless Management
- IBM Verse
- Applications for technical program Open Office
- CMMI Appraisal Method for Process Improvement
- CMMI Training (Role : Project Manager, Sales, Presales, Human Resources / Learning & Development, Configuration Manager, Procurement)
- Performance Management SAP Success Factor Competency Assessment
- New Act Provident Fund 2016
- Project Modern Supervisory Skill

External and international Courses

- ERDAS APOLLO+Geospatial Portal in Singapore
- WebMap + What's New 2016 + Geospatial Portal SDK in Singapore
- Training for Dimetra IPR8.2 in Penang Malaysia
- Pack5 & Fair Value
- 50 case study Tax
- TFRS 2016
- Leadership Development for Manager
- Change Management to Success
- Art of Persuasive Communications @ Work
- Mini Master of Business Economics
- Annual General Meeting arrangement based on good Corporate Governance from SET
- Improvement of an Material Transaction (MT) and Related Party Transaction (RPT) of Company Limited from SEC
- CG Forum 2/2016 "Integrity, Carefulness as Directors' Shield" from SET
- Sustainability Reporting from SET
- Enhancing Good Corporate Governance based on CGR Scorecard
- AGM Checklist 2017 from Thai Investors Association
- Analytical Thinking for Professional Internal Audit
- Harmonized System 2017 : HS 2017
- Finance for Strategic Procurement
- English for Purchasing Professionals
- Project Management Fundamental
- New Challenges of Managing People
- Certificate in Administrative Law
- Data Center Design & Operation Management
- How to Big Data Drives Growth and Innovation
- Technology Underground Cable
- IT Risk and IT Governance
- Safety in Electrical Work
- Sustainability Risk and Materiality Analysis Class 3 from SEC in associate with SET

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 22, 2017. 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 2016 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 2017 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, 2016 onward. For the meeting agenda proposal ended on January 31, 2017 and enquiries proposal ended prior to the meeting date of 2017 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) in the section of the "Investor Relations" under the title of "Enquiries submission prior to the Annual General Meeting of Shareholders 2017".

- **Participation in the Shareholders' Meeting**

The Company is aware of the shareholders' rights and equitable treatment to participate in the shareholders' meeting, be informed conditions and procedures of meeting as well as having proxy to vote and comment in the meeting on behalf of the shareholder. With realize on convenience to shareholders and to encourage them to attend the shareholders' meeting, the Company is prior to notify and specify date, time and place that comfort the shareholders to participate in the meeting. There was one meeting in 2016, the Annual General Meeting 2015 which held on April 29, 2016 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 2016 Annual General Meeting of Shareholders, the shareholders have been informed on the date and agenda of the meeting via SET's communication system 57 days prior to the meeting date. At the same time, the Company also disclosed the invitation letter as well as related documents in both languages, Thai and English, on the Company's website (www.samartcorp.com) in the section "Investor Relations" under the title of "the Annual General Meeting of Shareholders" 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 31 days prior to the meeting date to be in line with law.

For convenience on registration for attending the shareholders' meeting of the institutional investors, the Company shall coordinate on preparation of proxy for them prior 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 by using barcode system to counting the vote for a prompt voting result. In the 2016 Annual General Meeting of Shareholders there were 8 directors attended. 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 425 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 Bangkok Bank Public Company Limited 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) for verification.

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

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

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

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

Apart from the appointment of Directors, the shareholders also have rights to remove any director from the office before the expiration of his term of office by having votes of no less than three quarters (3/4) of the number of shareholders attending the meeting and having the rights to vote and the aggregate number of shares shall be no less than one half (1/2) of the shares held by all the shareholders attending the meeting and having the rights to vote.

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

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

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

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

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

- **Getting profit**

The Company will return profit to its shareholders by way of dividend payment. (Details are provided under "Dividend Policy")

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

2. Equitable Treatment of Shareholders

The Company realizes to protect and due care for the interests of all major and minor shareholders as fairly basis. In addition, the Company sets policy for equitably treatment to all shareholders for attending and vote in the shareholders' meeting, sharing in profits, regularly and timely obtained adequate information, business performance and management policy. **In the shareholders' meeting, each shareholder shall have one vote on each share. All the Company's shares are the ordinary shares.** Proxy form requiring documents were delivered together with the invitation letter for shareholders who would like to appoint a proxy. Proxy form, which contains detail of voting as approve, disapprove or abstain, as well as details of 4 independent directors also are attached for shareholders consideration as alternative proxy including identify the document, evidence and proxy method in the meeting invitation which has been prepared in Thai and English for convenience of the shareholders. The Annual General Meeting of Shareholders 2016 held on April 29, 2016, were 171 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) 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, transfered 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 2016 securities holding information of the directors and the executives

Number of shares held in Company (shares)

Directors / Executives	Before acquisition / disposition	Acquisition in 2016 Buy via SET	Disposition in 2016	31 Dec. 2016	Variance
1. Dr. Tongchat Hongladaromp <i>Spouse and minor children</i>	- -	- -	- -	- -	- -
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>	112,704,960 30,000	- -	- -	112,704,960 30,000	- -
6. Mr. Watchai Vilailuck <i>Spouse and minor children</i>	125,977,160 28,375	- -	- -	125,977,160 28,375	- -
7. Mr. Sirichai Rasameechan <i>Spouse and minor children</i>	- -	- -	- -	- -	- -
8. Mr. Prinya Waiwatana <i>Spouse and minor children</i>	140,000 -	- -	- -	140,000 -	- -
9. Mr. Thananan Vilailuck <i>Spouse and minor children</i>	28,802,100 1,210,000	- -	- -	28,802,100 1,210,000	- -
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), press release and Company's Annual Report and Form 56-1 as well as participated in the "Opportunity Day" which arranged by SET.

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

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

Annual Report and Form 56-1

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

Company's website

The Board of Directors is aware of the efficiency of website disclosure to the shareholders and related persons as well as equitably and easily of getting information. The Board of Directors therefore ensures the Company not only provides all significant information of the Company in the Company's Annual Report but also on the Company's website (www.samartcorp.com) in both languages, Thai and English. The disclosed information comprised of Corporate Governance Policy, Business Ethics, General News, Financial Statement as well as Annual Report and the Annual Disclosure Information 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 or the e-mail address at Pongthep.V@samartcorp.com. The investor relations ethics prescribed by the Company are as follows:

The investor relations ethics

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

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

Meetings with investors and analysts in 2016 were summarized as follows:

- One on One Meeting with Analyst & Investors	30	Times
- Announcement of Company's Performance	1	Times
- Road Show	7	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 9 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 9 members with various qualifications, skills, experience and expertise. Composition of the members is as follow:

- 4 Independent Directors (44.44% of the Board of Directors)
- 4 Executive Directors
- 1 Non-Executive Directors (Representative from major shareholders)

The 2 Independent Directors namely Dr. Tongchat 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 2016

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"**.

Moreover, to comply with the principle of the sufficient internal control assessment and accordance with good corporate governance of Samart group of companies. The Company issued the business ethic assessment for executive's self-assessment to follow the business ethic of Samart group which has already been stated. The assessment covers the following area:

1. Conflict of interest
2. Accountability to shareholders
3. Employee policies
4. Employee ethics
5. Customer policies
6. Trade partner policies
7. Creditors policies
8. Counterpart/Competitor policies
9. Anti-Corruption policy
10. Money Laundering policy
11. Tax policy
12. Responsibility to societies
13. Responsibility to communities
14. Responsibility to environment
15. Non-violation of human rights policy

From the above assessment covering 15 areas have an **excellent** evaluation obtaining average score **99.89%**

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).

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 2016 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	8-8	8/8	<ul style="list-style-type: none"> - Considered the Company Operating Performance and Financial Statements for 2015 as well as quarterly performance of 2016; - Considered the sufficiency of the Company’s Internal Control System; - Acknowledged the 2015 Committees’ activities; - Acknowledged Assessment Result on Quality on Arrangement of AGM of Shareholders for 2016, Assessment Result on Corporate Governance of Thai Listed Companies for 2016; - Acknowledged the 2015 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 2016; - Considered the interim payment for first six months of 2016; - Considered the dividend payment for year 2015; - Considered matters concerning to 2016 AGM agenda and provide opinions to shareholders for consideration; - Considered the appointment of Committees’ members; - Considered Annual Salary increase for 2017, 2016 Bonus and 2017 Bonus Payment Policy; - Considered the Directors & Officer Liabilities and Corporate Reimbursement Insurance; - Reviewed and revised the Company’s Corporate Governance Policy, Business Ethics and Committee Charter; - Considered and approved vision, mission and the Company’s 2017 business plan; - Considered to allow the minority shareholders to propose matter in the agenda and enquiries prior to the meeting date of AGM; - Acknowledged the securities holding report of the Company’s directors and the executives which has been changed from the previous meeting;
2.	Mr. Pradang Prichayangkun	Apr. 2008	8-8	8/8	
3.	Mr. Seri Suksathaporn	Feb. 1999	17-11	8/8	
4.	Mrs. Siripen Vilailuck	Feb. 1993	23-10	8/8	
5.	Mr. Charoenrath Vilailuck	Feb. 1993	23-10	8/8	
6.	Mr. Watchai Vilailuck	Feb. 1993	23-10	8/8	
7.	Mr. Sirichai Rasameechan	Feb. 1996	20-10	7/8 ⁽¹⁾	
8.	Mr. Prinya Waiwatana	Apr. 2010	6-8	8/8	
9.	Mr. Thananan Vilailuck	Apr. 2016	0-8	4/8 ⁽²⁾	

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"> - Considered and approved of the Company registration as International Headquarters (IHQ); - Considered the reviewed financial report result of the Company's auditor; - Considered on the establishment of the Anti-Corruption Policy.

Remark : ⁽¹⁾ Due to sickness;

⁽²⁾ Has been appointed as Director on April 29, 2016.

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 2016, the committee conducted 5 meetings, were as follows:

Directors	Number of Attendance/ Total Number of Meeting	Summary of consideration
1. Mr. Pradang Prichayangkun	5/5	<ul style="list-style-type: none"> - Reviewed the quarterly and annual financial statements and consolidated financial statements of the Company and its subsidiaries for 2016 by listening to and enquiring material information from the management and the auditor to ensure that the financial statements were correctly, truth worthy and corresponding to the generally accepted accounting principles before submitting to the Board of Directors for consideration and approval. - Reviewed the connected transactions or the transactions which may have conflict of interest with the Company to ensure that the Company has transparent and fair consideration procedures and information in the financial statement was correctly and completely and it has been adequately disclosed. - Reviewed the Company's business operations to ensure that they are strictly compliance with the securities and exchange laws, the regulations of the Stock Exchange of Thailand and the laws relevant to the Company's business as well as monitored the change in laws or regulations mentioned above on regular basis. - Considered and approved the annual audit plan and report of the Internal Audit Unit as well as gave recommendations to the management and Internal Audit Unit for their consideration and rectification their operations to ensure that the Company has adequate and appropriate internal control system. - Considered duties and responsibilities of the Internal Audit Unit to make them in line with the international standards as well as provided recommendations on important matters pursuant to the annual audit plan to ensure that the internal audit operations have been effectively and efficiently performed. - Considered on selection and proposal for appointment of the Company's auditor and the auditing fee for 2016 based on the operating standards and consultancy rendered including suitable auditing fee as well as expertise on auditing work for each line of business of the Company. - Stipulated that self-assessment shall be performed every year to ascertain that their operations shall be effectively and efficiently performed and they can put their best endeavor to preserve the Company's interests.
2. Dr. Tongchat Hongladaromp	5/5	
3. Mr. Seri Suksathaporn	5/5	

3) Executive Board

In 2016, 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"> - Quarterly considered business operation plan and solutions of each LOB; - Monthly reviewed and monitor business operations to be in line with the plan; - Considered the followings prior to submit for further approval from the Board of Directors: <ul style="list-style-type: none"> • Investments/Dispose of investments; • The Company's 2016 Strategic Implementation Plan; - Considered Annual Salary increase for 2017, 2016 Bonus and 2017 Bonus Payment Policy for the employees and the management of the Company proposed for further consideration to the Nominating & Compensation Committee; - Considered new hire and promotion of manpower;
2. Mr. Watchai Vilailuck	11/12 ⁽¹⁾	
3. Mr. Sirichai Rasameechan	11/12 ⁽²⁾	
4. Mr. Jong Diloksombat	11/12 ⁽³⁾	
5. Mr. Thananan Vilailuck	12/12	
6. Mr. Teerachai Phongpanangam	12/12	

Remark : ⁽¹⁾ The Company overseas business engagement;

⁽²⁾ Due to sickness;

⁽³⁾ The Company business engagement.

4) Corporate Governance Committee

In 2016, 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"> - Acknowledged to allow the minority shareholders to propose matter in the agenda and enquiries prior to the meeting date of AGM 2016; - Acknowledged the Board Self-Assessment, CEO and Company Secretary Assessment Result for 2015; - Reviewed and considered the amendment of Company's Corporate Governance Policy, Business Ethics and Committee Charter in line with the international corporate governance criteria; - Considered the 2015 Corporate Governance Committees' activities; - Considered Corporate Governance Report to disclosed in the Annual Report 2015; - Considered the criteria of Corporate Governance evaluation for 2017; - Considered the Board and Committees Self Assessment Form for 2016; - Considered the criteria of CEO and Company Secretary Assessment for 2016; - 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; - Considered the improvement of the Board and Committees Self Assessment criteria for 2016.
2. Mr. Pradang Prichayangkun	3/3	
3. Mr. Sirichai Rasameechan	3/3	
4. Mr. Prinya Waiwatana	3/3	

5) Nominating & Compensation Committee

In 2016, 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	- Selected and nominated appropriate candidates to be the Directors for replacement;
2. Mr. Pradang Prichayangkun	3/3	- Selected and nominated appropriate candidates to be the Committee Member;
3. Mr. Seri Suksathaporn	3/3	- Considered remuneration of Board members and Committees' members; - Considered Annual Salary increase for 2017, 2016 Bonus and 2017 Bonus Payment Policy; - Considered the 2015 Nominating & Compensation Committees' activities;

6) Risk Management Committee

In 2016, 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	- Identified and analyzed all kinds of risks which may impact the Company's business operations in order to make the Company's operations achieved the specified objectives.
2. Mr. Watchai Vilailuck	3/3	- Established the control system and prudently reviewed the operating targets by taking into account the possibility of the specified targets.
3. Mr. Sirichai Rasameechan	3/3	- Constantly review the Company's risks by checking whether they have been increased or changed over the course of time or not so that the problem can be resolved on time.
4. Mr. Thananan Vilailuck	3/3	- Supported and promoted for improvement and development of risk management system within the Company continually so that the material risks can be managed in the acceptable level.

7) Sustainable Development Committee

In 2016, 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	- Reviewed the Company's social responsibility policy and responsibility of the Sustainability Development Committee;
2. Mr. Sirichai Rasameechan	2/2	- Enhanced the Company's arrangement of the activities to cultivate the employees' consciousness on having volunteer spirit, sacrificing for the benefit of the society;
3. Mr. Jong Diloksombat	2/2	- Conducted the Sustainable Development Committee self-evaluation for 2016 and the assessment results including the recommendations shall be used for improving with aims for the efficiency of the operations;
4. Mr. Thananan Vilailuck	2/2	- Monitored operational results on social responsibility activities of the Company in 2016;
5. Mrs. Sukanya Vanichjakvong	1/2 ⁽¹⁾	- Considered the report of the Sustainable Development Committee to disclose in the annual report 2016;
6. Mr. Pracha Phathayakorn	2/2	- Acknowledged the Sustainability Awards result 2015.
7. Mr. Teerachai Phongpanangam	2/2	
8. Mrs. Rosalin Charoenwong	2/2	
9. Mrs. Phongsri Saluckpetch	2/2	
10. Ms. Kanokwan Chanswangpuvana	2/2	
11. Mrs. Jirawan Rujisonthi	2/2	

Remark: ⁽¹⁾ Has been appointed as Sustainable Development Committee on May 11, 2016.

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 2016, 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 2016 as a whole. The Company has applied SET's assessment form in appropriate to the Company. The assessment form, which has been approved by the Board of Directors in its meeting No.8/2016 on December 16, 2016 was sent to all directors for assessment. The questionnaire covers the following area:

- Board Composition and Qualification
- Role & Responsibilities
- Board Meeting
- Board performance
- Relationship with the executives
- Self-Development and management development

From the assessment which been completed by the Board members, total number of directors (9) agreed that for the above area, the Board of Directors of the Company has an **excellent** evaluation by obtaining average score **95.18%**.

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 2016. The Company has applied SET's assessment form in appropriate to the Company. The assessment form, which has been approved by the Board of Directors in its meeting No. 8/2016 on December 16, 2016 was sent to all directors for assessment. The questionnaire covers the following area:

- Board Composition & Qualification
- Board Meeting
- Role & Responsibilities
- Self-Development

From the assessment which been completed by the Board members individually, total number of directors (9) agreed that for the above area, the Board of Directors of the Company has an **excellent** evaluation by obtaining average score **93.21%**.

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. The Company has applied SET's assessment form in appropriate to the Company. The assessment form, which has been approved by the Board of Directors in its meeting No. 8/2016 on December 16, 2016 was sent to all Audit Committee Members for assessment. The questionnaire covers the following area:

- Board Composition & Qualification
- Meeting
- Role & Responsibilities
- Training & Development
- Activities of the Audit Committee
- Relationship with the Director of Internal Audit Department, the auditor and the executives

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 **96.78%**.

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 2016 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 Company has applied SET's assessment form in appropriate to the Company. The Committee assessment form, which has been approved by the Board of Directors in its meeting No. 8/2016 on December 16, 2016 was sent to all directors for assessment. The questionnaire covers the following area:

- Board Structure & Qualification
- Board Meeting
- Role & Responsibilities
- Training & Development

From the assessment which been completed were as follows:

1. Executive Board Member has an **excellent** evaluation by obtaining average score **93.86%**;
2. Corporate Governance Committee has an **excellent** evaluation by obtaining average score **100.00%**;
3. Nominating & Compensation Committee has an **excellent** evaluation by obtaining average score **99.17%**;
4. Risk Management Committee has an **excellent** evaluation by obtaining average score **92.19%**.
5. Sustainable Development Committee has a **very good** evaluation by obtaining average score **88.83%**.

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.8/2016 on December 16, 2016 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 8 directors, the directors agreed that the CEO has an **excellent** evaluation by obtaining average score **96.18%**.

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.8/2016 on December 16, 2016 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 **94.21%**.

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.

In 2016, the Company has appointed Mr. Thananan Vilailuck as member of the Board of Directors, the Company has arranged the orientation for new director according to the Company policy.

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). Six of the existing directors had joined DCP program and five directors 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 2016, the directors have attended the additional training courses as follows:

Directors	Courses
1. Mr. Pradang Prichayangkun	- CG Forum 3/2016 “Corruption within the company, preventable and controllable danger” by SET.

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 22, 2017. 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 2016, total amount of medical treatment fee reimbursed by the employees of the Company and its subsidiaries amounted to Baht 3.95 Million. Moreover, the Company also has group health insurance (in case of in-patient) for the Company's employees which is made with the Allianz Ayudhya Assurance Pcl. 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. In 2016, the Company has awarded 1 scholarships at master degree levels to the employees on Business Administration, Kasetsart University.

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 2016 accident at work of Samart Group

LOB	Lost Time Accidents in 2016 (Time)
1. ICT Solution and Service	2
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). Such ethics have been written in the working regulations of the Company for the employee's adherence. The Company has posted **Ethics of the Employees** on the Company's website (www.samartcorp.com).

- **Customer policies**

The Company 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;

- New products and services have been developed by 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. 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. The Company 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.
- 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. and Samart Comtech Co., Ltd. have been ISO 20000 standard for quality IT service management to improve customer satisfaction for customers.
- Samart Communication Services Co., Ltd. maintains and elevates the standard of service from ISO 9001:2015 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.
- Samart Ed Tech Co., Ltd. designed digital content and media, and developed e-coursewares for employee development and training programs for private organizations.
- Posnet Co.,Ltd. has developed software program for EDC machine and new capabilities to support new technologies to serve customers. Such capabilities are to support various types of cards including new type of card readers, especially contactless ones. The company also expanded installation of Electronic Signature Capture to cover more service areas to serve customer demands. Moreover, the company developed and increased efficiency of security on data storage system for customers.
- Portalnet Co., Ltd. has extended its staffs' knowledge base to cover SAP Test Management and Run SAP Like a Factory, including regularly provided necessary training programs to its staffs, especially topics relating to SAP, to ensure service capability conformed to International standard.
- One To One Contacts Public Company Limited has improved the social media monitoring systems and launched service in the name of Social One. It is proactive crisis management, tracking of social media channels for customer's information which impact to company's image. The Company provided Omni-Channel technology, to integrate data continually across all channels to improve customer satisfaction.

- **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 purchasing product and/or service 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 avoid purchasing 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.

- **Sustainable Development Policy**

The Company realizes the importance on sustainable development that shall lead to sustainable growth of the business, so it has to be developed together with the social responsibility, environment and corporate governance as well as specified the Sustainable Development Policy as follows:

1. To conduct business based on governance principles and environmental and social responsibility including for sustainable development by taking into consideration the best interests of all stakeholders.
2. To build corporate culture which could cultivate the employees' consciousness on operations and volunteer spirit, devotion of personal time and effort for benefits of the whole community.
3. To promote and educate the employees at all levels on joint guidelines for sustainable development and environmental and social responsibility throughout the organization.
4. To promote the social and environmental projects or activities and works related to sustainable development

Moreover, 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.

- **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 2016, 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 2016, the Company aims to develop products and services based on the security standards and environmental conservation. The Company also offered the telecommunications services which are friendly on an environment and use the environment energy worthy for the government and other related vision enterprises such as AMR projects of PEA. The Company organized the environment energy saving campaign for employees under campaigns, “Reducing (Lod) Refraining (La) Stopping (Lak)” every year. In this 2016, the Company institute a new project called “Reduce, Refrain and Refuse” to motivate the behavior modification to all employees about the using of environment resources usefully and worth through internal media advertising for create the awareness about saving energy in their daily lives to internal staffs.

(Details are provided under **“Corporate Social Responsibilities 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) for the employees' acknowledgement and compliance. In case any employee deemed that he/she has not been treated fairly in any matter, such employee is allowed to submit complaint, recommendation on right violation including any other problems to the Company. The Company shall solve such problem by taking into account maximum benefits of all parties and good relationship of team work.

- **Operating policy on non-infringement of intellectual property or copyright**

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

- **Opinion or suggestion**

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

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

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

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

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

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

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

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

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

2. Committees

The Company's management structure comprised of 6 Committees; 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** ⁽¹⁾ as of December 31, 2016

- | | |
|------------------------------|--|
| 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 | Secretary of the Audit Committee |

Remarks: ⁽¹⁾ Audit Committee members comprise of no less than 3 members, all of them have sufficient experience to review the Company's financial statement. Curriculum Vitae of Audit Committee are provided on page 232-233.

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;
- 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;
- 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, 2016

- | | |
|--|--|
| 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 |

Remark: ^() Resigned from Executive Board member effective on March 1, 2017.*

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, 2016

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

Terms of positions

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

Roles and Responsibilities of the Corporate Governance Committee

1. Responsible for governing and monitoring business operation and committees' activities as well as 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, 2016

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

Terms of positions

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

Roles and Responsibilities of the Nominating & Compensation Committee

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

2. 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, 2016

- | | |
|--|---|
| 1. Mr. Charoenrath Vilailuck | Chairman of the Risk Management Committee |
| 2. Mr. Watchai Vilailuck | Chief Operating Member |
| 3. Mr. Sirichai Rasameechan ^(*) | Member |
| 4. Mr. Thananan Vilailuck | Member |

Remark: ^() Resigned from Risk Management Committee member effective on March 1, 2017.*

Risk Management Working Group

- | | |
|-------------------------------|---------------------------|
| 1. Mr. Jong Diloksombat | Head of the working group |
| 2. Mrs. Sukanya Vanichjakvong | Member |
| 3. Mr. Pracha Phathayakorn | Member |
| 4. Mr. Sommai Damnoenkiat | 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. Moreover, the Board of Directors meeting on May 11, 2016 has approved the appointment of Risk Management Committee members as well as the Risk Management Working Team.

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 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 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⁽¹⁾ as of December 31, 2016

1. Mr. Watchai Vilailuck	Chairman of the Sustainable Development Committee
2. Mr. Sirichai Rasameechan ⁽²⁾	Vice Chairman of the Sustainable Development Committee
3. Mr. Jong Diloksombat	Member
4. Mr. Thananan Vilailuck	Member
5. Mrs. Sukanya Vanichjakvong ⁽³⁾	Member
6. Mr. Pracha Phathayakorn	Member
7. Mr. Teerachai Phongpanangam	Member
8. Mrs. Rosalin Charoenwong ⁽²⁾	Member
9. Mrs. Phongsri Saluckpetch	Member
10. Ms. Kanokwan Chanswangpuvana	Member
11. Mrs. Jirawan Rujisonthi	Member / Secretary

Remark: ⁽¹⁾ The Board of Directors meeting on February 22, 2017 has approved the change of name of the Sustainable Committee to be the Sustainable Development Committee;

⁽²⁾ Resigned from the Sustainable Development Committee member effective on March 1, 2017;

⁽³⁾ Has been appointed as Sustainable Development Committee member on May 11, 2016.

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. Establish policy, strategy including operation plans for sustainable development which is consistent with the Company's business operations with regards to economic, social and environmental aspects.
2. Promote and support the Company's activities in order to make them achieve the targets pursuant to the sustainable development policy.
3. Supervise, review, follow-up progress of operations and evaluate efficiency on performance of the sustainable development policy.
4. Report the operating result to the Committee

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. In addition, the Company sets as policy that all employees shall acknowledge and sign the agreement of non-disclosure confidential information, non-violation of concealment of computer related and non-infringement of intellectual property. New employee shall sign this agreement together with employment contract, including directors, managements and employees of the Company to refuse using Company's inside information for personal benefits. 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 performed business pursuant to the corporate governance principles of the listed companies as per guidelines specified by the Stock Exchange of Thailand and are consistent with the prudent practices in international and ASEAN levels pursuant to ASEAN CG Scorecard criteria. For the operations which have not yet been complied with such principles, the Company has applied such criteria as guidelines then adjusted to make them suitable with the Company's business, with details 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 44.4%, which is less than 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 55.6% which is less than the number of 66% as per specified in the Principles of Good Corporate Governance. In 2016, the Company's has appointed 1 additional Executive Director therefore, the Company comprised of 9 members which are 4 Executive Directors, 4 Independent Directors and 1 Non-Executive Director.
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. In 2016, the Company directors and executives have attended the Anti-Corruption training 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 2016

1.1 Opinions of the Board of Directors

The Company has established the corporate governance guidelines with effective internal control system for the achievement of the specified objectives or missions. The Company has applied the principles and guidelines of the Committee of Sponsoring Organization of the Treadway Commission (COSO) and Enterprise Risk Management (ERM) Framework with its internal control and risk management in all of its operating procedures. Such standard comprises of 8 components, as follows:

1) Control Environment

The Company has set up appropriated organizational structure, reporting line and duty & responsibilities between the directors, executives and employees by taking into consideration both business aspects and strictly compliance with the regulations and the laws.

There is independence between the Board of Director and the management. The Board of Directors has duties to control, monitor operations of the management to ensure that they are in line with the specified work plans including to adjust the business plans to make them appropriated and consistent with the situations during the year for the best interests of the shareholders.

2) Objectives Setting

The Company clearly specified the operational objectives in the annual business plans with regards to strategy, operations and reporting. Such objectives setting have been communicated to the employees and the responsible employees have been assigned to perform the works pursuant to the stipulated objectives.

3) Event Identification

The Company has specified risks, both internal and external risks, which may affect the achievement of the Company's objectives and targets, by ranking from high level to low level. Procedures and plans for risk management have been specified and reported to the Meeting of the Risk Management Committee. During 2016, the Risk Management Committee held 3 meetings in total.

4) Risk Assessment

The Company identified and analyzed all kinds of risks, both the present ones and the potential ones in the future, which are consistent with the Company's business objectives and guidelines for closely control and monitoring such risks have also been specified.

The Risk Management Committee used information obtained from the management to assess risks both on their likelihood and impacts in order to find measures to handle them. In addition, the relevant management and employees have been assigned to operate the works pursuant to the work plans and report the operating results to the Risk Management Committee on continued basis.

5) Risk Response

The Company's internal control measures are suitable with the business risks which may change over time and risks for each operating procedures have been adjusted.

The Company's measures on internal control are to segregate duties and approval authority for purposes of checks and balances of each other. The Internal Audit Unit shall review on adequacy and appropriateness of the internal control system.

6) Control Activities

The Company has control activities measures to minimize risks which may obstruct the achievement of the Company's objectives, for instance, to have the written policy and operating practices on financial transactions, procurement and human resources and to have clear and concise scope of power and delegation of authority of the management in each level to prevent corruption.

7) Information and Communication

The Company has effective internal communication process, for instance, to encourage the management and the employees to use e-mail which can be accessible from their mobile phones in order to ease the communication and to always stay in touch with the updates.

The Company has convenient document storage system where the management or the employees can save their data or information in the Company's file server where accessing to such information is required to use password. The information stored there can be retrieved even though the user is not in the office so searching any required information can be done easily.

8) Monitoring

The Company arranged the management meeting every month to report the operating performance and compare with the targets specified in the annual work plan as well as to update the progress of the assigned works.

The Company's Internal Audit Unit has duties to audit the operations on financial aspects and compliance with laws and regulations relevant to the Company. After the audit has been performed, it will keep on monitoring the observance with the recommendations every month to make certain that all defects have been completely rectified.

1.2 Internal Auditing

Internal Auditing is to provide confidence and to give advice equitably and independently to improve the performance of the Company in order to make it achieve the specified targets. Internal Auditing shall directly report to the Audit Committee.

The Internal Audit Unit has duties to audit and assess performances in various aspects within the Company with aims to make the employees at all levels perform their duties correctly and effectively. The Internal Audit Unit shall prepare the audit manual to be used as criteria for operations and also develop the audit operations to make them up to the international standards.

The Internal Audit Unit shall prepare the annual internal audit plan by using risk-based approach and focusing on material risks which may impact the Company's business operations as well as the audit to prevent corruption.

1.3 Head of Internal Audit Unit and Head of Compliance

During the Meeting of the Audit Committee No. 1/2015 on February 25, 2015, the meeting approved to appoint Miss Nantana Khangui, who has knowledge, capability and experiences on audit works to be the Head of Internal Audit Unit and can independently perform the works under the support from the Audit Committee.

The Audit Committee shall supervise to ensure that the Head of Internal Audit Unit has appropriated and adequate qualifications, educational background, experiences and trainings to perform such duties.

The Audit Committee was of opinion that the Head of Internal Audit Unit has performed duties effectively and during 2016 the Head of Internal Audit has performed the following duties:

1. Plan annual internal audit works to make them conform to the international standards.
2. Set up procedures, practices and auditing methods of the Internal Audit Unit.
3. Provide recommendation to the Company's management and employees to make certain that their operations can be performed effectively.
4. Supervise the operations to ensure that they conform to the specified plans.
5. Coordinate, supervise and control various aspects, e.g. risk management, code of conduct and etc.

In addition, the consideration on appointment, dismissal and transfer of the Head of Internal Audit Unit shall always require to have an approval 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 280.

Moreover, the Company does not have a separate Compliance Division but the Company compliance operations are taken care by the Company Secretary Division to ensure that the Company has correctly complied with regulations of the Office of the Securities and Exchange Commission of the Stock Exchange of Thailand including other relevant laws under supervision of the Company Secretary. Please see more details of the Company Secret in page 243-244.

2. Risk Management

The Company has planned and specified risk management measures, which included risk assessments and monitoring of risk management works of the Company's departments by emphasizing that they must be consistent with the specified target and business strategic plans.

The Company has appointed the Risk Management Committee, which comprised of the chairman who is the Company's Executive Chairman & CEO and 4 directors as the committee members. In addition, 4 top management who are qualified, knowledgeable and have experiences beneficial for managing risks of the Group of the Companies has also been appointed as the working group. In 2016, the Risk Management Committee held 3 meetings to assess and review risks from various business units, as well as review and propose policies related to risk management.

The Company has specified risk management policy that can respond to the changes in economic and political situations as well as impacts from the world's financial crisis. Such risk management policy included risk preventive and corrective measures. The Risk Management Committee has supervised and monitored risks pursuant to the plans by cooperating and coordinating with various business units as follows:

1. Specify risk management plan of each business unit within the Company pursuant to the Company's master plan and business risks which may occur, so that risk management plans shall be corresponding to the work plans and business operation objectives.
2. Manage risks pursuant to the above risk management plan. Each responsible unit shall prioritize risks based on their likelihood and impacts towards the organization then specify measures to handle such risks as appropriated. The Internal Audit Unit shall coordinate and participate in risks reviewing pursuant to risk mitigation measures.
3. The above risk management measures shall be monitored and reviewed by the Risk Management Committee which comprise of the management from the relevant business units. The meeting shall be held every quarter to monitor and review results from such risk management. The Internal Audit Unit shall monitor and audit the risk management works of each company or business unit in order to make them achieve the objectives specified by the Company.

Apart from risk management mentioned above, the Company has also arranged the training, and seminar including specified that risk management measure shall be a part of employee's assessment criteria, both at operating level and management level, in order to cultivate consciousness. Such training shall emphasize on concept and practices on organizational risk management which shall lead to achievement of the organization's objectives and returns to the shareholders.

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)

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 detective 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)

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.

Nonetheless, the Board of Directors' Meeting No. 7/2016 held on November 10, 2016 resolved to approve to draft and clarify the Company's anti-corruption policy currently applicable, so that they can be further used as operating practices.

Related Parties	Transaction Type	Value of Transaction (Million Baht)	Necessity of Transactions
	<p>- Miscellaneous expenses paid for entertain to VIH by SC. (Total outstanding as of December 31, 2016 was Baht 37,000)</p> <p>Miscellaneous transactions of SC and its subsidiaries paid to VIH during January - December 2016. Actual miscellaneous payments i.e. rental and service charge for public utilities, water supply, overtime air condition and parking lots were as follows;</p>	0.532	The Audit Committee in its meeting No.1/2017 on February 21, 2017, resolved that it was a normal business transaction, which been charged in proportion of actual usage.
	- Samart Corporation PCL. (SC)	0.479	The Audit Committee in its meeting No. 1/2017 on February 21, 2017, resolved that such rental and service charge was the actual payment, which was the same rate charged to other customers.
	- One to One Contracts PCL. (SC is a major shareholder)	9.854	
	- Vision and Security System Co., Ltd. (Subsidiary of SC)	0.079	
	- Samart U-Trans Co., Ltd. (Subsidiary of SC)	0.041	
	- Teda Co., Ltd. (Subsidiary of SC)	0.063	
	- Transec Power Service Co., Ltd. (Subsidiary of SC)	0.030	
	- Samart Telcoms PCL. (STC) (SC is a major shareholder)	5.202	
	- Samart Communication Services Co., Ltd. (Subsidiary of STC)	5.461	
	- Posnet Co., Ltd. (Subsidiary of STC)	0.028	
	- Thai Trade Net Co., Ltd. (Subsidiary of STC)	0.051	
	- Samart Infonet Co., Ltd. (Subsidiary of STC)	0.109	
	- Samart Comtech Co., Ltd. (Subsidiary of STC)	10.679	
	- Smarterware Co., Ltd. (Subsidiary of STC)	0.054	
	- Potalnet Co., Ltd. (Subsidiary of STC)	0.013	
	- IT Absolute Co., Ltd. (Subsidiary of STC)	0.029	
	- Samart Ed-Tech Co., Ltd. (Subsidiary of STC)	0.038	
	- Samart I-Mobile PCL. (SIM) (SC is a Major shareholder)	2.842	
	- Samart Multimedia Co., Ltd. (Subsidiary of SIM)	0.154	
	- I-Mobile Plus Co., Ltd. (Subsidiary of SIM)	2.324	
	- I-Sport Co., Ltd. (Subsidiary of SIM)	0.025	
	- Mall (Thailand) Co., Ltd. (Subsidiary of SIM)	0.006	

Related Parties	Transaction Type	Value of Transaction (Million Baht)	Necessity of Transactions
	<ul style="list-style-type: none"> - Entertainment Tree Co. Ltd. (Subsidiary of SIM) (Total outstanding as of December 31, 2016 was Baht 2,938,151) - Samart I-Mobile PCL. (SIM) (SC is a Major shareholder) Sold the mobile telephone and Sim card (SIM OPEN) to VIH (Total outstanding as of December 31, 2016 was Baht 63,792) - Samart Multimedia Co., Ltd. (Subsidiary of SIM) Sold the EDT Top 10 Guidebook and advance payment for miscellaneous expenses i.e. electricity charge to VIH (Total outstanding as of December 31, 2016 was Baht 28,215) - I-Mobile Plus Co., Ltd. (Subsidiary of SIM) Deposit for rented office space at Software Park Building (23rd floor) to VIH (Total outstanding as of December 31, 2016 was Baht 274,780) 	<p>0.002</p> <p>0.173</p> <p>0.027</p> <p>-</p>	<p>The Audit Committee in its meeting No.1/2017 on February 21, 2017, 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.1/2017 on February 21, 2017, resolved that it was a normal business transaction, for sale and purchase of goods, according to the general trade conditions.</p> <p>It was a normal business transaction, which been charged of actual usage and same rate charge to other customers.</p> <p>The Audit Committee in its meeting No. 1/2017 on February 21, 2017, resolved that it was the actual payment, which was the same rate charged to other customers.</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"> - Miscellaneous expenses for example; telephone, copy and training. (Total outstanding as of December 31, 2016 was Baht 304,251) - Samart Engineering Co., Ltd. (Subsidiary of SC) Sold DTH satellite dish to VPP (Total outstanding as of December 31, 2016 was Baht 24,663) - Samart Engineering Co., Ltd. (Subsidiary of SC) Advanced payment by SE for officer's salary working to VPP (Total outstanding as of December 31, 2016 was Baht 470,044) - Samart I-Mobile PCL. (SIM) (SC is the major shareholder) Sold mobile phone to VPP (Total outstanding as of December 31, 2016 was Baht 38,570) 	<p>0.001</p> <p>-</p> <p>-</p> <p>-</p>	<p>Advanced payment for normal business of which repayment.</p> <p>The Audit Committee in its meeting No.1/2017 on February 21, 2017, resolved that it was the real advanced expense.</p> <p>The Audit Committee in its meeting No.1/2017 on February 21, 2017, 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.</p> <p>The Audit Committee in its meeting No.1/2017 on February 21, 2017, resolved that it was the real advanced expense.</p> <p>The Audit Committee in its meeting No.1/2017 on February 21, 2017, resolved that it was a normal business transaction, for sale and purchase of goods according to the general trade conditions.</p>

Related Parties	Transaction Type	Value of Transaction (Million Baht)	Necessity of Transactions
<p>3. Vilailuck Development Co., Ltd. (VLX) whose major shareholder of 42.38% is VIH and VIH is the major shareholder of SC.</p> <p><u>Director of VLX</u> (related person)</p> <p>1. Mrs. Siripen Vilailuck 2. Mr. Charoenrath Vilailuck 3. Mr. Watchai Vilailuck</p>	<p>Advance payment of VLX paid by SC as follows:</p> <ul style="list-style-type: none"> - Miscellaneous expense such as telephone. (Total outstanding as of December 31, 2016 was Baht 805) - Samart Corporation PCL. (SC) Miscellaneous expenses paid for house cleaning and gardening to VLX - Samart Telcoms PCL. (STC) (SC is a major shareholder) Miscellaneous expenses paid for house cleaning and gardening to VLX - Samart I-Mobile PCL. (SIM) (SC is the major shareholder) Miscellaneous expenses paid for condominium cleaning to VLX - Smarterware Co., Ltd. (Subsidiary of STC) Provided system development service to VLX (Total outstanding as of December 31, 2016 was Baht 100,537) - Samart Infonet Co., Ltd. (Subsidiary of STC) Compensation to introduce new customers paid to VLX. 	<p>-</p> <p>0.059</p> <p>0.065</p> <p>0.122</p> <p>-</p> <p>0.326</p>	<p>Advanced payment for normal business of which repayment will be settled from time to time (Monthly/ quarterly basis).</p> <p>The Audit Committee in its meeting No.1/2017 on February 21, 2017, resolved that it was the real advanced expense.</p> <p>The Audit Committee in its meeting No.1/2017 on February 21, 2017, resolved that it was a normal business transaction, according to the general trade condition.</p> <p>The Audit Committee in its meeting No.1/2017 on February 21, 2017, resolved that it was a normal business transaction, according to the general trade condition.</p> <p>The Audit Committee in its meeting No.1/2017 on February 21, 2017, 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.1/2017 on February 21, 2017, resolved that it was a normal business transaction, according to the general trade conditions.</p> <p>The Audit Committee in its meeting No.1/2017 on February 21, 2017, resolved that it was a normal business transaction and the real expense.</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 to Phupha Tara Co., Ltd. Actual payments were as follows;</p> <ul style="list-style-type: none"> - Samart Corporation PCL. (SC) Rented hotel rooms for training, seminar and miscellaneous expenses such as entertain. - Samart Telcoms PCL. (STC) (SC is a major shareholder) Rented hotel rooms for training, seminar and miscellaneous expenses such as entertain. - Samart Ed-Tech Co., Ltd. (Subsidiary of STC) Rented hotel rooms for training and seminar. (Total outstanding as of December 31, 2016 was Baht 19,303) 	<p>0.298</p> <p>0.415</p> <p>0.018</p>	<p>The Audit Committee in its meeting No.1/2017 on February 21, 2017, resolved that it was a normal business transaction, according to the general trade conditions.</p> <p>The Audit Committee in its meeting No.1/2017 on February 21, 2017, resolved that it was a normal business transaction, according to the general trade conditions.</p> <p>The Audit Committee in its meeting No.1/2017 on February 21, 2017, resolved that it was a normal business transaction, according to the general trade conditions.</p>

Related Parties	Transaction Type	Value of Transaction (Million Baht)	Necessity of Transactions
	<ul style="list-style-type: none"> - Vision and Security System Co., Ltd. (Subsidiary of SC) Sold, installation and maintenance for CCTV system to Phupa Tara Co., Ltd. - Thai Trade Net Co., Ltd. (Subsidiary of STC) Provided I-Hosting to Phupha Tara Co., Ltd. - Samart Infonet Co., Ltd. (Subsidiary of STC) Provided internet service to Phupha Tara. (Total outstanding as of December 31, 2016 was Baht 164,368) 	<p>0.109</p> <p>0.002</p> <p>1.075</p>	<p>The Audit Committee in its meeting No.1/2017 on February 21, 2017, resolved that it was a normal business transaction, for sale and purchase of goods and service, according to the general trade conditions.</p> <p>The Audit Committee in its meeting No.1/2017 on February 21, 2017, resolved that it was a normal business transaction, according to the general trade conditions.</p> <p>The Audit Committee in its meeting No.1/2017 on February 21, 2017, resolved that it was a normal business transaction, according to the general trade conditions.</p>
<p>5. Le Votel Khaoyai 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 Le Votel Khaoyai</u> (related person)</p> <p>1. Mr. Watchai Vilailuck</p>	<p>SC paid to Le Votel Khaoyai Co., Ltd. for rented hotel rooms for training, seminar and miscellaneous expenses such as entertain.</p> <ul style="list-style-type: none"> - Vision and Security System Co., Ltd. (Subsidiary of SC) Sold, installation and maintenance for CCTV System to Le Votel Khaoyai Co., Ltd - Samart Infonet Co., Ltd. (Subsidiary of STC) Provided internet service to Le Votel Khaoyai. (Total outstanding as of December 31, 2016 was Baht 21,796) 	<p>0.964</p> <p>1.039</p> <p>0.361</p>	<p>The Audit Committee in its meeting No.1/2017 on February 21, 2017, resolved that it was a normal business transaction, according to the general trade conditions.</p> <p>The Audit Committee in its meeting No.1/2017 on February 21, 2017, resolved that it was a normal business transaction, for sale and purchase of goods and service, according to the general trade conditions.</p> <p>The Audit Committee in its meeting No.1/2017 on February 21, 2017, resolved that it was a normal business transaction, according to the general trade conditions.</p>
<p>6. 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 and its subsidiaries rented office space at The Smart One Building via 2-year and 10 days (for the period during December 22, 2015 - December 31, 2017) lease agreement from CSV : The building owner as follow</p> <ul style="list-style-type: none"> - Samart Corporation PCL. Rental, Service charge and Property Tax (1st -2nd and 4th floor) for SC (for the period during December 22, 2015 - December 31, 2017 with monthly rental and service charge of Baht 530,506) 	<p>6.537</p>	<p>The rental and service charge for public utilities were reasonable compared to market price in nearby area and the same price compared with other renters. (existing agreement with area 1,127.30 Sq. meters.)</p> <p>The Audit Committee in its meeting No.1/2017 on February 21, 2017, resolved that it was the market price and the same price compared with other renters.</p>

Related Parties	Transaction Type	Value of Transaction (Million Baht)	Necessity of Transactions
	- Miscellaneous transactions of SC paid to CSV during January - December 2016. Actual miscellaneous payments i.e. electricity and water supply. (Total outstanding as of December 31, 2016 was Baht 96,599)	0.924	The Audit Committee in its meeting No.1/2017 on February 21, 2017, resolved that it was a normal business transaction, which been charged in proportion of actual usage.
	- Teda Co., Ltd. (Subsidiary of SC) Rental, Service charge and Property Tax (1 st floor) (for the period during December 22, 2015 - December 31, 2017 with monthly rental and service charge of Baht 294,840) and miscellaneous expenses i.e. electricity and water supply. (Total outstanding as of December 31, 2016 was Baht 44,303)	3.953	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 624 sq. meters) The Audit Committee in its meeting No.1/2017 on February 21, 2017, resolved that it was the market price and the same price compared with other renters.
	- Transec Power Service Co., Ltd. (Subsidiary of SC) Rental, Service charge and Property Tax (3 rd floor) (for the period during December 22, 2015 - December 31, 2017 with monthly rental and service charge of Baht 124,740) and miscellaneous expenses such as electricity and water supply. (Total outstanding as of December 31, 2016 was Baht 18,744)	1.672	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 264 sq. meters.) The Audit Committee in its meeting No.1/2017 on February 21, 2017, resolved that it was the market price and the same price compared with other renters.
	- Samart Communication Service Co., Ltd. (Subsidiary of STC) Rental, Service charge and Property Tax (4 th floor) (for the period during December 22, 2015 - December 31, 2017 with monthly rental and service charge of Baht 136,080) and miscellaneous expenses such as electricity and water supply. (Total outstanding as of December 31, 2016 was Baht 190,304)	2.097	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 288 sq. meters.) The Audit Committee in its meeting No.1/2017 on February 21, 2017, resolved that it was the market price and the same price compared with other renters.
	- Posnet Co., Ltd. (Subsidiary of STC) Rented, Service charge and Property Tax (2 nd floor) (for the period during December 22, 2015 - December 31, 2017 with monthly rental and service charge of Baht 22,680) and miscellaneous expenses such as electricity and water supply.	0.276	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 48 Sq. meters.) The Audit Committee in its meeting No.1/2017 on February 21, 2017, resolved that it was the market price and the same price compared with other renters.

Related Parties	Transaction Type	Value of Transaction (Million Baht)	Necessity of Transactions
	<ul style="list-style-type: none"> - Samart I-Mobile PCL. (SIM) (SC is the major shareholder) Rented, Service charge and Property Tax (1st - 2nd floor) (for the period during December 22, 2015 - December 31, 2017 with monthly rental and service charge of Baht 263,463.38) and miscellaneous expenses such as electricity and water supply. (Total outstanding as of December 31, 2016 was Baht 73,945) 	3.703	<p>The rental and service charge for public utilities were reasonable compared to market price in nearby area and the same price compared with other renters. (existing agreement with area of 942 Sq. meters.)</p> <p>The Audit Committee in its meeting No.1/2017 on February 21, 2017, resolved that it was the market price and the same price compared with other renters.</p>
<p>7. I.Q. Wine Co., Ltd. has Executive Director of SC is a related person.</p> <p><u>Director of I.Q. Wine Co., Ltd.</u> (related person)</p> <p>1. Mr. Thananan Vilailuck</p>	<p>Sale and purchase of goods (wine) of SC and its subsidiaries paid to I.Q. Wine during January - December 2016. Actual payments were as follows;</p> <ul style="list-style-type: none"> - Samart Corporation PCL. (SC) - Samart Telcoms PCL. (STC) (SC is a major shareholder) - Samart Communication Services Co., Ltd. (Subsidiary of STC) - Potalnet Co., Ltd. (Subsidiary of STC) - Samart Comtech Co., Ltd. (Subsidiary of STC) <p>(Total outstanding as of December 31, 2016 was Baht 145,804)</p> <p>- 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, 2016 was Baht 96,713)</p> <p>- Vision and Security System Co., Ltd. (Subsidiary of SC) Provided maintenance for CCTV to I.Q. Wine Co., Ltd.</p> <p>- Samart Infonet Co., Ltd. (Subsidiary of STC) Provided internet service to I.Q. Wine Co., Ltd. (Total outstanding as of December 31, 2016 was Baht 12,840)</p> <p>- Samart I-Mobile PCL. (SIM) (SC is the major shareholder) Sold mobile phone to I.Q. Wine Co., Ltd.</p>	<p>0.137</p> <p>0.576</p> <p>0.053</p> <p>0.106</p> <p>0.280</p> <p>1.114</p> <p>0.026</p> <p>0.138</p> <p>0.060</p>	<p>The Audit Committee in its meeting No.1/2017 on February 21, 2017, resolved that it was a normal business transaction, for sale and purchase of goods, according to the general trade conditions.</p> <p>The rental and service charge were reasonable compared to market price in nearby area (existing agreement with area was 530 sq. meters). The Audit Committee in its meeting No.1/2017 on February 21, 2017, resolved that it was reasonable, according to the market price.</p> <p>The Audit Committee in its meeting No.1/2017 on February 21, 2017, 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.1/2017 on February 21, 2017, resolved that it was a normal business transaction, according to the general trade conditions.</p> <p>The Audit Committee in its meeting No.1/2017 on February 21, 2017, 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
8. Win Performance Co., Ltd. has Executive Director of SC is a Major Shareholder. <u>Related person</u> 1. Mr. Watchai Vilailuck	- One to One Contracts PCL. (SC is a major shareholder) Sold and provided maintenance for Call Center System to Win Performance Co., Ltd.	38.595	The Audit Committee in its meeting No.1/2017 on February 21, 2017, 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 form 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.

Key Financial Highlights

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

(Unit: Baht Thousand)

Transaction	As of December 31		
	2016	2015	2014
Cash and cash equivalents	2,210,503	1,998,626	1,632,084
Trade and other receivables	8,998,372	10,927,191	8,754,374
Accrued income	3,158,465	2,982,277	3,155,598
Inventories	1,231,078	1,894,596	3,719,871
Property, plant and equipment	5,383,289	5,768,961	4,644,430
Intangible assets	1,500,057	800,616	830,427
Total assets	25,216,009	27,317,052	26,135,593
Bank overdrafts and short-term loans from financial institutions	9,059,369	10,202,660	11,275,588
Trade and other payables	2,262,171	2,795,882	2,961,462
Current portion of debentures	880,000	870,000	1,560,000
Accrued project cost	871,956	630,102	655,421
Debentures - net of current portion	2,985,000	3,285,000	-
Long-term loans from financial institutions - net of current portion	247,500	2,946	103,278
Total liabilities	17,309,488	18,999,152	17,874,040
Issued and fully paid - up	1,006,504	1,006,504	1,006,504
Unappropriated Retained earning	5,104,698	5,345,109	5,313,436
Non - controlling interests of subsidiaries	2,132,544	2,308,739	2,402,283
Shareholders' equity	5,773,977	6,009,161	5,859,269
Revenues from sales, contact work and services	13,675,526	18,366,092	23,879,691
Total revenues	13,883,734	18,586,432	24,195,809
Cost of sales, contact work and service sold	11,040,180	14,335,122	18,653,119
Selling and admin expenses	2,238,947	2,553,845	2,762,459
Finance cost	502,318	540,535	451,974
Gain (Loss) on exchange	14,364	15,513	52,176
Total costs and expenses	13,358,067	16,945,644	21,443,723
Profit attributable to equity holders of the Company	71,185	807,688	1,484,139
Basic earning per share (Baht / share)	0.07	0.80	1.48
Cash flows from operating activities	3,621,654	2,132,667	144,845
Cash flows from investing activities	(1,772,234)	(2,019,181)	(1,523,649)
Cash flows from financing activities	(1,664,559)	(222,565)	1,357,984
Par value (Baht / share)	1	1	1
Common shares outstanding (Thousand shares)	1,006,504	1,006,504	1,006,504
Weighted average number of ordinary shares (Thousand shares)	1,006,504	1,006,504	1,005,564
Book value (Baht / share)	5.74	5.97	5.83
Dividend per share (Baht / share)	0.19 ⁽¹⁾	0.50	0.85

Remarks : ⁽¹⁾ Dividend per share comprised of interim dividend for January - June 2016 of Baht 0.11 and Baht 0.08 which will be proposed for consideration shareholders in the Annual General Meeting 2017.

Financial Ratios of Samart Corporation Pcl. and its Subsidiaries

Financial Ratio		Samart Corporation Pcl. and Subsidiaries		
		2016	2015	2014
<u>LIQUIDITY RATIO</u>				
Current ratio	(Times)	1.24	1.27	1.10
Acid test ratio	(Times)	1.15	1.14	0.89
Cash turnover	(Times)	0.25	0.13	0.01
Receivable turnover ratio	(Times)	1.40	1.89	2.89
Average collection period	(Days)	257.14	190.48	124.57
Inventory turnover ratio	(Times)	8.61	6.57	8.75
Days sales outstanding	(Days)	41.81	54.79	41.14
Payable turnover ratio	(Times)	6.58	6.86	6.42
Payment period	(Days)	54.71	52.48	56.07
Cash cycle	(Days)	244.24	192.79	109.64
<u>PROFITABILITY</u>				
Gross Profit Margin	(%)	19.27	21.95	21.89
Operating Profit Margin	(%)	3.80	8.90	11.52
Other revenue - to - Total revenues	(%)	1.50	1.19	1.31
Cash-to-income	(Times)	6.98	1.30	0.05
Net profit margin	(%)	0.51	4.35	6.13
Return On Equity	(%)	1.21	13.61	23.91
<u>EFFICIENCY RATIO</u>				
Return On Assets	(%)	0.27	3.02	5.91
Return On Fixed Assets	(%)	25.98	38.56	53.52
Assets Turnover	(Times)	0.53	0.70	0.96
<u>FINANCIAL POLICY RATIO</u>				
Debt to equity	(Times)	2.19	2.28	2.16
Interest coverage	(Times)	8.33	5.14	1.99
Debt serviceability	(Times)	1.43	0.62	0.04
Dividend payout ratio	(%)	268.62	62.29	57.63

Management Discussion and Analysis

Performance Overview

In 2016, Samart Corporation Public Company Limited (“SAMART”) earned Baht 13,884 million in total revenues, decreased by 25.30% from the previous year. Revenues from sales, contract works and services decreased to 13,676 million as compared to 18,366 in the prior year, or decreased by 25.54%. The main reason was lower sales from Mobile Multimedia business and less-than-expected income from Technology Related Services.

In 2016, the Company spent Baht 13,358 million, which was Baht 3,588 million or 21.17% less than 2015. The main reason was the cost reduction of sales, commissions, and services which stood Baht 11,040 million or Baht 3,295 million less than Baht 14,335 million in 2015. Last year’s gross profit margin was 19.27%, decreased from 21.95% in the previous year. This was the result of decreasing profit from Mobile Multimedia business, affected from reduced consumption and intense competition among mobile handset players. Nevertheless, the Company’s selling and administrative expense was Baht 2,239 million, decreased by Baht 315 million from the previous year.

In 2016, financial cost was Baht 502 million in total, which was 7.07% less. Income tax expense was Baht 59 million, Baht 48 million less, which corresponds to the lower before-tax profit.

As for consolidated net profit, the shareholder’s net profit was Baht 71 million. It was decrease from the prior year because of lower profit from Mobile Multimedia, ICT Solution and Service and Technology Related Services.

Consolidated Operating Results

In 2016, the Company earned a total of Baht 13,676 million from sales, contract works and services, which was 25.54% fall from the prior year.

Revenues from sales, contract works and services breakdown

Line of Business	FY 2016 (million baht)	FY 2015 (million baht)	% Change
ICT Solution and Service	5,721	5,716	0.09%
Mobile Multimedia	3,366	7,730	-56.46%
Call Center	962	988	-2.63%
Utilities and Transportations	3,350	2,991	12.00%
Technology Related Services	684	1,546	-55.76%
Adjustment and Transactions	-407	-605	-32.73%
Revenues from sales, contract works and services (before eliminated of related parties transaction)	13,676	18,366	-25.54%

ICT Solution and Service Business (“SAMTEL”)

In 2016, ICT Solution and Service earned Baht 5,721 million of revenues from sales, contract works and services, about the same level as the previous year. SAMTEL has signed new contracts totaling up to more than Baht 7,000 million. For example, Baht 2,639 million for a rental core business software from the Provincial Electricity Authority (PEA), Baht 298 million for providing security network system services to the Industrial Estate Authority of Thailand, and Baht 170 million for cloud computing system improvement project for the Ministry of Justice (MOJ). In addition, the Company still has year-end backlogs of Baht 8,777 million.

Mobile Multimedia Business (“SIM”)

Sales and service income decreased significantly in this year. This resulted from the decrease in mobile phone business revenue because of lower average selling price and number of sales, in addition to the intense competition in the mobile handset market among the handset players and mobile service providers.

Call Center Business (“OTO”)

In 2016, One to One Contacts Public Company Limited (“OTO”) achieved Baht 962 million from sales and services, slightly less than the previous year. This was due to the company’s main focus on improving services, including fully outsourced contact center management service, contact center facility outsourced, customer service representative outsourced, and maintenance service. As a result, net profit margin increased from 14.30% to 17.00% in 2016. And in 2017, the Company will continue to focus on expanding the business to an international level and providing new services to fully meet customers’ expectations.

Non-Listed Businesses

Utilities and Transportations Business

One of the contributing factors to the company’s growth is Utilities and Transportations business. Revenues from sales and services increased from Baht 2,991 million to Baht 3,350 million, a change of 12.00%. Higher revenues in 2016 was a result of the success of Cambodia Air Traffic Service’s (“CATS”) air traffic control business. Air traffic increased from 86,616 flights to 95,715 flights over the last year, or increased by 10.50%. In addition, the Company’s goal is to expand Utilities and Transportations business. As of now, Samart U-Trans Group or SUT is considering power plant projects both in Thailand and neighboring countries. Possibilities include waste-to-energy power plant, coal-fired power plant, hydroelectric power plant, and transmission line business. The Company has been granted permission from the Cambodian government to build a 2,000 MW coal-fired power plant in Koh Kong. The Company is now in the negotiation process with the Electricity Generating Authority of Thailand or EGAT (the main off taker of electricity).

Technology Related Services Business

Revenues from sales and services of Technology Related Services decreased from Baht 1,546 million to Baht 684 million in 2016. The main reason was Samart Engineering Company’s (“SE”) decreased revenue due to reduced purchase of digital television set-top-box. Therefore revenue decreased by 44.50% compared to the prior year. However, Vision and Security System’s (“VSS”) revenue increased by 48.96%, thanks to more than Baht 700 million of new projects.

Financial Statement

Assets

As of 31 December 2016, the Company's total assets were Baht 25,216 million, decreased by Baht 2,101 million or 7.69% from the previous year. Current assets were Baht 17,044 million, decreased by Baht 2,345 million due to the decrease in trade and other receivables. However, non-current assets increased from Baht 7,928 million to Baht 8,172 million. Cash and cash equivalent increased from Baht 1,999 million to Baht 2,211 million, which is 10.60% change.

Trade and Other Receivables

As of 31 December 2016, the Company had total trade receivables of Baht 8,998 million, Baht 1,929 million less than the previous year. The decrease resulted from Mobile Multimedia and ICT Solution and Service business.

Debt-to-Equity Ratio

As of 31 December 2016, debt-to-equity ratio decreased from 2.28 times to 2.19 times, while interest-bearing debt-to-equity ratio decreased from 1.75 times to 1.67 times. The main reason was the decrease in bank overdraft and short-term borrowings from financial institutions and debentures.

Liquidity

As of 31 December 2016, current ratio (total current assets over total current liabilities) was at 1.24 times which is the same level as the prior year.

The Company's cash flow resulting from operating activities was Baht 3,622 million. Cash flow used in investing activities was Baht 1,773 million. And cash flow used in financing activities was Baht 1,665 million. As a result, cash and cash equivalent increased by 212 million baht and stood at Baht 2,210 million.

Sources of Fund

As of 31 December 2016, the Company and subsidiary companies had a total shareholders' equity of Baht 7,907 million, decreased from the previous year by Baht 411 million. Unappropriated retained earnings were Baht 5,105 million.

The Company's debt decreased to Baht 17,309 million as a result of the decrease in bank overdraft, short-term borrowings from financial institutions, and debentures.

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, 2016, 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

Opinion

I have audited the accompanying consolidated financial statements of Samart Corporation Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2016, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Samart Corporation Public Company Limited for the same period.

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 2016, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions under the Royal Patronage of His Majesty the King as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matters

I draw attention to Note 6 to the financial statements, Samart Corporation Public Company Limited and its subsidiaries had significant business transactions with the related parties, relating to purchase and sales of goods, services and loans. Such transactions have been conducted on the terms and basis mutually agreed by Samart Corporation Public Company Limited and those related parties. My opinion is not qualified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond for each matter are described below.

Revenue recognition

The Group has entered into agreements with a large number of customers and there are a variety of conditions in these agreements, pertaining to matters such as sales promotions, discounts and special discounts to boost sales. In addition, the economic slowdown has directly resulted in more intense competition in the technology industry. There are therefore risks to the amount and timing of revenue recognition.

I have examined the revenue recognition of the Group by

- Assessing and testing the Group's IT system and its internal controls with respect to the revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls.
- Applying a sampling method to select sales and service agreements to assess whether revenue recognition was consistent with the conditions of the relevant agreement, and whether it was in compliance with the Group's policy.
- On a sampling basis, examining supporting documents for actual sales transactions occurring during the year and near the end of the accounting period.
- Reviewing credit notes that the Group issued after the period-end.
- Performing analytical procedures on disaggregated data to detect possible irregularities in sales transactions throughout the period, particularly for accounting entries made through journal vouchers.

Revenue recognition relating to long-term contracts

The Group has disclosed its policies on revenue recognition for services provided under long-term contracts, cost estimates for projects under long-term contracts, provision for the delay penalties and allowance for loss on projects under long-term contracts in Note 34 to the financial statements. I identified revenue recognition and estimation of provision for the delay penalties and possible losses from long-term contracts to be areas of significant risk in the audit. This is because the amount of revenue recognises from such contracts in each period forms a significant portion of the Group's total revenue. In addition, the process of measurement, the determination of appropriate timing of recognition and the estimation of provision for the delay penalties and possible losses are areas requiring management to exercise significant judgement to assess the percentage of completion, the probability of loss, and the measurement of possible loss. The Group might also enter into side agreements that may affect the terms of the main contracts. There are therefore risks with respect to amount and timing of the recognition of revenue and provisions for long-term contracts.

I assessed and tested the internal controls put in place by the Group over the process of entering into contracts, estimates of project costs and revisions thereto, recognition of revenue and estimation of percentage of completion and possible losses under long-term contracts by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls.

I also selected long-term contracts made with major customers to

- Read the contracts to consider the conditions relating to revenue recognition and make enquiries as to whether any side contracts were made directly with customers.
- Inquire with the management about the terms of and risks associated with these contracts relevant to revenue recognition and estimates of the delay penalties and possible loss.
- Make enquiries of responsible executives, gain an understanding of the Group's process to assess the percentage of completion and cost estimates for projects, compare estimates of project costs to the project budgets approved by authorised person, and on a sampling basis, examined relevant documents, and considered the rationale for budget revisions and compared past estimates with actual project costs to assess the project management's competency in estimating project costs, compared actual costs with supporting documents and tested the calculation of the percentage of completion based on actual costs incurred.
- Evaluated the possible losses on projects assessed by the management through an analysis of the ratio of actual cost incurred against cost estimates for projects for each significant cost component.
- Examined the accounting transactions related to revenue recognition that were recorded through journal vouchers, in order to detect any irregularities.
- Review the disclosures made in the notes to the financial statements with respect to the basis of revenue recognition and the estimation of possible losses.

Allowance for doubtful accounts

As discussed in Note 9 to the financial statements, the allowance for doubtful accounts relies on various assumptions. Therefore, the management is required to exercise considerable judgement in determining the assumptions to be used in estimating allowance for doubtful accounts expected to be incurred when debtors are unable to pay, and the timing of such recognition. Allowance for doubtful accounts is significant since as at 31 December 2016, the Group had significant balances of trade accounts receivable (accounting for 34% of total assets in consolidated financial statements). There are risks with respect to the amount of allowance for doubtful accounts.

I assessed and tested the internal controls relevant to the calculation of allowance for doubtful accounts by making enquiry of the responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls. I also assessed the key information, assumptions and methods used by the Group in calculating allowance for doubtful accounts applying the following procedures:

- Gaining an understanding of the basis applied in determining the allowance for doubtful accounts and reviewing the consistency of the application of that basis and rationale for the recording of specific allowance.
- Comparing the debt collection periods and reviewing the past collection history and credit terms.
- Reviewing the receivable aging report by testing calculation of the allowance and considered the rationale for estimate revisions.
- Reviewing long outstanding debt in the aging profile, and the financial status of significant long outstanding trade accounts receivable.
- Reviewing subsequent collections, especially receipt from long outstanding trade accounts receivable.
- Reviewing any disputed trade accounts receivable.

Provision for diminution in value of inventory

Estimating the net realisable value of inventory, as disclosed in Note 11 to the financial statements, is an area of significant management judgement, particularly with regard to the estimation of provision for diminution in value of slow-moving and obsolete inventory. This requires detailed analysis of the product life cycle, the competitive environment, economic circumstances and the situation within the technology industry. There is a risk with respect to the amount of provision set aside for diminution in the value of inventory.

I assessed and tested the internal controls of the Group relevant to the determination of provision for diminution in the value of inventory by making enquiry of the responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls. In addition, I also assessed the method and the assumptions applied by management in determining such provision. The procedures that I performed included:

- Gaining an understanding of the basis applied in determining the provision for diminution in value of inventory, and reviewing the consistency of the application of that basis, and the rationale for the recording of specific provisions.
- Comparing the inventory holding periods and inventory movements to identify product lines with indicators of lower than normal inventory turnover.
- Comparing proceeds from sales transactions occurring after the date of the financial statements with the cost of inventory for each product line.
- Comparing historical data of actual losses on sales and write-offs of inventory during each of the previous years with the provision for diminution in value of inventory recorded at the preceding year-end.

Goodwill

I have focused my audit on the consideration of the impairment of goodwill as discussed in Notes 21 to the financial statements, because the assessment of impairment of goodwill is a significant accounting estimate requiring management to exercise a high degree of judgement in identifying the cash generating units, estimating the cash inflows that are expected to be generated from that group of assets in the future, and setting an appropriate discount rate and long-term growth rate. There are thus risks with respect to the amount of goodwill.

I assessed the identification of cash generating units and the financial models selected by management by gaining an understanding of management's decision-making process and assessing whether the decisions made were consistent with how assets are utilised. In addition, I tested the significant assumptions applied by management in preparing estimates of the cash flows expected to be realised from the assets, by comparing those assumptions with information from both internal and external sources and comparing past cash flow projections to actual operating results in order to evaluate the exercise of management judgement in estimating the cash flow projections. I also evaluated the discount rate applied by management through analysis of the average costs of the Group and of the industry, tested the calculation of the realisable values of the assets using the selected financial model and considered the impact of changes in key assumptions on those realisable values, especially changes in the discount rate and long-term revenue growth rates. Moreover, I reviewed the disclosures made with respect to the impairment assessment for goodwill, as well as sensitivity of the impact of changes in key assumptions to the cash flow projections.

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Miss Siriwan Suratepin.



Siriwan Suratepin
Certified Public Accountant (Thailand) No. 4604
EY Office Limited
Bangkok: 20 February 2017

Statement of financial position

Samart Corporation Public Company Limited and its subsidiaries

As at 31 December 2016

(Unit: Baht)

		Consolidated		Separate	
		financial statements		financial statements	
		2016	2015	2016	2015
Note					
Assets					
Current assets					
Cash and cash equivalents	7	2,210,502,760	1,998,625,629	91,278,641	165,110,643
Temporary investments	8	23,372,941	22,080,615	13,200,375	13,176,875
Trade and other receivables	9	8,998,371,756	10,927,191,248	329,263,518	378,503,132
Accrued income		3,158,465,182	2,982,276,730	409,080,102	856,314,782
Short-term loans	10	12,041,516	188,017	1,226,891,333	928,423,916
Inventories	11	1,231,077,549	1,894,596,065	-	14,342,542
Current portion of finance lease receivables	12	12,436,734	60,076,211	-	-
Other current assets	13	1,397,647,008	1,504,016,179	79,050,948	152,231,515
Total current assets		17,043,915,446	19,389,050,694	2,148,764,917	2,508,103,405
Non-current assets					
Restricted bank deposits	7, 14	105,207,405	215,612,558	-	-
Available-for-sale investments	15	70,271,514	175,718,886	-	-
Investments in associates	16	3,277,564	10,778,085	-	-
Investments in subsidiaries	17	-	-	6,850,387,999	6,850,387,999
Finance lease receivables - net of current portion	12	-	12,526,251	-	-
Investment properties	18	83,136,000	76,788,250	-	-
Property, plant and equipment	19	5,383,289,476	5,768,960,692	329,316,999	320,693,599
Prepaid rental to a related company	20	154,441,700	166,964,000	154,441,700	166,964,000
Goodwill	21	392,797,808	392,816,372	-	-
Intangible assets	22	1,500,056,871	800,616,142	54,969,945	-
Assets held for future projects	23	23,701,560	23,911,300	23,701,560	23,911,300
Deferred tax assets	39	334,343,125	189,690,836	-	-
Other non-current assets					
Deposits		68,671,528	65,820,545	5,785,215	4,251,407
Others		52,898,901	27,797,652	10,671,677	9,497,874
Total other non-current assets		121,570,429	93,618,197	16,456,892	13,749,281
Total non-current assets		8,172,093,452	7,928,001,569	7,429,275,095	7,375,706,179
Total assets		25,216,008,898	27,317,052,263	9,578,040,012	9,883,809,584

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 2016

(Unit: Baht)

		Consolidated		Separate	
		financial statements		financial statements	
Note		2016	2015	2016	2015
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans from financial institutions	24	9,059,368,958	10,202,660,133	1,290,000,000	1,055,000,000
Trade and other payables	25	2,262,170,708	2,795,882,266	435,390,446	888,477,056
Short-term loans	26	22,641,070	22,153,500	146,000,000	176,000,000
Current portion of debentures	27	880,000,000	870,000,000	-	-
Current portion of long-term loans from financial institutions	28	5,446,823	104,594,678	-	-
Current portion of liabilities under finance lease agreements	29	17,194,306	30,429,825	6,830,116	10,811,413
Income tax payable		76,047,595	71,553,971	-	-
Accrued project cost		871,955,756	630,102,333	71,934,917	27,182,842
Other current liabilities	30	504,657,281	590,427,966	30,336,404	150,377,902
Total current liabilities		13,699,482,497	15,317,804,672	1,980,491,883	2,307,849,213
Non-current liabilities					
Long-term loans from subsidiary companies	6	-	-	728,000,000	728,000,000
Debentures - net of current portion	27	2,985,000,000	3,285,000,000	2,500,000,000	2,500,000,000
Long-term loans from financial institutions - net of current portion	28	247,500,000	2,946,066	-	-
Liabilities under finance lease agreements - net of current portion	29	24,042,836	37,482,144	19,564,650	24,896,277
Provision for long-term employee benefits	31	219,349,995	204,591,340	43,568,834	33,939,307
Deferred tax liabilities	39	118,706,361	134,366,944	4,906,891	8,382,167
Other non-current liabilities					
Deposits		13,413,685	13,231,211	14,199,781	14,199,781
Others		1,992,170	3,729,907	-	-
Total other non-current liabilities		15,405,855	16,961,118	14,199,781	14,199,781
Total non-current liabilities		3,610,005,047	3,681,347,612	3,310,240,156	3,309,417,532
Total liabilities		17,309,487,544	18,999,152,284	5,290,732,039	5,617,266,745

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 2016

(Unit: Baht)

Note	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Liabilities and shareholders' equity (continued)				
Shareholders' equity				
Share capital	32			
Registered				
1,207,804,692 ordinary shares of Baht 1 each	1,207,804,692	1,207,804,692	1,207,804,692	1,207,804,692
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	33	120,780,469	120,780,469	120,780,469
Unappropriated		5,104,698,280	5,345,108,504	2,790,720,983
Other components of shareholders' equity		(701,409,358)	(706,635,422)	125,898,600
Equity attributable to owners of the Company		5,773,977,312	6,009,161,472	4,287,307,973
Non-controlling interests of the subsidiaries		2,132,544,042	2,308,738,507	-
Total shareholders' equity		7,906,521,354	8,317,899,979	4,287,307,973
Total liabilities and shareholders' equity		25,216,008,898	27,317,052,263	9,578,040,012
				9,883,809,584

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 2016

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Revenues					
Revenues from sales		3,100,453,194	7,333,510,391	-	-
Revenues from contract work	34	3,490,890,932	4,323,480,029	164,831,021	780,452,681
Service income		7,084,182,294	6,709,101,551	14,556,980	18,967,000
Other income	35	208,208,002	220,340,119	877,991,136	1,102,476,259
Total revenues		13,883,734,422	18,586,432,090	1,057,379,137	1,901,895,940
Expenses	36				
Cost of sales		2,870,479,435	6,289,043,042	-	-
Cost of contract work	34	2,998,769,806	3,130,170,353	146,038,001	724,461,137
Cost of services		5,170,930,883	4,915,908,521	14,120,271	18,399,927
Selling expenses		882,849,273	1,199,405,109	-	-
Administrative expenses		1,356,097,375	1,354,440,269	368,034,432	383,762,189
Other expenses	37	78,939,786	56,676,274	-	8,555,693
Total expenses		13,358,066,558	16,945,643,568	528,192,704	1,135,178,946
Profit before share of loss from investments in associates, finance cost and income tax expenses		525,667,864	1,640,788,522	529,186,433	766,716,994
Share of loss from investments in associates	16.2	(6,668,692)	(6,425,358)	-	-
Profit before finance cost and income tax expenses		518,999,172	1,634,363,164	529,186,433	766,716,994
Finance cost	38	(502,318,118)	(540,535,409)	(147,092,343)	(156,901,643)
Profit before income tax expenses		16,681,054	1,093,827,755	382,094,090	609,815,351
Income tax expenses	39	(58,772,115)	(107,041,817)	(49,372,346)	(27,196,911)
Profit for the year		(42,091,061)	986,785,938	332,721,744	582,618,440
Profit attributable to:					
Equity holders of the Company		71,184,818	807,687,824	332,721,744	582,618,440
Non-controlling interests of the subsidiaries		(113,275,879)	179,098,114		
		(42,091,061)	986,785,938		
Earnings per share	40				
Basic earnings per share					
Profit attributable to equity holders of the Company		0.07	0.80	0.33	0.58
Diluted earnings per share					
Profit attributable to equity holders of the Company		0.07	0.80	0.33	0.58

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 2016

(Unit: Baht)

Note	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Profit for the year	(42,091,061)	986,785,938	332,721,744	582,618,440
Other comprehensive income (loss):				
<i>Other comprehensive income (loss) reclassified or to be reclassified to profit or loss:</i>				
Exchange differences on translation of financial statements in foreign currencies	546,863	122,336,441	-	-
Reclassification of exchange differences on translation of financial statements in foreign currencies of disposed subsidiaries to profit or loss	(28,155,032)	-	-	-
Reclassification of exchange difference on translation of financial statements due to subsidiary company's liquidation	33,003	-	-	-
	(27,575,166)	122,336,441	-	-
Loss on changes in value of available-for-sale investments	15	(17,412,251)	(72,959,878)	-
Reclassification of loss on changes in value of disposed available-for-sale investments to profit or loss	15	55,263,603	-	-
Income tax effect	39	(7,570,271)	14,591,976	-
	30,281,081	(58,367,902)	-	-
Other comprehensive income reclassified or to be reclassified to profit or loss - net of income tax	2,705,915	63,968,539	-	-
<i>Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods:</i>				
Actuarial loss	31	2,242,282	(38,656,398)	(6,489,263)
Income tax effect	39	(448,456)	7,475,279	1,297,853
Reversal of deferred tax from actuarial loss on defined benefit plan	39	(32,035)	-	-
	1,761,791	(31,181,119)	-	(5,191,410)
Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods - net of income tax	1,761,791	(31,181,119)	-	(5,191,410)
Other comprehensive income (loss) for the year	4,467,706	32,787,420	-	(5,191,410)
Total comprehensive income (loss) for the year	(37,623,355)	1,019,573,358	332,721,744	577,427,030
Total comprehensive income attributable to:				
Equity holders of the Company	76,772,450	870,150,332	332,721,744	577,427,030
Non-controlling interests of the subsidiaries	(114,395,805)	149,423,026		
	(37,623,355)	1,019,573,358		

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 2016

(Unit: Baht)

	Consolidated financial statements													
	Equity attributable to owners of the Company													
	Other components of shareholders' equity					Total equity attributable to shareholders of the company								
	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 subsidiary equity	Total other components of shareholders' equity	Total equity attributable to shareholders of the company	Non-controlling subsidiaries	Total interest of the shareholders' equity				
	Exchange differences on translation of financial statements in foreign currencies	Deficit on changes in value of available-for-sale investments	Surplus on revaluation of land											
Balance as at 31 December 2014 Profit for the year Other comprehensive income (loss) for the year Total comprehensive income (loss) for the year Transfer to statutory reserve (Note 33) Dividend paid (Note 41) Changes in shareholding percentage in subsidiaries Decrease in non-controlling interests of the subsidiaries from dividend payment of subsidiaries Balance as at 31 December 2015 Balance as at 31 December 2015 Profit for the year Other comprehensive income (loss) for the year Total comprehensive income (loss) for the year Dividend paid (Note 41) Changes in shareholding percentage in subsidiaries Decrease in non-controlling interests of the subsidiaries from dividend payment of subsidiaries Balance as at 31 December 2016	Issued and fully paid-up share capital	Share premium	Retained earnings	Appropriated - statutory reserve	Unappropriated									
	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)	5,859,268,671	2,402,283,442	8,261,552,113	
	-	-	-	807,687,824	-	-	-	-	-	-	807,687,824	179,098,114	986,785,938	
	-	-	-	(21,292,074)	113,096,126	(29,341,544)	-	-	-	-	83,754,582	62,462,508	32,787,420	
	-	-	-	786,395,750	113,096,126	(29,341,544)	-	-	-	-	83,754,582	870,150,332	1,019,573,358	
	-	-	20,120,286	(20,120,286)	-	-	-	-	-	-	-	-	-	
	-	-	-	(734,602,651)	-	-	-	-	-	-	(734,602,651)	-	(734,602,651)	
	-	-	-	-	-	-	-	-	-	-	14,345,120	14,345,120	(56,634,511)	(42,289,391)
	-	-	-	-	-	-	-	-	-	-	-	-	(186,333,450)	(186,333,450)
	1,006,503,910	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	
1,006,503,910	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		
-	-	-	71,184,818	-	-	-	-	-	-	71,184,818	(113,275,879)	(42,091,061)		
-	-	-	361,568	(9,996,235)	15,222,299	-	-	-	-	5,226,064	5,587,632	(1,119,926)	4,467,706	
-	-	-	71,546,386	(9,996,235)	15,222,299	-	-	-	-	5,226,064	76,772,450	(114,395,805)	(37,623,355)	
-	-	-	(311,956,610)	-	-	-	-	-	-	-	(311,956,610)	-	(311,956,610)	
-	-	-	-	-	-	-	-	-	-	-	-	(994,989)	(994,989)	
-	-	-	-	-	-	-	-	-	-	-	-	(60,803,671)	(60,803,671)	
1,006,503,910	243,404,011	120,780,469	5,104,698,280	(78,691,016)	(48,612,524)	125,898,600	177,220,699	(877,225,117)	(701,409,358)	5,773,977,312	2,132,544,042	7,906,521,354		

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 2016

(Unit: Baht)

	Separate financial statements					
	Share capital issued and fully paid	Share premium	Retained earnings of		Other components shareholders' equity	Total shareholders' equity
			Appropriated - statutory reserve	Unappropriated		
Balance as at 31 December 2014	1,006,503,910	243,404,011	100,660,183	2,947,251,756	125,898,600	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 33)	-	-	20,120,286	(20,120,286)	-	-
Dividend paid (Note 41)	-	-	-	(734,602,651)	-	(734,602,651)
Balance as at 31 December 2015	1,006,503,910	243,404,011	120,780,469	2,769,955,849	125,898,600	4,266,542,839
Balance as at 31 December 2015	1,006,503,910	243,404,011	120,780,469	2,769,955,849	125,898,600	4,266,542,839
Profit for the year	-	-	-	332,721,744	-	332,721,744
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	332,721,744	-	332,721,744
Dividend paid (Note 41)	-	-	-	(311,956,610)	-	(311,956,610)
Balance as at 31 December 2016	1,006,503,910	243,404,011	120,780,469	2,790,720,983	125,898,600	4,287,307,973

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 2016

(Unit: Baht)

Note	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cash flows from operating activities				
Profit before tax	16,681,054	1,093,827,755	382,094,090	609,815,351
Adjustments to reconcile net income before tax to				
net cash provided by (paid from) operating activities				
Unrealised (gain) loss on exchange	(3,870,840)	(10,394,862)	(1,559,330)	181,764
Gain on disposal of temporary investments in trading securities 8, 35	-	(13,990,731)	-	(4,545,935)
(Gain) loss on change in value of temporary investment				
in trading securities 8, 35, 37	(1,310,314)	11,409,962	(23,500)	3,573,740
(Gain) loss on changes in fair value of				
forward exchange contracts	(554,269)	24,060,326	(51,826)	18,773,469
Bad debts and doubtful accounts	29,260,106	18,916,442	-	-
Increase (decrease) in reduction cost of inventory to				
net realisable value	299,548,501	(27,514,206)	-	-
Write-off inventory	23,918,207	-	-	-
Allowance for diminution in value of other receivables				
and sales promotion receivables	45,090,281	20,592,075	-	-
Allowance for diminution in value of advance				
for purchase of inventories	-	4,182,910	-	-
Increase (decrease) in allowance for withholding tax deducted at source	-	5,586,755	-	(2,452,057)
Write-off withholding tax deducted at source and value added tax	4,894,661	-	3,559,757	-
Gain on disposals of available-for-sale investments 15, 35	(11,235,210)	(4,889,745)	-	-
Share of loss on investment in associated companies 16	6,668,692	6,425,358	-	-
Gain on disposal of investments in associates 35	(12,167,911)	-	-	-
Gain on disposal of investments in subsidiaries 35	(39,409,099)	-	-	-
Loss on the subsidiaries liquidation	-	-	-	375,408
Gain on revaluation of investment property 18, 35	(6,347,750)	(2,115,750)	-	-
Transfer equipment to expense	1,062,421	4,008,635	661,507	-
Depreciation 19	1,573,374,585	1,424,031,122	28,095,384	32,684,385
Gain on disposal of plant, equipment and intangible assets 35	(4,414,105)	(47,501,234)	(90,645)	(41,886,585)
Loss on write-off equipment	123,944	-	-	-
Loss on impairment of equipment	17,426,452	-	-	-
Gain on compensation received from insurance 35	(249,931)	(215,404)	-	-
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 22	129,459,660	128,816,966	30,055	-
Transfer intangible asset to cost	347,383	1,513,098	-	-
Depreciation of assets held for future projects 23	209,740	209,740	209,740	209,740
Amortisation of interest income under finance lease	(4,390,084)	(6,603,158)	-	-
Amortisation of deferred interests expense under				
finance lease agreements 38	2,280,845	2,838,276	948,347	521,954
Write-off other current assets	-	-	-	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 2016

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cash flows from operating activities (continued)				
Reversal in allowance for warranty	(824,000)	(10,208,000)	-	-
Provision for long-term employee benefits	17,000,937	16,515,351	9,629,527	2,881,563
Interest income	(10,086,076)	(9,856,016)	(24,371,127)	(26,740,874)
Interest expense	485,385,472	518,899,615	145,600,287	155,944,933
Loss from write-off goodwill	893,509	-	-	-
Reversal of loss from liquidation in subsidiary	(51,600)	-	-	-
Income from operating activities before changes in operating assets and liabilities	2,571,237,561	3,161,067,580	557,254,566	774,183,888
Operating assets (increase) decrease				
Trade and other receivables	1,863,415,545	(2,199,372,727)	50,333,330	(136,669,326)
Inventories	222,523,246	1,709,850,736	14,342,542	(1,885,029)
Accrued income	(178,059,293)	173,321,204	447,234,680	(132,213,181)
Other current assets	54,819,511	152,003,144	80,750,790	34,022,205
Other non-current assets	(26,916,632)	23,883,825	(2,787,428)	(67,914)
Operating liabilities increase (decrease)				
Trade and other payables	(136,863,776)	(327,930,013)	(457,249,999)	347,025,434
Other current liabilities	(95,664,174)	73,754,937	(120,041,498)	83,120,935
Other non-current liabilities	(1,555,263)	760,208	-	(2,029,867)
Cash flows from operating activities	4,272,936,725	2,767,338,894	569,836,983	965,487,145
Cash paid for interest expenses	(490,930,716)	(519,259,096)	(146,265,109)	(147,915,627)
Cash paid for corporate income tax	(396,618,999)	(404,630,170)	(69,605,025)	(63,925,189)
Cash received from income tax refundable	213,480,778	289,216,980	8,501,235	8,173,524
Cash received from value added tax refundable	22,786,000	-	-	-
Net cash flows from operating activities	3,621,653,788	2,132,666,608	362,468,084	761,819,853

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 2016

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Cash flows from investing activities					
Cash paid to provide short-term loans to related parties	6	-	-	(811,880,000)	(965,410,000)
Cash received from repayment from short-term loans to related parties	6	-	-	513,400,000	348,000,000
Cash paid to provide short-term loan to unrelated party		(12,000,000)	-	-	-
Cash received from repayment from short-term loans to employees		441,501	285,954	12,583	7,284
Cash paid to provide short-term loans to employees		(35,000)	(221,287)	-	(15,100)
Cash received from interest income		9,966,022	10,246,580	23,051,431	25,473,818
Decrease in fixed deposits		17,988	8,996,549	-	-
Decrease in restricted bank deposits		110,405,153	72,005,022	-	-
Cash received from finance lease receivables		63,949,798	37,654,975	-	-
Proceed from sale of temporary investments in trading securities	8	-	139,616,470	-	72,617,442
Cash paid for purchase of temporary’s investments in trading securities	8	-	(36,354,937)	-	(18,265,755)
Proceed from disposal of available-for-sale investments	15	154,533,934	31,822,865	-	-
Cash paid to purchase available-for-sale investments	15	-	(8,252,859)	-	-
Cash paid for investment in associate		-	(9,999,799)	-	-
Cash paid for acquisition of investment in subsidiaries		(1,292,482)	-	-	-
Cash flows from disposal of investments in subsidiaries		(5,203,039)	-	-	-
Net cash outflows from liquidation of investments in subsidiary		(36,450)	-	-	-
Cash received from subsidiary’s liquidation		-	-	-	13,286,642
Proceeds from disposal of plant and equipment		28,986,834	51,272,022	240,281	42,731,338
Cash paid for acquisition of equipment		(1,267,634,942)	(2,303,811,717)	(43,906,500)	(37,654,757)
Cash received from insurance claims		287,800	227,225	-	-
Cash paid for acquisition of intangible assets		(822,073,500)	(21,049,881)	-	-
Increase (decrease) in non-controlling interests of subsidiaries		(32,547,908)	8,382,171	-	-
Net cash flows used in investing activities		(1,772,234,291)	(2,019,180,647)	(319,082,205)	(519,229,088)

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 2016

(Unit: Baht)

Note	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cash flows from financing activities				
Proceed from sale of investments in associate	16	12,999,740	-	-
Proceeds from partial sale of investments in subsidiaries		-	37,672,824	-
Cash paid for additional purchase of investments in subsidiaries		-	(67,758,842)	(5,996,496)
Increase (decrease) in bank overdrafts		88,654,241	(69,235,662)	-
Proceeds from short-term loans from financial institutions		7,497,669,946	16,922,625,845	1,040,000,000
Cash paid to settle short-term loans from financial institutions		(7,823,720,477)	(15,628,406,733)	(9,277,245,487)
Decrease in trust receipts		(885,555,450)	(2,882,910,984)	-
Proceeds from bill of exchange		1,244,560,650	1,505,000,000	500,000,000
Cash paid to settle bill of exchange		(1,265,000,000)	(920,000,000)	(445,000,000)
Proceed from short-term loans from related parties	6	-	-	146,000,000
Repayment of settle short-term loans from related parties	6	-	-	(176,000,000)
Repayment of short-term loans from unrelated parties		(262,202)	(26,815,905)	-
Proceeds from short-term loans from unrelated parties		220,000	30,675,000	-
Proceeds from issuance debentures	27	810,000,000	4,355,000,000	-
Cash paid to debentures redemption	27	(1,100,000,000)	(1,760,000,000)	-
Proceeds from long-term loans from related parties		250,000,000	-	-
Cash paid to settle long-term loans from financial institutions		(104,278,222)	(338,642,850)	-
Cash received from loan under finance lease agreement		1,765,000	-	1,765,000
Cash paid to settle liabilities under finance lease agreements		(33,192,163)	(23,777,014)	(12,026,271)
Dividend paid	41	(311,956,610)	(734,602,651)	(311,956,610)
Increase in non-controlling interests of the subsidiaries from proceeds of ordinary shares of subsidiaries		14,087,500	-	-
Changes in shareholding percentage in subsidiaries		252,741	10,075,759	-
Decrease in non-controlling interests of the subsidiaries from dividend payment		(60,803,671)	(186,333,451)	-
Net cash flows from (used in) financing activities		(1,664,558,977)	222,565,336	(117,217,881)
Increase in translation adjustments		27,016,611	30,489,886	-
Net increase (decrease) in cash and cash equivalents		211,877,131	366,541,183	(73,832,002)
Cash and cash equivalents at beginning of the year		1,998,625,629	1,632,084,446	165,110,643
Cash and cash equivalents at end of the year		2,210,502,760	1,998,625,629	91,278,641
Supplement disclosures of cash flows information				
Non-cash items				
Receivable from sale of investment in subsidiary		15,299,750	-	-
Transfer inventories to equipment		112,994,790	97,004,668	-
Transfer equipment to intangible assets		10,786,101	14,115,967	-
Increase in fixed asset payable		-	120,909,074	-
Increase in intangible asset payable		-	-	55,000,000
Acquisitions of equipment under finance leases agreements		2,471,491	31,188,770	-
Transfer equipment to other current assets		2,453,292	-	2,453,292

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 2016

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, 35th Floor, Chaengwattana Road, Klong Gluar, Pak-Kred, Nonthaburi.

2. Basis of preparation

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 28 September 2011, issued under the Accounting Act B.E. 2543.

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

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

2.2 Basis of consolidation

a) The consolidated financial statements include the financial statements of 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)	
			2016 Percent	2015 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	70.14
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	69.18
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)	
			2016 Percent	2015 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

Indirect subsidiaries held by the Company's subsidiaries

Company's name	Nature of business	Country of incorporation	Percentage of shareholding (direct and indirect)	
			2016 Percent	2015 Percent
Subsidiaries held by One to One Contacts Public Co., Ltd.				
One to One Professional Co., Ltd.	Provide company personnel to perform work regarding providing information, news and information center on-site and off-site	Thailand	69.18	69.18
One to One (Cambodia) Co., Ltd.	Provision of customer contact service	Cambodia	69.18	69.18
Subsidiaries held by Samart Inter Holding Co., Ltd.				
Cambodia Air Traffic Services Co., Ltd.	Provision of air traffic control services in Cambodia	Cambodia	100	100
Kampot Power Plant Co., Ltd.	Production and sale of electricity to Kampot Cement factory in Cambodia which produces cement, an affiliate of Siam Cement Group	Cambodia	100	100
Subsidiary held by The Samart Engineering Co., Ltd.				
Contact-In-One Co., Ltd.	Institute of telecommunication mechanic	Thailand	100	100
Subsidiaries held by Samart U-Trans Co., Ltd.				
Teda Co., Ltd.	Engineering, procurement and construction (EPC) contractor and maintenance services for power substations and power transmission	Thailand	94.35	94.35
Samart U-Trans (Myanmar) Co., Ltd.	Provide services and consultations regarding trades in Myanmar	Myanmar	100	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	100
Subsidiary held by Teda Co., Ltd.				
Transec Power Services Co., Ltd.	Installation, commissioning and maintenance services for power substation and any high voltage systems	Thailand	94.35	94.35
Subsidiaries held by Samart Telcoms Public Co., Ltd.				
Samart Communication Services Co., Ltd.	Design and installation of communication network, public rural telephone project	Thailand	70.14	70.14

Company's name	Nature of business	Country of incorporation	Percentage of shareholding (direct and indirect)	
			2016 Percent	2015 Percent
Posnet Co., Ltd.	Electronic fund transfer	Thailand	70.14	70.14
Thai Trade Net Co., Ltd.	Electronic data interchange	Thailand	70.14	70.14
Samart Broadband Services Co., Ltd.	Ceased its operation since 2008	Thailand	70.14	70.14
Samart Comtech Co., Ltd.	Design and installation of telecommunications network	Thailand	70.14	70.14
Smarterware Co., Ltd.	Manufacture production of software packages and provision of software development services	Thailand	70.14	70.14
Samart Telecommunication (Cambodia) Co., Ltd.	Ceased business in 2010, liquidation was completed in August 2016	Cambodia	-	70.14
Samart Infonet Co., Ltd.	Provision for internet services	Thailand	70.14	70.14
Samart eD Tech Co., Ltd.	E-Learning courseware development consultation	Thailand	70.14	70.14
Net Media Co., Ltd.	Distribution of information system and communications equipment	Thailand	70.14	70.14
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	70.14
Subsidiary held by Samart Broadband Services Co., Ltd.				
IT Absolute Co., Ltd.	Distribution of information system and communications equipment	Thailand	70.14	70.14
Subsidiary held by Samart Comtech Co., Ltd.				
Net Service (Thailand) Co., Ltd.	Development of information technology system for government agencies and private companies	Thailand	42.08	42.08

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 (direct and indirect)	
			2016 Percent	2015 Percent
Subsidiaries held by Samart I-Mobile Public Co., Ltd.				
Samart Multimedia Co., Ltd.	Provision content services via Audiotext and Call center	Thailand	71.47	71.47
I-Mobile International Co., Ltd.	Liquidation was completed during the year (2015: Provision the general management business including business planning and business coordination)	Thailand	-	71.47
Brain Source Co., Ltd.	In process of liquidation (2015: 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

Company's name	Nature of business	Country of incorporation	Percentage of shareholding (direct and indirect)	
			2016 Percent	2015 Percent
Samart I-Mobile (Malaysia) Sdn. Bhd.	Disposed during the year (2015: Distributor of mobile phones and provider of entertainment content)	Malaysia	-	71.47
Teleconnext Co., Ltd.	Distributor of mobile phones and accessories	Hong Kong	71.47	71.47
Zecureasia Co., Ltd. (formerly known as "I-Mobile Inter trade Co., Ltd.")	Distributor of mobile phones (2015: Temporarily ceased its business)	Thailand	71.47	71.47
Samart Mobile Services Co., Ltd.	Temporarily ceased its business	Thailand	69.61	69.61
SIM2ASSET Co., Ltd.	Real estate agent services	Thailand	71.47	-
Subsidiaries held by Samart Multimedia Co., Ltd.				
Samart Interactive Media Co., Ltd.	Liquidation was completed during the year (2015: Distribution of goods and provision of services related to horoscopes and astrology)	Thailand	-	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
Phoinikas Co., Ltd.	Digital Marketing Service	Thailand	71.47	-
Subsidiaries held by I-Mobile International Co., Ltd.				
Pt. Samart I-Mobile Indonesia	Disposed during the year (2015: Temporarily ceased its business)	Indonesia	-	71.47
I-Mobile (Cambodia) Co., Ltd.	Ceased business in 2006, currently is in process of liquidation	Cambodia	-	-
Subsidiary held by Samart I-Mobile (Malaysia) Sdn. Bhd.				
Pemata Benar Sdn. Bhd.	Disposed during the year (2015: Not yet operational)	Malaysia	-	71.47
Subsidiary held by Zecureasia Co., Ltd. (formerly known as "I-Mobile Inter trade Co., Ltd.")				
I-Mobile Direct Co., Ltd.	In process of liquidation (2015: Temporarily ceased its business)	Thailand	71.47	71.47
Subsidiaries held by I-Sport Co., Ltd.				
Siam Sport 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

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

During the year, the Company and subsidiaries have adopted the revised (revised 2015) and new financial reporting standards and accounting treatment guidance issued by the Federation of Accounting Professions which become 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, 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 Company's and its subsidiaries' financial statements.

b. Financial reporting standard that will become effective in the future

During the current year, the Federation of Accounting Professions issued a number of the revised financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which is effective for fiscal years beginning on or after 1 January 2017. 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 management of the Company and its subsidiaries believe that the revised financial reporting standards and interpretations and new accounting treatment guidance will not have any significant impact on the financial statements when they are initially applied. However, one standard involves changes to key principles, which are summarised below.

TAS 27 (revised 2016) Separate Financial Statements

This revised standard stipulates an additional option to account for investments in subsidiaries, joint ventures and associates in separate financial statements under the equity method, as described in TAS 28 (revised 2016) Investments in Associates and Joint Ventures. However, the entity is to apply the same accounting treatment for each category of investment. If an entity elects to account for such investments using the equity method in the separate financial statements, it has to adjust the transaction retrospectively.

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

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.

Revenue from contract work

Revenues from construction contracts, excluding value added tax, are recognised by reference to the stage of completion. Stage of completion is measured by reference to the proportion that costs incurred to date bear to the estimated total cost of the contracts. Provision for the total anticipated loss on the projects will be made in the accounts as soon as the possibility of loss is ascertained.

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 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, tools 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 individuals or enterprises that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies, and individuals or enterprises 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

Defined 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.

Allowance for doubtful accounts

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

Reduction 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.

Goodwill

The initial recognition and measurement of goodwill, 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 it is probable that the Company and its subsidiaries will have taxable profit that 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	
	2016	2015	2016	2015
Transactions with subsidiary companies (eliminated from the consolidated financial statements)				
Purchase of goods and services	-	-	55	467
Management fee income	-	-	446	409
Guarantee fee income	-	-	3	2
IT Service fee income	-	-	94	98
Dividend income	-	-	141	445
Interest income	-	-	24	26
Disposals fixed assets	-	-	-	1
Purchase fixed assets	-	-	60	-
Other income	-	-	127	70
Other expenses	-	-	11	9
Interest expenses	-	-	6	9
Transactions with related companies				
Purchase of goods and service	14	18	-	-
Sales and service income	4	1	-	-
Revenues from contract work	37	-	-	-
Disposals fixed assets	-	42	-	42
Other expenses	98	82	61	53
Other income	1	1	-	-

As at 31 December 2016 and 2015, the balances of the account between the Company and those related parties were as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Trade accounts receivable - related parties (Note 9)				
Related companies (related by shareholder)	417	1,008	-	-
Total trade accounts receivable - related parties	417	1,008	-	-
Amount due from and advance to related parties (Note 9)				
Subsidiary companies	-	-	96,939	53,526
Related companies (related by shareholder)	1,186	815	306	253
Total amount due from and advance to related parties	1,186	815	97,245	53,779
Trade accounts payable - related parties (Note 25)				
Subsidiary companies	-	-	184,218	497,274
Related companies (related by shareholder)	23	909	-	-
Total trade accounts payable - related parties	23	909	184,218	497,274
Other payables and accrued interest expenses - related parties (Note 25)				
Subsidiary companies	-	-	59,086	2,990
Related companies (related by shareholder)	3,541	2,493	1,013	1,256
Total other payables and accrued interest expenses - related parties	3,541	2,493	60,099	4,246

Loans to related parties and loans from related parties

As at 31 December 2016 and 2015, 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			
	During the year			31 December 2016
	31 December 2015	Increase	Decrease	
The Samart Engineering Co., Ltd.	695,400	-	(72,400)	623,000
Suvarnabhumi Environment Care Co., Ltd.	192,011	32,380	-	224,391
Vision and Security System Co., Ltd.	41,000	208,500	(10,000)	239,500
Samart I-Mobile Public Co., Ltd.	-	417,000	(277,000)	140,000
Samart U-Trans Co., Ltd.	-	154,000	(154,000)	-
Total	928,411	811,880	(513,400)	1,226,891

Loans from subsidiary companies

(Unit: Thousand Baht)

Short-term loans to subsidiary companies	Separate financial statements			
	During the year			31 December 2016
	31 December 2015	Increase	Decrease	
Samart U-Trans Co., Ltd.	176,000	146,000	(176,000)	146,000
Total	176,000	146,000	(176,000)	146,000

(Unit: Thousand Baht)

Long-term loans to subsidiary companies	Separate financial statements			
	During the year			31 December 2016
	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.

On 23 December 2016, the Company entered into the amendment to loan agreement dated 27 November 2012 with Cambodia Air Traffic Services Co., Ltd. in order to extend the repayment period. The loan will be repaid within the year 2022.

- 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).

On 23 December 2016, the Company entered into the amendment to loan agreement with Kampot Power Plant Co., Ltd. in order to extend the repayment period. The loan will be repaid within the year 2022.

Directors and management's benefits

During the years ended 31 December 2016 and 2015, 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	
	2016	2015	2016	2015
Short-term employee benefits	111.5	97.0	49.2	36.7
Post-employment benefits	1.5	1.2	0.8	0.6
Total	113.0	98.2	50.0	37.3

Significant agreements with related parties

Long-term rental agreements

- a) 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. These contracts will expire in April 2017. The Company and its subsidiary companies have to pay a monthly rental fee of approximately Baht 1.5 million (Separate financial statements: Baht 0.5 million).
- b) The Company and its subsidiary companies entered into office rental agreements with CSV Asset Co., Ltd., a related company, for use in their operations. These contracts will expire in December 2017. The Company and its subsidiary companies have to pay a monthly rental fee of approximately Baht 0.6 million (Separate financial statements: Baht 0.2 million).

Service agreements

- a) The Company and its subsidiary companies entered into facility service agreements with Vilailuck International Holding Co., Ltd., a related company. These contracts will expire in April 2017, under which they have to pay monthly facility service fees of approximately Baht 4.4 million (Separate financial statements: Baht 2.7 million).
- b) The Company and its subsidiary companies entered into facility service agreements with CSV Asset Co., Ltd., a related company. These contracts will expire in December 2017, under which they have to pay monthly facility service fees of approximately Baht 0.8 million (Separate financial statements: Baht 0.3 million).

The commitment under the operating lease agreements with the related party was disclosed in Note 45.2.1 to the financial statements.

Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its related parties, as described in Note 45.4.2 to the financial statements.

7. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cash	2,608	2,620	20	26
Bank deposits	2,313,102	2,211,619	91,259	165,085
Less: Restricted bank deposits	(105,207)	(215,613)	-	-
Total	2,210,503	1,998,626	91,279	165,111

As at 31 December 2016, bank deposits in saving accounts and fixed deposits carried interests at the rate between 0.04 and 4.00 percent per annum (2015: between 0.05 and 4.00 percent per annum).

8. Temporary investments

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Trading securities (Note 8.1)	23,373	22,063	13,200	13,177
Fixed deposit with financial institution	-	18	-	-
Total	23,373	22,081	13,200	13,177

8.1 Temporary investments in trading securities

Movements of the temporary investments in trading securities account for the years ended 31 December 2016 and 2015 were summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Balance at beginning of the year	22,063	122,743	13,177	66,556
Purchase during the year	-	36,355	-	18,266
Disposals during the year				
Proceed from sales	-	(139,616)	-	(72,617)
Gain on disposals (Note 35)	-	13,991	-	4,546
Total -	-	(125,625)	-	(68,071)
Gain (loss) on change in value (Note 35 and 37)	1,310	(11,410)	23	(3,574)
Balance as at end of the year	23,373	22,063	13,200	13,177

9. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Trade accounts receivable - related parties (Note 6)				
<i>Aged on the basis of due dates</i>				
Not yet due	253	835	-	-
Past due				
Up to 3 months	-	9	-	-
Over 12 months	164	473	-	-
Total	417	1,317	-	-
Less: Allowance for doubtful debts	-	(309)	-	-
Total trade accounts receivable - related parties, net	417	1,008	-	-
Trade accounts receivable - unrelated parties				
<i>Aged on the basis of due dates</i>				
Not yet due	1,103,124	3,583,302	-	1,714
Past due				
Up to 3 months	1,191,621	3,117,810	2,827	174,155
3 - 6 months	1,400,692	2,646,800	65,163	4,988
6 - 12 months	2,846,376	851,431	10,754	64,680
Over 12 months	2,264,979	483,083	152,780	78,046
Total	8,806,792	10,682,426	231,524	323,583
Less: Allowance for doubtful debts	(124,754)	(119,832)	(588)	(588)
Allowance for sales return	(1,122)	(5,736)	-	-
Total trade accounts receivable - unrelated parties, net	8,680,916	10,556,858	230,936	322,995
Total trade accounts receivable - net	8,681,333	10,557,866	230,936	322,995
Other receivables				
Amount due from and advance to related parties (Note 6)	1,186	815	97,245	53,779
Security business receivables	1,022,626	1,022,626	-	-
Other receivables - unrelated parties	382,381	389,947	1,137	1,783
Total	1,406,193	1,413,388	98,382	55,562
Less: Allowance for doubtful debts	(1,089,154)	(1,044,063)	(54)	(54)
Total other receivables - net	317,039	369,325	98,328	55,508
Total trade and other receivables - net	8,998,372	10,927,191	329,264	378,503

- a) The Company and four subsidiary companies (Samart Telcoms Public Co., Ltd., Samart Communication Services Co., Ltd., Samart Comtech Co., Ltd. and Portalnet 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 2016, the balances of the above trade accounts receivable included the receivables that were transferred their collection rights to banks totaling Baht 1,090 million (2015: the Company and three subsidiary companies (Samart Telcoms Public Co., Ltd., Samart Communication Services Co., Ltd., and Samart Comtech Co., Ltd.): Baht 1,667 million) (Separate financial statements: Baht 171 million (2015: Baht 323 million)).
- b) As at 31 December 2016, trade accounts receivable of Samart Telcoms Public Co., Ltd., a subsidiary company, included amounts of Baht 4 million (2015: 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 2016, 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 (2015: 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 a lawsuit with the Civil Court, seeking settlement of a government agency as a trade account receivable (unrelated party) that were past due totaling approximately Baht 78.4 million (included accrued income amounted to approximately Baht 3.7 million) for contact center service. On 21 November 2016, the Civil Court ordered that such government agency has to repay the full amount of debt, together with interest charged to the subsidiary company. Later, on 19 January 2017, the government agency appealed against the Civil Court’s verdict, and at present, the case is being considered by the Appeal Court. However, the subsidiary company’s management believes that full settlement will be received. Therefore as at 31 December 2016, the subsidiary company has not set aside any allowance for doubtful accounts for such debtor.

e) On 11 September 2016, the Company jointly filed a lawsuit with the Administrative Court, seeking settlement of Airports of Thailand Public Co., Ltd. as a trade account receivable (unrelated party) that were past due totalling Baht 194 million. However, the Company’s management believes that full settlement will be received. Therefore as at 31 December 2016, the Company has not set aside any allowance for doubtful accounts for such debtor.

f) As at 31 December 2016, 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 2,265 million (2015: Baht 483 million) and of the Company totaling Baht 153 million (2015: Baht 78 million). This is because such trade accounts receivable are government units and private companies, that obtained government projects or are large private companies, 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	
	2016	2015	2016	2015
Short-term loans to related parties (Note 6)	-	-	1,226,891	928,411
Short-term loan to unrelated party	12,000	-	-	-
Short-term loans to employees	42	188	-	13
Total short-term loans	12,042	188	1,226,891	928,424

Short-term loan to unrelated party of Baht 12 million is Baht loan which Samart Waste2Power Co., Ltd., a subsidiary company, lend to an individual on 27 October 2016 for a period of 1 year from the contract date. The loan carries interest at 7.125% per annum, and interest is to be paid on every six months.

11. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories-net	
	2016	2015	2016	2015	2016	2015
Finished goods	1,026,375	1,538,961	(300,944)	(52,289)	725,431	1,486,672
Work in process	403,905	149,596	(37,523)	(22,296)	366,382	127,300
Raw materials and supplies	166,577	211,623	(37,972)	(3,391)	128,605	208,232
Goods in transit	10,660	72,392	-	-	10,660	72,392
Total	1,607,517	1,972,572	(376,439)	(77,976)	1,231,078	1,894,596

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories-net	
	2016	2015	2016	2015	2016	2015
Finished goods	-	14,059	-	-	-	14,059
Work in process	-	284	-	-	-	284
Total	-	14,343	-	-	-	14,343

During the current year, the subsidiary companies recorded the reduced cost of inventories by Baht 298 million to reflect the net realisable value. This was included in cost of sale. (2015: the subsidiaries reversed the write-down of cost of inventories by Baht 18 million and reduced the amount of inventories recognised as expenses during the year).

During the current year, Teleconnex Co., Ltd., a subsidiary company, wrote off cost of inventories due to obsolete inventories by Baht 24 million (2015: Nil) as recognised in administrative expenses.

12. Finance lease receivables

(Unit: Thousand Baht)

	Consolidated financial statements	
	2016	2015
Finance lease receivables (contractual value)	265,446	265,446
Less: Receipts	(239,329)	(175,379)
Exchange differences on translation of financial statements in foreign currencies	(13,200)	(12,519)
Finance lease receivables	12,917	77,548
Less: Unearned interest income	(480)	(4,946)
Finance lease receivables - net of unearned interest income	12,437	72,602
Less: Current portion of finance lease receivables	(12,437)	(60,076)
Finance lease receivables - net of current portion	-	12,526

- 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. As at 31 December 2016, the subsidiary fully received the settlement from its financial lease receivable.

13. Other current assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Withholding tax and prepaid tax expenses	464,450	502,693	27,028	22,331
Refundable value added tax	234,173	295,814	-	41,001
Prepaid expenses	229,367	323,777	24,669	24,132
Advance for purchase of inventories and equipment	179,368	217,701	-	53,971
Advance payments	42,403	23,269	16	168
Others	256,782	156,744	27,338	10,629
Less: Allowance for diminution in value of advance for purchase of inventories	(8,896)	(15,982)	-	-
Total other current assets - net	1,397,647	1,504,016	79,051	152,232

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.

15. Available-for-sale investments

As at 31 December 2016 and 2015, the subsidiary companies have available-for-sale investments as the followings:

(Unit: Thousand Baht)

Common stock/Warrant	Consolidated financial statements					
	2016			2015		
	No. of shares (Thousand shares)	Fair value as at the purchase/ reclassification date	Fair value	No. of shares (Thousand shares)	Fair value as at the purchase/ reclassification date	Fair value
Siam Sport Syndicate Public Co., Ltd.	29,150	76,068	37,895	29,150	82,700	58,884
Warrant No. 5 of Siam Sport Syndicate Public Co., Ltd.	7,288	6,632	5,977	-	-	-
Ferrum Public Co., Ltd.	30,000	108,450	26,400	30,000	108,450	28,800
Q Technology (Group) Co., Ltd. (a company listed in Hong Kong Stock Exchange)	-	-	-	12,000	143,299	88,035
Total		191,150	70,272		334,449	175,719
Less: Change in value		(120,878)			(158,730)	
Total available-for-sale investments		70,272			175,719	

Movements of available-for-sale investments account during the years ended 31 December 2016 and 2015 were summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	
	2016	2015
Net book value at beginning of the year	175,719	267,359
Purchase during the year	-	8,253
Disposals during the year		
Proceeds from sales	(154,534)	(31,823)
Less: Gain on disposal - net from loss on changes in value previously recorded in other comprehensive income (Note 35)	11,235	4,890
Total	(143,299)	(26,933)
Reclassification of loss on changes in value previously recorded in other comprehensive income to profit or loss	55,264	-
Loss on changes in value	(17,412)	(72,960)
Net book value at end of the year	70,272	175,719

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	
			2016 (%)	2015 (%)	2016	2015	2016	2015
<u>Associates held by the subsidiary companies</u>								
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	3,278	4,912
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					9,000	19,000	3,278	10,778

On 16 June 2016, Samart Waste2Power Co., Ltd, a subsidiary company, entered into an agreement to sell all 99,998 shares that it holds in Chiang Mai Waste2Power Co., Ltd. to Ferrum Energy Co., Ltd. at price in the agreement of Baht 130 per share, or for a total of Baht 13 million. The value of the investment in this company under the equity method in the consolidated financial statements was approximately Baht 1 million as of the disposal date. As a result of the disposal of this investment, gain of this transaction amount to Baht 12 million in the consolidated financial statements for the year ended 31 December 2016. The subsidiary company received cash from disposal of such investment on 15 July 2016.

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	
	2016	2015
Associates held by the subsidiary companies		
SLA Asia Co., Ltd. (held by Samart Communication Services Co., Ltd.)	1,634	2,292
Chiang Mai Waste2Power Co., Ltd. (held by Samart Waste2Power Co., Ltd.)	5,035	4,134
Total	6,669	6,426

16.3 Summarised financial information of associates

Summarised information about financial position

(Unit: Thousand Baht)

	SLA Asia Co., Ltd.		Chiang Mai Waste2Power Co. Ltd.	
	2016	2015	2016	2015
Current assets	11,320	16,769	869	11,374
Net assets	11,320	16,769	869	11,374
Shareholding percentage (%)	30%	30%	-	50%
Carrying amounts of associates based on equity method	3,396	5,031	-	5,687

Summarised information about comprehensive income

(Unit: Thousand Baht)

	SLA Asia Co., Ltd.		Chiang Mai Waste2Power Co. Ltd.	
	For the year ended 31 December		For the period as from 1 January 2016 to 16 June 2016 (the disposal date)	For the year ended 31 December 2015
	2016	2015		
Revenue	82	69	-	36
Loss	(5,447)	(7,640)	(10,045)	(8,303)
Total comprehensive loss	(5,447)	(7,640)	(10,045)	(8,303)

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	
	2016 Million Baht	2015 Million Baht	2016 Percent	2015 Percent	2016 Thousand Baht	2015 Thousand Baht	2016 Thousand Baht	2015 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	70.14	1,537,050	1,537,050	108,366	281,492
Samart I-Mobile Public Co., Ltd.	440	440	70.94	70.94	3,804,577	3,804,577	-	140,471
One to One Contacts Public Co., Ltd.	280	280	68.43	68.43	89,609	89,609	32,572	22,992
Vision and Security System Co., Ltd.	20	20	70	70	14,000	14,000	-	-
Suvarnabhumi Environment Services Co., Ltd.	0.25	0.25	90	90	225	225	-	-
Suvarnabhumi 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	-	-
Total investments in subsidiaries					6,931,917	6,931,917	140,938	444,955
Less: Allowance for diminution in value of investments					(81,529)	(81,529)		
Total investments in subsidiaries - net					6,850,388	6,850,388		

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	
	2016 (%)	2015 (%)	2016 (%)	2015	2016	2015	2016	2015
Samart I-Mobile Public Co., Ltd. and its subsidiaries	28.53	28.53	803,797	1,002,215	(198,418)	2,364	-	56,088
Samart Telcoms Public Co., Ltd. and its subsidiaries	29.86	29.86	1,060,147	1,039,152	67,128	113,969	46,133	120,205
One to One Contacts Public Co., Ltd. and its subsidiaries	30.82	30.82	269,517	258,534	25,654	20,361	14,671	10,040

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	
	2016	2015	2016	2015	2016	2015
Current assets	6,756,252	8,736,328	5,389,963	5,706,001	835,154	811,110
Non-current assets	1,218,246	1,257,585	4,628,615	4,333,614	176,797	207,449
Current liabilities	5,172,268	6,711,978	5,958,621	5,700,808	119,987	164,184
Non-current liabilities	285,655	51,697	583,915	880,011	17,477	15,524

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	
	2016	2015	2016	2015	2016	2015
Revenue	3,461,303	7,798,735	5,748,642	5,792,684	968,881	996,299
Profit	(711,847)	57,968	171,747	394,886	83,378	66,229
Other comprehensive income (loss)	(3,151)	(49,681)	3	(13,207)	(142)	(164)
Total comprehensive income (loss)	(714,998)	8,287	171,750	381,679	83,236	66,065

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	
	2016	2015	2016	2015	2016	2015
Cash flows from operating activities	759,176	230,015	2,225,008	900,642	135,411	87,470
Cash flows from (used in) investing activities	5,143	(79,756)	(1,456,567)	(2,003,093)	(941)	(34,258)
Cash flows from (used in) financing activities	(786,705)	(159,672)	(762,981)	1,061,353	(47,661)	(33,545)
Translation adjustments	(7,959)	19,112	-	(7)	(71)	(64)
Net increase (decrease) in cash and cash equivalents	(30,345)	9,699	5,460	(41,105)	86,738	19,603

17.4 Change in investments in subsidiaries held by the Company and subsidiary companies

17.4.1 Additionally call-up share capital of subsidiaries

Samart U-Trans (Myanmar) Co., Ltd., a subsidiary company, called up the remaining 50% of its registered share capital, or equivalent to USD 25,000. Samart U-Trans Co., Ltd., another subsidiary company, paid for the above share subscription on 15 March 2016. Samart U-Trans (Myanmar) Co., Ltd. has registered its call-up share capital with Ministry of National Planning and Economic Development in May 2016.

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

17.5.1 Liquidation of subsidiary

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. The subsidiary company filed the application for deregistration with the Ministry of Commerce of Cambodia and the liquidation was completed in August 2016.

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

17.6.1 Purchase of investments

a) On 5 February 2016, the Board of Directors of Samart I-Mobile Public Co., Ltd., a subsidiary company, approved the investment of Baht 60 million in a joint investment between the subsidiary company and People Media Group Co., Ltd. in Mall (Thailand) Co., Ltd. with respective shareholdings of the subsidiary company and People Media Group Co., Ltd. will be at 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 to overseas.

Subsequently, on 2 March 2016, the subsidiary company acquired 51% of that company's registered share capital of Baht 5 million from People Media Group Co., Ltd. at a price of Baht 5 per share, of which 25%, or approximately Baht 0.6 million. As a result of the purchase of investment, under the acquisition method, the subsidiary company recorded the excess of the cost of acquisition of the ordinary shares 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 Mall (Thailand) Co., Ltd. acquired as at the acquisition date was summarised as follows:

(Unit: Thousand Baht)

Cash and cash equivalents	214
Other current assets	767
Trade and other payables	(60)
Net assets from acquisition of subsidiary company	921
Proportion of non-controlling interests in subsidiary at 49 percent	(451)
Net assets from acquisition of subsidiary company in proportion of shareholding at 51 percent	470
Cash used in acquisition of investment in subsidiary company	638
Goodwill	168

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

(Unit: Thousand Baht)

	Consolidated financial statements
Cash used in acquisition of investment in subsidiary company	638
Less: Cash and cash equivalents of the subsidiary company	(214)
Net cash outflows from purchase of ordinary shares in subsidiary	424

On 2 March 2016, Samart I-Mobile Public Co., Ltd. fully paid to the former shareholders (the seller).

- b) On 29 March 2016, a meeting of the Board of Directors of Samart I-Mobile Public Co., Ltd., a subsidiary company, passed a resolution approving the purchase by Samart Multimedia Co., Ltd., another subsidiary company, of 30,000 ordinary shares with a par value of Baht 100 each of Phoinikas Co., Ltd. from the existing shareholders, representing a 100% interest in that company, for an amount not exceeding Baht 20 million. Phoinikas Co., Ltd. provides integrated digital marketing services covering a full range of client marketing needs from creation of digital media to online media services and production.

Subsequently, on 1 April 2016, Samart Multimedia Co., Ltd. purchased the shares of Phoinikas Co., Ltd. and its subsidiary of Phoinikas Co., Ltd. (The Nest Bangkok Co., Ltd.) with mutually agreed price as stipulated in a share transfer document at Baht 187 per share, totaling approximately Baht 5.6 million. As a result of the purchase of investment, under the acquisition method, Samart Multimedia Co., Ltd. recorded the excess of the cost of acquisition of the ordinary shares over the fair value, amounting to approximately Baht 0.9 million as goodwill in non-current assets in the consolidated financial statements.

The fair value of the assets and liabilities of Phoinikas Co., Ltd. and The Nest Bangkok Co., Ltd. acquired as at the acquisition date was summarised as follows:

(Unit: Thousand Baht)

Cash and cash equivalents	4,735
Trade and other receivables	12,742
Other current assets	10,450
Equipment	1,148
Intangible assets	1,700
Other non-current assets	1,036
Trade and other payables	(16,248)
Other current liabilities	(10,746)
Deferred tax liabilities	(340)
Net assets from acquisition of subsidiary companies	4,477
The higher of investment in subsidiary company arising as a result of acquisition additional shares at a price higher than net book value at the acquisition date	252
Cash used in acquisition of investment in subsidiary companies	5,604
Goodwill	875

Net cash outflows from acquisition of ordinary shares of Phoinikas Co., Ltd. and The Nest Bangkok Co., Ltd. was presented below.

(Unit: Thousand Baht)

	Consolidated financial statements
Cash used in acquisition of investment in subsidiary companies	5,604
Less: Cash and cash equivalents of the subsidiary companies	(4,735)
Net cash outflows from purchase of ordinary shares in subsidiaries	869

On 15 July 2016, Samart Multimedia Co., Ltd. fully paid to the former shareholder (the seller).

17.6.2 Change in share capital of subsidiary companies

Reduction of share capital

- a) On 29 September 2016, the Extraordinary Meeting of the shareholders of Brain Source Co., Ltd., a subsidiary company, passed a special resolution to reduce its share capital from Baht 1 million (10,000 ordinary shares of Baht 100 each) to Baht 0.25 million (2,500 ordinary shares of Baht 100 each) by cancelling 7,500 ordinary shares of Baht 100 each. The subsidiary company registered the reduction in the share capital with the Ministry of Commerce on 3 November 2016.
- b) On 29 September 2016, 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 0.6 million (6,000 ordinary shares of Baht 100 each) to Baht 0.15 million (1,500 ordinary shares of Baht 100 each) by cancelling 4,500 ordinary shares of Baht 100 each. The subsidiary company registered the reduction in the share capital with the Ministry of Commerce on 3 November 2016.
- c) On 29 September 2016, the Extraordinary Meeting of the shareholders of I-Mobile Inter trade Co., Ltd., (Currently known as “Zecureasia Co., Ltd.”) a subsidiary company, passed a special resolution to reduce its share capital from Baht 5 million (500,000 ordinary shares of Baht 10 each) to Baht 1.25 million (125,000 ordinary shares of Baht 10 each) by cancelling 375,000 ordinary shares of Baht 10 each. The subsidiary company registered the reduction in the share capital with the Ministry of Commerce on 3 November 2016.

Increment of registered share capital

- a) On 28 March 2016, an Annual General Meeting of Mall (Thailand) Co., Ltd., a subsidiary company, passed the following resolution:
 - 1) Approving to call-up a further Baht 1.25 million of the uncalled portion of its capital, or equivalent to 25% of its registered share capital. The subsidiary received payment on 28 March 2016 as a result its paid-up share capital amounts to Baht 2.5 million, or 50% of the registered share capital.
 - 2) Approving the increment of its registered share capital from Baht 5 million (1 million ordinary shares of Baht 5 each) to Baht 60 million (12 million ordinary shares of Baht 5 each) by issuing 11 million ordinary shares with a par value of Baht 5 each. This share capital is 50% call-up. Samart I-Mobile Public Co., Ltd. and People Media Group Co., Ltd. paid for the incremental of the registered share capital totaling Baht 27.5 million on 28 March 2016. The subsidiary company registered the increase of share capital on 7 April 2016 with the Ministry of Commerce.
- b) On 22 July 2016, the Extraordinary General Meeting of shareholders of Samart I-Mobile (Malaysia) Sdn. Bhd., a subsidiary company, passed a resolution to approve the increase the registered share capital from 5 million Malaysian Ringgit (5 million ordinary shares of 1 Malaysian Ringgit each) to 16 million Malaysian Ringgit (16 million ordinary shares of 1 Malaysian Ringgit each) through an issuance of additional 11 million ordinary shares of 1 Malaysian Ringgit each.

Later on 19 September 2016, the Extraordinary General Meeting of shareholders of Samart I-Mobile (Malaysia) Sdn. Bhd., a subsidiary company, passed a resolution to approve the increase the registered share capital from 16 million Malaysian Ringgit (16 million ordinary shares of 1 Malaysian Ringgit each) to 16.8 million Malaysian Ringgit (16.8 million ordinary shares of 1 Malaysian Ringgit each) through an issuance of additional 800,000 ordinary shares of 1 Malaysian Ringgit each.

17.6.3 Establishment of new company

On 9 August 2016, a meeting of the Board of Directors of Samart I-Mobile Public Co., Ltd., a subsidiary company, passed a resolution approving the establishment of a new company named SIM2ASSET Co., Ltd. to provide real estate agent services, with a registered share capital of Baht 5 million, which is 100% held by the subsidiary company. The establishment of the new company was registered with the Ministry of Commerce on 22 September 2016 and SIM2ASSET Co., Ltd. called up its first capital payment at 50% of its registered share capital. As at 31 December 2016, the subsidiary company has paid in such share capital, amounting to Baht 2.5 million.

17.6.4 Change of the company's name

On 15 November 2016, an Extraordinary Meeting of the shareholders of I-Mobile Inter trade Co., Ltd., a subsidiary company, passed a resolution approving the change its company's name from "I-Mobile Inter trade Co., Ltd." to "Zecureasia Co., Ltd.".

17.6.5 Disposal of investments in subsidiaries

- a) On 24 August 2016, I-Mobile International Co., Ltd., a subsidiary company, sold all of the 6,419,000 ordinary shares it held in Pt. Samart I-Mobile Indonesia, another subsidiary company, to a third party at a total price of Baht 0.5 million.

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

(Unit: Thousand Baht)

		Consolidated financial statements
Proceeds from disposal of investment in subsidiary company		488
Less: Cash and cash equivalents of subsidiary company at disposal date		(78)
Net cash flow from disposal of investment in subsidiary company		410
Add: Trade accounts payable	3,512	
Other current liabilities	1,513	
Exchange differences on translation of financial statements in foreign currency	16,169	21,194
Gain on disposal of investment in subsidiary company		21,604

- b) On 30 September 2016, Samart I-Mobile Public Co., Ltd., a subsidiary company, sold all of the 16.8 million ordinary shares it held in Samart I-Mobile (Malaysia) Sdn. Bhd., another subsidiary company, to a third party at a total price of Baht 5 million.

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

(Unit: Thousand Baht)

		Consolidated financial statements
Proceeds from disposal of investment in subsidiary company		5,000
Less: Cash and cash equivalents of subsidiary company at disposal date		(620)
Net cash flow from disposal of investment in subsidiary company		4,380
Less: Trade accounts receivable	(13,929)	
Other current assets	(635)	
Add: Trade accounts payable	14,680	
Other current liabilities	583	
Exchange differences on translation of financial statements in foreign currency	11,986	12,685
Gain on disposal of investments in subsidiary company		17,065

- c) On 20 December 2016, Samart I-Mobile Public Co., Ltd., a subsidiary company, sold all of the 6 million ordinary shares it held in Mall (Thailand) Co., Ltd. to People Media Group Co., Ltd., another shareholder, at a total price of Baht 15 million.

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

(Unit: Thousand Baht)

		Consolidated financial statements
Disposal value of investment in subsidiary company		15,300
Less: Cash and cash equivalents of subsidiary company at disposal date		(9,993)
Net cash flow from disposal of investment in subsidiary company		5,307
Less: Trade accounts receivable	(3,917)	
Inventory	(2,312)	
Other current assets	(917)	
Equipment	(3,304)	
Add: Trade accounts payable	3,538	
Other current liabilities	2,514	(4,398)
Gain on disposal of investments in subsidiary company		909
Less: Goodwill		(168)
Gain after deduction of goodwill		741

17.6.6 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 Samart I-Mobile Public Co., Ltd., 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 2016, the subsidiary company has not yet proceeded the above matters.

17.6.7 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 29 September 2016, the Extraordinary Meeting of I-Mobile International 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 September 2016 and its liquidation was registered with the Ministry of commerce on 28 November 2016.

- c) On 29 September 2016, the Extraordinary Meeting of Samart Interactive Media 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 September 2016 and its liquidation was registered with the Ministry of commerce on 28 November 2016.
- d) On 9 August 2016, the Board of Directors of Samart I-Mobile Public Co., Ltd., a subsidiary company, passed a resolution approving the dissolution of The Nest Bangkok Co., Ltd., a subsidiary company. Subsequently, on 6 October 2016, the Extraordinary Meeting of The Nest Bangkok Co., Ltd., another subsidiary company, passed a special resolution to dissolve the company. The Nest Bangkok Co., Ltd. registered its dissolution with the Ministry of Commerce on 6 October 2016 and its liquidation was registered with the Ministry of Commerce on 29 November 2016.
- e) On 28 December 2016, the Extraordinary Meeting of Brain Source 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 29 December 2016 and is in process of liquidation.
- f) On 28 December 2016, the Extraordinary Meeting of I-Mobile Direct 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 29 December 2016 and is in process of liquidation.

17.7 Change in investments in subsidiaries held by One to One Contacts Public Co., Ltd.

17.7.1 Additional call up share capital

On 10 September 2016, One to One (Cambodia) Company Limited, a subsidiary company, registered an increase of its share capital from USD 200,000 to USD 440,000 with the Ministry of Commerce of Kingdom of Cambodia. One to One Contacts Public Co., Ltd., a subsidiary company, paid in share capital of USD 5 per share for 48,000 shares, totalling USD 240,000 or equal to approximately Baht 8.3 million, in September 2016.

17.7.2 Establishment of joint investment company

On 8 July 2016, the Meeting of the Board of Directors of One to One Contacts Public Co., Ltd., a subsidiary company, passed a resolution approving the joint establishment with Solutions Hub Co., Ltd., of a new company named MyanOne Co., Ltd. in Myanmar to provide contact center service. This new company has an initial registered capital of USD 50,000. The subsidiary company will hold 60 percent of share capital in this joint venture company.

Subsequently, on 14 December 2016, a Meeting of the Board of Directors of the subsidiary company passed a resolution approving the establishment of the above company as a subsidiary instead of the joint establishment. The subsidiary company will hold 100 percent of share capital of the above company, with an initial registered capital of USD 50,000. As at 31 December 2016, the subsidiary company is in the process of establishing this subsidiary company.

18. Investment properties

(Unit: Thousand Baht)

	Consolidated financial statements	
	2016	2015
Balance at beginning of year	76,788	74,673
Gain from a fair value adjustment	6,348	2,115
Balance at end of year	83,136	76,788

The investment properties of two 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	
Cost/Revalued amount:							
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
Increase from investment in subsidiary	-	-	1,636	-	-	-	1,636
Additions	-	1,956	117,774	770,509	28,713	220,051	1,139,003
Transfer in/(transfer out)	-	(15,609)	(81,112)	245,546	(5,101)	(283,950)	(140,226)
Disposals	-	-	(64,542)	(32,623)	(17,504)	-	(114,669)
Decrease from disposal of investment in subsidiary	-	-	(6,500)	-	-	-	(6,500)
Translation adjustments	(25)	(68)	(327)	(4,298)	(93)	-	(4,811)
31 December 2016	561,479	330,337	2,231,070	15,551,321	243,952	158,628	19,076,787
Accumulated depreciation:							
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
Increase from investment in subsidiary	-	-	488	-	-	-	488
Depreciation for the year	-	14,289	167,008	1,362,960	29,118	-	1,573,375
Transfer in/(transfer out)	-	(15,587)	(135,189)	(80,702)	(7,278)	-	(238,756)
Accumulated depreciation on disposals	-	-	(43,537)	(32,525)	(14,030)	-	(90,092)
Decrease from disposal of investment in subsidiary	-	-	(21)	-	-	-	(21)
Translation adjustments	-	3	(207)	(2,032)	(79)	-	(2,315)
31 December 2016	-	265,632	1,702,065	9,002,671	179,700	-	11,150,068
Allowance for impairment loss:							
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
Increase during the year	-	-	-	17,426	-	-	17,426
31 December 2016	-	7,680	8,263	2,514,419	-	13,068	2,543,430
Net book value:							
31 December 2015	561,504	69,451	542,355	4,320,224	65,968	209,459	5,768,961
31 December 2016	561,479	57,025	520,742	4,034,231	64,252	145,560	5,383,289
Depreciation for the year:							
2015 (Baht 1,235 million included in cost of sales and services, and the balance in selling expenses and administrative expenses)							1,424,031
2016 (Baht 1,380 million included in cost of sales and services, and the balance in selling expenses and administrative expenses)							1,573,375

(Unit: Thousand Baht)

	Separate financial statements						
	Revaluation basis	Cost basis					Total
	Land	Buildings and improvement	Office equipment	Tools and equipment	Motor vehicles	Assets under installation	
Cost/Revalued amount:							
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
Additions	-	824	17,385	1,691	8,951	11,132	39,983
Transfer in/(transfer out)	-	-	26,561	-	-	(29,676)	(3,115)
Disposals	-	-	(260)	(1,115)	(2,690)	-	(4,065)
31 December 2016	218,303	170,488	572,765	112,523	50,540	-	1,124,619
Accumulated depreciation:							
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
Depreciation for the year	-	5,087	17,206	1,089	4,713	-	28,095
Accumulated depreciation on disposals	-	-	(113)	(1,112)	(2,690)	-	(3,915)
31 December 2016	-	149,268	498,938	109,447	37,649	-	795,302
Net book value:							
31 December 2015	218,303	25,483	47,234	2,477	8,653	18,544	320,694
31 December 2016	218,303	21,220	73,827	3,076	12,891	-	329,317
Depreciation for the year:							
2015 (All depreciation included in administrative expenses)							32,684
2016 (All depreciation included in administrative expenses)							28,095

- As at 31 December 2016, the Company and its subsidiaries had machinery, vehicles and equipment under finance lease agreements with net book values of Baht 50 million and Separate financial statements: Baht 18 million (2015: Baht 63 million and Separate financial statements: Baht 25 million).
- As at 31 December 2016, 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 7,346 million and Separate financial statements: Baht 680 million (2015: Baht 5,460 million and Separate financial statements: Baht 601 million).
- 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 2016 and 2015 would have been as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
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 45.5 a) to the financial statements.
- e) For the year 2016, Kampot Power Plant Co., Ltd., a subsidiary company recorded allowance for impairment of fixed assets of Baht 17 million (2015: nil) in the consolidated financial statements since the subsidiary considered that its future cash flow projection was lower than its net book value of machinery used in a project for production and sale of electricity in Cambodia.
- f) Siam Sport Television Co., Ltd., a subsidiary company, has mortgaged of assets with total net book value amounting to approximately Baht 40 million (2015: Baht 50 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	
	2016	2015
Prepaid rental	375,669	375,669
Less: Accumulated amortisation	(221,227)	(208,705)
Prepaid rental - net	154,442	166,964
Amortisation for the year	12,522	12,522

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. Goodwill

Mainly of Goodwill was arising from the Company, bought shares of Cambodia Air Traffic Services Co., Ltd. and Samart Telcoms Public Co., Ltd., a subsidiary company, bought shares of Portalnet Co., Ltd.

The Company and its subsidiaries have determined recoverable amounts of their cash generating units (CGUs) based on value in use calculation using cash flow projections from financial budgets approved by the management covering a 5 - 17 year, which some of them are based on the contract period.

Key assumptions used in value in use calculations summarise as follows:

(Unit: Percent per annum)

Terminal growth rate	0 - 5
Discount rate	9 - 15

The management has considered the growth rate from historical operations, expected market growth rate, gross domestic product growth rate and discount rate which are the rates before income tax which relate to the specific risk in that operating segment.

The management has considered and believed that no impairment was required for goodwill.

22. Intangible assets

(Unit: Thousand Baht)

	Consolidated financial statements					
	Service concession	Computer software	Right under license for provide communications via satellite	Service agreement for online digital marketing	Right for air time	Total
Cost						
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
Addition during the year	100,256	721,817	-	-	-	822,073
Increase from business combination	-	-	-	1,700	-	1,700
Transfer in/(Transfer out)	-	10,439	(235,499)	-	-	(225,060)
Translation adjustments	(7,269)	(1,029)	-	-	-	(8,298)
31 December 2016	1,172,485	1,112,206	-	1,700	3,191	2,289,582
Accumulated amortisation						
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/(Transfer out)	-	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
Amortisation during the year	37,508	60,655	29,159	1,500	638	129,460
Transfer out	-	-	(235,499)	-	-	(235,499)
Translation adjustments	(2,237)	(750)	-	-	-	(2,987)
31 December 2016	432,261	354,488	-	1,500	1,276	789,525
Net book value						
31 December 2015	682,508	86,396	29,159	-	2,553	800,616
31 December 2016	740,224	757,718	-	200	1,915	1,500,057

(Unit: Thousand Baht)

	Separate financial statements Computer software
Cost	
31 December 2015	-
Addition during the year	55,000
31 December 2016	55,000
Accumulated amortization	
31 December 2015	-
Amortisation during the year	30
31 December 2016	30
Net book value	
31 December 2015	-
31 December 2016	54,970

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.

License

On 10 August 2011, the Board of the National Broadcasting and Telecommunications Commission (NBTC) 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 2016, the subsidiary company had noticed to hand over the telecommunications equipment to NBTC and the subsidiary company's management believe that no penalty will be charged for late delivery, and so no provision for such a penalty has been recorded in the books of account.

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.

23. Assets held for future projects

(Unit: Thousand Baht)

	Consolidated financial statements/Separate financial statements			
	Revaluation basis	Cost basis		Total
	Land	Building and improvement	Machinery and equipment	
Cost/Revalued amount:				
31 December 2014	23,248	4,195	11,478	38,921
31 December 2015	23,248	4,195	11,478	38,921
31 December 2016	23,248	4,195	11,478	38,921
Accumulated depreciation:				
31 December 2014	-	3,322	11,478	14,800
Depreciation for the year	-	210	-	210
31 December 2015	-	3,532	11,478	15,010
Depreciation for the year	-	210	-	210
31 December 2016	-	3,742	11,478	15,220
Net book value:				
31 December 2015	23,248	663	-	23,911
31 December 2016	23,248	453	-	23,701
Depreciation for the year:				
2015 (All depreciation included in administrative expenses)				210
2016 (All depreciation included in administrative expenses)				210

The Company arranged for an independent professional valuers to appraise the value of land during the fourth quarter of 2014, using the market comparison approach.

Had the land been carried in the financial statements based on historical cost basis, their net book value as at 31 December 2016 and 2015 would have been as follows:

(Unit: Thousand Baht)

	Consolidated financial statements/ Separate financial statements	
	2016	2015
Land	24,948	24,948

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

(Unit: Thousand Baht)

	Interest rate (percent per annum)		Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015	2016	2015
Bank overdrafts	7.12 - 7.60	6.50 - 7.68	89,886	1,232	-	-
Short-term loans from financial institutions	2.10 - 4.50	2.15 - 4.75	7,384,421	7,710,471	650,000	470,000
Bill of exchange	2.10 - 3.40	2.10 - 2.50	864,561	885,000	640,000	585,000
Trust receipts						
Baht	2.70 - 3.33	3.05 - 3.35	720,501	1,542,622	-	-
US dollars	-	1.61 - 1.90	-	63,335	-	-
Total	-	-	9,059,369	10,202,660	1,290,000	1,055,000

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 and Siam Sport Syndicate Public 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.

25. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Trade accounts payable - related parties (Note 6)	23	909	184,218	497,274
Trade accounts payable - unrelated parties	1,477,278	1,878,618	152,729	311,438
Other payables - related parties	3,541	2,493	59,153	3,034
Accrued interest expenses to related parties	-	-	946	1,212
Total other payables and accrued interest expenses - related parties (Note 6)	3,541	2,493	60,099	4,246
Other payables - unrelated parties	520,919	527,094	7,927	28,466
Other payables for purchase of machinery and equipment	3,381	134,570	50	3,842
Accrued expenses	230,432	220,476	19,612	32,478
Accrued interest expenses to unrelated parties	26,597	31,722	10,755	10,733
Total trade and other payables	2,262,171	2,795,882	435,390	888,477

26. Short-term loan

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Short-term loans from related parties (Note 6)	-	-	146,000	176,000
Short-term loans from unrelated party	22,641	22,154	-	-
Total short-term loans	22,641	22,154	146,000	176,000

Short-term loans from unrelated party

Short-term loan as at 31 December 2016 from Siam Sport Syndicate Public Co., Ltd. amounting to Baht 22.1 million 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 (2015: Baht 22.1 million).

Short-term loan as at 31 December 2016 from an individual (former director of Phoinikas Co., Ltd.) amounting Baht 0.5 million carries interest at 12-month fixed deposit rate of a commercial bank (2015: Nil).

27. Debentures

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Debentures	3,865,000	4,155,000	2,500,000	2,500,000
Less: Current portion of debentures	(880,000)	(870,000)	-	-
Debentures - net of current portion	2,985,000	3,285,000	2,500,000	2,500,000

Movements in the debenture account for the years ended 31 December 2016 and 2015 were as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Balance at beginning of year	4,155,000	1,560,000	2,500,000	-
Add: Debentures issued during the year	810,000	4,355,000	-	2,500,000
Less: Redemption of debentures during the year	(1,100,000)	(1,760,000)	-	-
Balance at end of year	3,865,000	4,155,000	2,500,000	2,500,000

As at 31 December 2016 and 2015, debentures are unsubordinated, unsecured debentures with registered name and carried fixed interests between 2.10 and 4.80 percent per annum (2015: between 2.14 and 4.80 percent per annum) (Separate financial statements: between 4.35 and 4.80 percent per annum (2015: 4.35 and 4.80 percent per annum) with repayment from 2017 to 2020.

28. Long-term loans from financial institutions

The details of long-term loans from financial institutions as at 31 December 2016 and 2015 were summarised below.

No.	Credit facilities	Significant terms and conditions of loan agreements				Consolidated financial statements	
		Repayment term	Collateral	Interest rate (percent per annum)	2016 (Thousand Baht)	2015 (Thousand Baht)	
	(Million Baht)						
Subsidiaries							
Cambodia Air Traffic Services Co., Ltd.							
1.	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 to the Royal Government of Cambodia.	LIBOR+2.75	-	31,388	
Samart Telcoms Public Co., Ltd.							
2.	1,552	For the loan facility amount of Baht 600 million Quarterly installments of Baht 150 million. Full loan repayment must be made within 18 months. The first installment will be paid on 31 March 2013 For the loan facility amount of Baht 952 million Monthly installments of Baht 17.6 million. The first installment will be paid on 31 January 2013	Samart Communication Services Co., Ltd. and share capital of Portalnet Co., Ltd. During the year, the bank released the share capital and guarantee obligation.	MLR-1.75	-	49,320	
Samart I-Mobile Public Co., Ltd.,							
3.	250	Repayment of the first installment on the last business day of the 13 th month after the month in which the loan was draw down, with payment of principal and interest to be completed within the 48 th month. - Installment 1 - 12 : payments of Baht 2.5 million per installment - Installment 13 - 24 : payments of Baht 8.5 million per installment - Installment 25 - 35 : payments of Baht 9.5 million per installment - Installment 36 : payment of the remaining principal and interest	-	MLR-1.5	250,000		

No.	Credit facilities	Significant terms and conditions of loan agreements			Consolidated financial statements	
		Repayment term	Collateral	Interest rate (percent per annum)	2016 (Thousand Baht)	2015 (Thousand Baht)
	(Million Baht)					
Siam Sport Television Co., Ltd.						
4.	57	<div><div>- The 1st to the 3rd periods payment interest of loans withdrawn with the installment at the end of month.</div><div>- From the 4th period, the principal and interest payment not less than Baht 1.14 million per month, which have to be paid within 5 years.</div></div>	<div><div>1. Siam Sport Syndicate Public Co., Ltd. (the related company)</div><div>2. Two individual people (former directors of Siam Sport Television Co., Ltd.)</div><div>3. Motor vehicles with transmission tools and equipment</div></div>	<div>MLR-0.50 for the first year</div> <div>MLR-0.25 for the 2nd year until the last payment date</div> <div>3</div>	-	5,939
5.	30	<div>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.</div>	<div><div>1. Siam Sport Syndicate Public Co., Ltd. (the related company)</div><div>2. Two individual people (former directors of Siam Sport Television Co., Ltd.)</div><div>3. Motor vehicles with transmission tools and equipment</div></div>	<div>MLR-0.50</div>	2,947	9,383
6.	30	<div><div>- The 1st to the 3rd periods payment interest of loans withdrawn at 25th of each month.</div><div>- From the 4th 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.</div></div>	<div><div>1. Siam Sport Syndic related company shareholder)</div><div>2. Two people (former directors of Siam Sport Television Co., Ltd.)</div></div>	<div>MLR-0.50</div>	-	11,511
Total long-term loans from financial institutions					252,947	107,541
Less: Current portion					(5,447)	(104,595)
Long-term loans - net of current portion					247,500	2,946

Under Samart I-Mobile Public Co., Ltd.'s (a subsidiary company) loan agreement, the subsidiary company must comply with the conditions stipulated in the agreement, such as maintaining the percentage shareholdings of the Company in Samart I-Mobile Public Co., Ltd. and its subsidiaries, maintaining positive equity at all times and not having operating losses in its consolidated financial statements for more than two consecutive years, starting from the financial year 2017.

29. Liabilities under finance lease agreements

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Liabilities under finance lease agreements	43,435	71,767	27,844	37,868
Less: Deferred interest expenses	(2,198)	(3,855)	(1,449)	(2,161)
Total	41,237	67,912	26,395	35,707
Less: Portion due within one year	(17,194)	(30,430)	(6,830)	(10,811)
Liabilities under finance lease agreements - net of current portion	24,043	37,482	19,565	24,896

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.

The Company and subsidiaries have 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	
	2016	2015	2016	2015	2016	2015
Future minimum lease payments	18,361	32,572	25,074	39,195	43,435	71,767
Deferred interest expenses	(1,167)	(2,142)	(1,031)	(1,713)	(2,198)	(3,855)
Present value of future minimum lease payments	17,194	30,430	24,043	37,482	41,237	67,912

(Unit: Thousand Baht)

	Separate financial statements					
	Less than 1 year		1-5 years		Total	
	2016	2015	2016	2015	2016	2015
Future minimum lease payments	7,486	11,692	20,358	26,176	27,844	37,868
Deferred interest expenses	(656)	(881)	(793)	(1,280)	(1,449)	(2,161)
Present value of future minimum lease payments	6,830	10,811	19,565	24,896	26,395	35,707

30. Other current liabilities

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Undue output tax	100,223	126,428	-	-
Deposits	52,963	181,365	27,051	147,823
Value added tax payable	14,942	23,717	523	-
Others	336,529	258,918	2,762	2,555
Total	504,657	590,428	30,336	150,378

31. 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	
	2016	2015	2016	2015
Provision for long-term employee benefits at beginning of year	204,591	148,022	33,939	24,568
Included in profit or loss:				
Current service cost	19,618	13,280	8,753	1,825
Interest cost	6,221	5,945	877	1,057
Included in other comprehensive income:				
Actuarial loss arising from				
Demographic assumptions changes	-	1,489	-	395
Financial assumptions changes	(222)	31,090	-	5,100
Experience adjustments	(2,020)	7,475	-	994
Benefits paid during the year	(8,838)	(2,710)	-	-
Provision for long-term employee benefits at end of year	219,350	204,591	43,569	33,939

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	
	2016	2015	2016	2015
Cost of services	7,356	3,327	-	-
Selling expenses	4,285	4,156	-	-
Administrative expenses	14,198	11,742	9,630	2,882
Total expenses recognised in profit or loss	25,839	19,225	9,630	2,882

The Company and its subsidiaries expect to pay Baht 3 million of long-term employee benefits during the next year (Separate financial statements: Baht 0.2 million) (2015: Baht 16 million, Separate financial statements: Baht 0.2 million).

As at 31 December 2016, the weighted average duration of the liabilities for long-term employee benefit is 11 - 22 years (Separate financial statements: 11 years) (2015: 11 - 22 years, Separate financial statements: 11 years).

Key actuarial assumptions are summarised below.

(Unit: percent per annum)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Discount rate	2.6 - 3.3	2.6 - 3.3	2.6	2.6
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 2016 and 2015 were summarised below:

(Unit: million Baht)

	Consolidated financial statements				Separate financial statements			
	Liability increase (decrease)				Liability increase (decrease)			
	Increase 1%		Decrease 1%		Increase 1%		Decrease 1%	
	2016	2015	2016	2015	2016	2015	2016	2015
Discount rate	(19.7)	(19.8)	23.0	17.6	(2.8)	(2.8)	3.1	3.2
Salary increase rate	24.0	22.3	(20.9)	(19.6)	3.4	3.1	(3.1)	(2.8)
	Increase 20%		Decrease 20%		Increase 20%		Decrease 20%	
	2016	2015	2016	2015	2016	2015	2016	2015
Turnover rate	(22.3)	(20.6)	27.9	25.5	(2.7)	(2.4)	3.1	2.7

32. Share capital and warrants

On 5 February 2015, an extraordinary meeting of the Company passed a resolution approving as follows:

- 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.
- 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.

33. Statutory reserve

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

34. Supplemental disclosure for revenues from sales and the contract work

Supplemental disclosure for revenues from sales and the contract work for the years ended 31 December 2016 and 2015 were as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Revenues from contract work recognised	3,490,891	4,323,480	164,831	780,453
Cost of contract work recognised	(2,998,770)	(3,130,170)	(146,038)	(724,461)
Recognised profits	492,121	1,193,310	18,793	55,992
Cost of contract work related to future activity recognised as work in progress - beginning balance	59,561	52,751	-	374
Cost of contract work incurred in the year	3,040,945	3,136,980	146,038	724,087
The contract work incurred and recognised as contract expenses in the year	(2,998,770)	(3,130,170)	(146,038)	(724,461)
Cost of contract work to future activity recognised as work in progress - ending balance	101,736	59,561	-	-
Unbilled contract revenue - beginning balance	2,488,510	2,535,004	854,436	722,458
Deferred revenue - beginning balance	(5,770)	(35,712)	-	-
Advance received from customers under contracts - beginning balance	(246,320)	(196,543)	(62,315)	(65,187)
Total	2,236,420	2,302,749	792,121	657,271
Revenues from sales and the contract work recognised	3,490,891	4,323,480	164,831	780,453
Progress billings	(3,559,767)	(4,389,809)	(603,285)	(645,603)
Unbilled contract revenue - ending balance	(2,447,590)	(2,488,510)	(361,824)	(854,436)
Deferred revenue - ending balance	66,350	5,770	-	-
Advance received from customers under contracts - ending balance	(213,696)	(246,320)	(8,157)	(62,315)

35. Other income

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Management fee income	-	-	446,184	409,464
Selling support income	19,443	28,152	-	-
Interest income	14,476	16,459	24,371	26,741
Gain on exchange	14,364	15,513	7,380	-
Gain on revaluation of investment properties	6,348	2,115	-	-
Gain on disposal of plant, equipments and intangible assets	4,414	47,501	91	41,887
Gain on disposal of investment in associate	12,168	-	-	-
Gain on disposal of investment in subsidiaries	39,409	-	-	-
Gain on disposal of temporary investments in trading securities (Note 8)	-	13,991	-	4,546
Gain on revaluation in temporary investments trading securities (Note 8)	1,310	-	23	-
Gain on disposal of available-for-sale investments (Note 15)	11,235	4,890	-	-
Dividend income from subsidiaries	-	-	140,938	444,955
Dividend income from temporary investments in trading securities	325	4,639	196	872
IT service fee from subsidiary companies	-	-	93,910	98,456
Others	84,716	87,080	164,898	75,555
Total	208,208	220,340	877,991	1,102,476

36. Expenses by nature

Significant expenses by nature are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Salaries, wages and other employee benefits	2,250,486	2,250,853	200,752	164,019
Promotion and advertising expenses	591,493	653,554	26,400	32,071
(Increase) decrease in changes in inventories of finished goods and work in progress	258,277	1,388,348	14,343	(1,885)
Depreciation	1,573,585	1,424,240	28,305	32,894
Rental expenses from operating lease agreements	269,964	295,127	44,948	45,490
Raw materials and consumables used	35,765	161,537	-	-
Loss on change in value of temporary investments in trading securities	-	11,410	-	3,574
Amortisation expenses	141,982	141,339	12,522	12,522
Raw materials, equipment and cost of projects used	3,134,466	3,883,637	142,139	719,827
Purchase finished goods for sales	1,840,568	3,784,027	-	-

37. Other expenses

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Provision for doubtful debts	78,940	38,091	-	-
Loss on change in value of temporary investments in trading securities (Note 8)	-	11,410	-	3,574
Loss on exchange	-	-	-	4,607
Others	-	7,175	-	375
Total other expenses	78,940	56,676	-	8,556

38. Finance cost

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Interest expense on:				
Bank loans, overdrafts and trust receipts	485,385	518,900	139,184	147,095
Loans from related parties	-	-	6,416	8,850
Liabilities under finance lease agreements	2,281	2,838	948	522
Total interest expenses	487,666	521,738	146,548	156,467
Bank charges	14,652	18,797	544	435
Total finance cost	502,318	540,535	147,092	156,902

39. Income tax

Income tax expenses for the years ended 31 December 2016 and 2015 are made up as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Current income tax:				
Current income tax charge	225,888	189,725	52,848	37,770
Adjustment in respect of current income tax of previous year	(2,074)	1,201	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(165,042)	(83,884)	(3,476)	(10,573)
Income tax expense reported in the income statement	58,772	107,042	49,372	27,197

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2016 and 2015 were as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Deferred tax relating to loss on changes in value of available-for-sale investments	(7,570)	14,592	-	-
Deferred tax relating to loss on actuarial loss	(448)	7,475	-	1,298
Reversal on deferred tax relating to actuarial loss on defined benefit plan	(32)	-	-	-
Total	(8,050)	22,067	-	1,298

The reconciliation between accounting profit and income tax expenses was shown below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Accounting profit before tax	16,681	1,093,828	382,094	609,815
Applicable tax rate	16.5% - 30%	16.5% - 30%	20%	20%
Accounting profit before tax multiplied by applicable tax rate	3,336	218,213	76,419	121,963
Adjustment in respect of current income tax of previous year	(2,074)	1,201	-	-
Effects of:				
Promotional privileges	(15,610)	(56,788)	-	-
Utilisation of tax loss carry forward	(2,332)	(24,900)	-	-
Non-deductible expenses	53,111	57,972	3,922	2,100
Additional expense deductions allowed	(66,265)	(65,643)	(2,755)	(2,740)
Income not subject to tax	(45,916)	(5,673)	(28,214)	(94,126)
Others	62,536	(27,843)	-	-
Total	(14,476)	(122,875)	(27,047)	(94,766)
Deferred tax assets not recognised	63,528	10,503	-	-
Reversal of deferred tax asset	8,458	-	-	-
Income tax expenses reported in income statement	58,772	107,042	49,372	27,197

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	
	2016	2015	2016	2015
Deferred tax assets				
Loss on changes in value of available-for-sale investments	24,176	31,746	-	-
Allowance for doubtful accounts	22,322	12,621	-	-
Allowance for diminution in value of inventories	75,278	15,368	-	-
Allowance for asset impairment	17,387	13,447	-	-
Accumulated depreciation - Equipment	50,249	46,492	75	514
Provision for long-term employee benefits	42,602	39,922	8,714	6,788
Accrued vacation leave	1,338	1,304	195	146
Unused tax loss	156,667	70,891	-	-
Unrealised loss from revaluation of trading investment	15,062	15,250	2,629	2,634
Accrued project cost	21,440	10,119	14,077	4,000
Others	35,571	18,267	1,286	9,593
Total	462,092	275,427	26,976	23,675
Deferred tax liabilities				
Accumulated amortisation - License	423	6,342	-	-
Accumulated amortisation - Intangible assets	131,753	103,856	-	-
Surplus on revaluation of land	92,992	91,723	31,475	31,475
Other receivables - unrelated parties	17,564	11,214	-	-
Others	3,723	6,968	408	582
Total	246,455	220,103	31,883	32,057
Deferred tax - net	215,637	55,324	(4,907)	(8,382)

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	
	2016	2015	2016	2015
Deferred tax assets	334,343	189,691	-	-
Deferred tax liabilities	(118,706)	(134,367)	(4,907)	(8,382)
Deferred tax - net	215,637	55,324	(4,907)	(8,382)

As at 31 December 2016, the subsidiary companies had deductible temporary differences and unused tax losses totaling Baht 1,107 million, US Dollar 2 million and Myanmar Kyat 23 million (2015: Baht 694 million and Indonesian Rupiah 25,619 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 loss are summarised as below.

(Unit: Million)

	Consolidated financial statements				
	2016			2015	
	(Baht)	(Us Dollar)	(Myanmar Kyat)	(Baht)	(Indonesia Rupiah)
31 December 2016	-	-	-	9	8,877
31 December 2017	395	-	-	397	11,765
31 December 2018	95	-	-	95	3,966
31 December 2019	60	-	-	42	290
31 December 2020	84	-	-	61	721
31 December 2021	473	2	23	-	-
	1,107	2	23	604	25,619

40. Earnings per share

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

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

As at 31 December 2016 and 2015, the warrants are excluded from the potential ordinary shares as their exercise price is in excess of the fair value of the ordinary shares.

As at 31 December 2016 and 2015, there were 201,265,500 unexercised warrants.

41. Dividends

	Approved by	Total dividends (Million Baht)	Dividends per share (Baht)	Paid on
2016				
Dividends from 2015 income	Annual General Meeting of the shareholders on 29 April 2016	503	0.50	
Less: 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
Dividends from income for the year 2015 paid in 2016		201	0.20	23 May 2016
Interim dividend on income for the six-month period ended 30 June 2016	A meeting of Board of Directors on 10 August 2016	111	0.11	7 September 2016
Total dividend payment for the year ended 31 December 2016		312	0.31	
2015				
Dividends from 2014 income	Annual General Meeting of the shareholders on 29 April 2015	855	0.85	
Less: 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	

42. 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's and its subsidiaries' employees monthly contributed to the fund at rates of 3 percent to 15 percent of the employees' basic salaries. The Company and its subsidiaries monthly contributed to the fund at rates of 3 percent to 10 percent of the employees' basic salaries. 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 2016 amounting to approximately Baht 67 million (2015: Baht 60 million) (Separate financial statements: Baht 10 million (2015: Baht 8 million)) were recognised as expenses.

43. 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	59-1099-1-00-2-0	1713(7)/2553
2. Promotional privileges for	Research and development Software	Software	Software	Software
3. The significant privileges are:				
3.1 Exemption from corporate income tax on net income from promoted operations 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.	For a period of 8 years commencing until 31 July 2015	For a period of 8 years commencing until 29 April 2017	For a period of 5 years (has not yet exercised)	For a period of 8 years 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	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	Ended on 24 February 2019	Throughout the period of promoted
4. Date of first earning operating income	1 August 2007	30 April 2009	Has not yet exercised	22 June 2011

On 5 July 2016, Brain Source Co., Ltd., a subsidiary company, sent a letter to the Board of Investment requesting the cancellation of a promoted project since the subsidiary company had decided not to proceed with the project. Subsequently, on 12 October 2016, the Board of Investment approved the cancellation of the promoted project, with no import duty liabilities for imported machinery.

Revenues of those subsidiary companies for the years ended 31 December 2016 and 2015 could be divided between BOI promoted activities and Non-BOI promoted activities as follows:

(Unit: Thousand Baht)

	2016	2015
BOI promoted	129,680	360,082
Non-BOI promoted	9,316	41,326
Total service income	138,996	401,408

44. 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 2016 and 2015, 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	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Revenues from sales, contract work and service												
- Third parties	5,582	5,657	3,357	7,704	885	940	3,184	2,581	626	1,483	-	13,634
- Related parties	139	59	9	26	77	48	166	410	58	63	(407)	42
Total revenues from sales, contract work and service	5,721	5,716	3,366	7,730	962	988	3,350	2,991	684	1,546	(605)	18,365
Cost of sales, contract work and services	4,765	4,542	3,050	6,183	799	847	2,210	1,992	609	1,356	(393)	14,335
Gross profit	956	1,174	316	1,547	163	141	1,140	999	75	190	(14)	4,031
Unallocated income (expenses):												
Other income												208
Selling expenses												(883)
Administrative expenses												(1,199)
Other expenses												(1,356)
Share of loss from investments in associates												(79)
Finance cost												(7)
Income tax expenses												(502)
Non-controlling interests of the subsidiaries												(59)
Profit for the year												113
												71
												808

(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		Consolidated	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Assets														
Trade accounts receivable	1,517	2,228	5,681	7,066	344	330	487	663	901	813	(249)	(542)	8,681	10,558
Inventories	294	415	461	863	9	17	32	146	435	455	-	(2)	1,231	1,894
Investment property	-	-	-	-	-	-	-	-	83	77	-	-	83	77
Property, plant and equipment	3,711	3,890	700	780	118	176	215	272	652	658	(12)	(7)	5,384	5,769
Intangible assets	660	80	7	9	27	13	848	760	55	-	(97)	(61)	1,500	801
Others	3,817	3,399	1,125	1,276	514	482	2,809	2,281	10,724	11,269	(10,652)	(10,489)	8,337	8,218
Segment total assets	9,999	10,012	7,974	9,994	1,012	1,018	4,391	4,122	12,850	13,272	(11,010)	(11,101)	25,216	27,317
Segment total liabilities	6,543	6,581	5,458	6,763	137	180	1,229	1,296	6,609	6,721	(2,667)	(2,543)	17,309	18,998
Additions (decrease) to non-current assets other than financial instruments and deferred tax assets	419	1,070	(79)	7	(40)	(65)	20	75	44	21	(29)	(48)	335	1,060

Geographic information

Revenue from external customers is based on locations of the customers.

(Unit: Thousand Baht)

	2016	2015
Revenue from external customers		
Thailand	11,591,328	16,333,220
Cambodia	2,047,502	1,615,014
Others	36,696	417,858
Total	13,675,526	18,366,092
Non-current assets (other than financial instruments and deferred tax assets)		
Thailand	6,653,342	6,360,408
Cambodia	1,005,652	963,267
Total	7,658,994	7,323,675

Major customers

For the year 2016, its subsidiaries had revenue from three major customers totaling of Baht 3,312 million, mainly arising from sales by ICT Solutions and Services segment (2015: totaling of Baht 3,383 million derived from three major customers, mainly arising from sales by ICT Solutions and Services segment).

45. Commitments and contingent liabilities

The Company and its subsidiaries have commitments and contingent liabilities other than those disclosed in other notes as follows:

45.1 Capital commitments

As at 31 December 2015, Cambodia Air Traffic Services Co., Ltd., a subsidiary company, had capital commitments approximately USD 1.7 million (2016: Nil), relating to the purchase of system and major maintenance service.

45.2 Operating lease commitments

45.2.1 The Company and its subsidiaries have entered into several lease agreements in respect of the lease of office building space, motor vehicles and equipment. The terms of the agreements are generally between 1 year until the termination notice is given.

Future minimum lease payments required under these operating leases contracts were as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Payable:				
In up to 1 year	116	176	20	45
In over 1 and up to 5 years	41	104	-	20

45.2.2 As at 31 December 2016, Samart I-Mobile Public Co., Ltd., a subsidiary company, has future minimum sublease income expected to be received under non-cancellable sublease totalling approximately Baht 1 million (2015: Baht 6 million). During the year 2016, the subsidiary company recognised rental expenses of Baht 3 million (2015: Baht 5 million) and subleasing revenue of Baht 3 million (2015: Baht 5 million).

45.2.3 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 4 million per month, totaling approximately Baht 13 million (2015: Baht 15 million).

45.3 Commitments in uncalled portions of investments

The subsidiaries are committed to pay the uncalled portions of their investments as follows:

	Currency	Amount (Million)	
		2016	2015
The local subsidiary companies	Baht	131	144
The overseas subsidiary companies	Malaysian Ringgit	-	3
	USD	3	3

45.4 Guarantees

45.4.1 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	
	2016	2015	2016	2015
Baht				
Performance guarantees	4,001	3,358	546	549
Guarantee electricity use and others	717	379	1	1
Yen				
Performance guarantees	57	58	-	-
Euro				
Performance guarantees	3	3	-	-
Swiss franc				
Performance guarantees	4	2	-	-
US Dollar				
Performance guarantees	2	1	-	-

45.4.2 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	
	2016	2015
Baht		
The Samart Engineering Co., Ltd.	1,462	1,512
Teda Co., Ltd.	3,670	2,620
Vision and Security System Co., Ltd.	476	344
Samart U-Trans Co., Ltd.	100	100
Transec Power Services Co., Ltd.	220	120
Suvarnabhumi Environment Care Co., Ltd.	72	72
Samart RadiTech Co., Ltd.	60	60
	6,060	4,828
US Dollar		
The Samart Engineering Co., Ltd.	6	6
	6	6

- 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	
	2016	2015
Samart Mobile Services Co., Ltd.	55	55
Samart Multimedia Co., Ltd.	112	113
Zecureasia Co., Ltd. (formerly known as "I-Mobile Inter trade Co., Ltd.")	10	10
Pt. Samart I-Mobile Indonesia (In process of cancelation of credit facilities)	180	181
Samart Mobile Services Co., Ltd., I-Mobile International Co., Ltd. Zecureasia Co., Ltd. (formerly known as "I-Mobile Inter trade Co., Ltd.") and I-Mobile Inter trade Co., Ltd. and Teleconnex Co., Ltd. (joint use the same facilities with Samart I-Mobile Public Co., Ltd.)	1,870	1,876
Teleconnex 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.	30	20
I-Sport Co., Ltd.	12	5
I-Mobile Plus Co., Ltd. (joint use the same facilities with Samart I-Mobile Public Co., Ltd.)	110	111
Samart Multimedia Co., Ltd., Teleconnex 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.) (2015: Included credit facilities of I-Mobile International Co., Ltd.)	500	2,000
I-Sport Co., Ltd. and Siam Sport Television Co., Ltd.	51	35
Siam Sport Television Co., Ltd.	2	-

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) As at 31 December 2016, Samart Telcoms Public Co., Ltd., a subsidiary company, was guarantor of credit facilities and rental of equipment of its subsidiary companies from banks and a leasing company amounting to Baht 14,179 million (2015: Baht 30,987 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 credit facilities. The Samart Engineering Co., Ltd., and Suvarnabhumi Environment Care Co., Ltd., are also allowed to draw down amounts of Baht 150 million and Baht 20 million, respectively, from the credit facilities.
- e) The Company and The Samart Engineering Co., Ltd., a subsidiary company, have cross-guaranteed the credit facility of Baht 65 million (2015: 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 (2015: Baht 25 million).

45.5 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 to pay remuneration to the Kingdom of Cambodia in proportion to its annual income and 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) The Samart Engineering Co., Ltd, a subsidiary company, has entered into a satellite channel rental service agreement with private company. The agreement will expire in the year 2017. As at 31 December 2016, the subsidiary company is obliged to pay the service fee of Baht 3 million (2015: four agreements of Baht 40 million).
- c) 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 (2015: Baht 1 million per quarter). The agreement is expiring in 2020.
- d) 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. 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. 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. Subsequently, on 7 December 2016, the Company received a letter from Aeronautical Radio of Thailand Limited with respect to a refund of penalty on project delay that was reduced by Baht 21 million. The Company, has still requested that Aeronautical Radio reconsider and be fair to the Company. Therefore the Company's management has considered and believes that the Company will not have to pay the penalty, and thus does not record a provision or project delay penalty and damages in the books of account for the year ended 31 December 2016.

- e) 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	2016	2015
Baht	17	4
US dollar	-	1

- f) Teda Co., Ltd. and Transec Power Services Co., Ltd., the subsidiary companies, entered into general contractors and equipment and service purchase agreements with various 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 payments for equipment and services of Baht 841 million (31 December 2015: Baht 565 million).
- g) Vision and Security System Co., Ltd., a subsidiary company, entered into general contractors and equipment and service purchase agreements with various companies in order to maintain and install their construction of security systems. The subsidiary company is obligated to comply with certain conditions and to make the payments for equipment and services totaling of Baht 81 million (31 December 2015: nil).
- h) On 27 October 2016, Samart Waste2Power Co., Ltd., a subsidiary company, has entered into a sell and purchase agreement in order to purchase land totally Baht 35 million. The subsidiary paid a deposit of Baht 3 million. As at 31 December 2016, the subsidiary has commitment to pay the remaining amount of Baht 32 million within 1 year from the contract date. However, the subsidiary provided short-term loan to unrelated party (landlord) of Baht 12 million, as described in note 10 to financial statement, which will be treated this loan as a portion of the sell and purchase land agreement in the future.

Other commitments of Samart Telcoms Public Co., Ltd. group

- i) 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 (2015: USD 0.2 million per month).

- j) On 10 August 2011, the Board of the National Broadcasting and Telecommunications Commission (NBCT) passed a resolution approving the issue to Samart Telcoms Public Co., Ltd., a subsidiary company, of a five-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 2016, the subsidiary company had noticed to hand over the telecommunications equipment to NBCT, 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.
- k) 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 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 within the delivery period (22 February 2007), the counterparty will charge a penalty for any delays in the subsidiary's work. However, as at 22 February 2007 the subsidiary company could not make the network available at 1,000 sites because such subsidiary 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, on 12 July 2016, the subsidiary and the counterparty entered into an agreement to terminate the above agreement, and both parties agreed not to claim compensation, expenses and any damages, including any other obligations, arising from the implementation of the agreement.
- 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 obligated to comply with the conditions stipulated in the contract and pay a service fee totaling approximately Baht 0.1 million per month (2015: Baht 0.1 million per month).
- m) A subsidiary company entered into a contract to use computer software application services with a company. The subsidiary is obligated to comply with the conditions stipulated in the contract and subsidiary company has future minimum lease payments as follows.

(Unit: Million Baht)

	Consolidated financial statements	
	2016	2015
Payable:		
In up to 1 year	221	69
In over 1 and up to 4 years	1,028	-

- n) Portalnet Co., Ltd., a subsidiary company, entered into a contract with SAP (Thailand) Co., Ltd. to provide system maintenance services for computer software applications for core business operation. The subsidiary is obligated to comply with the conditions stipulated in the contract and pay service fee of approximately between Baht 1 million per month (2015: Baht 4 million per quarter).

- o) 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 company is obligated to comply with the conditions stipulated in the contract and pay service fee of approximately Euro 0.03 million per month (2015: Euro 0.01 million per month).
- p) Posnet Co., Ltd., a subsidiary company, entered into two agreements with a private limited company to provide system maintenance services. 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. Subsequently, the subsidiary has negotiated and received details of the penalties and compensatory damages from such company which the penalties and compensatory damages were changed to be Baht 4 million. However, the subsidiary's management has considered the matters and still believes that the subsidiary will not have to pay the penalty and compensatory damages, and therefore, as at 31 December 2016, the subsidiary company has not set aside any provision in its accounts.

Other commitments of Samart I-Mobile Public Co., Ltd. group

- q) On 27 November 2009, Samart I-Mobile Public Co., Ltd., a subsidiary company, entered into a memorandum of understanding relating to the project for 3G mobile phone network services testing with TOT Public Co., Ltd. in support of the objective of providing wholesale and retail 3G mobile phone network services through the Wideband Code-Division Multiple Access (WCDMA) system.

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, I-Mobile Plus Co., Ltd., receiving the licenses from the National Broadcasting and Telecommunications Commission (NBTC) has obligations to comply with certain conditions as stated 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.

- r) 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 not yet to be launched). The subsidiary company is obliged to comply with certain conditions as stated in the agreement and to pay fees at the rates stated in the agreement.
- s) 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 wholesale service fees at a stipulated rate.

However, due to a delay in the distribution of mobile phone numbers by the Office of The National Broadcasting and Telecommunications Commission and technical delays, the subsidiary was unable to commence the service within the stipulated timeframe. On 22 April 2016, the subsidiary sent a letter to CAT Telecom Public Co., Ltd. informing the commencement date to be 3 May 2016.

45.6 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 Court dismissed the case on 30 August 2016.

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). In September 2016, Super Cheng Co., Ltd. proposed to terminate all lawsuits. Consequently, the subsidiary company and Super Cheng Co., Ltd. entered into a compromise agreement on 26 September 2016 to terminate all lawsuits.

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

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

The law firm that was hired by the Company as 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.

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. The Supreme Court gave its verdict on 20 September 2016 revoking the arbitration award without ruling the Company to pay any debt to the Organizing Committee.

On 29 November 2016, the Organizing committee and Sports Authority of Thailand filed a motion with the Arbitration Institution to continue the case and the case is currently under the consideration of Arbitration Institution. The Company's legal consultant for this case views that the Company shall not be responsible for the damages claimed since the former Arbitral Tribunal's authority in this case will be terminated pursuant to Section 38 of the Arbitration Act B.E. 2545. However, if this case is re-submitted for legal proceeding, the Company can raise an issue regarding the statute of limitation whereby the period of this case has passed 10 years.

- c) 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 2016, the subsidiary company estimated its contingent liabilities at Baht 0.6 million, (2015: Baht 0.6 million) and recorded this under the caption of "other non-current liabilities" in the statement of financial position.

46. Fair value hierarchy

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	
	2016	2015	2016	2015	2016	2015
Assets measured at fair value						
Held for trade investments						
Equity instruments	23	22	-	-	23	22
Available-for-sale investments						
Equity instruments	70	176	-	-	70	176
Derivatives						
Foreign currency forward contracts	-	-	1	1	1	1
Land	-	-	561	561	561	561
Investment properties	-	-	83	77	83	77
Assets held for future projects	-	-	24	24	24	24
Financial liabilities measured at fair value						
Derivatives						
Foreign currency forward contracts	-	-	-	25	-	25
Debentures	-	-	3,865	4,155	3,865	4,155

(Unit: Million Baht)

	Separate Financial Statements					
	Level 1		Level 2		Total	
	2016	2015	2016	2015	2016	2015
Assets measured at fair value						
Held for trade investments						
Equity instruments	13	13	-	-	13	13
Land	-	-	218	218	218	218
Assets held for future projects	-	-	24	24	24	24
Derivatives						
Foreign currency forward contracts	-	-	0.1	-	0.1	-
Financial liabilities measured at fair value						
Derivatives						
Foreign currency forward contracts	-	-	-	19	-	19
Debentures	-	-	2,500	2,500	2,500	2,500

47. Financial instruments

47.1 Financial risk management

The Company and its subsidiaries' financial instruments, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade accounts receivable, loans, investments, debentures, bank overdrafts, 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, 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								
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	
Financial Assets											
Cash and cash equivalents	285	256	-	-	1,911	1,714	14	29	2,210	1,999	0.04 - 4.00
Temporary investments	-	-	-	-	-	-	23	22	23	22	-
Trade and other accounts receivable	-	-	-	-	-	-	8,998	10,927	8,998	10,927	-
Finance leases receivable	12	60	-	13	-	-	-	-	12	73	0.70 - 1.09
Short-term loans	-	-	-	-	12	-	-	-	12	-	7.125
Restricted bank deposits	105	104	-	-	-	-	-	111	105	215	0.85 - 1.50
Available-for-sale investments	-	-	-	-	-	-	70	176	70	176	-
Total	402	420	-	13	1,923	1,714	9,105	11,265	11,430	13,412	
Financial liabilities											
Bank overdrafts	-	-	-	-	90	1	-	-	90	1	6.50 - 7.68
Short-term loans from financial institutions	4,871	4,818	-	-	2,513	2,893	-	-	7,384	7,711	2.10 - 4.50
Bill of exchange	865	885	-	-	-	-	-	-	865	885	2.10 - 3.40
Trust receipt											
- Baht	182	1,207	-	-	538	335	-	-	720	1,542	2.70 - 3.33
- US Dollar	-	63	-	-	-	-	-	-	-	63	1.61 - 1.90
Trade and other accounts payable	-	-	-	-	-	-	2,262	2,795	2,262	2,795	-
Short-term loans from unrelated parties	23	22	-	-	-	-	-	-	23	22	1.05 - 1.15
Debentures	880	870	2,985	3,285	-	-	-	-	3,865	4,155	2.10 - 4.80
Long-term loans from financial institutions	5	-	248	-	-	108	-	-	253	108	3.00 - 4.75
Liabilities under finance lease agreements	17	31	24	38	-	-	-	-	41	69	2.59 - 8.70
Total	6,843	7,896	3,257	3,323	3,141	3,337	2,262	2,795	15,503	17,351	

(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								
	2016	2015	2016	2015							
Financial Assets											
Cash and cash equivalents	-	-	-	-	91	165	-	-	91	165	0.05 - 1.00
Temporary investments	-	-	-	-	-	-	13	13	13	13	-
Trade and other accounts receivable	-	-	-	-	-	-	329	379	329	379	-
Short-term loans	-	-	-	-	1,227	928	-	-	1,227	928	2.48
Total	-	-	-	-	1,318	1,093	342	392	1,660	1,485	
Financial liabilities											
Short-term loans from financial institution	650	470	-	-	-	-	-	-	650	470	2.10 - 2.40
Bill of exchange	640	585	-	-	-	-	-	-	640	585	2.10 - 2.35
Trade and other accounts payable	-	-	-	-	-	-	435	889	435	889	-
Short-term loans from related parties	-	-	-	-	146	176	-	-	146	176	1.63
Debentures	-	-	2,500	2,500	-	-	-	-	2,500	2,500	4.35 - 4.80
Long-term loans from related parties	-	-	-	-	728	728	-	-	728	728	0.57
Liabilities under finance lease agreements	7	11	20	25	-	-	-	-	27	36	2.70 - 4.75
Total	1,297	1,066	2,520	2,525	874	904	435	889	5,126	5,384	

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	
	2016	2015	2016	2015	2016	2015
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
Financial assets						
US dollar	7	10	2	3	35.6588	35.8295
Swiss franc	-	1	-	-	-	35.9197
Financial liabilities						
Yen	26	-	-	-	0.3113	-
US dollar	2	13	-	1	36.0025	36.2538
Australian dollar	5	10	5	10	26.3262	26.6681
Euro	-	2	-	-	-	39.7995
Swiss franc	-	1	-	-	-	36.7180

Forward exchange contracts

The outstanding balance of forward exchange contracts of the Company and subsidiaries are summarised below.

Foreign currency	Consolidated financial statements (Million)	Separate financial statements (Million)	Contractual exchange rate (Baht per 1 foreign currency unit)	Contractual maturity date
<u>As at 31 December 2016</u>				
Bought amount				
US dollar	1	-	34.6175 - 35.9736	February 2017 - January 2018
Australian dollar	2	2	25.9163 - 26.0494	March - June 2017

Foreign currency	Consolidated financial statements (Million)	Separate financial statements (Million)	Contractual exchange rate (Baht per 1 foreign currency unit)	Contractual maturity date
<u>As at 31 December 2015</u>				
Bought amount				
US dollar	47	-	34.9822 - 36.8566	January 2016 - January 2017
Australian dollar	10	10	28.3924 - 28.5250	April 2016
Euro	1	-	39.6700	February 2016
Sold amount				
US dollar	1	-	33.8625 - 34.5050	January 2016

47.2 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.

48. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2016, the Group's debt-to-equity ratio was 2.19:1 (2015: 2.28:1) and the Company's was 1.23:1 (2015: 1.32:1).

49. Events after the reporting period

- 49.1 On 16 January 2017, Samart Multimedia Co., Ltd., a subsidiary company, sold all of the 30,000 ordinary shares it held in Phoinikas Co., Ltd. to a former shareholder at a total price of Baht 6 million.
- 49.2 On 25 January 2017, Samart I-Mobile Public Co., Ltd., a subsidiary company entered into a memorandum of understanding with CAT Telecom Plc. whereby it is to perform a feasibility study regarding the implementation of a countrywide digital trunked radio network with modern technology and suitability for all kinds of users. This term of this memorandum is one year and it does not give rise to any financial, budgetary or other obligations.
- 49.3 On 24 January 2017, a meeting of the Board of Directors of the Company passed a resolution approving the provision of financial assistance to Samart I-Mobile Plc., a subsidiary company, consisting of a one-year credit line of Baht 1,500 million in the form of promissory notes due at call and carrying interest at a rate equal to the cost of funds plus 0.25% per annum. Interest is payable on a monthly basis.

50. Approval of financial statements

These financial statements were authorised for issue by the Company's authorised Directors on 20 February 2017.

Remuneration of the Auditors

1. Audit Fee

In 2016, 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, 2016 of the Company was Baht 2,325,000 of which excluded other miscellaneous payment of Baht 117,265 (i.e. auditors' traveling expenses, photo copy expenses etc.).
- Audit Fee for accounting period ended December 31, 2016 of the subsidiaries and affiliated companies pay to audit firm or other persons or firms that related to the audit firm were Baht 15,099,500 of which excluded other miscellaneous payment of Baht 920,776 (i.e. auditors' traveling expenses, photo copy expenses etc.).

In addition, the 3 overseas subsidiaries in Hong Kong and Cambodia paid audit fees to the auditors from the group of Ernst & Young Global Limited in each countries were Baht 1,845,378 excluded miscellaneous payment of Baht 35,042 (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 1,976,785 which excluded other miscellaneous payment of Baht 72,673 (i.e. auditors' travelling expenses, photo copy expenses etc.). Meanwhile, the another subsidiary in Myanmar paid audit fees to other audit firm which was suitable for its size of business total of Baht 69,889. Additionally, auditing fee for liquidation registration of 5 subsidiaries and auditing fee to other auditor amounted to Baht. 118,000 have already been paid. Registration for liquidation of such 3 subsidiaries have been completed in 2016 while the remaining 2 companies are under the process.

2. Non-Audit Fee

In 2016, 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, 2016 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, 2016 at Baht 70,000.
- Siam Sport Television Co., Ltd., an indirect subsidiary with stakeholding 35.74%, paid professional fee to EY Office Limited for review revenue from the licenses granted by National Broadcasting and Telecommunications Commission (NBTC) totaling Baht 60,000.

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, 2016

Name-Surname / Position / Appointing Date	Age	Education / Training	Shareholding in Company ⁽¹⁾ (%)	Relationship	Working Experience last 5 years		
					During	Position	Company / Department
1. Dr. Tongchat Hongladaromp - Chairman - Independent Director - Audit Committee Member - Chairman of the Nominating & Compensation Committee <i>(To be appointed as a director on Apr. 25, 2008)</i>	78	- Ph.D (Civil Eng.), Northwestern University, Chicago, USA - M.Eng. (Civil), Asian Institute of Technology Bangkok - B.Eng. (Civil), Chulalongkorn University Bangkok - National Defence course (Class 32), National Defence College of Thailand in 1989 Training courses from Thai Institute of Directors Association (IOD) : - Director Accreditation Program (DAP) in 2005 - Finance for Non-Finance Director Program in 2005	-	-	2008-Present	Chairman / Independent Director / Audit Committee Member	Smart Corporation Pcl.
					2008-Present	Chairman of the Nominating & Compensation Committee	Smart Corporation Pcl.
					2007-Present	Position in other listed companies Chairman	Linde (Thailand) Plc.
					1994-Present	Independent Director	Sahaviriya Steel Industries Pcl.
					2007-Present	Chairman of the Risk Management Committee	Sahaviriya Steel Industries Pcl.
					2003-Present	Senior Advisor	PTT Pcl.
					Present	Senior Advisor	PTT Global Chemical Pcl.
					Present	Advisor to the Board of Directors	PTT Exploration and Production Pcl.
					2013-Present	Position in non-listed companies Chairman / Chairman of the Audit Committee / Independent Director	Thai Light Block & Panel Co., Ltd.
					2007-Present	Chairman	Chuchawal-Royal Haskoning 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.

Remark : ⁽¹⁾ 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 ⁽¹⁾ (%)	Relationship	Working Experience last 5 years		
					During	Position	Company / Department
2. Mr. Pradang Prichayangkun - Vice Chairman - Independent Director - Chairman of the Audit Committee - Corporate Governance Committee Member - Nominating & Compensation Committee Member <i>(To be appointed as a director on Apr. 25, 2008)</i>	82	- Bachelor Degree in Law, Thammasat University - National Defence Course (Class 31), National Defence College of Thailand - Financial reporting to comply with new accounting standard, The Stock Exchange of Thailand Training courses from Thai Institute of Directors Association (IOD) : - Director Certification Program (DCP) in 2004 - Audit Certification Program (ACP) in 2005	0.05% 500,000 shares	-	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.
						Position in other listed companies -	
						Position in non-listed companies -	
3. Mr. Seri Suksathaporn - Independent Director - Audit Committee Member - Nominating & Compensation Committee Member - Chairman of the Corporate Governance Committee <i>(To be appointed as a director on Feb. 12, 1999)</i>	80	- Master of Public Administration (MPA), University of Southern California, USA - Bachelor Degree in Political Science, Chulalongkorn University Director Certification Program (DCP), Thai Institute of Directors Association (IOD) in 2003	0.09% 927,750 shares	-	1999-Present	Independent Director / Audit Committee Member	Samart Corporation Pcl.
					2008-Present	Nominating & Compensation Committee Member	Samart Corporation Pcl.
					2008-Present	Chairman of the Corporate Governance Committee	Samart Corporation Pcl.
						Position in other listed companies -	
						Position in non-listed companies 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		
					Former		

Remark : ⁽¹⁾ 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 ⁽¹⁾ (%)	Relationship	Working Experience last 5 years		
					During	Position	Company / Department
4. Mr. Prinya Waiwatana - Independent Director - Corporate Governance Committee Member <i>(To be appointed as a director on Apr. 27, 2010)</i>	69	- Bachelor Degree in Accounting, Chulalongkorn University Training courses from Thai Institute of Directors Association (IOD) : - Director Accreditation Program (DAP) in 2005 - Audit Committee Program (ACP) in 2005 - Director Certification Program (DCP) in 2006 - Monitoring the System of Internal Control and Risk Management (MIR) in 2008 - Role of Compensation Committee (RCC) in 2010	0.01% 140,000 shares	-	2010-Present	Independent Director / Corporate Governance Committee Member	Samart Corporation Pcl.
					2010-Present	Position in other listed companies Independent Director / Investment Committee Member / Nominating & Compensation Committee Member / Chairman of the Risk Management Committee	Ira Capital Pcl.
					2005-Present	Independent Director / Chairman of the Audit Committee / Nominating & Compensation Committee Member / Chairman of the Corporate Governance Committee	Thai Steel Cable Pcl.
						Position in non-listed companies -	
5. Mrs. Siripen Viailuck - Director <i>(To be appointed as a director on Feb. 25, 1993)</i>	77	- 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.
						Position in other listed companies -	
					1975-Present Present	Position in non-listed companies Director Director	Samart Engineering Co., Ltd. Viailuck International Holding Co., Ltd. and its subsidiaries

Remark : ⁽¹⁾ 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 ⁽¹⁾ (%)	Relationship	Working Experience last 5 years		
					During	Position	Company / Department
6. Mr. Charoenrath Vilailuck - Authorized Director - Executive Chairman & CEO - Chairman of the Risk Management Committee <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 Training courses from Thai Institute of Directors Association (IOD) : - Director Certification Program (DCP) in 2004 - Director Accreditation Program (DAP) in 2004	11.20% 112,734,960 shares	Mrs. Sirpen'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.
					Position in other listed companies		
					2003-Present	Director	Samart I-Mobile Pcl.
					May 2016-Present	Risk Management Committee Member	Samart I-Mobile Pcl.
					1996-Present	Director / Executive Director	Samart Telcoms Pcl.
					May 2016-Present	Risk Management Committee Member	Samart Telcoms Pcl.
					2013-Present	Director / Executive Director / Risk Management Committee Member	One To One Contacts Pcl.
					Position in non-listed companies		
					Present	Director	Vilailuck International Holding Co., Ltd. and its Subsidiaries.
					Present	Director	Subsidiaries, Affiliated and Related Companies (as details in Directors and Managements in subsidiaries, affiliated and related companies).
					2000-2013	Director	One To One Contacts Co., Ltd.

Remark : ⁽¹⁾ 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 ^(*) (%)	Relationship	Working Experience last 5 years		
					During	Position	Company / Department
7. Mr. Watchai Vitailuck - 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 - Head of Mobile Multimedia LOB <i>(To be appointed as a director on Feb. 25, 1993)</i>	54	- 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 - Director Accreditation Program (DAP), Thai Institute of Directors Association (IOD) in 2004 - Diploma in National Defence for The Joint State-Private Sector Course (Class 21), National Defence College of Thailand in 2008-2009 - Leadership Program (Class 11), Capital Market Academy (CMA) in 2010-2011 - The Programme for Senior Executives on Justice Administration Batch 15, National Justice Academy, Office of Judiciary in 2011-2012 - ASEAN Executive Management Programme (Class 2), The Secretariat of the Prime Minister, Office of the Civil Service Commission (OCSC), Office of the National Economic and Social Development Board, Ministry of Foreign Affairs and Sasin Graduate Institute of Business Administration, Chulalongkorn University in 2013	12.52% 126,005,535 shares	Mrs. Siripen'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.
					Nov. 2016-Present	Head of Mobile Multimedia LOB	Samart Corporation Pcl.
						Position in other listed companies	
					2003-Present	Director	Samart I-Mobile Pcl.
					Nov. 2016-Present	CEO / Executive Chairman / Chairman of the Risk Management Committee	Samart I-Mobile Pcl.
					2003-Dec. 2015	Chief Executive Officer / Executive Chairman	Samart I-Mobile Pcl.
					2005-Dec. 2015	Chairman of the Risk Management Committee	Samart I-Mobile Pcl.
					2000-Present	Executive Chairman & Chief Executive Officer	Samart Telcoms Pcl.
					1996-Present	Director	Samart Telcoms Pcl.
					May 2016-Present	Chairman of the Risk Management Committee	Samart Telcoms Pcl.
					2013-Present	Director / Chairman of the Risk Management Committee	One To One Contacts Pcl.
					May 2016-Present	Executive Director	One To One Contacts Pcl.
					2013-May 2016	Executive Chairman	One To One Contacts Pcl.

Remark : ^(*) Includes holding by spouse and minor children (See the securities holding information in the topic of the "Corporate Governance" under the item of the "4. Disclosure and Transparency")
% of total number of voting rights

Name-Surname / Position / Appointing Date	Age	Education / Training	Shareholding in Company ⁽¹⁾ (%)	Relationship	Working Experience last 5 years		
					During	Position	Company / Department
7. Mr. Watchai Vliailuck (cont.)		<ul style="list-style-type: none"> - The 5th Training Course on Administrative Justice for Executives, Institute of Administrative Justice, The Office of the Administrative Courts of Thailand in 2013-Aug. 2014 - Top Executive Program in Energy Literacy for a Sustainable Future (Class 6), Thailand Energy Academy (TEA) in 2015 - Top Executive Program in Industrial Development and Investment (Class 2), Institute of Business and Industrial Development (IBID) in 2015 			Present	Position in non-listed companies Director	Vliailuck International Holding Co., Ltd. and its Subsidiaries.
					Present	Director	Subsidiaries, Affiliated and Related Companies (as details in Directors and Managements in subsidiaries, affiliated and related companies).
					2000-2013	Director	One To One Contacts Co., Ltd.

Remark : ⁽¹⁾ 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 ^(*) (%)	Relationship	Working Experience last 5 years		
					During	Position	Company / Department
8. Mr. Sirichai Rasameechan - Authorized Director - Executive Vice Chairman - Risk Management Committee Member - Corporate Governance Committee Member - Vice Chairman of the Sustainable Development Committee <i>(To be appointed as a director on Feb. 20, 1996)</i>	66	- Master of Accounting, Thammasat University - Bachelor Degree in Accounting, Thammasat University Training courses from Thai Institute of Directors Association (IOD) : - Director Certification Program (DCP) in 2000 - Finance for Non-Finance Director Program in 2000	-	-	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.
					Position in other listed companies		
					1998-Present	Director / Executive Director	Samart Telcoms Pcl.
					2000-Present	Executive Director	Samart Telcoms Pcl.
					May 2016-Present	Risk Management Committee Member	Samart Telcoms 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-May 2016	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.
Position in non-listed companies			Present	Director	Subsidiaries, Affiliated and Related Companies (as details in Directors and Managements in subsidiaries, affiliated and related companies).		
Present	Speaker	Thai Institute of Directors Association (IOD)					
	2000-2013	Director		One To One Contacts Co., Ltd.			

Remark : ^(*) Includes holding by spouse and minor children (See the securities holding information in the topic of the "Corporate Governance" under the item of the "4. Disclosure and Transparency")
% of total number of voting rights

Name-Surname / Position / Appointing Date	Age	Education / Training	Shareholding in Company ⁽¹⁾ (%)	Relationship	Working Experience last 5 years		
					During	Position	Company / Department
9. Mr. Thananan Vlaluck - Executive Director - Risk Management Committee Member - Sustainable Development Committee Member - Executive Vice Chairman- Corporate Strategy <i>(To be appointed as a director on Apr. 20, 2016)</i>	50	- Master of Engineering, University of Florida, USA - Bachelor Degree in Engineering, Kasetsart University - Director Accreditation Program (DAP), Thai Institute of Directors Association (IOD) in 2004	2.98% 30,012,100 shares	Mrs. Siripen's son and Mr. Charoenrath's and Mr. Watchai's younger brother	Apr. 2016-Present	Director	Samart Corporation Pcl.
					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.
					Position in other listed companies		
					Apr. 2016-Present	Director / Executive Director	Samart Telecoms Pcl.
					May 2016-Present	Risk Management Committee Member	Samart Telecoms Pcl.
					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-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.
					2003-Apr. 2016	Director	Samart I-Mobile Pcl.
					Position in non-listed companies		
					Present	Director	Vlaluck International Holding Co., Ltd. and its Subsidiaries.
					Present	Director	Subsidiaries, Affiliated and Related Companies (as details in Directors and Managements in subsidiaries, affiliated and related companies).

Remark : ⁽¹⁾ Includes holding by spouse and minor children (See the securities holding information in the topic of the "Corporate Governance" under the item of the "4. Disclosure and Transparency")
% of total number of voting rights

● Executives & Managements of Samart Corporation Public Company Limited as of December 31, 2016

Name-Surname / Position / Appointing Date	Age	Education / Training	Shareholding in Company ⁽¹⁾ (%)	Relationship	Working Experience last 5 years		
					During	Position	Company / Department
1. Mr. Charoenrath Viailuck <i>(To be appointed as an executive director on Feb. 25, 1993)</i>						- See details in "The Board of Directors of Samart Corporation Pcl." -	
2. Mr. Watchai Viailuck <i>(To be appointed as an executive director on Feb. 25, 1993)</i>						- See details in "The Board of Directors of Samart Corporation Pcl." -	
3. Mr. Sirichai Rasameechan <i>(To be appointed as an executive director on Feb. 20, 1996)</i>						- See details in "The Board of Directors of Samart Corporation Pcl." -	
4. Mr. Thananan Viailuck <i>(To be appointed as an executive director on Feb. 28, 2007)</i>						- See details in "The Board of Directors of Samart Corporation Pcl." -	

Remark : ⁽¹⁾ 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 ⁽¹⁾ (%)	Relationship	Working Experience last 5 years		
					During	Position	Company / Department
5. Mr. Jong Diloksombat - Executive Director - Sustainable Development Committee Member - President of ICT Solution and Service LOB <i>(To be appointed as an executive director on Mar. 19, 2012)</i>	57	- 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, VMAAC 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 - Director Accreditation Program (DAP), Thai Institute of Directors Association (IOD) in 2004 - Capital Market Leader Program, The Securities and Exchange Commission and Sasin Graduate 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.
					2013-Present	Sustainable Development Committee Member	Samart Corporation Pcl.
					2012-Present	President of ICT Solutions and Services LOB	Samart Corporation Pcl.
					2009-May 2016	Risk Management Committee Member	Samart Corporation Pcl.
					Position in other listed companies		
					2012-Present	Director / Executive Director / President / Corporate Governance Committee Member	Samart Telcoms Pcl.
					2013-Present	Chairman of the Sustainable Development Committee	Samart Telcoms Pcl.
					May 2016-Present	Risk Management Committee Member	Samart Telcoms Pcl.
					2012-May 2016	Chairman of the Risk Management Committee	Samart Telcoms Pcl.
					2005-May 2016	Corporate Governance Committee Member	Samart I-Mobile Pcl.
					2005-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	Position in non-listed companies Director	Subsidiaries, Affiliated and Related Companies (as details in Directors and Managements in subsidiaries, affiliated and related companies)

Remark : ⁽¹⁾ 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 ^(*) (%)	Relationship	Working Experience last 5 years		
					During	Position	Company / Department
6. Mr. Pracha Phathayakorn - Executive Vice President (Finance and Accounting) - Sustainable Development Committee Member <i>(To be appointed as an executive director on May 1, 2011)</i>	53	- 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 Training courses from Thai Institute of Directors Association (IOD) : - Director Certification Program (DCP) in 2009 - Monitoring the System of Internal Control and Risk Management (MIR) in 2008 - Monitoring the Internal Audit Function (MIA) in 2008 - Monitoring the Quality of Financial Reporting (MFR) in 2007 - Audit Committee Program (ACP) in 2006 - Director Accreditation Program (DAP) in 2005	0.03% 310,000 shares	-	2011-Present	Executive Vice President (Finance and Accounting)	Samart Corporation Pcl.
					2013-Present	Sustainable Development Committee Member	Samart Corporation Pcl.
					2012-May 2016	Risk Management Committee Member	Samart Corporation Pcl.
					Position in other listed companies		
					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	Samart I-Mobile Pcl.
					2014-Present	Executive Director / Risk Management Committee Member	Samart I-Mobile Pcl.
					Nov. 2013-Present	Sustainable Development Committee Member	Samart I-Mobile Pcl.
					Aug. 2015-Feb. 2016	Chief Operating Officer	Samart I-Mobile Pcl.
					2012-Aug. 2015	Executive Vice President	Samart I-Mobile Pcl.
					Position in non-listed companies		
					2015-Present	Director	Euromill Hotel Co., Ltd.
					2013-Present	Director	Subsidiaries, Affiliated and Related Companies (as details in Directors and Managements in subsidiaries, affiliated and related companies)
					2005-2011	President	Paresa Corporation Co., Ltd.

Remark : ^(*) Includes holding by spouse and minor children (See the securities holding information in the topic of the "Corporate Governance" under the item of the "4. Disclosure and Transparency")
% of total number of voting rights

● Company Secretary of Smart Corporation Public Company Limited as of December 31, 2016

Name-Surname / Position / Appointing Date	Age	Education / Training	Shareholding in Company ⁽¹⁾ (%)	Relationship	Working Experience last 5 years		
					During	Position	Company / Department
Mrs. Jirawan Rujisonthi - Assistant Vice President - Corporate Secretary - Sustainable Development Committee Member <i>(To be appointed as the Company Secretary on Dec. 19, 2014)</i>	42	- 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 - Effective Minute Taking (EMT-Class 14), Thai Institute of Directors Association (IOD) in 2002	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.
						Position in other listed companies - Position in non-listed companies -	

Remark : ⁽¹⁾ 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:

- "Annual General Meeting arrangement based on good Corporate Governance" from SET;
- "Improvement of an Material Transaction (MT) and Related Party Transaction (RPT) of Company Limited" from SEC;
- "Right and Duty of Shareholders : Ying-Yang : White-Black aspects of doing the right things" from Thai Investors Association;
- "Sustainable development assessment prior preparation workshop" Class 4 from SET;
- CG Forum 2/2016 "Integrity, Carefulness as Directors' Shield" from SET;
- "Class Action" from SEC in associate with SET;
- "Inside management technique by Professional Executives" from SEC in associate with SET;
- Sustainability Risk and Materiality Analysis Class 3 from SEC in associate with SET;
- Smart Disclosure Program (SDP) from SEC in associate with SET;
- SET Social Impact Day 2016: Sustainable Consumption Reform the Next Growth from SET;
- Training course on disclosure information Form 56-1 Class 1 from SEC;
- CSR Evaluation and Data Management Class 3 from SET;
- Enhancing Good Corporate Governance based on CGR Scorecard from Thai Institute of Directors in associate with SET;
- Sustainability Reporting from SET;
- AGM Checklist 2017 from Thai Investors Association;
- "New Beginner for Sustainability Report" from SET.

SAMART's Directors and Managements in Subsidiaries, Affiliated and Related Companies as of December 31, 2016

[illegible]

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

2) Companies Symbol;

- | | | | | | | | |
|----------------------|--|------------------|--|-------------------|---|----------|-----------------------------------|
| 1. SC | = Samart Corporation Pcl. | 2. SIM | = Samart I-Mobile Pcl. | 3. SMS | = Samart Mobile Services Co., Ltd. | 4. BUG | = Samart Multimedia Co., Ltd. |
| 5. TCN | = Teleconnect Co., Ltd. | 6. IMP | = I-Mobile Plus Co., Ltd. | 7. ZA | = ZecureAsia Co., Ltd. | 8. S2A | = SIM2ASSET Co., Ltd. |
| 9. PK | = Phoinikas Co., Ltd. | 10. STC | = Samart Telcoms Pcl. | 11. SCS | (Formerly named I-Mobile Inter Trade Co., Ltd.) | 12. SCT | = Samart Comtech Co., Ltd. |
| 13. SBS | = Smart Broadband Services Co., Ltd. | 14. TTN | = Thai Trade Net Co., Ltd. | 15. PN | = Posnet Co., Ltd. | 16. SIF | = Samart Infonet Co., Ltd. |
| 17. STW | = Smartware Co., Ltd. | 18. SAET | = Samart Ed-Tech Co., Ltd. | 19. PTN | = Portalnet Co., Ltd. | 20. OTO | = One To One Contacts Pcl. |
| 21. OTP | = One To One Professional Co., Ltd. | 22. OTOC | = One To One (Cambodia) Co., Ltd. | 23. CATS | = Cambodia Air Traffic Services Co., Ltd. | 24. KPP | = Kampot Power Plant Co., Ltd. |
| 25. SUT | = Samart U-Trans Co., Ltd. | 26. SEC | = Suvarabhumi Environment Care Co., Ltd. | 27. VSS | = Vision and Security System Co., Ltd. | 28. SE | = Samart Engineering Co., Ltd. |
| 29. CIO | = Contact-In-One Co., Ltd. | 30. SIH | = Samart Inter Holding Co., Ltd. | 31. SRT | = Samart Raditech Co., Ltd. | 32. TEDA | = Teda Co., Ltd. |
| 33. TS | = Transec Power Services Co., Ltd. | 34. SW2P | = Samart Wastee2Power Co., Ltd. | 35. SUM | = Samart U-Trans (Myanmar) Co., Ltd. | 36. NMD | = Net Media Co., Ltd. |
| 37. ITAB | = IT Absolute Co., Ltd. | 38. I-SPORT | = I-Sport Co., Ltd. | 39. I-SPORT M | = I-Sport Media Co., Ltd. | 40. CS | = Cambodia Samart Co., Ltd. |
| 41. ENT | = Entertainment Tree Co., Ltd. | 42. SLA | = SLA Asia Co., Ltd. | 43. NST | = Net Service (Thailand) Co., Ltd. | 44. SSTV | = Siam Sport Television Co., Ltd. |
| 45. VIH | = Vialluck International Holding Co., Ltd. | | | | | | |
| (1) Listed Companies | (2) Held by SIM | (3) Held by BUG | (4) Held by I-SPORT | (5) Held by STC | | | |
| (6) Held by OTO | (7) Held by SE | (8) Held by SIH | (9) Held by SUT | (10) Held by TEDA | | | |
| (11) Held by SBS | (12) Held by SCT | (13) Held by SCS | | | | | |

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 Saluckpetch							/
17. Miss Kanokwan Chanswangpuvana							/
18. Mrs. Jirawan Rujisonthi							/

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

Directors' list of Major Subsidiaries^(*)

Name of Directors	Subsidiaries			
	Samart I-Mobile Pcl.	Samart Telcoms Pcl.	Samart Comtech Pcl.	Combodia Air Traffic Services Co., Ltd.
1. Mr. Charoenrath Vilailuck	/	//	x	/
2. Mr. Watchai Vilailuck	//	//	/	/
3. Mr. Sirichai Rasameechan		//		
4. Mr. Piyapan Jumpasut	x			
5. Dr. Chotivid Chayavadhanangkurn	/			
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 Kamloonwesaruch			/	
19. Mr. Padet Limpisvasti				x
20. Mr. Teerachai Phongpanangam				/

Remarks : x = Chairman, / = Director, // = Executive Director

^(*) Subsidiaries which its revenue represent over 10% of Group revenue.

The Board of Directors, Managements and Company Secretary of Major Subsidiaries^(*)
 Smart I-Mobile Public Company Limited (“SIM”)

- The Board of Directors of Smart I-Mobile Public Company Limited as of December 31, 2016

Name-Surname / Position / Appointing Date	Age	Education / Training	Shareholding in SIM ^(**) (%)	Relationship	Working Experience last 5 years		
					During	Position	Company / Department
1. Mr. Piyapan Champasut - Chairman of the Board - Independent Director - Audit Committee Member (To be appointed as a director on Mar. 1, 2016)	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 - Director Certification Program (DCP), Thai Institute of Directors Association (IOD) in 2008	-	-	Mar. 2016-Present	Chairman of the Board of Directors / Independent Director / Audit Committee Member	Smart I-Mobile Pcl.
					2009-2011	Position in other listed companies Chairman of the Board of Directors	Airports of Thailand Public Company Limited (AOT)
					2012-Present	Position in non-listed companies Chairman of the Board of Directors	Terabyte Net Solution Public Company Limited
					1996-Present 2008-2011 2006-2011	Chairman of the Board of Directors Chairman of the Board of Directors Chairman of the Board of Directors	P S Member Co., Ltd. Bangkok Mass Transit Authority The Transport Co., Ltd.

Remarks : ^(*) Subsidiaries which its revenue represent over 10% of Group revenue.

^(**) Includes holding by spouse and minor children (See the securities holding information in the Annual Report 2016 of Smart I-Mobile Pcl.)
 % of total number of voting rights

Name-Surname / Position / Appointing Date	Age	Education / Training	Shareholding in SIM ^(*) (%)	Relationship	Working Experience last 5 years		
					During	Position	Company / Department
2. Dr. Chotivud Chayavadhanangkur - Independent Director - Chairman of the Audit Committee - Chairman of the Corporate Governance Committee - Nominating & Compensation Committee Member <i>(To be appointed as a director on Sep. 30, 2003)</i>	69	- Doctorate of Ph.D. in Electrical Engineering, University of Minnesota, USA - Master Degree in M.S. Electrical Engineering, University of Minnesota, USA - Bachelor Degree in Engineering (1 st Class Honour), Chulalongkorn University - Director Accreditation Program (DAP), Thai Institute of Directors Association (IOD) in 2004	0.07% 3,000,000 shares	-	2009-Present	Chairman of the Audit Committee	Samart I-Mobile Pcl.
					2003-2009	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.
					2002-Present	Chairman of the Board of Directors	Bangkok Servex Co., Ltd.
					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	
					2014-Present	Executive Director	Kuang Pei San Food Product Plc.
						Position in non-listed companies	
					2001-Present	Director	Sam Nak-Ngan A.M.C. Co., Ltd.

Remark : ^(*) Includes holding by spouse and minor children (See the securities holding information in the Annual Report 2016 of Samart I-Mobile Pcl.)

% of total number of voting rights

Name-Surname / Position / Appointing Date	Age	Education / Training	Shareholding in SIM ^(*) (%)	Relationship	Working Experience last 5 years		
					During	Position	Company / Department
4. Mr. Charoenrath Vilailuck - Director - Risk Management Committee Member <i>(To be appointed as a director on Sep. 30, 2003)</i>		- See details in "The Board of Directors of Samart Corporation Pcl." -	-				- See details in "The Board of Directors of Samart Corporation Pcl." -
5. Mr. Watchai Vilailuck - Authorized Director - Chief Executive Officer - Executive Chairman - Chairman of the Risk Management Committee <i>(To be appointed as a director on Sep. 30, 2003)</i>		- See details in "The Board of Directors of Samart Corporation Pcl." -	0.18% 7,781,000 shares				- See details in "The Board of Directors of Samart Corporation Pcl." -
6. Mr. Pracha Phathayakorn - Authorized Director - 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." -

Remark : ^(*) Includes holding by spouse and minor children (See the securities holding information in the Annual Report 2016 of Samart I-Mobile Pcl.)
% of total number of voting rights

Name-Surname / Position / Appointing Date	Age	Education / Training	Shareholding in SIM ^(*) (%)	Relationship	Working Experience last 5 years		
					During	Position	Company / Department
7. Mrs. Sukanya Vanichjakkong - Authorized Director - President - Executive Director - Risk Management Committee Member - Corporate Governance Committee Member - Nominating and Compensation Committee Member - Chairman of the Sustainable Development Committee <i>(To be appointed as a director on Nov. 12, 2015)</i>	50	- Master Degree in International Marketing, Chuo University Tokyo, Japan - Bachelor Degree in Journalism and Mass Communication, Thammasat University - Director Certification Program (DCP), Thai Institute of Directors Association (IOD) in 2013	0.34% 14,900,000 shares	Mr. Charoenrath's and Mr. Watchai's younger sister	May 2016-Present	Corporate Governance Committee Member / Nominating and Compensation Committee Member	Samart I-Mobile Pcl.
					Nov. 2015-Present	Director / President / Executive Director / Chairman of the Sustainable Development Committee / Risk Management Committee Member	Samart I-Mobile Pcl.
					2013-Nov. 6, 2015	Position in other listed companies Managing Director	One to One Contracts Pcl.
					2013-Present	Director / Risk Management Committee Member / Chairman of the Sustainable Development Committee	One to One Contracts Pcl.
					2013-Apr. 2015	Executive Director	One to One Contracts Pcl.
					May 2016-Present	Executive Chairman	One to One Contracts Pcl.
					2009-2016	Risk Management Committee Member	Samart Corporation Pcl.
					May 2016-Present	Sustainable Development Committee Member	Samart Corporation Pcl.
					Present	Position in non-listed companies Director	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 2016 of Samart I-Mobile Plc.)

Remark : ^(*) Includes holding by spouse and minor children (See the securities holding information in the Annual Report 2016 of Samart I-Mobile Plc.)

% of total number of voting rights

Name-Surname / Position / Appointing Date	Age	Education / Training	Shareholding in SIM ^(*) (%)	Relationship	Working Experience last 5 years		
					During	Position	Company / Department
8. Mr. Chakkrit Charuchinda - Director <i>(To be appointed as a director on Jan. 1, 2016)</i>	58	- Master of Public Administration and Business Administration, Webster University, USA - Bachelor of Laws, Ramkhamhaeng University - Executive Development Program (EDP 4), Thai Listed Companies Association - Leadership Development Program (LDP III), PTT Leadership and Learn Institute - Leadership, Innovation and Strategy Program (LIS), General Electric Company, USA - Director Certification Program (DCP), Thai Institute of Directors Association (IOD) in 2013	0.10% 4,507,700 shares	-	Jan. 2016-Present	Director	Samart I-Mobile Pcl.
					Jul. 2016-Oct 31, 2016	Acting Chief Operating Officer of Channel Management (Sell-In)	Samart I-Mobile Pcl.
					Jan. 2016-Oct 31, 2016	Chief Executive Officer / Executive Chairman / Chairman of the Risk Management Committee	Samart I-Mobile Pcl.
					Jan. 2016-Oct 31, 2016	Position in other listed companies Chairman of Mobile Multimedia LOB	Samart Corporation Pcl.
					2011-Dec. 31, 2015	Position in non-listed companies Managing Director	PTT Retail Management Co., Ltd.

Remark : ^(*) Includes holding by spouse and minor children (See the securities holding information in the Annual Report 2016 of Samart I-Mobile Pcl.)
% of total number of voting rights

● Executives & Managements of Samart I-Mobile Public Company Limited as of December 31, 2016

Name-Surname / Position / Appointing Date	Age	Education / Training	Shareholding in SIM ^(*) (%)	Relationship	Working Experience last 5 years		
					During	Position	Company / Department
1. Mr. Watchai Vilailuck <i>(To be appointed as Executive Director on Sep. 30, 2003)</i>		- See details in "The Board of Directors of Samart Corporation Pcl." -	0.18% 7,781,000 shares		May 2016-Present	Corporate Governance Committee Member / Nominating and Compensation Committee Member	Samart I-Mobile Pcl.
2. Mrs. Sukanya Vanichjakkong - Authorized Director - President - Executive Director - Risk Management Committee Member - Corporate Governance Committee Member - Nominating and Compensation Committee Member - Chairman of the Sustainable Development Committee <i>(To be appointed as a Executive Director on Nov. 12, 2015)</i>	50	- Master Degree in International Marketing, Chuo University Tokyo, Japan - Bachelor Degree in Journalism and Mass Communication, Thammasat University - Director Certification Program (DCP), Thai Institute of Directors Association (IOD) in 2013	0.34% 14,900,000 shares	Mr. Charoenrath's and Mr. Watchai's younger sister	Nov. 2015-Present	Director / President / Executive Director / Chairman of the Sustainable Development Committee / Risk Management Committee Member	Samart I-Mobile Pcl.
					2013-Nov. 6, 2015 2013-Present	Position in other listed companies Managing Director Director / Risk Management Committee Member / Chairman of the Sustainable Development Committee	One to One Contracts Pcl. One to One Contracts Pcl.
					2013-Apr. 2015 May 2016-Present 2009-2016	Executive Director Executive Chairman Risk Management Committee Member	One to One Contracts Pcl. One to One Contracts Pcl. Samart Corporation Pcl.
					May 2016-Present	Sustainable Development Committee Member	Samart Corporation Pcl.
					Present	Position in non-listed companies Director	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 2016 of Samart I-Mobile Pcl.)

Remark : ^(*) Includes holding by spouse and minor children (See the securities holding information in the Annual Report 2016 of Samart I-Mobile Pcl.)

% of total number of voting rights

Name-Surname / Position / Appointing Date	Age	Education / Training	Shareholding in SIM ^(*) (%)	Relationship	Working Experience last 5 years		
					During	Position	Company / Department
3. Mr. Thawatchai Majitnapakul - Vice President-Corporate Planning and Warehouse - Acting Vice President-Product & Marketing (To be appointed as a Executive Director on Jul 1, 2016)	48	- Master Degree of Business Administration, Thammasat University - Master Degree in Chemical Engineering, Chulalongkorn University - Bachelor Degree of Science (Chemistry), Mahidol University	-	-	Jul.2016-Present	Acting Vice President-Product & Marketing	Samart I-Mobile Pcl.
					Feb. 2016-Present	Vice President-Corporate Planning and Warehouse Position in other listed companies -	Samart I-Mobile Pcl.
4. Mrs. Sumonthip Srimek - Vice President-Account (To be appointed as Management on Sep. 30, 2003)	57	- Master Degree, Business Administration, Kasetsart University - Bachelor Degree in Accounting, Chiang Mai University	-	-	2007-2016	Position in non-listed companies Operation Support Manager	PTT Retail Management Co., Ltd.
					2004-Present	Vice President-Account Position in other listed companies - Position in non-listed companies -	Samart I-Mobile Pcl.
5. Miss Kusuma Kerdpol - Acting Vice President-Finance (To be appointed as Management on Mar. 1, 2014)	46	- 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 2006-2013	Vice President-Finance Assistant Vice President-Financial Planning and Corporate Treasury Position in other listed companies Assistant Vice President-Financial Planning and Corporate Secretary	Samart I-Mobile Pcl. Samart I-Mobile Pcl.
					2013-Feb.2014		One To One Contracts Pcl.
					May.2015-Present	Position in non-listed companies Executive Vice President	I-SPORT Co., Ltd.

Remark : ^(*) Includes holding by spouse and minor children (See the securities holding information in the Annual Report 2016 of Samart I-Mobile Pcl.)
% of total number of voting rights

● Company Secretary of Samart I-Mobile Public Company Limited as of December 31, 2016

Name-Surname / Position / Appointing Date	Age	Education / Training	Shareholding in SIM ^(*) (%)	Relationship	Working Experience last 5 years		
					During	Position	Company / Department
Miss Boonrut Mongkolratanakorn - Company Secretary - Secretary to Sub-Committees - Sustainable Development Committee Member <i>(To be appointed as the Company Secretary on Oct. 31, 2003)</i>	54	- Mini MBA, Business Administration, Thammasat University	0.0016% 70,000 shares	-	Nov. 2013-Present	Sustainable Development Committee Member	Samart I-Mobile Pcl.
		Aug. 2013-Present			Company Secretary	Samart I-Mobile Pcl.	
		2003-July 2013			Head of Internal Audit and Company Secretary	Samart I-Mobile Pcl.	
		2003-Present			Secretary to Sub-Committees	Samart I-Mobile Pcl.	
					<u>Position in other listed companies</u>		
					-		
					<u>Position in non-listed companies</u>		
					-		

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

Directors and Managements in Major Subsidiaries^(*)

Samart I-Mobile Public Company Limited

Directors and Managements in Subsidiaries and Related Companies as of December 31, 2016

	Company	Subsidiaries																Related Companies																																	
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45					
		SIM	SMS	BUG	ZA (IMT)	TCN	I-SPORT ⁽¹⁾	ENT ⁽¹⁾	IMP	I-SPORT M ⁽²⁾	SSTV ⁽³⁾	S2A	PK ⁽³⁾	SC	STC	SCT	SBS	OTO	SE	PN	SCS	SIF	SAET	SUT	SEC	CATS	KPP	CS	CIO	TTN	STW	SIH	SRT	OTP	PTN	VIH	VSS	OTOC	TEDA	TS	SUM	SW2P	SLA	NST	NMD	ITAB					
Directors and Managements	1. Mr. Piyan	Jumpasut	X, ///																																																
	2. Dr. Chotivid	Chayavadhanangkur	///																																																
	3. Mr. Kunthit	Aranyakananda	///																																																
	4. Mr. Charoenrath	Vilailuck	/																																																
	5. Mr. Watchai	Vilailuck	//	X	X	X	X	X	X	X	X	X	//	//	//	/	/	/	/	/	/	/	X	X	/	X	X	X	X	X	X	X	X	X	/	/	/	/	/	/	/	/	/	/	/	/	/				
	6. Mrs. Sukanya	Vanichjakvong	//	/	/	/	/	/	/	/	/	/																																							
	7. Mr. Chakrit	Charuchinda	/																																																
	8. Mr. Pracha	Phathayakorn	//	/	/	/	/	/	/	/	/	/	/	////				/																																	
	9. Mr. Thawatchai	Majitnapakul	////																																																
	10. Miss Kusuma	Kerdpol	////																																																
	11. Mrs. Sumonthip	Srimek	////																																																

Remarks : 1) x = Chairman, / = Director, // = Executive Director, /// = Audit Committee/Independent Director, //// = Management

2) Companies Symbol;

1. SIM = Samart I-Mobile Pcl.
2. SMS = Samart Mobile Services Co., Ltd.
3. BUG = Samart Multimedia Co., Ltd.
4. ZA = ZECUREASIA Co., Ltd.
5. TCN = Teleconnect Co., Ltd.
6. I-SPORT = I-Sport Co., Ltd.
7. ENT = Entertainment Tree Co., Ltd.
8. IMP = I-Mobile Plus Co., Ltd.
9. I-SPORT M = I-Sport Media Co., Ltd.
10. SSTV = Siam Sport Television Co., Ltd.
11. S2A = SIM2ASSET Co., Ltd.
12. PK = Pholikas Co., Ltd.
13. SC = Samart Corporation Pcl.
14. STC = Samart Telecoms Pcl.
15. SCT = Samart Comtech Co., Ltd.
16. SBS = Samart Broadband Services Co., Ltd.
17. OTO = One to One Contacts Pcl.
18. SE = Samart Engineering Co., Ltd.
19. PN = Posnet Co., Ltd.
20. SCS = Samart Communication Service Co., Ltd.
21. SIF = Samart Infonet Co., Ltd.
22. SAET = Samart Ed-Tech Co., Ltd.
23. SUT = Samart U-Trans Co., Ltd.
24. SEC = Suvannabhumi Environment Care Co., Ltd.
25. CATS = Cambodia Air Traffic Service Co., Ltd.
26. KPP = Kampot Power Plant Co., Ltd.
27. CS = Cambodia Samart Co., Ltd.
28. CIO = Contact-In-One Co., Ltd.
29. TTN = Thai Trade Net Co., Ltd.
30. STW = Smartware Co., Ltd.
31. SIH = Samart Inter Holding Co., Ltd.
32. SRT = Samart Raditech Co., Ltd.
33. OTP = One To One Professional Co., Ltd.
34. PTN = Portanet Co., Ltd.
35. VIH = Vitaluck International Holding Co., Ltd.
36. VSS = Vision and Security System Co., Ltd.
37. OTOC = One To One (Cambodia) Co., Ltd.
38. TEDA = Teda Co., Ltd.
39. TS = Transec Power Services Co., Ltd.
40. SUM = Samart U-Trans (Myanmar) Co., Ltd.
41. SW2P = Samart Waste2Power Co., Ltd.
42. SLA = SLA Asia Co., Ltd.
43. NST = Net Service (Thailand) Co., Ltd.
44. NMD = Net Media Co., Ltd.
45. ITAB = IT Absolute Co., Ltd.

3. ⁽¹⁾ Direct held by Samart Multimedia Co., Ltd. ⁽²⁾ Direct held by I-Sport Co., Ltd. ⁽³⁾ Direct held by Samart Multimedia Co., Ltd. This investment was sold to the former shareholders on January 16, 2017.

Samart I-Mobile Public Company Limited Board of Directors and Committees' list

Directors of Committees' Member	Board of Directors	Executive Committee	Audit Committee	Risk Management Committee	Corporate Governance Committee	Nominating and Compensation Committee	Sustainable Development Committee
1. Mr. Piyapan Champasut	x		/				
2. Dr. Chotivid Chayavadhanangkur	/		x		x	/	
3. Mr. Kunthit Arunyananda	/		/		/	x	
4. Mr. Charoenrath Vilailuck	/			/			
5. Mr. Watchai Vilailuck	/	x		x			
6. Mrs. Sukanya Vanichjakvong	/	/		/	/	/	x
7. Mr. Chakkrit Charuchinda	/						
8. Mr. Pracha Phatthayakorn	/	/		/			/
9. Miss Boonrut Mongkolratanakorn							/

Remark : x = Chairman, / = Director

Directors' list of Major Subsidiaries^(*)

- N/A -

Remark : () 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, 2016

Name-Surname / Position / Appointing Date	Age	Education / Training	Shareholding in SAMTEL (*) (%)	Relationship	Working Experience last 5 years		
					During	Position	Company / Department
1. Mr. Sombut Uthaisang - Independent Director - Authorized Director - Chairman <i>(To be appointed as a director on Apr. 24, 2008)</i>	80	- Master of Public Administration, National Institute of Development Administration (NIDA) - Bachelor in Law, Thammasat University - The Colombo Scholarship (The Transport and Logistic, Australia 1970-1971) - National Defence College, JSPS Class 1 - Leadership Program Class 10, Capital Market Academy (CMA) Training courses from Thai Institute of Directors Association (IOD) : - Director Accreditation Program (DAP) in 2005 - Audit Committee Program (ACP) in 2013 - Role of the Chairman Program (RCP) in 2013	0.081% 500,000 shares	-	2008-Present 2008-2012	Chairman / Independent Director Chairman of the Corporate Governance Committee	Samart Telcoms Pcl. Samart Telcoms Pcl.
					2013-Present 2014-Present	Position in other listed companies Independent Director Independent Director	Thonburi Medical Centre Pcl. Bangkok Dusit Medical Services Pcl.
						Position in non-listed companies -	

Remark : (*) Includes holding by spouse and minor children (See the securities holding information in the Annual Report 2016 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 <i>(To be appointed as a director on Apr. 24, 2008)</i>	73	- Bachelor of Science, Chulachomklao Royal Military Academy, Class 15 - The regular main course, Command and General Staff College, Class 55 - National Defence Course, Class 35 National Defence of Thailand Training courses from Thai Institute of Directors Association (IOD) : - Director Certification Program (DCP) in 2009 - Director Accreditation Program (DAP) in 2008 - Role of Compensation Committee (RCC) in 2008 - Audit Certification 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.
3. Mr. Vichai Pokasamrit - Independent Director - Audit Committee Member - Nominating & Compensation Committee Member - Chairman of the Corporate Governance Committee <i>(To be appointed as a director on Apr. 21, 2011)</i>	67	- Master of Arts in Political Science, Western Michigan University, U.S.A. - Bachelor Degree in Laws, Thammasat University - National Defence Program for Government, Public and Political Sectors, The National Defence College in 2014 - Certificate of Urban Development Management, Australia - Director Certification Program (DCP), Thai Institute of Directors Association (IOD) in 2011	0.016% 100,000 shares	-	2011-Present	Independent Director / Audit Committee Member	Samart Telcoms Pcl.
					2011-Present	Nominating & Compensation Committee Member	Samart Telcoms Pcl.
					2012-Present	Chairman of the Corporate Governance Committee	Samart Telcoms Pcl.
						Position in other listed companies -	
						Position in non-listed companies -	

Remark : ^(*) Includes holding by spouse and minor children (See the securities holding information in the Annual Report 2016 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
4. Miss Rapeepon Luangaramrut - Independent Director - Audit Committee Member - Nominating & Compensation Committee Member <i>(To be appointed as a director on Apr. 24, 2008)</i>	60	- Master of Business Administration, Chulalongkorn University - Bachelor Degree in Business Administration, Silpakorn University - Certificate of Competition & Strategy Program, Harvard Business School, USA. - Certificate of Advanced Management Program (AMP), Harvard Business School, USA. - Director Certification Program (DCP), Thai Institute of Directors Association (IOD) in 2003 - Leadership Program (Class 9), Capital Market Academy - National Defence College, (Class 22) - National Defence College of Thailand - Advanced Political and Electoral Development Institute (Class 3) - Chief Executive Course for Urban Development Management (Class 1), Urban Green Development Institute Bangkok - The 4 th Training Course on Administrative Justice for Executive, Institute of Administrative Justice - Top Executive Program in Energy Literacy (Class 6), Thailand Energy Academy - RE-CU GEO-PREMIUM IN MODERN REAL-ESTATE BUSINESS (Class 2), The Real Estate Executive Association of Chulalongkorn University	-	-	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.
					Position in other listed companies		
					2010-Present	Director	TPT Petrochemicals Pcl.
					Nov. 2016-Present	Consulting	Gunkul Engineering Pcl.
					Position in non-listed companies		
					2013-Present	Consulting President	Dream House Co., Ltd.
					2012-Present	Director	Entertainment Tree Co., Ltd.
					2005-Present	Director	R Property Co., Ltd.
				2004-Present	2004-Present	Executive Chairman	Khun Reed Corporation Co., Ltd.
					Executive Director	Derma Belle Co., Ltd.	110 Vipha Co., Ltd.
					2000-Present	Executive Chairman	Siam Solvay Foundation
					2005-Present	Director	Solvay Peroxythai Co., Ltd.
					1989-2011	Director	

Remark : ^(*) Includes holding by spouse and minor children (See the securities holding information in the Annual Report 2016 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
5. Mr. Kajornvut Tayanukorn - Director - Corporate Governance Committee Member <i>(To be appointed as a director on Apr. 29, 2004)</i>	61	- Master of Business Administration, Thammasat University - Director Accreditation Program (DAP), Thai Institute of Directors Association (IOD) in 2005	0.081% 500,000 shares	-	2004-Present	Director	Samart Telcoms Pcl.
					2013-Present	Corporate Governance Committee Member	Samart Telcoms Pcl.
					2008-2013	Nominating & Compensation Committee Member	Samart Telcoms Pcl.
					2001-Present	Position in other listed companies Executive Vice President	Bangkok Bank Pcl.
					2013-Present	Position in non-listed companies Executive Director	Processing Center Co., Ltd.
6. Mr. Charoenrath Vilailuck - Authorized Director - Executive Director - Risk Management Committee Member <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		- See details in "The Board of Directors of Samart Corporation Pcl." -		
7. Mr. Watchai Vilailuck - Authorized Director - Executive Chairman & Chief Executive Officer - Chairman of the Risk Management Committee Member <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 2016 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
8. Mr. Thananan Vilailuck - Director - Executive Director - Risk Management Committee Member <i>(To be appointed as a director on Apr. 29, 2016)</i>		- See details in "The Board of Directors of Samart Corporation Pcl." -	0.008% 50,000 shares				- See details in "The Board of Directors of Samart Corporation Pcl." -
9. Mr. Sirichai Rasameechan - Director - Executive Director - Risk Management Committee Member <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." -
10. Mr. Jong Diloksombat - Director - Executive Director - President - Corporate Governance Committee Member - Risk Management Committee Member - 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 2016 of Samart Telcoms Pcl.)
% of total number of voting rights

● Executives & Managements of Samart Telcoms Public Company Limited as of December 31, 2016

Name-Surname / Position / Appointing Date	Age	Education / Training	Shareholding in SAMTEL ^(*) (%)	Relationship	Working Experience last 5 years		
					During	Position	Company / Department
1. Mr. Charoenrath Vilailuck <i>(To be appointed as management on Jul. 26, 1996)</i>	- See details in of Samart Corporation Pcl." -	- See details in "The Board of Directors of Samart Corporation Pcl." -	0.462% 2,854,600 shares	- See details in "The Board of Directors of Samart Corporation Pcl." -			
2. Mr. Watchai Vilailuck <i>(To be appointed as management on Jul. 26, 1996)</i>	- See details in of Samart Corporation Pcl." -	- 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." -			
3. Mr. Sirichai Rasameechan <i>(To be appointed as management on Jul. 1, 1998)</i>	- See details in of Samart Corporation Pcl." -	- 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." -			
4. Mr. Jong Diloksonbat <i>(To be appointed as management on Jan 11, 2012)</i>	- See details in of Samart Corporation Pcl." -	- 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 2016 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
5. Mr. Pornchai Krivichian - Executive Vice President- Network Solutions Business Group - Sustainable Development Committee Member <i>(To be appointed as management on Mar. 1, 2005)</i>	51	- Master of Engineering, Bridgeport University, USA	0.007% 42,000 shares	-	2015-Present	Executive Vice President-Network Solutions Business Group	Samart Telcoms Pcl.
					2013-Present	Sustainable Development Committee Member	Samart Telcoms Pcl.
					2005-May 2016	Risk Management Committee Member	Samart Telcoms Pcl.
					2011-2015	Executive Vice President-Network Services Business Group and System Integration Business Group	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.
					Position in other listed companies		
					Present	Position in non-listed companies	Subsidiaries, Affiliated and Related Companies (as details in the second table attached in 56-1 Form and the Annual Report 2016 of Samart Telcoms Pcl.)
						Director	

Remark : (*) Includes holding by spouse and minor children (See the securities holding information in the Annual Report 2016 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
6. Miss Chotika Kamloonwesaruch - Executive Vice President-Enhanced Technology Solutions Business Group - Sustainable Development Committee Member <i>(To be appointed as management on Mar. 15, 2016)</i>	49	- 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.
					2013-Present	Sustainable Development Committee Member	Samart Telcoms Pcl.
					2010-May 2016	Risk Management Committee Member	Samart Telcoms Pcl.
					Present	Position in other listed companies - Position in non-listed companies Director	Subsidiaries (as details in the second table attached in 56-1 Form and the Annual Report 2016 of Samart Telcoms Pcl.)
7. Mr. Suchart Duangthavee - Executive Vice President-Business Group - Sustainable Development Committee Member <i>(To be appointed as management on Mar. 15, 2016)</i>	58	- Bachelor Degree of Engineering, King Mongkut's University of Technology North Bangkok	0.075% 466,000 shares	-	Mar. 2016-Present	Executive Vice President-Business Application Business Group	Samart Telcoms Pcl.
					Mar. 2016-Jan. 2017	Senior Vice President-Business Application Business Group	Samart Telcoms Pcl.
					May 2016-Present	Sustainable Development Committee Member	Samart Telcoms Pcl.
					2010-May 2016	Risk Management Committee Member	Samart Telcoms Pcl.
					Present	Position in other listed companies - Position in non-listed companies Director	Subsidiaries (as details in the second table attached in 56-1 Form and the Annual Report 2016 of Samart Telcoms Pcl.)

Remark : ^(*) Includes holding by spouse and minor children (See the securities holding information in the Annual Report 2016 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
8. Mrs. Aroonluck Dilkwanich - Vice President - Corporate Accounting (To be appointed as management on Sep. 1, 2003)	58	- Master of Accounting, Bridgeport University, USA. - Bachelor of Accounting, Thammasat University	-	-	2003-Present	Vice President-Corporate Accounting	Samart Telcoms Pcl.
						<u>Position in other listed companies</u> -	
9. Mr. Dhillokpat Nisamaneevong - Vice President-Finance & Investor Relations (To be appointed as management on Feb. 1, 2014)	47	- Master of Business Administration, Major Finance, Long Island University, School of Business, Brooklyn Campus, New York - Bachelor of Business Administration, concentration of Finance, Kasetsart University	-	-	2014-Present	Vice President-Finance & Investor Relations	Samart Telcoms Pcl.
					2014-May 2016	Risk Management Committee Member	Samart Telcoms Pcl.
					2002-2014	<u>Position in other listed companies</u> Vice President-Lob Finance	Samart I-Mobile Pcl.
					Present	<u>Position in non-listed companies</u> Director	Subsidiaries (as details in the second table attached in 56-1 Form and the Annual Report 2016 of Samart Telcoms Pcl.)

Remark : ^(*) Includes holding by spouse and minor children (See the securities holding information in the Annual Report 2016 of Samart Telcoms Pcl.)

% of total number of voting rights

● Company Secretary of Samart Telcoms Public Company Limited as of December 31, 2016

Name-Surname / Position / Appointing Date	Age	Education / Training	Shareholding in SAMTEL ^(*) (%)	Relationship	Working Experience last 5 years		
					During	Position	Company / Department
Mr. Somchai Bunsupaporn - Assistant Vice President-Internal Audit and Company Secretary <i>(To be appointed as Assistant Vice President - Internal Audit and Company Secretary on Oct. 28, 2003)</i>	59	- 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 2016 of Samart Telcoms Pcl.)	0.006% 39,900 shares	-	2003-Present	Assistant Vice President-Internal Audit and Company Secretary	Samart Telcoms Pcl.
					2013-May 2016	Sustainable Development Committee Member	Samart Telcoms Pcl.
						<u>Position in other listed companies</u> -	
						<u>Position in non-listed companies</u> -	

Remark : ^(*) 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, 2016

		Company	Subsidiaries												Affiliated Companies		Related Companies																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																		
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Directors and Managements		1	SCS	SCT	SBS	PN	TTN	STW	SIF	SAET	NMD	ITAB ⁽²⁾	PTN	NST ⁽³⁾	SLA ⁽⁴⁾	SC ⁽¹⁾	SUT ⁽⁵⁾	SEC ⁽⁵⁾	VSS ⁽⁵⁾	SE ⁽⁵⁾	SRT ⁽⁵⁾	CS ⁽⁵⁾	SIH ⁽⁵⁾	TEDA ⁽⁶⁾	SW2P ⁽⁶⁾	SUM ⁽⁶⁾	TS ⁽⁷⁾	KPP ⁽⁸⁾	CATS ⁽⁸⁾	CIO ⁽⁹⁾	SIM ⁽¹¹⁾	SMS ⁽¹⁰⁾	BUG ⁽¹⁰⁾	IMP ⁽¹⁰⁾	TCN ⁽¹⁰⁾	ZA(MIT) ⁽¹⁰⁾	S2A ⁽¹⁰⁾	I-SPORT ⁽¹¹⁾	ENT ⁽¹¹⁾	PK ⁽¹¹⁾	I-SPORT M ⁽¹²⁾	SSTV ⁽¹²⁾	OTO ⁽¹⁾	OTP ⁽³⁾	OTOC ⁽¹³⁾	VIH																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																					
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2. General Sumpun		Boonyanun	/																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																
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6. Mr. Charoenrath		Vilailuck	/, //	x	x	x	x	x	x			x	x		//	x	x	x	x	x	x	x	x	x	x	x	x	x	x	/	x	/																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																			
7. Mr. Watchai		Vilailuck	/, //	/	/	/	/	/	x	/		/			//	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																
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10. Mr. Jong		Diloksombat	/, //	/	/	/	/	/	/	/		/	/	/	/	//	#																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																		
11. Mr. Pornchai		Krivichian	#	/	/	/	/	/	/	/	/	/	/	/	/				/																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																
12. Miss Chotika		Kamloonwesaruch	#	/	/	/	/	/	/	/	/	/	/	/	/																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																				

Remarks : 1) x = Chairman, / = Director, // = Executive Director, # = Management

2) Companies Symbol:

1. STC	=	Smart Telcoms Pcl.	2. SCS	=	Smart Communication Services Co., Ltd.	3. SCT	=	Smart Comtech Co., Ltd.	4. SBS	=	Smart Broadband Services Co., Ltd.
5. PN	=	Posnet Co. Ltd.	6. TTN	=	Thai Trade Net Co., Ltd.	7. STW	=	Smartenware Co., Ltd.	8. SIF	=	Smart Infonet Co., Ltd.
9. SAET	=	Smart Ed-Tech Co., Ltd.	10. NMD	=	Net Media Co., Ltd.	11. ITAB	=	IT Absolute Co., Ltd.	12. PTN	=	Portanet Co., Ltd.
13. NST	=	Net Service (Thailand) Co., Ltd.	14. SLA	=	SLA Asia Co., Ltd.	15. SC	=	Smart Corporation Pcl.	16. SUT	=	Smart U-Trans Co., Ltd.
17. SEC	=	Suvarabhumi Environment Care Co., Ltd.	18. VSS	=	Vision and Security System Co., Ltd.	19. SE	=	Smart Engineering Co., Ltd.	20. SRT	=	Smart Reditech Co., Ltd.
21. CS	=	Cambodia Smart Co., Ltd.	22. SIH	=	Smart Inter Holding Co., Ltd.	23. TEDA	=	Teda Co., Ltd.	24. SW2P	=	Smart Waste2Power Co., Ltd.
25. SUM	=	Smart U-Trans (Myanmar) Co., Ltd.	26. TS	=	Transec Power Services Co., Ltd.	27. KPP	=	Kamport Power Plant Co., Ltd.	28. CATS	=	Cambodia Air Traffic Services Co., Ltd.
29. CIO	=	Contact-In-One Co., Ltd.	30. SIM	=	Smart i-Mobile Pcl.	31. SMS	=	Smart Mobile Services Co., Ltd.	32. BUG	=	Smart Multimedia Co., Ltd.
33. IMP	=	i-Mobile Plus Co., Ltd.	34. TCN	=	Teleconnect Co., Ltd.	35. ZA	=	Zecureasia Co., Ltd.	(Formerly named i-Mobile Inter Trade Co., Ltd.)		
36. S2A	=	SIM2Asset Co., Ltd.	37. I-SPORT	=	i-Sport Co., Ltd.	38. ENT	=	Entertainment Tree Co., Ltd.	39. PK	=	Phonikas Co., Ltd.
40. I-SPORT M	=	i-Sport Media Co., Ltd.	41. SSTV	=	Siam Sport Television Co., Ltd.	42. OTO	=	One To One Contacts Pcl.	43. OTP	=	One To One Professional Co., Ltd.
44. OTOC	=	One To One (Cambodia) Co., Ltd.	45. VIH	=	Vilailuck International Holding Co., Ltd.						

3) ⁽¹⁾ Listed Companies ⁽²⁾ Held by SBS ⁽³⁾ Held by SCT ⁽⁴⁾ Held by SCS ⁽⁵⁾ Held by SC ⁽⁶⁾ Held by SUT ⁽⁷⁾ Held by TEDA ⁽⁸⁾ Held by SIH ⁽⁹⁾ Held by SE ⁽¹⁰⁾ Held by SIM ⁽¹¹⁾ Held by BUG ⁽¹²⁾ Held by i-SPORT ⁽¹³⁾ Held by OTO

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		x			
8. Mr. Thananan Vilailuck	/	/		/			
9. Mr. Sirichai Rasameechan	/	/		/			
10. Mr. Jong Diloksombat	/	/		/	/		x
11. Mr. Pornchai Krivichian							/
12. Miss Chotika Kamloonwesaruch							/
13. Mr. Suchart Duangthawee							/
14. Mrs. Nisachol Udomwongwiwat							/
15. Miss Kanokwan Chanswangpuvana							/

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

Directors' list of Major Subsidiaries^(*)

Name-Surname	Samart Communication Services Co., Ltd.	Samart Comtech Co., Ltd.	Portalnet 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) ^() Subsidiaries which its revenue represent over 10% of Group Revenue. (SAMTEL)*

Smart Comtech Company Limited (“SCT”)

- The Board of Directors of Smart Comtech Company Limited as of December 31, 2016

Name-Surname / Position / Appointing Date	Age	Education / Training	Shareholding in SCT ^(*) (%)	Relationship	Working Experience last 5 years		
					During	Position	Company / Department
1. Mr. Charoenrath Vilailuck - Chairman <i>(To be appointed as a director on May 3, 1995)</i>	- See details in “The Board of Directors of Smart Corporation Pcl.” -	- See details in “The Board of Directors of Smart Corporation Pcl.” -	0.00008% 2 shares	- See details in “The Board of Directors of Smart Corporation Pcl.” -			
2. Mr. Watchai Vilailuck - Director <i>(To be appointed as a director on May 3, 1995)</i>	- See details in “The Board of Directors of Smart Corporation Pcl.” -	- See details in “The Board of Directors of Smart Corporation Pcl.” -	0.00008% 2 shares	- See details in “The Board of Directors of Smart Corporation Pcl.” -			
3. Mr. Jong Diloksombat - Director <i>(To be appointed as a director on Dec 28, 2012)</i>	- See details in “Executive and Managements” Smart Corporation Pcl.” -	- See details in “Executive and Managements” Smart Corporation Pcl.” -	-	- See details in “Executive and Managements of Smart Corporation Pcl.” -			

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

Name-Surname / Position / Appointing Date	Age	Education / Training	Shareholding in SCT ^(*) (%)	Relationship	Working Experience last 5 years		
					During	Position	Company / Department
4. Mr. Pomchai Krivichian - Director <i>(To be appointed as a director on Oct 12, 2007)</i>	51	- Master of Engineering, Bridgeport University, USA.	-	-	2007-Present	Director	Samart Comtech Co., Ltd.
					2015-Present	Position in other listed companies Executive Vice President-Network Solutions Business Group	Samart Telcoms Pcl.
					2013-Present	Sustainable Development Committee Member	Samart Telcoms Pcl.
					2005-May 2016	Risk Management Committee Member	Samart Telcoms Pcl.
					2011-2015	Executive Vice President-Network Services Business Group and System Integration Business Group	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	Position in non-listed companies Director	Subsidiaries, Affiliated and Related Companies (as details in the second table attached in 56-1 Form and the Annual Report 2016 of Samart Telcoms Pcl.)

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

Name-Surname / Position / Appointing Date	Age	Education / Training	Shareholding in SCT ^(*) (%)	Relationship	Working Experience last 5 years		
					During	Position	Company / Department
5. Miss Chotika Kamloonwesaruch - Director (To be appointed as a director on Dec. 21, 2010)	49	- Master of Engineering, King Mongkut's University of Technology North Bangkok	-	-	2010-Present 2013-Present 2004-2013	Director Managing Director and Vice President-Sales Group Vice President-Engineering Consultant	Samart Comtech Co., Ltd. Samart Comtech Co., Ltd. Samart Comtech Co., Ltd.
					Mar. 2016-Present	Position in other listed companies Executive Vice President-Enhanced Technology Solutions Business Group	Samart Telcoms Pcl.
					2010-May 2016 2013-Present	Risk Management Committee Member Sustainable Development Committee Member	Samart Telcoms Pcl. Samart Telcoms Pcl.
					Present	Position in non-listed companies Director	Subsidiaries Companies (as details in the second table attached in 56-1 Form and the Annual Report 2016 of Samart Telcoms Pcl.)
6. Mr. Suchart Duangthavee - Director (To be appointed as a director on Dec. 1, 2006)	58	- Bachelor Degree of Engineering, King Mongkut's University of Technology North Bangkok	-	-	2006-Present 2013-Present 2011-2013	Director Vice President-Airport Business Management General manager	Samart Comtech Co., Ltd. Samart Comtech Co., Ltd. Samart Comtech Co., Ltd.
					Mar. 2016-Present	Position in other listed companies Executive Vice President-Business Application Business Group	Samart Telcoms Pcl.
					Mar.2016-Jan.2017	Senior Vice President-Business Application Business Group	Samart Telcoms Pcl.
					2012-May 2016 May 2016-Present	Risk Management Committee Member Sustainable Development Committee Member	Samart Telcoms Pcl. Samart Telcoms Pcl.
					Present	Position in non-listed companies Director	Subsidiaries Companies (as details in the second table attached in 56-1 Form and the Annual Report 2016 of Samart Telcoms Pcl.)

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

● Executives & Managements of Samart Comtech Company Limited as of December 31, 2016

Name-Surname / Position / Appointing Date	Age	Education / Training	Shareholding in SCT ^(*) (%)	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)	49	- 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	Position in other listed companies Executive Vice President-Enhanced Technology Solutions Business Group	Samart Telcoms Pcl.				
					2010-May 2016 2013-Present	Risk Management Committee Member Sustainable Development Committee Member	Samart Telcoms Pcl. Samart Telcoms Pcl.				
2. Mr.Danaisak Khonsue - Vice President-Engineering Consultant (To be appointed as a management on Dec. 1, 2013)	45	- Bachelor Degree of Engineering, Saint John's University	-	-	Present	Position in non-listed companies Director	Subsidiaries Companies (as details in the second table attached in 56-1 Form and the Annual Report 2016 of Samart Telcoms Pcl.)				
					2013-Present 2009-2013	Vice President-Engineering Consultant Assistant Vice President-Engineering Consultant	Samart Comtech Co., Ltd. Samart Comtech Co., Ltd.				
						Position in other listed companies -					
										Position in non-listed companies -	

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

Name-Surname / Position / Appointing Date	Age	Education / Training	Shareholding in SCF ^(*) (%)	Relationship	Working Experience last 5 years		
					During	Position	Company / Department
3. Korn Vajanapoom, Ph.D. - Vice President-Implementation <i>(To be appointed as a management on Feb. 1, 2016)</i>	40	- Doctor of Telecommunications Engineering, University of Pittsburgh	-	-	Feb. 2016-Present	Vice President-Implementation	Samart Comtech Co., Ltd.
					2015-Feb. 2016	Acting Vice President-Implementation	Samart Comtech Co., Ltd.
					2013-2015	Assistance Vice President-Implementation	Samart Comtech Co., Ltd.
4. Mr. Suchart Duangthavee - Vice President - Airport Business Management <i>(To be appointed as a management on Oct. 1, 2013)</i>	58	- Bachelor Degree of Engineering, King Mongkut's University of Technology North Bangkok	-			Position in other listed companies	
						Position in non-listed companies	
						-	
					2006-Present	Director	Samart Comtech Co., Ltd.
					2013-Present	Vice President-Airport Business Management	Samart Comtech Co., Ltd.
					2011-2013	General manager	Samart Comtech Co., Ltd.
						Position in other listed companies	
					Mar. 2016-Present	Executive Vice President-Business Application Business Group	Samart Telcoms Pcl.
					Mar. 2016-Jan. 2017	Senior Vice President-Business Application Business Group	Samart Telcoms Pcl.
					2012-May 2016	Risk Management Committee Member	Samart Telcoms Pcl.
					May 2016-Present	Sustainable Development Committee Member	Samart Telcoms Pcl.
					Present	Position in non-listed companies Director	Subsidiaries Companies (as details in the second table attached in 56-1 Form and the Annual Report 2016 of Samart Telcoms Pcl.)

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

Samart Comtech Company Limited

Directors and Managements in Subsidiaries, Affiliated and Related Companies as of December 31, 2016

		Company	Related Companies																																											
Directors and Managements		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42			
		SCT	STC ⁽¹⁾	SCS	SBS	PN	TTN	STW	SIF	SAET	NMD	ITAB ⁽²⁾	PTN	NST ⁽³⁾	SLA ⁽⁴⁾	SC ⁽¹⁾	SUT ⁽⁵⁾	SEC ⁽⁶⁾	VSS ⁽⁶⁾	SE ⁽⁵⁾	SRT ⁽⁵⁾	CS ⁽⁵⁾	SIH ⁽⁵⁾	SW2P ⁽⁵⁾	SUM ⁽⁶⁾	KPP ⁽⁷⁾	CATS ⁽⁷⁾	CIO ⁽⁸⁾	SIM ⁽¹⁾	SMS ⁽⁶⁾	BUG ⁽⁶⁾	IMP ⁽⁶⁾	TCN ⁽⁶⁾	ZA(MIT) ⁽⁶⁾	S2A ⁽⁶⁾	I-SPORT ⁽¹⁰⁾	ENT ⁽¹⁰⁾	PK ⁽¹⁰⁾	I-SPORT M ⁽¹¹⁾	SSTV ⁽¹¹⁾	OTO ⁽¹⁾	OTP ⁽¹²⁾	VIIH			
			x	//	x	x	x	x	x	x	x			x	x	//	x	x	x		x	x	x	x	x	x	x	/	x	/	x	x	x	x	x	x	x	x	x	x	/	x	x	x		
1.	Mr. Charoenrath Vilailuck	x	//	x	x	x	x	x	x	x		x	x		//	x	x	x	x	x	x	x	x	x	x	x	/	x	/	x	x	x	x	x	x	x	x	x	x	x	/	x	x	x		
2.	Mr. Watchai Vilailuck	/	//	/	/	/	/	/	x	/		/			//	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	x	x	x	x	x	x	x	x	x	/	/	/	/			
3.	Mr. Jong Diloksonbat	/	//	/	/	/	/	/	/	/		/	/	/	#					/																										
4.	Mr. Porchai Krivichian	/	#	/						/	/			/				/																												
5.	Miss Chotika Kamloonsesaruch	/	#				/	/	/			/																																		
6.	Mr. Suchart Duangthavee	/	#				/	/	/																																					
7.	Mr. Danaisak Khonsue	#																																												
8.	Korn Vajanapoom, Ph. D.	#																																												

Remarks : 1) x = Chairman, / = Director, // = Executive Director, # = Management

2) The Companies' name

1. SCT = Samart Comtech Co., Ltd.
2. STC = Samart Telecoms Pcl.
3. SCS = Samart Communication Services Co., Ltd.
4. SBS = Samart Broadband Services Co., Ltd.
5. PN = Posnet Co., Ltd.
6. TTN = Thai Trade Net Co., Ltd.
7. STW = Smarterware Co., Ltd.
8. SIF = Samart Infonet Co., Ltd.
9. SAET = Samart Ed-Tech Co., Ltd.
10. NMD = Net Media Co., Ltd.
11. ITAB = IT Absolute Co., Ltd.
12. PTN = Portainer Co., Ltd.
13. NST = Net Service (Thailand) Co., Ltd.
14. SLA = SLA Asia Co., Ltd.
15. SC = Samart Corporation Pcl.
16. SUT = Samart U-Trans Co., Ltd.
17. SEC = Suvannabhumi Environment Care Co., Ltd.
18. VSS = Vision and Security System Co., Ltd.
19. SE = Samart Engineering Co., Ltd.
20. SRT = Samart Reditech Co., Ltd.
21. CS = Cambodia Samart Co., Ltd.
22. SIH = Samart Waste2Power Co., Ltd.
23. SW2P = Samart Waste2Power Co., Ltd.
24. SUM = Samart U-Trans (Myanmar) Co., Ltd.
25. KPP = Kampot Power Plant Co., Ltd.
26. CATS = Cambodia Air Traffic Services Co., Ltd.
27. CIO = Contact-In-One Co., Ltd.
28. SIM = Samart I-Mobile Pcl.
29. SMS = Samart Mobile Services Co., Ltd.
30. BUG = Samart Multimedia Co., Ltd.
31. IMP = I-Mobile Plus Co., Ltd.
32. TCN = Teleconnect Co., Ltd.
33. ZA = Zecureasia Co., Ltd.
34. S2A = SIM2Asset Co., Ltd.
35. I-SPORT = I-SPORT Co., Ltd.
36. ENT = Entertainment Tree Co., Ltd.
37. PK = Phonikas Co., Ltd.
38. I-SPORT M = I-Sport Media Co., Ltd.
39. SSTV = Siam Sport Television Co., Ltd.
40. OTO = One To One Contacts Pcl.
41. OTP = One To One Professional Co., Ltd.
42. VIH = Vilailuck International Holding Co., Ltd.

3) Listed Companies

- (1) Held by SE
- (2) Held by SBS
- (3) Held by SCT
- (4) Held by SCS
- (5) Held by SC
- (6) Held by SUT
- (7) Held by SIH
- (8) Held by SIM
- (9) Held by BUG
- (10) Held by I-SPORT
- (11) Held by I-SPORT
- (12) Held by OTO

Cambodia Air Traffic Services Company Limited (“CATS”)

● The Board of Directors of Cambodia Air Traffic Services Company Limited as of December 31, 2016

Name-Surname / Position / Appointing Date	Age	Education / Training	Shareholding in CATS ^(*) (%)	Relationship	Working Experience last 5 years		
					During	Position	Company / Department
1. Mr. Padet Limpisvasti - Chairman (To be appointed as a director on Dec 23, 2002)	74	- Bachelor of Electrical Engineering, MASSACHUSETTS INSTITUTE OF TECHNOLOGY (MIT), USA	-	-	2002-Present	Chairman	Cambodia Air Traffic Services Co., Ltd.
					Jan. 30, 2003- Feb. 26, 2013	<u>Position in other listed companies</u> Director	Bangkok Airways Public Company Limited
						<u>Position in non-listed companies</u> -	
2. Mr. Charoenrath Vilailuck - Director (To be appointed as a director on Apr. 5, 2001)			-		- See details in “The Board of Directors of Samart Corporation Pcl.” -		
3. Mr. Watchai Vilailuck - Director (To be appointed as a director on Apr. 5, 2001)			-		- See details in “The Board of Directors of Samart Corporation Pcl.” -		

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

Name-Surname / Position / Appointing Date	Age	Education / Training	Shareholding in CATS ^(*) (%)	Relationship	Working Experience last 5 years		
					During	Position	Company / Department
4. Mr. Teerachai Phongpanangam - Director <i>(To be appointed as a director on Apr. 5, 2001)</i>	50	- Bachelor of Engineering (Electronic), King Mongkut's Institute of Technology Ladkrabang - Master of Engineering (Engineering Management), California State University Northridge, USA	-	-	2001-Present	Director	Cambodia Air Traffic Services Co., Ltd.
					2012-Present	Position in other listed companies Executive Vice President Utilities and Transportations LOB	Samart Corporation Pcl.
					2015-Present	Executive Director	Samart Corporation Pcl.
					2012-Present 2001-2015 2011-2015	Position in non-listed companies Managing Director Managing Director Managing Director	Samart U-Trans Co., Ltd. Cambodia Air Traffic Services Co., Ltd. Kampot Power Plant Co., Ltd.

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

● Executives & Managements of Cambodia Air Traffic Services Company Limited as of December 31, 2016

Name-Surname / Position / Appointing Date	Age	Education / Training	Shareholding in CATS ^(*) (%)	Relationship	Working Experience last 5 years		
					During	Position	Company / Department
1. Mr. Theeraphat Kulkijkamjorn - Managing Director (To be appointed as a management on Jan. 1, 2016)	47	- Bachelor of Industrial Education (Electrical Engineering). King Mongkut's University of Technology North Bangkok - Master of Economics, University of the Thai Chamber and Commerce	-	-	2016-Present	Managing Director	Cambodia Air Traffic Services Co., Ltd.
					2010-2015	Senior Vice President	Cambodia Air Traffic Services Co., Ltd.
						<u>Position in other listed companies</u> -	
2. Mr. Saichon Pinsakul - ATS Operation Director (To be appointed as a management on Mar. 1, 2010)	69	- Bachelor of Education, Phranakhon Rajabhat University	-	-	2016-Present	Managing Director	Kampot Power Plant Co., Ltd.
					2010-2015	Senior Vice President	Kampot Power Plant Co., Ltd.
					2010-Present	ATS Operation Director	
3. Mr. Krirkchai Thanon - Engineering Director (To be appointed as a management on Jan. 1, 2016)	42	- Mahanakorn University of Technology	-	-		<u>Position in other listed companies</u> -	
						<u>Position in non-listed companies</u> -	
					2016-Present	Engineering Director	Cambodia Air Traffic Services Co., Ltd.
					2012-2015	Engineering Senior Manager	Cambodia Air Traffic Services Co., Ltd.
						<u>Position in other listed companies</u> -	
						<u>Position in non-listed companies</u> -	

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

Name-Surname / Position / Appointing Date	Age	Education / Training	Shareholding in CATS ^(*) (%)	Relationship	Working Experience last 5 years		
					During	Position	Company / Department
4. Ms. Siriporn Jamnuch - Accounting and Finance Director <i>(To be appointed as a management on Jan. 1, 2016)</i>	49	- Bachelor of Accounting, Siam University	-	-	2016-Present 2011-2015	Accounting and Finance Director Accounting and Finance Senior Manager	Cambodia Air Traffic Services Co., Ltd. Cambodia Air Traffic Services Co., Ltd.
					-	<u>Position in other listed companies</u>	
					-	<u>Position in non-listed companies</u>	
5. Ms. Kamonrat Chanmee - Human Resource Director <i>(To be appointed as a management on Jan. 1, 2016)</i>	47	- Bachelor of Accounting, Ramkhamhaeng University	-	-	2016-Present 2014-2015	Human Resource Director Human Resource Senior Manager	Cambodia Air Traffic Services Co., Ltd. Cambodia Air Traffic Services Co., Ltd.
					-	<u>Position in other listed companies</u>	
					-	<u>Position in non-listed companies</u>	PTT (Cambodia) Co., Ltd.
6. Mr. Kamon Kongsang - Administrative Director <i>(To be appointed as a management on Jan. 1, 2014)</i>	49	- Bachelor of Law, Ramkhamhaeng University	-	-	2007-2013	Finance and Admin Division Manager	
					2014-Present 2010-2013	Administrative Director General Affair Director	Cambodia Air Traffic Services Co., Ltd. Cambodia Air Traffic Services Co., Ltd.
					-	<u>Position in other listed companies</u>	
					-	<u>Position in non-listed companies</u>	

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

Directors and Management in Related Companies as of December 31, 2016

[illegible]

1. x = Chairman, / = Director, // = Executive Director, /// = Managements

2. Companies Symbol;

- | | | | | | | | |
|----------------------|--|------------------|--|-------------------|---|----------|-----------------------------------|
| 1. CATS | = Cambodia Air Traffic Services Co., Ltd. | 2. SIM | = Samart I-Mobile Pcl. | 3. SMS | = Samart Mobile Services Co., Ltd. | 4. BUG | = Samart Multimedia Co., Ltd. |
| 5. TCN | = Teleconnect Co., Ltd. | 6. IMP | = I-Mobile Plus Co., Ltd. | 7. ZA | = ZecureAsia Co., Ltd. | 8. S2A | = SIM2ASSET Co., Ltd. |
| 9. PK | = Phoinikas Co. Ltd. | 10. STC | = Samart Telcoms Pcl. | 11. SCS | = Samart Communication Services Co., Ltd. | 12. SCT | = Samart Comtech Co., Ltd. |
| 13. SBS | = Samart Broadband Services Co., Ltd. | 14. TTN | = Thai Trade Net Co., Ltd. | 15. PN | = Posnet Co., Ltd. | 16. SIF | = Samart Infonet Co., Ltd. |
| 17. STW | = Smarterware Co., Ltd. | 18. SAET | = Samart Ed-Tech Co., Ltd. | 19. PTN | = Portalnet Co., Ltd. | 20. OTO | = One To One Contacts Pcl. |
| 21. OTP | = One To One Professional Co., Ltd. | 22. OTOC | = One To One (Cambodia) Co., Ltd. | 23. SC | = Samart Corporation Pcl. | 24. KPP | = Kampot Power Plant Co., Ltd. |
| 25. SUT | = Samart U-Trans Co., Ltd. | 26. SEC | = Suvarnabhumi Environment Care Co. Ltd. | 27. VSS | = Vision and Security System Co., Ltd. | 28. SE | = Samart Engineering Co., Ltd. |
| 29. CIO | = Contact-In-One Co., Ltd. | 30. SIH | = Samart Inter Holding Co., Ltd. | 31. SRT | = Samart Raditech Co., Ltd. | 32. TEDA | = Teda Co., Ltd. |
| 33. TS | = Transec Power Services Co., Ltd. | 34. SW2P | = Samart Waste2Power Co., Ltd. | 35. SUM | = Samart U-Trans (Myanmar) Co., Ltd. | 36. NMD | = Net Media Co., Ltd. |
| 37. ITAB | = IT Absolute Co., Ltd. | 38. I-SPORT | = I-Sport Co., Ltd. | 39. I-SPORT M | = I-Sport Media Co., Ltd. | 40. CS | = Cambodia Samart Co., Ltd. |
| 41. ENT | = Entertainment Tree Co., Ltd. | 42. SLA | = SLA Asia Co., Ltd. | 43. NST | = Net Service (Thailand) Co., Ltd. | 44. SSTV | = Siam Sport Television Co., Ltd. |
| 45. VIH | = Vialluck International Holding Co., Ltd. | | | | | | |
| (1) Listed Companies | (2) Held by SIM | (3) Held by BUG | (4) Held by I-SPORT | (5) Held by STC | | | |
| (6) Held by OTO | (7) Held by SE | (8) Held by SIH | (9) Held by SUT | (10) Held by TEDA | | | |
| (11) Held by SBS | (12) Held by SCT | (13) Held by SCS | | | | | |

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 “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

- Core competencies of Internal auditor in best practice in concept.
- Fraud case study and knowledge sharing for Internal Audit.
- Internal Audit Technology at Forefront.
- IT Governance and Business impact.
- Certified Professional Internal Auditor of Thailand (CPIAT) Course.
- Tools and Technique of Audit Manager.
- Audit method to achieve the Audit Plan.
- Fraud Audit for internal auditor.
- Audit Technique with Internal Audit work.
- Audit Report Writing 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:

- CG Forum : “The Threat of Internal Fraud can prevention and control” from The Stock Exchange of Thailand
- Internal Control of the company prepared to be listed in Stock Exchange of Thailand from Dharmniti Seminar and Training
- Smart Disclosure Program (SDP) from The Stock Exchange of Thailand

Training courses from The institute of Internal Auditors of Thailand :

- Raise the Red Flag : IA Guide to Prevent & Detect Fraud
- Internal Audit and Sustainable Development
- Analytical Thinking for Professional Internal

General and Other Information

Samart Corporation Public Company Limited

Company	:	Samart Corporation Public Company Limited
Head Office	:	99/1 Moo 4 Software Park, 35 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Thailand
Registration No.	:	0107536000188
Home Page	:	http://www.samartcorp.com
Telephone	:	0-2502-6000
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

Company registrar	:	Thailand Securities and Depository Co., Ltd. 93, The Stock Exchange of Thailand Building, 14 th floor, Ratchadaphisek Road, Dindaeng, Bangkok 10400 Tel. 0-2009-9000, 0-2009-9378 Fax. 0-2009-9476
Auditor	:	Ms. Siriwan Suratepin Certified Public Accountant (C.P.A.) license No. 4604 EY Office Limited 33 rd Floor, Lake Rajada Office Complex 193/136-137 Rajadapisek road, Klongtoey, Bangkok 10110 Tel. 0-2264-0777 Fax. 0-2264-0789-90
Investor Relations	:	Mr. Pongthep Vichaikul Email: Pongthep.V@samartcorp.com Tel. 0-2502-6583 Fax. 0-2502-6186
Corporate Secretary	:	Mrs. Jirawan Rujisonthi Email: Jirawan.R@samartcorp.com Tel. 0-2502-6042 Fax. 0-2502-6043
Internal Audit	:	Ms. Nantana Khangui Email: Nantana.K@samartcorp.com Tel. 0-2502-6192 Fax. 0-2502-6186

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

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SAMART

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