

FIT for the **Future**

ANNUAL REPORT 2015

CONTENTS

Message from the Board of Directors	005
Report of the Executive Board	007
Vision & Mission	009
Board of Directors	012
Report of the Audit Committee	014
Report of the Risk Management Committee	016
Report of the Corporate Governance Committee	017
Report of the Nominating & Compensation Committee	018
Report of the Sustainable Development Committee	019
Corporate Social Responsibility Report (Sustainability Report)	020
Financial Highlights	030
Policy and Overview on Business Operation	033
Nature of Business	036
Business Structure	037
Revenue Structure	038
Information of Subsidiaries and Affiliated Companies	039
Changes During the Year	040
Industry and Competitive Analysis	044
Risk Factors	046
Shareholders	049
Dividend Policy	050
Management Structure	051
Corporate Governance	062
Internal Control, Risk Management and Anti-Corruption	090
Connected Transactions	096
Financial Ratios	107
Management Discussion and Analysis	109
Report of the Board of Directors' Responsibilities for the Financial Reports	112
Independent Auditor's Report	113
Financial Statements	115
Remuneration of the Auditors	171
Directors, Management, Company Secretary and Head of Internal Audit	172
General Information and Reference	186

A close-up, low-angle shot of a person in a dark blue business suit and black dress shoes, starting a race on a red running track. The person is in a starting crouch, with their hands on the track and their feet on starting blocks. The track has white lane markings. The image conveys a sense of speed, competition, and readiness.

FIT
for the
Future

In today business world,
“Standstill”
means “Stepback.”

Therefore, **SAMART TELCOMS GROUP**
never stop thinking forward and making the better future,
by focusing on “3S for Success” strategy :
Synergy, Satisfaction and Standard.

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

FIT for **Faster**



Message from The Board of Directors

Dear Shareholders,

In 2015, Thailand's GDP expanded more than that in 2014, but slightly lower than earlier projection due to uncertainty of global economy, especially economic slowdown in China, Eurozone, and Japan, and oil and commodity price drop in global market, including decline in the country's key agricultural product prices. However, the company committee, executives, and employees of the company have remained standard of operation with efforts and synergy in delivery of solutions and services in total information and communication system under quality and efficiency, resulting in gaining customer satisfactions and competitiveness. The company, consequently, has been entrusted to proceed several new projects with the total value of million Baht 7,000 partly creating revenue of the company in total of million Baht 5,793 in 2015. The company furthermore had revenue backlog over million Baht 8,000 at the end of year 2015.

Additionally, in 2015, Samart Communication Services Co., Ltd. one of subsidiaries with 38 service centers nationwide, has been certified for ISO 20000, international standard for quality and efficient IT Management, other than ISO 9001:2008, the international standard for service quality, which the company has been continuously complied. All global standards certified demonstrate the Company's focus of service quality delivered to customers. Moreover, the Company received "Top 50 ASEAN Publicly Listed Companies", the award of ASEAN CG Scorecard for listed companies excellent in good governance, at Philippines. The award is one of the prides of all management and employees for a part in making trust and renown for the country

For 2016, Thailand's economy is expected to expand at higher rate than that in 2015 due to government investment, Digital Economy policy driven, investment and support in implementation of high-speed network covering all villages nationwide and policies strengthening Thai business especially small and medium enterprises both for existing one and start-ups to enter Digital Economy, including investment in development of transportation infrastructure. Moreover, ICT market outlook in 2016 is expected to grow more than 10 percent resulting from increment of the use of online social network and online transactions, expansion of network infrastructure and equipment for digital TV system and adoption of Cloud Computing and Big Data Analytics for enterprises. It could be great opportunities for the Company to be a part that drive total solutions and IT services of the Company and extend the business strength to both government and private sectors for sustainable growth.

To accomplish the goals, the Company not only focuses on generating recurring revenue, but also prioritizes knowledge and expertise development of employee at every level and efficiency use of IT and process to manage relationship, to recognize the needs and to gain better customer insight. The Company further creates synergy among subsidiaries and global business partners. Organization knowledge management, quality improvement, creation of value added and differentiation in solutions, increase service efficiency and maintain service quality under international standard, along with efficient risk management. Additionally, the Company has emphasized corporate governance and responsibility to all stakeholders and been holding the way conducting business with responsibility to society and environment through many social activities supporting the Company's practice of "People of Quality and Society of Morality". All activities together have been to achieve the goal of sustainable growth.

On behalf of the board of the directors, I am all gratitude to all shareholders, clients, business partners, executives and employees, including all involving every business operation, for confidence and unwavering support to together drive ICT to create innovation and value added for business and various industries, facilitating sustainable development of Thailand's economy and society.



Mr. Sombut Uthaisang
Chairman



A low-angle, dynamic shot of business professionals in motion. In the foreground, a man in a dark suit and a red-and-white striped tie is captured mid-stride, his body angled towards the right. His right leg is bent, and his left leg is extended forward. To his right and slightly behind, another person in a dark suit is also running, their legs in a similar motion. In the bottom left corner, a woman's leg in a black high-heeled shoe is visible, also in motion. The ground is a reddish-brown running track. The background is a clear, bright blue sky. The overall composition conveys a sense of urgency and competition.

FIT for **Competition**

Report of The Executive Board

Dear Shareholders

2015 was a year of greater political stability which influences Thailand's economy to show its good signs in terms of government's policies and economic stimulus plans. However, the economy has been affected by external factors, the global economy's volatility. Among this atmosphere, the Company still performed well as reflected on its results of Baht 5,793 million in revenue and Baht 402 million in net profit from its successful contract signings of major projects e.g. Advance Passengers Processing System (APPS) at Suvarnabhumi Airport for Airports of Thailand Plc., as well as other large projects such as the installation of digital trunked radio system for the Bangkok Metropolitan Administration (BMA), the entry of image data of title deed and the cadastral map including computer hardware installation for the Department of Lands (DOL) and Additional Meter and equipment installation for Automatic Meter Reading Project Phase 2 for Provincial Electrical Authorities (PEA). In addition, the Company also focused on private customers responding to their various types of demands as the Company prepared products and services, whether it be Electronic Payment Systems for commercial banks, retail business and general vendors across the country, intrinsically safe Digital Trunked Radio Systems for specific use in the petroleum and petrochemical industries and VSAT Satellite Communications Service for areas with limited access to communication.

In 2016, Thailand's economy is estimated to move toward a better direction with investment from both public and private sectors especially in terms of infrastructure as well as the focus on national economy development by stimulation policies for over 2 million Small and Medium Enterprises (SMEs) nationwide using Information and Communications Technology resulting in expected ICT market growth. Thus, the Company has prepared wide range of its products and services covering network solutions, enhanced technology solutions integrating various technologies to meet customers' varieties of needs and expectations in the upcoming digital economy societies and advanced business application to increase customers' service efficiency and competitiveness. The Company has encouraged concept of "Better Future Today" to its staffs of all levels in 2016 to communicate and show its promises of preparation and readiness for any business opportunities to generate its recurring revenue for the Company's stability and sustainability. The Company also continuously encourages its staffs and executives to with cultivation of "3S for Success" operation guideline. Firstly, SYNERGY is the collaboration with knowledge and capabilities in harmony among teams in the Company as well as business partners in order to provide more value of products and services to customers under its global STANDARD such as ISO 9001 for service quality management, CMMI Level 5 for process control of quality software development and ISO 20000 for quality and performance in information technology services. At the same time, the Company also adopts and applies information technology tools to its operation including project management, service tracking and customer details for maximum customers' SATISFACTION. All 3S has been cultivated through communication and activities to staffs and executives of all levels with the important perception of SENSE OF OWNERSHIP to achieve mutual goals together.

In addition to its commitment to improve its business performance for the benefits of all stakeholders including customers, employees, shareholders and corporate partners, the Company also continuously pays attention to giving back to society and community, which are considered important stakeholders as well, according to its concept of "People of Quality and Society of Morality" that it holds constantly and proudly in order to reveal its responsibility and social commitment through numerous projects and activities aiming to improve quality of life and create prosperity for the community and environmental stewardship simultaneously.

The Executive Board of Samart Telcoms Group is therefore fully confident that in 2016 will be the year of the Company with full of arising business opportunities, the commitment of the management and the quality of staffs which are all aligned to drive the Company's success and to ensure its stable and sustainable future for all stakeholders as we stated as "Better Future Today".



Mr. Watchai Vilailuck
Chief Executive Officer





FIT for **Sustainability**

Vision

Samart Telcoms Group

Is committed to offering a comprehensive range of ICT products and services

that meets the international standard and ensures the maximum satisfaction of our customers, both in public and private sectors.

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

Constantly develop and customize a strong portfolio of advanced and innovative ICT solutions to best serve demands and requirements of our customers and their organizations with the highest benefits.

Employees

Provide excellent and rewarding career opportunities to employees by providing extensive training and development programs to enhance their knowledge, skills, and service mind and support their learning and growth.

Organization

Define a clear set of high standard of how we conduct ourselves in order to ensure transparency, efficiency and effectiveness in the way we do business sustainably and to be organization of innovation.

Partners

Strengthen relationships with business partners to create sustainable success for all parties and contribute to the creation of vibrant business environment through knowledge transfer to lift up the service quality.

Shareholders

Ensure a sustainable return on investment for shareholders and investors with stable revenues by expanding customer base and continuously seeking new business opportunities.

Society and Communities

Be a socially responsible organization through implementation of a wide range of social contribution activities and initiatives that promotes the creation of "People of Quality, Society of Morality".

FIT for **Excellence**





Prides in the global prizes and standard

Through consistent efforts in implementing good corporate governance and transparency practices across the entire organization, SMART TELCOMS Public Company Limited has been named the winner of Corporate Governance Award at the ASEAN Corporate Governance Awards ceremony held recently in Manila, the Philippines. The Awards recognize listed companies that have achieved demonstrable successes in driving good corporate governance and compliance activities.

Besides, our Subsidiaries have been certified with numerous international standards.

- Samart Communication Services Co., Ltd. has been certified with ISO 20000, standard for information technology service management.
- Smarterware Co., Ltd. has been certified with CMMI Level 5, international standard for development of quality software widely accepted in the industry



Board of Directors

1. Mr. Sombut Uthaisang

- Chairman
- Independent Director

2. General Sumpun Boonyanun

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

3. Mr. Vichai Pokasamrit

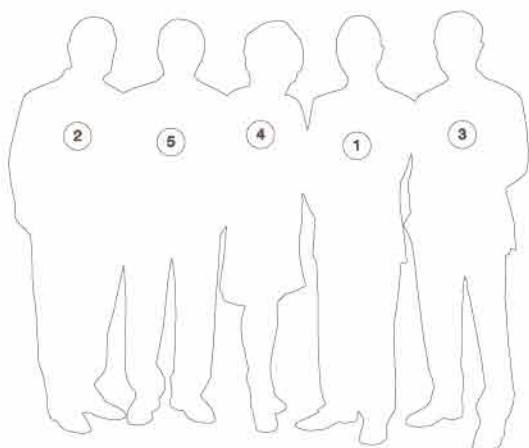
- Independent Director
- Chairman of the Corporate Governance Committee
- Audit Committee Member
- Nominating & Compensation Committee Member

4. Miss Rapeepan Luangaramrut

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

5. Mr. Kajornvut Tayanukorn

- Director
- Corporate Governance Committee Member





6. Mr. Charoenrath Vilailuck

- Executive Director

7. Mr. Watchai Vilailuck

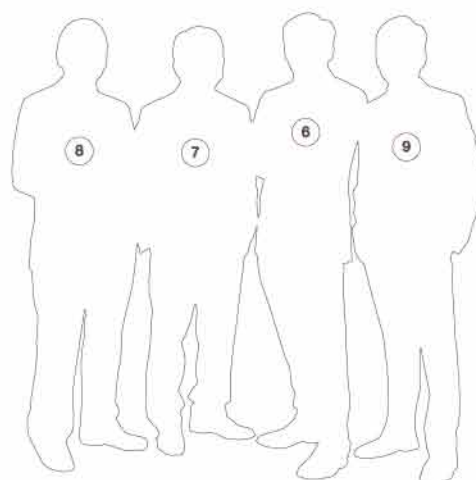
- Executive Director
- Chief Executive Officer

8. Mr. Sirichai Rasameechan

- Executive Director

9. Mr. Jong Diloksombat

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



Report of the Audit Committee

Dear Shareholders,

The Audit Committee of Samart Telcoms Public Company Limited comprises of three independent qualified committee members as follows : General Sumpun Boonyanun, Chairman of the Audit Committee, Mr. Vichai Pokasamrit and Miss Rapeepan Luangaramrut, committee members and Mr. Somchai Bunsupaporn as Secretary. All members possess adequate qualifications for their posts specified by the Audit Committee Charter and in accordance with the Securities and Exchange Commission, Thailand and the Stock Exchange of Thailand regulations and best practice guidelines.

In 2015, the Audit Committee conducted 5 meetings. and each Audit Committee's member attended every meeting. Such meetings were held with management, external auditors and internal auditors when appropriate, pertaining to the following issues:

1. **Review of interim and annual financial statements** as of 2015, in consultation with management and external auditors. The Audit Committee's opinion was that the financial statements were correct adhering to the general acceptable accounting principles and promptly disclose for the benefit of shareholders, investor and users of such statements for the purpose of making informed investment decisions.
2. **Review the operation information together with its internal control systems** and their efficacy towards ensuring that the Company's business was efficiently and effectively conducted in the pursuit of achieving performance goals. In 2015, based on the COSO-ERM Framework, (The Committee of Sponsoring Organizations of the Tread way Commission - Enterprise Risk Management), the Audit Committee reviewed internal audit reports. Assessment results regarding effectiveness of internal controls and risk management systems disclosed that there are no significant deficiency, have appropriate asset safeguarding, correct, complete and reliable information disclosure. In addition, the Audit Committee evaluated the internal control system in compliance to the Practice of the Securities and Exchange Commission. They commend that the Company possesses good internal control system monitoring the operations of its subsidiaries adequately, appropriately and efficiently. Also, the Company realized the importance of the internal control in information technology system, hence engagement of external advisors in auditing, pursuing, and recommending annually.
3. **Review of internal audit**, by considering the mission, scope of work, duties and responsibilities, independency, manpower and budget of the Internal Audit Division. Reviewed and approved the amendment of the Internal Audit Charter as appropriate, up to date and in compliance with the internal audit practice manual of the Stock Exchange of Thailand. Approval of 2016's audit plans that linked on the internal control evaluation basis and covering crucial working systems of the Company. The Audit Committee also commend that the Company had an internal control was adequate, appropriate and effective. Also have developed the audit quality in personnel training and audit work on par with international standard for the Professional Practice of Internal Auditors.
4. **Review of the Audit Committee Charter annually** considering updating and editing of Qualifications, Duties of the Audit committee, consistent with the Principles of Good Corporate Governance and Regulations of the Stock Exchange of Thailand.
5. **Reviewed connected transactions, or transactions that may lead to conflicts of interest.** This is to ensure that they were in compliance with the laws, rules and regulations prescribed by the Capital Market Supervisory Board of the Securities and Exchange Commission and other regulatory bodies and were reasonable and for the highest benefit of the Company.

The Audit Committee concluded, that the aforementioned transactions that were conducted by Management was fair, without conflict of interest maximizing the benefit to the Company and shareholders on an arm's length basis and under normal commercial terms. Therefore, the resolution came to propose that to the Board of Directors' Meeting for approval and disclosure to Stock Exchange of Thailand.

6. **Establishing a self assessment** for Audit Committee member and the Audit Committee annually in compliance with Best Practice Guideline for Audit Committee. The evaluation result revealed that the Audit Committee's performance is completely fulfilled according to its Charter and complied with the good principles, effectively enhancing the good corporate governance.
7. **Conducted the Report of the Audit Committee's** Activities to the Board of Directors for acknowledgement for every Audit Committee meetings and provided useful management performance recommendation, which were subsequently adopted. To comply with Best Practice Guideline for Audit Committee and Regulations of the Stock Exchange of Thailand.
8. **Consider appointing the External Auditors and their Remuneration for the year 2015** to be proposed to the Board of Directors to ask for approval of Annual Shareholder's Meeting for the year 2015, which the Audit Committee considered the performance, independency and remuneration and concluded to propose appointing Miss. Siriwan Suratepin, Certified Public Accountant Registration number 4604. Miss. Kamontip Lertwitworatep, Certified Public Accountant Registration number 4377, or Mr. Wichart Lokatekrawee, Certified Public Accountant Registration number 4451 of EY office Limited to serve as the Company's external auditor for the year 2015, with the remuneration of 1,820,000 Baht. The Audit committee has the opinions regarding the external auditors as follows :
 - Based on past performance, the external auditors performed their duties with knowledge, professional competency, independency in performing their duties, and giving recommendations regarding internal control system and various risks.
 - The proposed remuneration was approximately, 1,820,000 Baht, equal to the year of 2014.
 - There was compliance with Regulation of the Office of the Securities and Exchange Commission (SEC) with regards to the changing of the financial statements signatory external auditor every 5 years. If such auditors are appointed to be the external auditors for the year 2015, it shall be 2 consecutive years.
 - The external auditors had no relation with the Company and subsidiaries.

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

In summary, the Audit Committee had fulfilled the responsibility of the Audit Committee Charter that was approved by the Board of Directors and found that the Board of Directors, Management, and Executive Directors all performed ethically with the intent to conduct their job functions professionally and in pursuit of the Company's performance goals. Furthermore, it has been concluded that the Company was fully committed to effective Corporate Governance. The Company disclosed financial and operation information correctly, had appropriate and effective internal control and audit; risk management, complied with laws, regulations and obligations, disclosed the connected transactions correctly and performed duties in compliance with the Good Corporate Governance principles, with adequacy, transparency and reliability. Also developed operation systems to be more qualified and fit with the changing business environment on a continuing basis.



(General Sumpun Boonyanun)
 Chairman of the Audit Committee

Report of the Risk Management Committee

Dear Shareholders,

The Risk Management Committee has realized the importance of Risk Management as it can drive the Company's business operations smoothly and continually. In addition, the Risk Management Committee has appointed 8 individual members, comprising President and all concerned department heads, to jointly prescribe risk management policies, verify Risk Management Plans, evaluate business risks, set up procedures in prevention of risks including corrective actions and monitor results regularly in order to mitigate impacts and prepare for the risks.

In 2015, The Risk Management Committee conducted 3 meetings to pursue operations and consider issues about risk management as summarized below:

1. Considering and counseling regarding annual risk management plan, which management of all related department had assessed risks in every dimension that might affect business operations, prioritized risks and their impacts, indicated actions to manage such risks keeping those under control at acceptable level and reducing possibility of occurrence, and assigned responsible parties to implement the plan.
2. Encouraging executives and employees to be aware of the importance of risk management to ensure the business operations in accordance with the goals set.
3. Monitoring progress of risk management from various departments involving, reviewing the compliance with risk management plan under policies and framework in order to assure that the Company had systematically and efficiently conduct risk management as planned, and providing important advices to improve efficiency of tasks regarding risk management by assigning the internal audit department to make follow ups and to review the risk management measures of each company in order to achieve the goals.

As for the duties and tasks mentioned above, The Risk Management Committee has proceeded according to responsibilities assigned by the Board of Directors and ensured the continuity and efficiency of the Company's risk management in line with the good Corporate Governance Principle, sufficient internal control including compliance with the law and regulations concerning the Company's business.



(Mr. Jong Diloksombat)

Chairman of the Risk Management Committee

Report of the Corporate Governance Committee

Dear Shareholders,

The Board of Directors realizes the importance on promotion and emphasis on corporate governance, the business ethics together with the social and environmental responsibility to improve system for greater efficiency and transparent management in order to build a strong circle of trust and equitable treatment for all stakeholders.

To this end, the Board of Directors has assigned the Corporate Governance Committee to propose corporate governance guidelines and oversee the conduct of directors and the management to ensure conformance to corporate governance principles, SET's corporate governance principles, and the principles of the ASEAN Corporate Government Scorecard (ASEAN CG Scorecard) which the Chairman is an independent director.

In 2015, the Corporate Governance Committee arranged 3 meetings to consider and follow up governance operations as well as seriously developed its policy on corporate governance on a continued basis and the meeting results have been constantly proposed to the Board of Directors for consideration. The significant matters considered during the year were summarized as follows:

- **Review and improve the Company's corporate governance policy, business ethics and all committee's charters.**
 In 2015, the Corporate Governance Committee has revised and improved thereof being made to suit the circumstances, comply with additional guidelines issued by regulatory agencies, and meet international standards of the ASEAN Corporate Government Scorecard (ASEAN CG Scorecard).
- **The Self-assessment of the Board of Directors, both as a group and as an individual, Sub-committee, the Chief Executive Officer and Company Secretary.**
 The Corporate Governance Committee oversaw and encouraged the Board of Directors' self-assessment, both as a group and individual, Sub-committee as well as annual assessment of the Chief Executive Officer and the Company Secretary shall be assessed every year. Results from such assessments and recommendations shall be used to improve, rectify and develop for better efficiency and proposed to the Board of Directors and the shareholders for their acknowledgement.
- **Review of the Company's Corporate Governance Report disclosed in the Annual Report.**
 The review was conducted in accordance with the principles of good corporate governance to comply with the new regulations of the Stock Exchange of Thailand and the various regulatory agencies define additional.
- **Agenda and enquiries for AGM.**
 Encourage the minority shareholders to propose the agenda and submit any enquires for consideration in the Annual General Meeting of Shareholders to comply with the Securities and Exchange Act and the Principle of Good Corporate Governance.

Due to the continual monitor and development of the Company's Corporate Governance Practices, thus several awards received from various organizations could be summarized as follows:

1. For the evaluation of corporate governance reports of Thai listed companies by the Thai Institute of Directors (IOD), in 2015, the Company was rated "Excellent" and being ranked in Top Quartile of the group of companies with a market capitalization of Baht 10,000 million upwards.
2. For the evaluation of the Annual General Meeting of Shareholder (AGM Checklist) by the Thai Investors Association, in 2015, the Company was rated "Excellent".
3. For the evaluation of corporate governance in ASEAN countries by ASEAN Capital Markets Forum (ACMF) jointly with Asian Development Bank (ADB), in 2015, the Company was ranked as "TOP 50 ASEAN PLCs"

The Company will still adhere to the importance and operates legitimate and transparent business in compliance with the Principles of Good Corporate Governance as well as indoctrinating the employees to realize and recognize business ethics by promoting the policies to the Company's employees and also promote the Company's corporate governance principles to be up-to-date and raise standard of corporate governance work to make it becomes better for the best interest of all shareholders and stakeholders which will benefit Thailand as a whole.



(Mr. Vichai Pokasamrit)
 Chairman of the Corporate Governance Committee

Report of the Nominating & Compensation Committee

Dear Shareholders,

The Board of Directors has appointed the Nominating & Compensation Committee consisting all independent directors to be responsible for recruiting and nominating candidates that are highly knowledgeable in their fields and who also must meet high qualifications set appropriately for the Board position and executive levels and proposing compensation policies and guidelines for remuneration packages for the Board of Directors, the Committees' members, and top Executives in commensurate with roles and responsibilities and in tandem with Company's operating results and market conditions in order to motivate and conserve the Board Members and quality Executives as required by the Company.

In 2015, the Nominating & Compensation Committee conducted 3 meetings to consider numerous matters concerning the company. The member who has an interest in any matter considered shall be refrained from voting. Results from the meeting including comments and recommendations have been reported to the Board of Directors for considerations which can be summarized as follows;

- **Nominate and proposed personnel to assume the Board in replacement of Directors retiring by resignation and rotation**

The Nominating & Compensation Committee has considered, nominated and proposed personnels for replacement of Directors after resignation and rotation. The Nominating & Compensation Committee shall select personnel who have completed and appropriated qualifications as per specified by the Office of the Securities and Exchange Committee and the Stock Exchange of Thailand who do not have any prohibited characteristics as per specified by the laws by taking into account the qualifications, experiences and capabilities which shall be beneficial to the company to further propose to the Board of Directors' meeting prior to the approval of Shareholders' meeting.

- **Nominate and proposed personnel to assume the Committees' member**

The Nominating & Compensation Committee has considered, nominated and proposed personals to succeed the Committees' member every year and propose to the Board of Directors for further approval.

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

The Nominating & Compensation Committee has considered the 2015 remuneration for the Board Directors and Committees consisting the Audit Committee, the Nomination and Remuneration Committee, and the Corporate Governance Committee to further propose to the Board of Director and the Shareholders' meeting for consideration and approval, taking into the appropriateness of role and responsibility in accordance with the results of operations, as well as to be competitive with listed companies of the same industry and comparable business size; compensation must attract quality directors and executives to achieve the goals and directions as defined by the Company.

- **Determine appropriate Bonus and Salary Increase**

The Nominating & Compensation Committee has considered the criteria on salary increase for 2016 and bonus for 2015 jointly with the Human Resources Department and the Executive Board. The salary increase rate and the bonus shall be in appropriate rate and in line with the Company's performance.

The Nominating & Compensation Committee cautiously completed its duties with integrity, based on the responsibilities designated in its charter. It adhered to the principle of good governance adequately and suitably for the balanced and sustainable benefits of all stakeholders.



(General Sumpun Boonyanun)

Chairman of the Nominating & Compensation Committee

Report of the Sustainable Development Committee

Dear Shareholders,

The company always realizes about the importance of sustainable development, hence, the Board of Directors has appointed the Sustainable Development Committee from the members of Board of Directors and all concerned management on each department which comprises 7 members, with the President as the Chairman of the Sustainable Development Committee whose main duties are to specify policies, directions and operational guidelines on social and environmental responsibility of the company as well as progress follow-ups, the CSR activities efficiency assessment and finally report the performance results to the Board of Directors.

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

1. To consider the assessment result on sustainability development level of the company's Anti-Corruption of Thailand's listed companies in 2015 from Thaipat Institute and SEC;
2. To consider the criteria and procedures Sustainability Awards of the Stock Exchange of Thailand to supervise the sustainable development together with the social and environmental responsibility;
3. To review the Company's social responsibility policy and the Committee considered that such policy was in line with the sustainability development guidelines which covering 3 components, i.e. environment, society and corporate governance and it can make the Company's performance growth in the long term on sustainable basis along with the social responsibility;
4. 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 as well 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 develop and oversee social development and environmental responsibility throughout the organization;
5. To monitor operational results on social responsibility activities of the Company in 2015;
6. To conduct the Sustainable Development Committee self-evaluation for 2015 and the assessment results including the recommendations shall be used for improving with aims to have sustainable development and increase efficiency of the operations;
7. To prepare reports on operations of the Sustainable Development Committee during the past year to present to the shareholders in the annual report and for the Board of Directors' acknowledgement constantly.

The Sustainable Development Committee is confident that the Company will develop the organization's sustainable growth and become a transparent organization with true corporate governance and responsibility as well as to maintain the benefits of the stakeholders and society, including development of personnel to become good people with both efficiency and righteousness for ultimate sustainability of the Company.



(Mr. Jong Diloksombat)

Chairman of the Sustainable Development Committee

Corporate Social Responsibility Report

(Sustainability Report)

Overall Policy

The Company emphasizes on responsibility to society with its operation of core business, as the company realizes that the responsibility to society, community, and environment were important for sustainable growth of business and for more tangible operations of social responsibility. Therefore, the Board of Directors' approved the establishment of the Sustainable Development Committee in order to set out frameworks and guidelines of policies on social and environmental responsibility and monitor on progress of the implementation of such policies. In addition, the Board of Directors' approved CSR policies to the Board of Directors, executives and employees as follows:

CSR Policy

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

Such policies are consistent with the vision and missions of the company which represent social and environmental responsibility for sustainability of the Company and the society as a part of normal business practices as follows.

Vision

Samart Telcoms Group is committed to offering a comprehensive range of ICT products and services that meets the international standard and ensures the maximum satisfaction of our customers, both in public and private sectors.

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

Constantly develop and customize a strong portfolio of advanced and innovative ICT solutions to best serve demands and requirements of our customers and their organizations with the highest benefits.

Employees

Provide excellent and rewarding career opportunities to employees by providing extensive training and development programs to enhance their knowledge, skills, and service mind and support their learning and growth.

Organization

Define a clear set of high standard of how we conduct ourselves in order to ensure transparency, efficiency and effectiveness in the way we do business sustainably and to be organization of innovation.

Partners

Strengthen relationships with business partners to create sustainable success for all parties and contribute to the creation of vibrant business environment through knowledge transfer to lift up the service quality.

Shareholders

Ensure a sustainable return on investment for shareholders and investors with stable revenues by expanding customer base and continuously seeking new business opportunities.

Society and Communities

Be a socially responsible organization through implementation of a wide range of social contribution activities and initiatives that promotes the creation of “People of Quality, Society of Morality”

The Company has disclosed “CSR Policy” “Environment Policy” and “Policy Compliance” includes “Report of the Sustainable Development Committee” and “Sustainable Development Committee Charter” at the Company’s website (www.santel.com) under the topic “Corporate Governance”.

Progress and Reporting

The Company conducts business in compliance with CSR Policy and takes all stakeholders into account. Policies regarding treatments to all stakeholders are stipulated in the Company’s Business Ethics. Details are disclosed in section “Corporate Governance” under topic of “1.2 Business Ethics” and posted on the Company’s website at www.santel.com. CSR policies comprise 9 operating principles of conduct as follows:

1. Organization Governance
2. Fair Operating Practice
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

One of the Company’s concentrated stakeholders is employees. The Company highly regards all of the employees as invaluable resources and indispensable assets that propel the Company to meet all objectives and future successes. The Company offer fair hiring with adequate trainings and education from both internal and external organization for employee development. Details regarding employee policy were disclosed in “5. Fair Labor Practices” and policy in Human Resources Management and Development Policy were disclosed in the section “Management Structure” under “Human Resource” in the topic “Human Resources Management and Development Policy”.

Progress of 9 operating principles of conduct were as follows:

1. Organization Governance

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

The Board of Directors realized 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 and the competition capability of the company. Thus written Corporate Governance Policy and Business Ethics, which complied with the Principles of Good Corporate Governance of SET and Corporate Social Responsibility Guidelines, have been provided for practices of directors, management and employees of the Company under the policy guiding principle of being a good corporate citizen, who is accountable to employees, customers and shareholders, and being socially responsible. The Company Secretary Division is a compliance unit to supervise and oversee the operation of the Company, directors and executives to ensure that they been correctly complied with the regulations of the SET, the SEC, the Public Company Limited Act., and other related laws. In 2015, the Company performed in relation to good corporate governance of which details shown in “Corporate Governance”.

Due to the continual monitor and development of the Company's Corporate Governance Practices, in 2015, the Company rewarded as follows:

1. ASEAN CG Scorecard 2015 Assessment of 6 ASEAN countries

The Company was awarded "TOP50 ASEAN Publicly Listed Companies".

2. 2015 CGR Survey Report of Thai listed company

The Company has been evaluated as "**Excellent**" or "**5 Stars**", which is the highest rating. There are 55 companies having level "**Excellent**" from a total of 588 listed companies surveyed by the Thai Institute of Directors Association. The Company was also ranked in **Top Quartile** of the group of companies with a market capitalization of Baht 10,000 million up.

3. Survey on quality in convening the 2015 Annual General Meeting of Shareholders.

The Company was rate "**Excellent**".



2. Fair operating practice

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

The Company conducted business and manage the Company's operation ethically. The Board of Directors has provided the Business Ethics manual for the Company's directors, executives and employees to adhere as their practical guidelines on integrity, honesty, standardization, quality, moral and fairness. The Business Ethics was posted on the Company's website (www.samtel.com). It also covers the administration of all stakeholders, i.e. shareholders, employees, customers, competitors, business partner, lenders including societies and environment. Moreover, the Board of Directors also assigns the Corporate Governance Committee to oversee performance of directors, executives and employees to ensure that they strictly adhere to this practice. More details on the treatment of stakeholders are disclosed in the section "Corporate Governance" in the topic "Business Ethics".

3. Anti-Corruption

The Company conducts all business affairs under principles of good corporate governance. Anti-Corruption Policy is set to prevent all corruptions that may arise from operating activities and contacts with stakeholders which the directors, executives and employees of the Company, its subsidiaries and associated companies must strictly adhere. The Company declared in the Company's Code of Business Ethics manual and posted on website at www.samtel.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 were disclosed in the subject "Internal Control, Risk Management and Anti-Corruption"

4. Respect of Fundamental Human Rights

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

The Company emphasizes on human right as common practice, all employee shall not act or 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 non violation of human right has been stated in the Company's Business Ethics 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:**

- The Company treats all employees equitable, no person shall be discriminated against regardless of race, nationality, language, religion, sex, age and education.
- The employee shows respect to and acceptance of others, and acts appropriate with job as the Company's regulation and tradition without disgrace.
- The Company has opportunity for the employee to show their capability by set appropriate remuneration and has opportunity for more education both in higher education, and short- term/long-term training.
- Deliberation related to hiring and judgment of performance should be accurate and fair.
- In performing the work, avoid expressing opinions that have to do with differences of physical and mind, race, nationality, language, religion, sex, 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 highly regards all of the employees as valuable resources and is a major factor to drive the business performance to achieve its goals. The Company must respect and obey the laws and ethics in order to establish justice, stability and peace in the society. As a result, it is the Company's policy to treat employees fairly in all respects, employment opportunity, reasonable remuneration, promotion, welfare in the following aspects:

1. Respect for the right to work pursuant to the fundamental human right principles. For more details, please see in "Corporate Governance" under "Business Ethics" in the topic "Non violation of the human right policies and practices"
2. Define "Compensation and Benefit Policy"; Incidentally, the 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.
3. Define "Safety and Health Policy" as shown in the section "Corporate Governance" under "Business Ethics" in the topic "Employee policies".
4. Define "Human Resources Management and Development Policy", the Company achievement depends on qualified and high caliber employees, the Company group practically creates HRM & HRD policy emphasizing on increasing performance efficiency and improving working procedure to cope with business working environmental as well as performance evaluation and potential assessment, developing individual capabilities at all levels progressively and proper manpower analyzing and planning to prepare for business extension and competition, and any changes. Indeed, these have to be compatible to the Company's business vision, missions, operation, and corporate culture as synergy simultaneously. For more details, please see in "Management Structure" under "Human Resource" in the topic "Human Resources Management and Development Policy"

Development of Employees' Quality of Life

The Company always recognizes employees as most valuable asset and therefore encourages development of quality of life and support Work-Life Balance in order to make employees work happily in Happy Work Place. In 2015, several activities had been conducted with employee participation and the purpose to make happiness at work. Those activities were:

1. "One Team One Heart" Build to Build

The activity aimed to increase relationship with employee, to align together with common goals and vision, to create commitment and determination to achieve the tasks, to build working harmony and to increase capability and work efficiency, resulting in being ready for changes and proud to be part of the team and the Company.

2. Employee Voice

Purposes of the activity targeted employee at every level working at every places to acknowledge and understand the direction, business goals and collaboration guideline in order for the Company to achieve goals, to increase work motivation and to drive sustainable business growth. This activity is also a two-way communication channel for employees to place their inquiries and suggestions regarding work improvement to the Company.

3. ICT Care

The activity's purposes were to create better work atmosphere and positive work attitude of employees by having top-level management to give souvenirs, encouragement and useful thoughts to employees in several occasions such as Chinese new year, Valentine's Day, Loy Krathong Day, Christmas Day, etc.

4. ICT The IDOL Award

The award was for the promotion of the employees being excellent examples in Standard, Synergy, Satisfaction and Sense of Ownership. The award was meant to create morale and encourage employees who were good role models for others.

5. English for U Game

The games were to continuously promote learning and development of English language usage for employees. The activity encouraged self-study and self-learning and reduced stress from work through several types of English learning activities and media, for example, Games, Tip & Trick, Board, Motto, Contest, etc.

6. Coaching U Coaching Me

The activity was to increase work efficiency by transferring knowledge, ideas and working skills from management in each work function to employees through coaching including exchanging of opinions.

7. New Year Party

After the entire year of work dedication, the Company hosted the party to celebrate the year passing and to welcome new year for employees to enjoy through games and activities at each booth including lucky draws in order to create impression and relaxing atmosphere with enjoyment of employees.



Creation of quality people (Internal Organization)

- **SAMART INNOVATION for SAMART PEOPLE** : This project is a contest stage of creativity, marketing and business plans, which held its first year to motivate the creativity, relevant knowledge skills and also bring benefits in terms of business for employees within the organization. Its award amount of 1.06 million baht consisting of Top Award Baht 760,000, the Inspiration Award Baht 150,000 and Recognition Award of three prizes, each Baht 50,000 that has total worth Baht 150,000.
- **SMART TALK** : The project is the activities for fill up many knowledge skills that was held continued annually since 2011 to encouraged the creativity and reinforce skills in various fields to employees within the organization.
 - **SMART TALK #1 : Personality WOW!** Enhance the image with a great personality to executives and employees over 300 person.
 - **SMART TALK #2 : Let's speak English clearly.** To reinforce the skills of spoken English to executives and employees over 300 person.



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 satisfy 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.

For more details, please see in the section "Corporate Governance" in the topic "Customer policies".

In 2015, Samart Communication Services Co., Ltd. as a subsidiary has been certified ISO 20000 IT services from Bureau Veritas Certification Thailand limited as an organization that is an efficiency and professional standard in IT services.

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 communities and the society, hence, the Company places robust emphasis and support on the development of quality of life, prosperity of the communities and Thai society. For the past period, the activities undertaken by the Company under such scope and practical guideline are as follows:

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

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 policies to support the employee's knowledge and training in subject of environment for fostering the employee to response to the environment as follows:

1. The Company campaigns environment and nature resource awareness through continuous participated activities of employee.
2. The Company supports environment conservation to social and other organization as well as public environment news for making image and good understanding of the Company's environment management.
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.

The activities arranged by the Company during the year 2015 are as follows:

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

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

- **Inculcation of Green Mind**

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

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

9. Innovation and dissemination with responsibility in social, environmental and stakeholders.

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

Samart Innovation Award Project is an important activity that Samart Group of Companies conducted continually for more than 13 years with aims to encourage the youth and the new generation entrepreneurs to develop their creativity and capability which can lead to technology innovation. After the end of the contest in each year, the Company has disseminated qualified and winning projects to the public via activities and public relations media constantly. This project cannot only be used as commercial promotion to the contestants but it can also motivate the Thai new innovative developers. For the past year, there were 65 news coverage, publicized via newspaper, radio, television and on-line media.

Activities for society and environment

For clarity on the arrangement of the Corporate Social Responsibility (CSR) Project, Samart Group has set up the policy and practical guidelines under the promotion framework of the “People of Quality, Society of Morality” 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 to enhance telecommunication-technology knowledge and work skills namely:

1. **Samart Innovation Awards 2015:** The annual contest was in its 13rd year in 2015 the Company Joined force with National Science and Technology Development Agency (NSTDA) and Department of Industrial Promotion (DIP) in organizing “The Young Technopreneur Project” which have benefits to the program participants as following :
 - Taiwan field trip to visit and see advanced technologies at the leading of electronics and technology organization and Development Technology Research Institute of Taiwan. for top 3 winners.
 - The winner of Samart Innovation Awards 2015 or the “Outstanding Inventor of Innovative Prototype” received Baht 200,000 while the first and second runners-up got Baht 100,000 and Baht 50,000 respectively and the Business Startup Funds to 21 outstanding teams, each receiving Baht 20,000.
 - Commercial opportunity: During the past four years (2012 to 2015), we have the new developer for technology business sector over 800 person which have created more than 400 proposals and has expanded to the business more than 20 workings. In addition, We are committed to identifying and developing more such Young Technopreneur.



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

• SAMART SCHOLARSHIPS :

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



• Sponsorship for SPORTS CAPABILITIES

- > **Sponsorship for football**
 - **The Youth Football Team** : Samart Telcoms Pcl. cooperated with King Power to support Football by assisting 15 young Thai people to participate in training with The Leicester City Academy, England. There are also 30 correspondents to attend watching the match of the Leicester City team, worth Baht 20 million.
 - **Football Club** : Samart Group has been a sponsor of various football clubs such as Buriram United Football Club, Muangthong United Football Club, Songkhla United Football Club, Chonburi Football Club, Phrae United Football Club and Angthong Football Club.
- > **Sponsorship for Polo Sport** : Samart Telcoms Pcl. Granted amount Baht 1 million in sponsorship to King Power for supporting Thailand Polo Association.
- > **Support for Ice Hockey** : Samart Foundation is a sponsor of ice hockey Bangkok Warriors club for Bangkok Puckfest Youth Ice Tournament 2015 with Baht 50,000.

• Other Forms of Support for EDUCATIONAL OPPORTUNITIES

- > **Support for improvement of school building** : Samart Foundation donated for improvement the school building Baht 700,000 to Baan Kan Thong school at Khwao Sinarin District, Surin Province.
- > **Support for Library Improvement** : Samart Foundation granted Baht 25,300. for improvement by offering tables - chairs for using in the library under the project "Living Library" at Baan Klong Song, Chumphon province.
- > **Support for School Improvement** : Supporting and organizing improving school building activities for Ban Khao Jan Hom School, by the executives and employees of "Samart Telcoms Group" such as libraries, school buildings, stadium, infirmary, etc., totaling more than Baht 200,000.



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.

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



Prevention and protection of corruption

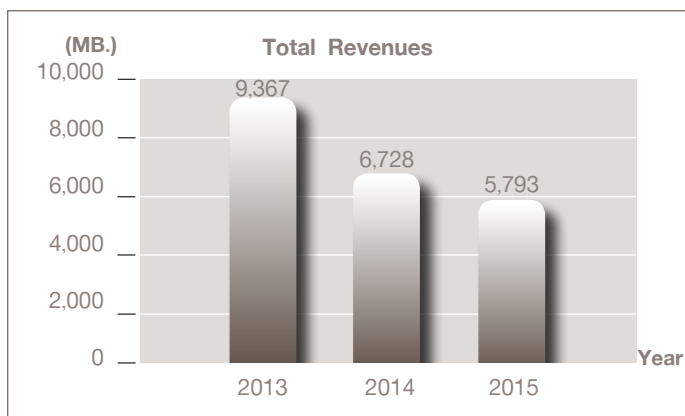
The Company has established policies and general practices of anti-corruption, channel to express their opinions and suggestions including channel to report concerns and procedures to protect employees who report such abuse. Anti-corruption policy and practical guidelines including procedures were disclosed in Business Ethics and post on the website of the Company at www.samtel.com under the topic “Corporate Governance”. In addition, the Company maintains system of internal control and risk management to prevent the Company from participating with corruption. For more details, please see in the subject “Internal Control, Risk Management and Anti-Corruption” included were disclosed risk factors in the subject “Risk Factors” and “Risk Management Policy” on the website of the Company at www.samtel.com under the topic “Corporate Governance”.

In 2015, the Company has applied for a member of PACT Network of which Thaipat Institution co-operated with its alliances. Partnership against Corruption for Thailand (“PACT”) will provide platform for private sector or its member to support anti-corruption in practice referring to the international anti-corruption principles.

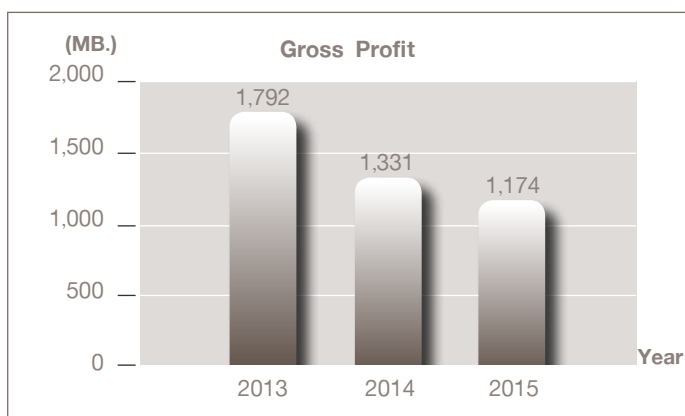
Financial Highlights

		2013	2014	2015
Operating Results (Baht Million)				
Total revenues		9,367	6,728	5,793
Gross profit		1,792	1,331	1,174
Net profit		857	705	402
Financial Status (Baht Million)				
Total assets		12,473	8,938	10,040
Total liabilities		9,298	5,460	6,581
Shareholders' equity		3,175	3,479	3,459
Financial Ratio				
Net Profit Margin	(%)	9.15	10.48	6.95
Return on equity	(%)	29.02	21.20	11.60
Return on asset	(%)	6.89	6.58	4.24
Debt to equity	(Time)	2.93	1.57	1.90
Earning per Share	(Baht)	1.40	1.14	0.65
Dividend per share	(Baht)	0.75	0.65	0.40
Dividend payout ratio*	(%)	54.01	56.99	61.44
Book value per share	(Baht)	5.15	5.63	5.60
Par value per share	(Baht)	1	1	1
No. of Shares	(Million Share)	616.9	618.0	618.0

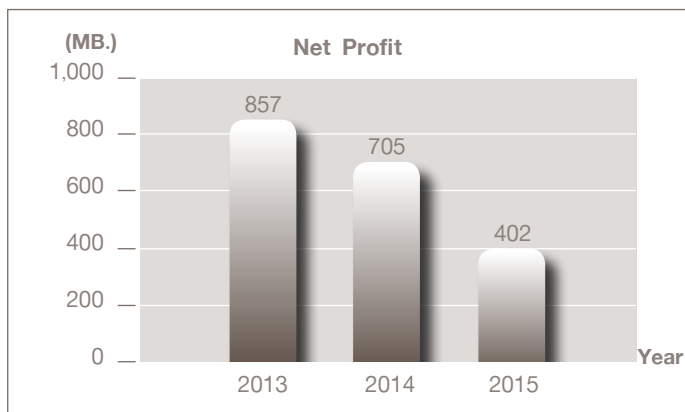
* % of consolidated net profit after deduction of all reserves as stated in the Company's Articles of Association and related laws.



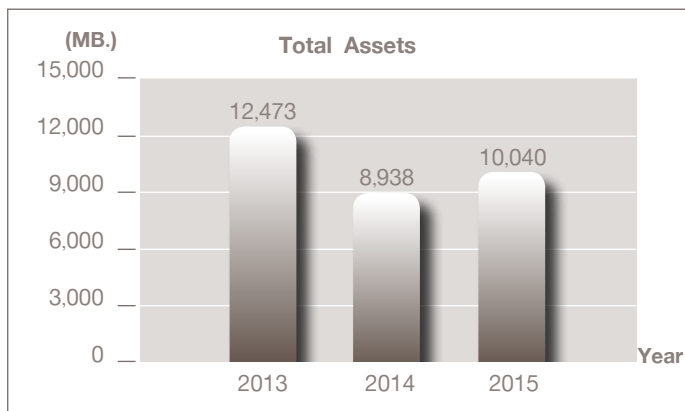
In 2015, total revenue was Baht 5,793 million, decreased from 2014 by Baht 935 million or 13.9%, mainly resulted from delayed in several IT Projects.



In 2015, gross profit was Baht 1,174 million, decreased by Baht 158 million or 11.8% from 2014. Gross profit margin was 20.5% increased slightly from 20.2% in 2014.



In 2015, net profit was Baht 402 million, decreased by Baht 302 million or 42.9% from 2014. Net profit margin was 6.9% in 2015, decreased from 10.5% in 2014.



Total assets as of December 31, 2015 were Baht 10,040 million increased by Baht 1,101 million or 12.3% from the end of 2014, mainly resulted from an increase of projects' equipment, and trade and other receivables.

Results of Customer Satisfaction Survey on Project Installation and Delivery, and After-Sales Services

Customer satisfaction

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.

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

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

- **Satisfaction on the installation and delivery.** Overall customer satisfaction was at high level with number of customers having positive attitude (somewhat satisfied and very satisfied) at 93 percent of total customers surveyed and average satisfaction score of 4.34 out of 5.00, which is higher than that in 2014 at 4.17. The results indicated that the Company was outstanding in capability to achieve according to the plan proposed (4.75), manners and relation in coordination (4.5), tidiness of work after installation (4.50) and quality of equipment provided (4.40)
- **Satisfaction on after-sales services.** Overall customer satisfaction was at high level with number of customers having positive attitude (somewhat satisfied and very satisfied) at 95 percent of total customers surveyed and average satisfaction score at 4.31 out of 5.00, which is higher than that in 2014 at 4.29. The results indicated that the Company was outstanding in the manner and interpersonal skill of the service call agents (4.56), manner of technician inspecting and repairing (4.55), equipment in normal operation after repair (4.47) and knowledge and expertise of service technicians (4.38).

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

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

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

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

Policy and Overview on Business Operation

Business Overview

Samart Telcoms Public Limited Company (“The Company” or “SAMTEL”) with the current registered capital of Baht 738 million and paid-up capital of Baht 618 million was founded on July 18th, 1986 with initial registered capital of Baht 5 million and the business purpose of provision in Satellite Telecommunication Services. The Company has registered in terms of the Public Limited Company and become a listed company of the Stock Exchange of Thailand since 1996. Currently, the Company has been organized into three Business Groups: Network Solutions, Enhanced Technology Solutions and Business Application.

Overview of Business Operation of Subsidiaries and Associate Companies

The Company focuses on conducting business to provide solutions and services in Information and Communication Technology (ICT) and classify business structure to cover all ranges of advanced solutions and technologies into 3 Business Groups: Network Solutions, Enhanced Technology Solutions and Business Application. Based on customer needs, subsidiaries provide various service models as:

- System integrator, applying and integrating various technologies and solutions with service ranging from consulting, system design, installation, project management for delivery of quality works meeting the needs, including maintenance services and after-sales service at the international standard level;
- ICT Service Provider, providing network services for both wireline and wireless networks including satellite networks, specialized IT services and software application services for business;
- ICT Outsourcing Provider, providing consulting and system implementation along with team of experts to run the system operation under international standard process to support customers’ tasks or core business efficiently.

Corporate Vision, Mission, Goals and Strategies

Vision

Samart Telcoms Group is committed to offering a comprehensive range of ICT products and services that meets the international standard and ensures the maximum satisfaction of our customers, both in public and private sectors.

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

Constantly develop and customize a strong portfolio of advanced and innovative ICT solutions to best serve demands and requirements of our customers and their organizations with the highest benefits.

Employees

Provide excellent and rewarding career opportunities to employees by providing extensive training and development programs to enhance their knowledge, skills, and service mind and support their learning and growth.

Organization

Define a clear set of high standard of how we conduct ourselves in order to ensure transparency, efficiency and effectiveness in the way we do business sustainably and to be organization of innovation.

Partners

Strengthen relationships with business partners to create sustainable success for all parties and contribute to the creation of vibrant business environment through knowledge transfer to lift up the service quality.

Shareholders

Ensure a sustainable return on investment for shareholders and investors with stable revenues by expanding customer base and continuously seeking new business opportunities.

Society and Communities

Be a socially responsible organization through implementation of a wide range of social contribution activities and initiatives that promotes the creation of “People of Quality, Society of Morality”.

Business Goals and Strategies

The Company aims to be the leading, complete ICT service provider with strategies focusing on recurring revenue for sustainability, challenging, large-scale projects, and customer base expansion in both government and private sectors. With readiness and capability derived from high expertise and experience, together with synergy strength among subsidiaries in Samart Group, good relationship with world-class business partner, retention of international standards certified, CMMI for quality software development, ISO 20000 for IT service management and ISO 9001 for service quality, the Company can be capable of providing advanced and high standard ICT services serving all needs of customers. The Company also has created value added and differentiate products and services provided aiming to improve convenience, speed and cost reduction of customers efficiently, resulting in customer confidence and satisfaction.

Business Goals in 3-5 years

Within the next 3-5 years, the Company expected the Information Technology and Communications (ICT) industry to steadily grow resulting from ICT investment and spending in 3 sectors, government, private, and household sectors. In public sector, contributing factors are from continuous drive of Digital Economy policy. Private sector has realized more in benefits of ICT investment and spending to enhance business operations and competitiveness. In household sector, lifestyles of people have become more relying on technology. Online transactions, e-payment and e-commerce over the Internet have increased significantly. These are all factors contributing overall industry expansion.

The Company therefore focuses on increasing revenue from recurring revenue of both government and private customers through three groups of solutions and services: Network Solutions, Enhanced Technology Solutions and Business Application. Furthermore, The Company targets in expanding customer base and making higher proportion of revenue from private sectors, in order to achieve sustainable growth responding to the Company’s vision and missions.

Business operations of the Company in 3 business groups

The Company deploys the policy and guidelines in categorizing its business operations into three business groups based on types and characteristics of products and services covering all ranges of solutions and technologies in order to suitably respond to the needs in rapidly changing world, to reach every desire in every industry, and drive values of customers with social and environmental responsibility. Three Business Groups are:

1. Network Solutions Business Group

Network Solutions Business Group conducts business in providing total solutions and services regarding advanced technologies in telecommunications and data communication networks, from consulting services, survey, design, installation and implementation including along with management services including professional maintenance services. Trusted by leading organizations in both government and private sectors, the Network Solutions Business Group is versatile in and capable of providing customers turnkey solutions and outsourcing services under expertise and experience of engineers and excellence in project management which ensures quality of project delivery, including high level of service quality complying with ISO 20000 for quality IT service management and ISO 9001: 2008 for service quality control, along with 38 service centers nationwide and Network Operation Center (NOC) that always ready for customer supports, problem analysis, and troubleshoots for 24/7 to meet customer satisfaction. Solutions and services are:

Solutions and Services on high-speed wireline-based network:

- Services on complete design, installation, implementation, and maintenance of high-speed fiber optic networks through the advanced technologies such as DWDM (Dense Wavelength Division Multiplexing) and FTTX (Fiber to the X)
- Solutions and Services on various types of networks such as Leased Line, MPLS (Multiprotocol Label Switching), DSL (Digital Subscriber Line), Frame Relay, ATM (Asynchronous Transfer Mode) and more.

Solutions and Services on wireless technologies:

- Solutions for 3G / 4G / LTE Technologies
- Solutions for Digital Trunked Radio System and handset devices
- Satellite Communication services through VSAT (Very Small Aperture Terminal), SCPC (Single Channel Per Carrier) and iPStar technologies

2. Enhanced Technology Solutions Business Group

Enhanced Technology Solutions Business Group conduct business in providing advanced solutions and services, which integrate and apply varieties of information technologies to achieve various customer needs and customer expectations which become more complex. Solutions and services in this Business Group also include advanced, specialized technology to support customers' critical tasks requiring accuracy, reliability, and stability, customized specifically for each customer for efficiency.

This Business Group ranges its services from consulting, engineering design and software development, implementation under professional project management, including outsourcing services and maintenance services for both government and private clients. This Business Group maintains international standard regarding service quality, ISO 9001: 2008, and CMMI, international standard for development of quality software widely accepted in the industry. Additionally, Smarterware Co., Ltd., one of companies in this Business Group, has been certified with CMMI Level 5, the highest level of such standard. Various solutions and services in this Business Group include:

- Airport Solutions: for example, Common Use Terminal Equipment (CUTE), Common Use Self Service (CUSS), Airport Information Management System, Advance Passenger Processing System (APPS), etc.
- Automatic Meter Reading (AMR)
- Multimedia Solutions: IPTV, Video Conference System, etc.
- Security Solutions: CCTV Systems, Suspect Alert/Search, Finger Print Security and Cyber Security
- Geographic Information System (GIS)
- Digital TV Solutions: Transmission, Media Asset Management, Studio & Control Room System
- Energy Savings: Building Energy Management System (BEMS)
- Cloud Computing, Data Center and Big Data Analytic Solutions

3. Business Application Business Group

Business Application Business Group provides solutions and services regarding advanced software application to enhance capability and operation efficiency through the form of electronic services for government agencies to serve citizens more efficiently, and for corporate clients to gain more competitiveness and increase customer satisfactions. Solutions and services in this Business Group are:

- Enterprise Resource Planning (ERP), Customer Relationship Management (CRM), and Human Capital Management (HCM).
- E-Payment Solutions and Services, Electronic Data Capture (EDC) System, Smart Card System, including Loyalty Services.
- Electronic Data Interchange (EDI) Services and Supply Chain Management System.
- e-Learning, e-Courseware, and Digital Content development, including Mobile Application development.

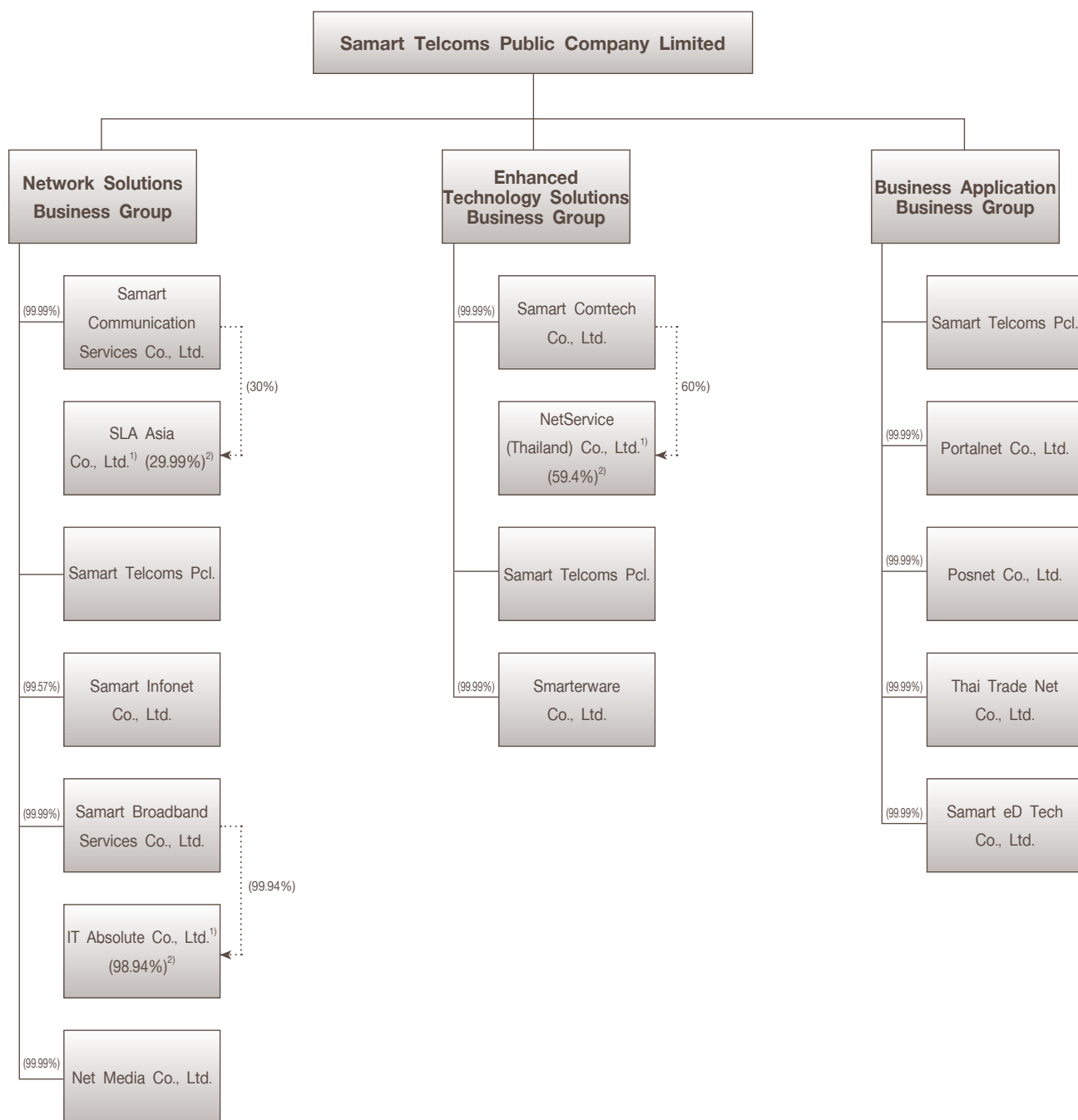
Nature of Business

Samart Telcoms Public Limited Company (“The Company” or “SAMTEL”), with the current registered capital of Baht 738 million and paid-up capital of Baht 618 million, founded in July 18th, 1986 with initial registered capital of 5 million baht and the business objectives to provide telecommunication satellite telecommunication services. The Company has registered in terms of the Public Limited Company and turned to be a listed company of the Stock Exchange of Thailand since 1996.

Nature of Business Operations of the Company, Subsidiaries and Affiliated in each business group as follows:

1. Network Solutions Business Group	
Samart Communication Services Co., Ltd.	Providing telecommunication and data communication network solutions and services including procurement, implementation and maintenance services including repair of telecommunication equipment, working under standard certified of ISO 9001: 2008 and ISO 20000, international standard for IT service management.
Samart Telcoms Pcl.	1. Rental of the high-speed, satellite communication network via iPSTAR and VSAT technology. 2. Complete implementation of high-speed communication networks using various fiber-optic technologies, high-speed wireless technology such as Digital Trunked Radio System and satellite communication system.
Samart Infonet Co.,Ltd.	1. Broadband Internet and network services through ADSL (Asymmetric digital subscriber line), MPLS (Multiple-Protocol Label Switching), Leased Line, and Gigabit Internet 2. Server Co-location services 3. Voice over Internet Protocol (VoIP) calls
SLA Asia Co., Ltd.	Providing services regarding design and implementation of telecommunication and IT system including trading and maintenance of IT equipment in CLMV countries comprising countries in Southeast Asia such as Cambodia, Lao, Myanmar and Vietnam.
Samart Broadband Services Co., Ltd.	Providing data communication services over local broadband networks.
IT Absolute Co., Ltd.	Distributor of electronic and technologies equipments.
Net Media Co., Ltd.	Providing video compression services and communication link for satellite uplink.
2. Enhanced Technology Solutions Business Group	
Samart Comtech Co.,Ltd	Providing consulting, design, installation, operation management and maintenance services regarding information technology, communication system including advanced, specialized technologies.
Samart Telcoms Pcl.	Providing complete design, development, installation, management, system operation services and maintenance services regarding information and communication system for both turnkey and outsourcing services.
Smarterware Co.,Ltd.	Conducting business in providing consulting services and complete software development, including special services in software engineering.
NetService (Thailand) Co., Ltd.	Providing services on development of IT system including software design and development for government and private sectors.
3. Business Application Business Group	
Samart Telcoms Pcl.	Providing distance learning and e-learning solutions and services
Portalnet Co., Ltd.	Providing design, implementation and outsourcing services of Enterprise Resource Planning (ERP) system including analyzing business requirements and offering suitable services as total solution, including Customer Relationship Management (CRM) System and Human Capital Management (HCM) System for customers in government and private sectors.
Posnet Co., Ltd.	1. Providing total solutions and service for electronic payment system. 2. Solution provider for smart card solutions and development of smart card application for commercial banks in Thailand and for non-bank credit card service providers. 3. Providing services for loyalty system.
Thai Trade Net Co., Ltd.	1. Providing trading data communication through Electronic Data Interchange (EDI) services including consulting services on workflow designed for customers to reduce business process with their trading partners. 2. Providing application software and services regarding Supply Chain Management and Workflow Management system
Samart Ed-Tech Co., Ltd.	Providing services and development of Learning Management System including education institute management system and end-to-end education technology as well as courseware development for learning and training. Development of digital content such as e-Magazines and e-Books including mobile application development are also in the scope of services.

Business Structure



Remark Registered Capital of Samart Telcoms PCL. is Baht 738,000,000 and Paid-up Capital as of December 31, 2015 is Baht 618,000,000

¹⁾ 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.

²⁾ (xx.xx%) Direct & Indirect stakeholding as of December 31, 2015.

Revenue Structure

The revenue structure of the Company, Subsidiaries and Affiliated as of December 31, 2013-2015

(Unit: Million Baht)

Business Group	Operated by ⁽¹⁾	% of Holding 2015 ⁽²⁾	2013		2014		2015	
			Revenue ⁽³⁾	%	Revenue ⁽³⁾	%	Revenue ⁽³⁾	%
1. Network Solutions Business Group	SCS	99.99%	3,816.5	40.7	1,800.2	26.8	1,203.6	20.8
	SLA	29.99%	-	-	-	-	-	-
	STC	-	1,609.0	17.2	1,418.4	21.1	612.4	10.6
	SIF	99.57%	97.5	1.0	88.9	1.3	76.0	1.3
	SBS	99.99%	-	-	-	-	-	-
	ITAB	98.94%	100.3	1.1	0.1	0.0	0.1	0.0
	NMD	99.99%	0.1	0.0	0.1	0.0	0.03	0.0
Subtotal			5,623.4	60.0	3,307.7	49.2	1,892.1	32.7
2. Enhanced Technology Solutions Business Group	SCT	99.99%	2,098.8	22.4	1,835.5	27.3	2,232.6	38.5
	NST	59.4%	-	-	3.2	0.0	7.8	0.1
	STC	-	515.2	5.5	325.8	4.8	534.1	9.2
	STW	99.99%	3.7	0.0	36.5	0.5	53.9	0.9
Subtotal			2,617.7	27.9	2,201.0	32.6	2,828.4	48.7
3. Business Application Business Group	STC	-	6.9	0.1	5.7	0.1	5.7	0.1
	PTN	99.99%	911.7	9.8	948.1	14.1	839.5	14.5
	PN	99.99%	172.3	1.8	191.9	2.9	189.2	3.3
	TTN	99.99%	29.8	0.3	27.4	0.4	26.9	0.5
	SAET	99.99%	5.3	0.1	46.0	0.7	10.9	0.2
Subtotal			1,126.0	12.1	1,219.1	18.2	1,072.2	18.6
Grand total			9,367.1	100.0	6,727.8	100.0	5,792.7	100.0

Remark : ⁽¹⁾ SCS = Samart Communication Services Co., Ltd. SLA = SLA Asia Co., Ltd.
 STC = Samart Telcoms Pcl. SIF = Samart Infonet Co., Ltd.
 SBS = Samart Broadband Services Co., Ltd. ITAB = IT Absolute Co., Ltd.
 NMD = Net Media Co., Ltd. SCT = Samart Comtech Co., Ltd.
 NST = NetService (Thailand) Co., Ltd. STW = Smarterware Co., Ltd.
 PTN = Portalnet Co., Ltd. PN = Posnet Co., Ltd.
 TTN = Thai Trade Net Co., Ltd. SAET = Samart Ed Tech Co., Ltd.

⁽²⁾ Direct & Indirect stake holding on December 31, 2015.

⁽³⁾ The above revenues are exclusive of Inter-company transactions.

Information of Subsidiaries and Affiliated Companies

Company	Nature of Business	Registered Capital (Million Baht)	No. of Ordinary Shares	Shares held by the Company	
				No. of shares	%
1. 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 (Ordinary Share)	4,999,994	99.99
2. 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, operating management and maintenance services regarding information technology, communication system including advanced, specialized technologies.	225	2,250,000 (Ordinary Share)	2,249,995	99.99
3. 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 (Ordinary Share)	33,699,990	99.99
4. 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 (Ordinary Share)	7,199,993	99.99
5. 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 (Ordinary Share)	5,299,993	99.99
6. 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 (Ordinary Share)	99,993	99.99
7. Samart Infonet Co., Ltd. 99/12 Moo 4, Software Park, 24 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6610 Fax. 0-2502-6648	Internet Service.	62	6,200,000 (Ordinary Share)	6,173,594	99.57
8. 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 (Ordinary Share)	199,997	99.99
9. 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 (Ordinary Share)	5,524,997	99.99
10. 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 (Ordinary Share)	22,485,593 ⁽¹⁾	99.94
11. 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 (Ordinary Share)	103,198	99.99
12. NetService (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 (Ordinary Share)	1,199,999 ⁽²⁾	60
13. 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 (Ordinary Share)	90,000 ⁽³⁾	30

Remark : ⁽¹⁾ Held by Samart Broadband Services Co., Ltd.

⁽²⁾ Held by Samart Comtech Co., Ltd.

⁽³⁾ Held by Samart Communication Services Co., Ltd.

Changes During the Year

In 2015, the Company has reclassified its core businesses into 3 business groups consisting of;

1. Network Solutions Business Group
2. Enhanced Technology Solutions Business Group
3. Business Application Business Group

The new business groups were announced active on January 1st, 2015 in order to simplify group of solutions clearly and to support the company's vision as total ICT solution provider as well as to serve the company's business objectives and its growth. In 2015, significant changes of each business group can be indicated as follows:

1. Network Solutions Business Group

1) Samart Communication Services Co., Ltd. had significant changes as follows:

The company was certified for Information Technology Service Management (ITSM) Standard with ISO 20000 while maintaining its service standard in compliance with ISO 9001:2008. The standards consequently increase customers' confidence and long-run competitiveness resulting in many project achievements in 2015, both public and private sectors, giving examples such as DWDM Implementation, Optical Fiber Cable cabling and system implementation for submarine cable stations, network equipment rental, Installation of Multi Service Access Node (MSAN), VDO Conference System Expansion, Dual Home Core Network Implementation, Maintenance Service of IN System Equipment and Satellite Receiving System Maintenance Service. The major customers were, for example, TOT Public Company Limited, CAT Telecom Public Company Limited, the Ministry of Education, the Ministry of Public Health, etc. These projects will be the company's revenue stream in 2016 and serve as additional revenue sources for maintenance services in the future.

2) Samart Telcoms Public Co., Ltd. had significant changes as follows:

The company maintained its service standard to gain Customers' confidence and long-run competitiveness resulting in many project achievements in 2015 such as Base Repeaters equipments provisioning, Intrinsically Safe Handheld Radio for Digital Trunk Radio System and UHF Radio System, Rental of bandwidth channel and Internet Protocol (IP) communication service and Rental of VSAT Satellite Communication System. The major customers were CAT Telecom Public Company Limited, Ministry of Education, Royal Thai Police, PTT Exploration and Production Public Company Limited, etc.

In addition, existing Satellite Communication Services contracts with Royal Thai Police, PTT Groups (PTT Public Company Limited and PTT Exploration and Production Public Company Limited), Total Access Communication Public Company Limited and Panyapiwat Technological College were also extended with confidence and satisfaction. These projects will be the company's revenue stream in 2016 and serve as additional revenue sources for maintenance services in the future.

3) Samart Infonet Co., Ltd. had significant changes as follows:

With the expertise in providing high-speed broadband Internet services, Co-Location services, and Voice over Internet Protocol (VoIP), during the year the company:

- concentrated on Internet services for middle and large organizations and was entrusted to be high-speed communication network provider by many important agencies such as Ministry of Justice, Defence Information and Space Technology Department; Ministry of Defence, Naval Medical Department; Ministry of Defence, Department of Public Works and Town & Country Planning; Ministry of Interior, Industrial Estate Authority of Thailand, Office of the Council of State, National Institute of Educational Testing Service (Public Organization), and the Office of the Securities and Exchange Commission, etc.
- increased additional network equipments to support growth of customers;
- and enhanced customer satisfaction by applying CRM system for its service development as well as increased staffs' efficiencies with international standard compliance.

2. System Integration Business Group

1) Samart Comtech Co., Ltd. had significant changes as follows:

The Company continuously maintained standards of internal work process with efficiency and effectiveness emphasizing development of knowledge known as “Target Knowledge Certification”, enabling sales force, and designing and implementing engineers to deliver high quality works and keep up with business changes in current period and in the future. Besides, the Company maintained standards of ISO 9001: 2008 (for Quality Control of Services) and CMMI Level 3 for development of quality software, which are crucial for long-term competitiveness. In 2015, the company successfully signed contracts for Airport Passenger Processing System (APPS) Service at the Suvarnabhumi Airport, The entry of image data of title deed and the cadastral map including computer system installation, Procurement and installation of equipments for terrestrial base station of radio and television broadcast network, Security System and Data Communication Network efficiency improvement project, Telecommunication and Satellite Network improvement project and Implementation of Digital Trunked Radio System. Key customers were Airports of Thailand Public Company Limited, Department of Lands, Ministry of Interior, Ministry of Justice, Bangkok Metropolitan Administration and MCOT Public Company Limited etc. The company has still provided continuous service and maintenance of Common Use Terminal Equipment (CUTE) at Suvarnabhumi International Airport, Phuket International Airport and Chiang Mai International Airport. These projects and services will be the Company’s revenue stream in 2016 and serve as additional revenue sources for maintenance services in the future.

2) NetService (Thailand) Co., Ltd. had significant changes as follows:

The company brought its expertise in development of IT system, software design and development for government and private sectors to support operation of companies in the Business Group. During the year, the company:

- focused more on development of specialized information technology to be core products e.g. Human Resource Management and Website Management.
- and also enhanced its staffs’ efficiencies by continuous training for knowledge in Information Technology.

3) Samart Telcoms Public Co., Ltd. had significant changes as follows:

The company maintained its standard of CMMI Level 3 for development of quality software. The company also was awarded several projects, for example, Additional Meter and equipment installation for Automatic Meter Reading project Phase 2 and Security Improvement for risky areas and public transportation routes. Key customers were Provincial Electricity Authorities, Chonburi Provincial Administrative Organization and Royal Thai Police.

4) Smarterware Co., Ltd. had significant changes as follows:

The company brought its expertise in total services for software development with consulting services for software design including specialized services in software engineering to support business of other companies in the Business Group. During the year, the company:

- provided staffs training programs for new technologies according to application development direction of the company;
- has maintained international standard of CMMI Level 5, the highest level certified by SEI - Software Engineering Institute in development process of quality software;
- provided training programs with continuous monitoring process in order to comply with international standard of CMMI Level 5;
- targeted in development of expertise in GIS and Mobile Application, which is the direction of application development with advanced technology to increase technical capabilities;
- and set out its Business Partnership and Distributor Representative Plans to bring technologies, with opportunities to expand businesses for both domestic and AEC markets, such as Tracking Fleet Management for Logistic Business and Insurance Business.

3. Business Application Business Group

1) Samart Telcoms Public Co., Ltd. had significant changes as follows:

The company has provided solutions and services regarding business application to enhance capability and operation efficiency of customers in both government and private sectors in various industries through subsidiaries in this Business Group such as Portalnet Co., Ltd., Posnet Co., Ltd., Thai Trade Net Co., Ltd. and Samart eD Tech Co., Ltd.

The company also has continuously provided Cyber-U services with Learning Management System (LMS) improvement and other additional features customized for Rangsit University.

2) Portalnet Co., Ltd. had significant changes as follows:

The company has maintained its CMMI Level 3 standard, the international standard for quality software development, and conducted the business with expertise in design, implementation and outsourcing services for Enterprise Resource Planning (ERP), Customer Relationship Management (CRM) and Human Capital Management (HCM). During the year, the company:

- maintained the services of core business software for Provincial Electricity Authority nationwide for 5th year, including preventive and corrective maintenance to sustain the system in operational condition at full capacity all time;
- was entrusted by Samart Corporation Public Company Limited for SAP ECC6 Implementation in October 2015;
- extended its staffs' knowledge base to cover SAP Solution Manager and SAP HANA in 2015;
- was qualified for 2-year extension of Customer Center of Expertise certificate from SAP, ensuring its high quality of implementation according to SAP standard;
- and regularly provided staffs necessary training programs, especially topics relating to SAP, to ensure service capability conformed to International standard.

3) Posnet Co., Ltd. had significant changes as follows:

The company has conducted business regarding business application with the expertise in total solutions and services regarding e-payment, smart card and loyalty program. During the year, the company:

- installed "Electronic Signature Capture System" at Top Supermarkets in 2015 and also proposed the system to Bangkok Bank Public Company Limited, Krungthai Card Public Company Limited, AEON Thana Sinsap (Thailand) Public Company Limited and Central and Robinsons Department Stores Group;
- expanded its 3G wireless EDC Service to Top Supermarket, BBQ Plaza and general merchants throughout Thailand;
- expanded its services with new EDC software and terminal devices installation supporting BSS and Carrot Cards for general merchants under Bangkok Bank Public Company Limited;
- improved data storage software for Central Group to support operation via EDC terminal devices to store electronic data with highest level of security and query convenience with features e.g. Sales Reports and Balance Transfer Check-up between banks conveniently and accurately;
- improved membership card system of "Loyalty System Service" to private customers;
- and performed Credit Card software development for Krungthai Card Public Company Limited, Bangkok Bank Public Company Limited and United Overseas Bank (Thai) Public Company Limited.

4) Thai Trade Net Co., Ltd. had significant changes as follows;

Conducting business to support customers' operations and with expertise in Electronic Data Interchange (EDI), Supply Chain Management (SCM), and Workflow Management system, the company during the year:

- was appointed to be part of the E-Invoicing standard committee formed by Bank of Thailand, the Federation of Thai Industries and Electronic Transactions Development Agency (Public Organization). The standard was expected to promote wide spread of EDI usage and be able to extend to E-Tax Invoice services of the Revenue Department in the future;
- and introduced and marketed "iDECLARE" as Web Application for medium and large organizations for Papeless Customs with invoice and documents scanning technology to import data faster than the conventional data entry method.

5) Samart Ed Tech Co., Ltd. had significant changes as follows;

Regarding business application to support customers' operation, professional in e-learning, digital content and mobile application development, during the year the company:

- developed Digital Contents (banners, animations, and digital videos) for public relation purposes for Bangkok Mass Transit Authority (BMTA);
- developed and improved information systems for government units such as the King Prajadhipok's Institute;
- improved and customized additional features of "Learning Management System (LMS)" for Cyber-U services serving education institutes;
- designed and developed e-coursewares for commercial banks e.g. Bank of Ayutthaya Public Company Limited, Thai Military Bank Public Company Limited, Government Savings Bank, Kasikornthai Bank Public Company Limited and Siam Commercial Bank Asset Management Limited Company for employee training;
- designed and developed e-coursewares for employee development and training programs for private organizations e.g. Big-C Supercenter Public Company Limited, Boots Retail (Thailand) Limited Company and IRPC Public Company Limited;
- and developed additional digital magazines and e-books with outstanding and fascinating multimedia presentation for The Institute for the Promotion of Teaching Science and Technology (IPST).

Industry and Competitive Analysis

Overall Thai economy in 2015 had growth rate at 2.8 percent expanding from 0.8 percent¹ in 2014, but lower than the projection at the beginning of 2015 of 3.2 to 4.5 percent. It resulted from economic deceleration in China and Europe causing lower volume in export of goods and services than expected. Nevertheless, contributing factors were government investment, which grew 29.8 percent increasing from -4.9 percent in previous year, economic stimulation policies driven and expedition of government spending resulting in efficiency of government budget spending at 92.4 percent.² Besides, 2015 inflation rate was at -0.9 percent due to decreasing oil and commodity prices in global market¹.

According to National Economic and Social Development Board, Thai economic outlook in 2016 is expected to grow at 2.8 to 3.8¹ percent with 11.2 percent growth in government investment mainly from national transportation infrastructure e.g. motorways and double-track trains, including water management system and several economic stimulation policies. Export of goods and services is also expected to grow at 2.5 percent. Private domestic consumption will grow around 2.7 percent while private investment will expand 3.2 percent, growing from 2015 shrinkage at -2.0 percent¹. In addition, inflation rate in 2016 is also estimated at -0.1 to 0.9 percent¹.

In 2015, government agencies and public organizations studied and surveyed domestic ICT market and divided it into three major categories which are 1. Communication Market 2. Computer Hardware and Services Market 3. Packaged Software and Services Market. According to the study of National Broadcasting and Telecommunication Commission (NBTC) and National Science and Technology Development Agency (NSTDA), Communication market value grew 12.3 percent with its total value of 560,000 million Baht resulted from the emerging 3G/4G market, broadband usage in business sector and social network usage. The report also indicates that Network equipment market value accounts for 63,742 million Baht with 8.9 percent growth while Telecommunication equipment market value accounts for 110,431 million Baht with 20.0 percent growth³. In Computer Hardware and Services Market, the total value of Hardware including System & Storage equipments, peripheral equipments, personal computers account for 76,104 million Baht declining -2.0 percent from previous year while Computer Services account for 51,954 million Baht with 12.4 percent growth⁴. In Packaged Software and Services Market, its market value is reported at 61,083 million Baht with 11.1 percent growth⁵.

In 2016, overall ICT Market is expected to expand more than 10 percent due to many supportive factors such as government policies especially Digital Economy policy driven continuously to stimulate overall economy, investment in network infrastructure to support increasing of data usage, marketing activities and competition among mobile operators and Internet service provider for especially 4G services, expansion of Digital TV infrastructure and adoption of Cloud Computing and Big Data Analytic Application for Financial, Banking, Insurance, Telecommunication and Retails businesses. Business organizations are expected to adapt themselves in terms of technology resulting in higher investment in their IT systems as well as their increasing adoption of Software-as-a-Service (SaaS) and Private Cloud. Packaged Software market and Services in 2016 will account for 69,000 million Baht with 12.8 percent growth. Social Network and Online Transaction usages will continuously increase while Mobile Banking users will rise to 9 million users from 6 million users in 2015⁶.

Overall ICT Market value is high and has grown continuously. Competition in ICT industry will be highly intense. Essential factors for the competition will be quality of products and services, creation of value added and gaining customer insight as including new creative business model applying Cloud, Mobility, Social Business and various technologies. If overall domestic economy were to fail to meet expectation, either from global economic uncertainty, deficiency in government budget spending, private investment and household debts, it would create impacts on the industry resulting in even fiercer competition in ICT market.

References:

1. Office of the National Economic and Social Development Board. 2016. *Thai Economic Performance in Q4 and 2015 and Outlook for 2016*. Available at: http://www.nesdb.go.th/Portals/0/eco_dadas/economic/eco_state/4_58/PressEngQ4-2015.pdf
2. The National Economic and Social Development Board, Ministry of Finance. 2016. *2015 and 2016 Thailand's economic report*. Available at: http://www.mof.go.th/home/Press_release/News2016/014.pdf
3. National Broadcasting and Telecommunication Commission and National Science and Technology Development Agency. 2015. *2014 Thailand's Telecommunication Market Value 2014 and 2015 Forecast*. Available at: http://www.nstda.or.th/prs/images/stories/book_pdf/20160108-book-com-market-57-58-jan.pdf
4. National Science and Technology Development Agency. 2015. *Computer Hardware Market Computer Services Market and Broadcasting Equipment Market 2014 and Outlook 2015*. Available at: http://www.nstda.or.th/prs/images/files/ict_book-let_57_58.pdf
5. Software Industry Promotion Agency (Public Organization). 2013. *Software Industry in the Digital Economy Era*. Available at: <http://www.sipa.or.th/th/articles/2011>
6. Bangkok Post. 2015. *IMC predicts strong ICT market growth - 4G roll-out, big data, IoT will drive sector*. December 1st, 2015. Available at: <http://www.bangkokpost.com/business/telecom/781173/imc-predicts-strong-ict-market-growth>

Risk Factors

Risk factors which may affect the Company's business can be classified as follows;

1. Operational Risks

Business and Market Risk

- **Uncertainty of economy impacting private investment**

The economic growth rate of Thailand in 2015 was at 2.8 percent, higher than that in 2014 at 0.8 percent¹ but slightly lower than earlier projection at the range of 3.2-4.5 percent due to economic slowdown in China, Eurozone, and Japan. However, positive contributing factors were government investment increasing at 29.8¹ percent and efficiency of government spending at 92.4 percent higher than that in the past year at 89 percent.²

Although Thai economy in 2016 is expected to grow by 2.8-3.8 percent¹, there remain some constraints and risks to the outlook including external factors from volatility of global economy and monetary system, currency intervention by competitors and trading countries, and uncertainty of global oil and commodity price.

Domestic risk factors could be the lower of key agricultural products price and high level of household debt. With these risks, investment and spending regarding Information and Communication Technology could be affected.

- **Efficiency of government spending**

Government spending efficiency is one of the important factors. The government spending of the annual budget in 2016 is forecasted at 92.4 percent and the first three months of the 2016 annual budget had already been totally spent for 30.2 percent, but spending on investment portion was only at 12.7² percent. If the delay of remaining budget spending occurs, it could affect or cause the delays in bidding process of major projects.

- **Risks in Service and Project Delivery**

On-time project delivery to customers has been key strength of the Company, including service quality under Service Level Agreement (SLA). Unexpected incidents could be factors impacting the business operation regarding project delivery and services to key customers.

- **Competition in the market**

The projection of Thailand's ICT market growth in 2016 is more than 10 percent³ resulting from contributing factors such as government policies, especially Digital Economy policy, marketing drives from competition among mobile operators and Internet providers due to 4G services, expansion of digital TV infrastructure and devices, ASEAN Economic Community entering, and growth in adoption of Cloud Computing and Big Data Analytics. Moreover, enterprises and business sectors would adapt to the changes in technology and hence increase ICT investment. The use of online social network and online transaction meanwhile will increase.

ICT market outlook might be growing. Competition in the industry however is more intense. Providers will compete in quality of products and services, creation of value added and gaining customer insight, including new proposed business model applying Cloud, Mobility, Social Business, and various technologies. Product makers meanwhile would turn into ICT providers, resulting in more intense price competition. Furthermore, if the overall economy would not expand as expectation due to uncertainty of global economy, government spending efficiency, private investment and household debt, altogether affecting the industry, it could make competition in pricing and marketing higher.

Therefore, to manage risks and respond to business objectives of sustainable growth, the Company conducts strategies in building business opportunities and expanding customer base by more focusing on long-term recurring revenue and the role as IT service provider. Moreover, the Company aims to increase efficiency in Customer Relationship Management for better customer insight, develop employee competencies, and increase synergy with partners and suppliers to generate innovation, increase values and differentiate products and services, apply project management with standard such as CMMI to maintain capability in efficient project delivery, improve quality of services complied with ISO 9001: 2008 and ISO 20000, and manage resource for

efficient cost control. Furthermore, to alleviate risks from incidents interrupting service operations, the Company has improved contingency plans and regularly practiced to exercise the plans, including obtaining insurance coverage for equipment during implementation and system in service operations. All of these proceedings would help the Company to better manage business and market risks.

- References:*
- ¹ Office of the National Economic and Social Development Board. 2016. *Thai Economic Performance in Q4 and 2015 and Outlook for 2016*. Available at: http://www.nesdb.go.th/Portals/0/eco__datas/economic/eco__state/4__58/PressEngQ4-2015.pdf
 - ² Fiscal Policy Office, Ministry of Finance. 2016. *Thai Economic Outlook 2015 and 2016*. Available at: http://www.mof.go.th/home/Press__release/News2016/014.pdf
 - ³ Bangkok Post. 2015. *IMC predicts strong ICT market growth - 4G roll-out, big data, IoT will drive sector*. December 1st, 2015. Available at: <http://www.bangkokpost.com/business/telecom/781173/imc-predicts-strong-ict-market-growth>

Risk associated with Dependence on Large Customers

In 2015, majority of the revenue from government sector and state enterprises was 76%. Should the government and state enterprises delay ICT budget spending, it would significantly impact the Company's operating performance and financial conditions. At present, the major customers of the Company are state enterprises contributing 40% of gross revenues. Nevertheless, the Company has expanded customer base to other government agencies, not to focus on few particular agencies in order to mitigate the risk from budget cut of those agencies.

Risk associated with Dependence on Large Supplier

With regard to the Communication Network and System Installation (Turnkey Projects), the Company orders equipment from many suppliers. Generally, in bids, major equipment technically approved could be supplied from more than 1 vendor, so the Company could select equipment from the vendors with best offer in each project the Company would bid. Therefore, there was no risk in dependence on only one vendor. Furthermore, the risk associated with dependence on large supplier in satellite communication service business is low. Although the Company currently has rented satellite communication channels solely from Thaicom PLC, the Company can also rent those from other satellite providers under NBTC conditions.

Risk associated with Late Delivery

Samart Communication Services Co., Ltd., a subsidiary, signed contract with a company, which previously was a state enterprise, to provide information and communication technology services to the Department of Local Administration. The minimum work shall be delivered on 22 February 2007. However, it could not be delivered on time due to late delivery of equipment from the contract party and the bandwidth provided was insufficient for actual utilization. Such noncompliance could lead to penalty for late delivery. The subsidiary's management and its legal consultant believed that no penalty would be charged because such delay was not caused by the subsidiary. The subsidiary's management also was confident that they would be able to negotiate with the contract party. Therefore, the subsidiary, on 31 December 2015, did not set any penalty for late delivery.

Samart Comtech Co., Ltd., a subsidiary company, entered into an agreement with a government agency to provide data entry, including the installation of computer hardware. The subsidiary hired two subcontractors to provide the services for key in data to the government agency. Subsequently, in the year 2015, the two subcontractors delivered the data to the government agency late and the government agency charged a delay penalty of Baht 88 million to the subsidiary company, by settle it against the amounts payable to the subsidiary. In May and November 2015, it was partially settled of Baht 56 million. However, the subsidiary's management assessed that this delay of work was not the subsidiary's fault and as stipulated in the hire of work contracts the subsidiary will be able to collect the penalties from the subcontractors. Therefore, as at 31 December 2015, the subsidiary company has not set aside any provision for these delay penalties in its accounts.

2. Financial Risks

Credit Risk

The Company has continuously proceeded the policy to resolve the overdue receivable problems specifically monitored by the Collection Department. In addition, most of debtors currently are the customers with strong financial status such as state enterprises, government agencies and large corporations. Default payment risk

therefore is at a low level. During the past year, the Company faced payment delays from state enterprises and some government agencies causing the Company to incur interest expenses. Because bank loan repayment was tied to project cash flow, the Company consequently did not have liquidity problem.

The Company has the policy to reserve 50% of the doubtful debt provisioning the receivables with payment due exceeding 6 months but not over 12 months. In case of over 12-month overdue debt, the reserve will be fully provisioned.

As of 31 December 2015, the Company recorded debts overdue over 12 months for Baht 212 million and set aside an allowance for doubtful accounts of Baht 15 million. Such allowance is considered sufficient for potential loss because most debts are from government and state enterprise projects of customers who have strong financial status as mentioned above.

Risk associated with Higher Liabilities after the Acquisition of Portalnet Co., Ltd.

The Company was approved by the Shareholder's resolution dated April 27, 2012 to acquire Portalnet Co., Ltd. from M Link Asia Corporation (Public) Co., Ltd. at Baht 1,552 million funded by loan from a local bank. Loan is split into 2 tranches. For the loan facility amount of Baht 600 million will be repaid in quarterly installments of Baht 150 million, which as at December 31, 2015 this loan was fully repaid. For the loan facility amount of Baht 952 million will be repaid in monthly installments of Baht 17.6 million per month, which as at December 31, 2015 this loan outstanding was Baht 49.3 million.

From Computer Software for Lease Agreement for the core business of the Provincial Electricity Authority (PEA) under the SPIES Joint Venture in which Portalnet Co., Ltd. Entered, Portalnet will receive monthly rental fee of Baht 53.2 million per month which is enough to repay monthly installments for the loan facility amount of Baht 952 million. Therefore, the Company is confident that risk associated with higher liabilities after the acquisition of Portalnet Co., Ltd. is manageable.

Foreign Exchange Risk

From the Company's income structure, most income is derived from short-term projects and long-term leasing and services, which contracts were made in Thai Baht. Since the Company imports telecommunication equipment from overseas, a foreign exchange risk occurs. To reduce such risks, the Company takes into account this risk when setting prices. After winning a bid, the Company will buy forward contracts to minimize foreign currency position at the low level. In addition, the Company also considers exchange rate trend and overall business performance to determine a total position.

As at December 31, 2015 the Company has foreign currency financial liabilities that were unhedged against foreign exchange risk approximately US\$ 2.5 million and Euro 1.2 million, which was 2% of total revenue when converted to Baht.

3. Risks affect the rights or investment of securities holders

Majority Risk

Major shareholder of the Company is Samart Corporation (Public) Co., Ltd. Holding 433,464,590 shares or 70.14% of Company's paid-up capital and Vilailuck International Holding Co., Ltd., held by the Vilailuck family who is the shareholders of Samart Corporation (Public) Co., Ltd., holding 7,905,200 shares or 1.28% of Company's paid-up capital, the shareholders' resolutions of major issues can be almost absolutely controlled, such as the appointment of Committees and the voting for any issues requiring the majority in the Shareholders' meeting, except for the issues required by laws or Company's regulations to receive three-fourth of votes in the Shareholders' Meeting. Therefore, other shareholders may not be able to combine votes to balance out the major shareholders. (Information based on Thailand Securities Depository on the latest date of closing registration book, December 30, 2015).

The Company appointed the Audit Committee member comprise of 3 members as an independent directors to be responsible for 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.

Shareholders

The top ten major shareholders of the Company are:

No.	Name of Shareholders	No. of shares held (Shares)	% of Total Shares
1.	Vilailuck Group ¹⁾	447,144,400	72.35
	- Samart Corporation PCL. ²⁾	433,464,590	70.140
	- Vilailuck International Holding Co., Ltd.	7,905,200	1.279
	- 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
	- Miss Srintip Vilailuck ³⁾	20,000	0.003
	- Lobburi Industrial Estate Co., Ltd.	50,000	0.008
2.	Bangkok Bank PCL.	29,966,560	4.85
3.	Thai NVDR Co., Ltd.	13,682,257	2.21
4.	Bualuang Long-Term Equity Funds (LTF)	12,333,400	2.00
5.	Miss Woramas Sriwatanaprapa	6,404,100	1.04
6.	Bualuang Flexible Retirement Mutual Funds	5,278,800	0.85
7.	Bualuang Infrastructure Retirement Mutual Funds	4,355,300	0.70
8.	Bualuang Siriphol Corporate Governance	3,067,400	0.50
9.	Mrs. Natteera Boonsri	3,000,000	0.49
10.	Bualuang Thanakom Open-end Funds	2,740,700	0.44
Total of top ten Major Shareholders		527,972,917	85.43
Total of the Minority Shareholders		90,027,083	14.57
Total paid up shares		618,000,000	100.00

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

¹⁾ Samart Corporation PCL., Vilailuck International Holding Co., Ltd., Mrs. Sukanya Vanichjakvong, Mr. Watchai Vilailuck, Mr. Charoenrath Vilailuck, Mr. Thananan Vilailuck, Miss Srintip 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 27.76% of the total shares respectively;

³⁾ Includes holding by spouse and minor child.

Dividend Policy

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

Historical Dividend in 5 consecutive years.

Histroical Dividend	2011	2012	2013	2014	2015
Net profit per share (Baht)	1.31	1.36	1.40	1.14	0.65
Dividend per share (Baht)	0.66	0.70	0.75	0.65	0.40
Dividend payout ratio (%)	51.24	51.54	54.01	56.99	61.44

*Remark : *The Company has returned profit to its shareholders by way of dividend payment. Dividend for 2015 has been proposed for consideration of the shareholders at Baht 0.40 per share. Interim dividend for first six month performance was paid on September 2015 at Baht 0.25 per share. The balance of Baht 0.15 will be paid on May 2016 of which subject to the approval of the shareholders. Total dividend payment will be 61.44% of the consolidated net profit and conformed to the Company's dividend policy that dividend payment will be no less than 50% of the consolidated net profit.*

Management Structure

1. Board of Directors as of December 31, 2015 consists of 9 Directors:

Name	Position	Number of attendance/ Number of absence ¹⁾
1. Mr. Sombut Uthaisang	Chairman / Independent Director	6/7 ²⁾
2. General Sumpun Boonyanun	Independent Director/ Chairman of the Audit Committee/ Chairman of the Nominating & Compensation Committee/ Corporate Governance Committee Member	7/7
3. Mr. Vichai Pokasamrit	Independent Director / Audit Committee Member / Nominating & Compensation Committee Member / Chairman of the Corporate Governance Committee	7/7
4. Miss Rapeepan Luangaramrut	Independent Director/ Audit Committee Member / Nominating & Compensation Committee Member	6/7 ²⁾
5. Mr. Kajornvut Tayanukorn **	Director / Corporate Governance Committee Member	7/7
6. Mr. Charoenrath Vilailuck *	Executive Director	7/7
7. Mr. Watchai Vilailuck *	Executive Director / Chief Executive Officer	7/7
8. Mr. Sirichai Rasameechan *	Executive Director	7/7
9. Mr. Jong Diloksombat *	Executive Director / President / Chairman of the Risk Management Committee / Corporate Governance Committee Member / Chairman of the Sustainable Development Committee	7/7

Remarks: * Representative director from Samart Corporation Public Company Limited a major shareholder with 70.14%

** Representative director from Bangkok Bank Public Company Limited a major shareholder with 4.85%

¹⁾ In 2015, the Board of Directors meeting 7 times;

²⁾ Due to has important business abroad.

The number of directors is in line with the Company's Articles of Associations that the Board of Directors should have at least 5 members. Not less than one half of such members shall have residence within the Kingdom and the directors of the Company shall have qualification as specified by law. The Audit Committee of not less than 3 members and one member with knowledge and experience in the financial statements of the Company. Further details of Directors and Audit Committee are shown in "Directors, Management and Company Secretary" and Roles and Responsibilities of the Audit Committee is shown in "Corporate Governance" under "2. Committee".

Restriction of Power of the Directors

"Mr. Sombut Uthaisang or Mr. Charoenrath Vilailuck or Mr. Watchai Vilailuck or Mr. Jong Diloksombat, totaling two persons jointly signs and affix the Company's seal"

Qualifications of Director

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

Qualifications of Independent Director

1. Holding not more than 0.5 percent of the total number of voting rights of the Company, parent company, subsidiaries, affiliates or juristic person which may have conflicts of interest, including the shares held by related persons of the independent director;
2. Neither being nor used to be an Executive director, employee, staff or advisor who receives a salary; or controlling person of the Company, parent company, subsidiaries, affiliates, same-level subsidiaries, major shareholder or controlling person of the Company unless the foregoing status has ended not less than two years prior to the date of appointment;
3. Not being a person related by blood or legal registration such as father, mother, spouse, sibling and child, including spouse of child of executive, major shareholder, controlling persons, or persons to be nominated as executive or controlling person of the Company or subsidiaries;
4. Neither having nor used to have a business relationship with the Company, parent company, subsidiaries, associate company, major shareholder or controlling person, in the manner which may interfere with his independent judgment, and neither being nor used to be a significant shareholder or controlling person of any person having a business relationship with the Company, parent company, subsidiaries, affiliates, 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, parent company, subsidiaries, affiliates, 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, parent company, subsidiaries, 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, parent company, subsidiaries, associate companies, 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 appointed as a representative of directors of the Company, 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 cause the inability to express independent opinions with regard to the Company's business operations.

Terms of positions

Pursuant to the Public Company Acts B.E. 2535, at first Annual General Meeting of Shareholders after the registration of the Company and at the first Annual General Meeting of Shareholders in every subsequent year one-third of the directors, who have been longest in office, shall retire. The retired directors are eligible to be re-elected for another term by obtaining majority vote from the Nominating & Compensation Committee. However the independent directors shall be in post no longer than 3 terms except getting a unanimous approval from the Nominating & Compensation Committee due to his/her contribution to the Company and the Committee ensures that the extra term will not cause or impact to the independent of such director as well as obtain an approval from Board of Directors and the Company's shareholders.

Roles and Responsibilities of Directors

1. Conduct business with accountability, duty of care, duty of loyalty 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 who retire by rotation as well as consider the remuneration package for such directors and committee members, which are proposed by Nominating & Compensation Committee, prior to propose for further consideration of the shareholders;
6. Appoint committees to oversee administrative process and internal system to coincide with Company's policies, i.e. Audit Committee, Executive Board, Risk Management Committee, Corporate Governance Committee, Nominating & Compensation Committee, and Sustainable Development Committee etc., proposed from the Nominating & Compensation Committee.
7. Appoint and consider remuneration package, proposed from the Nominating & Compensation Committee, for top executives of the Company; and Company Secretary;
8. Summarize annual budget and financial statements of the Company for every fiscal year's ended period. Authorize the statements and present them during the Annual General Meeting of Shareholders for further consideration;
9. Nominate appropriated persons with remuneration, which are proposed by Audit Committee, prior to propose 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 conducted business and manage the Company's operation ethically and transparently with honesty and due care for the benefit of shareholders and all stakeholders. The Board of Directors has provided the Ethics manual for the Company's directors and executives to adhere as their practical guidelines and posted on the Company's website ([www. samtel.com](http://www.samtel.com)).

Delegation of authority between the Board of Directors and Management

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

Delegation of authority of the Board of Directors

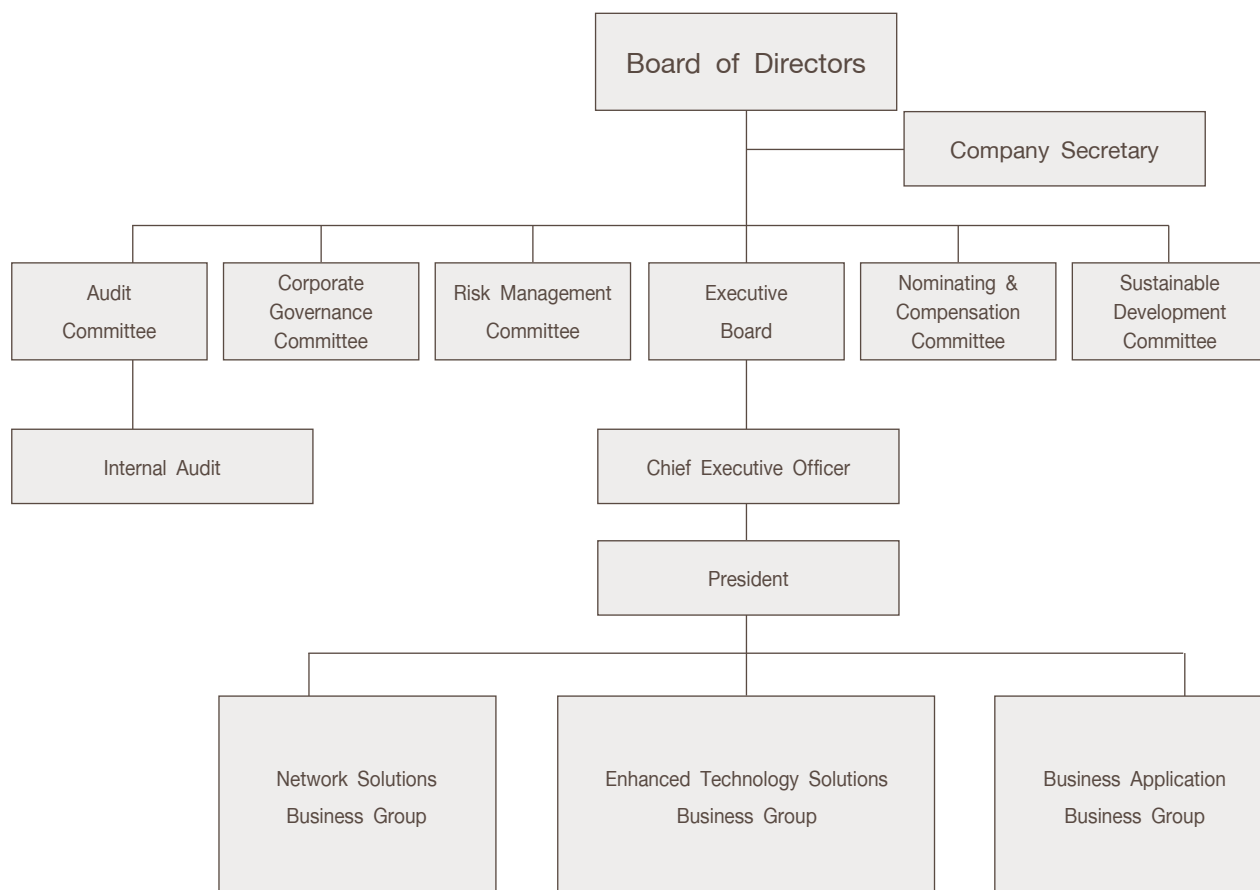
1. Approve the annual budget and business plan of the Company;
2. Approve the undertaking of financial obligations of the Company, i.e. execution of loan agreement, loan guarantee;
3. Approve the investment project in large business;
4. Approve the establishment of new company;
5. Approve the purchase 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.

2. The Management

The Company's management structure comprised of 7 Committees, Board of Directors, Audit Committee, Executive Board, Corporate Governance Committee, Nominating & Compensation Committee, Risk Management Committee and Sustainable Development Committee. The organization chart and Management of the Company as at December 31st, 2015 are as the follows:

Organization Chart



Remark : Corporate Accounting and Corporate Treasury are under President;

Management of the Company

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

Remark : 1. Has been appointed Miss Chotika Kamloonwesaruch as Executive Vice President - Enhanced Technology Solutions Business Group on March 15th, 2016.

2. Has been appointed Mr. Suchart Duangthavee as Senior Vice President - Business Application Business Group on March 15th, 2016.

3. Mr. Apichat Sirisalipochana retired on March 15th, 2016.

Further details of management of the Company are shown in “Directors, Management and Company Secretary”.

3. Company Secretary

The Nominating & Compensation Committee considered and appointed a potential and experienced person as the Company Secretary proposed for further approval of the Board of Directors. The Board of Directors has appointed Mr. Somchai Bunsupaporn as the Company Secretary since October 28, 2003.

In addition, Mr. Somchai Bunsupaporn has been appointed as secretary to sub-committees such as the Audit Committee, the Executive Committee, the Corporate Governance Committee, the Nominating & Compensation Committee, the Risk Management Committee and the Sustainable Development Committee.

Further details of Company Secretary of the Company are shown in “Directors, Management and Company Secretary” and “Company Secretary Role and Responsibilities”.

4. Remuneration of Directors and Management

Directors’ Remuneration

Policy of Directors’ Remuneration has been clearly and transparently set to be comparable to the general practice in same industry and be appealing enough to attract and retain qualified directors. The directors who also be appointed to be the member of any sub-committees will be paid appropriately more in accordance with the extra work. The Nominating & Compensation Committee will consider the remuneration and propose for consideration of the Board of Directors prior to further approval from the shareholders.

The 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 2015 approved remuneration for Directors of the Company and Committees’ members at the amount of not exceeding Baht 6.5 million the same as previous year which consists of meeting allowance and bonus. The meeting allowance for each meeting participated of the Board of Directors and Committees are as follows:

Board of Directors

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

Audit Committee

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

Corporate Governance Committee

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

Nominating & Compensation Committee

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

Management's Remuneration

Remuneration of the top management shall be in accordance with principles and policies specified by the Remunerating and 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 executives shall have the fixed consideration criteria by based on performance of the Company, overall economic conditions and performance of each top executive. These criteria shall be explained to the executives in advance before they can be used for the assessment at the end of the year. The Nominating & Compensation Committee shall consider prior propose to the Board of Directors for approval.

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

In 2015, the Company paid remuneration to directors and the managements as follows:

1) Cash & Non-Cash Remuneration of Directors and Committees' members of 2015

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

Details of number of meeting attendance of Directors in the Board of Directors and Sub-Committee were shown in the section "Corporate Governance" under the topic "5.5.4) Board & Committees' Meeting"

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

2) Cash & Non-Cash Remuneration of the Executive Board and Management of 2015

Remuneration	Number of Persons	Total Amount
Salary	4	16,116,000.00 Baht
Bonus	4	2,231,000.00 Baht
Provident Fund ¹⁾	4	1,524,120.00 Baht

Remark : ¹⁾ 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.

5. Human Resource

Number of employees of the Company, subsidiaries and affiliated for the pass 3 years.

Company	Number of Employees (Person)		
	2013	2014	2015
1. Samart Telcoms PCL.	94	100	92
2. Samart Communication Services Co., Ltd.	392	458	414
3. Samart Comtech Co., Ltd.	489	447	420
4. Thai Trade Net Co., Ltd.	22	21	21
5. Posnet Co., Ltd.	132	111	140
6. Smarterware Co., Ltd.	73	72	62
7. Samart Infonet Co., Ltd.	42	36	33
8. Samart Ed Tech Co., Ltd.	16	27	28
9. IT Absolute Co., Ltd.	14	12	13
10. Portalnet Co., Ltd.	95	100	97
11. NetService (Thailand) Co., Ltd.	-	33	27
12. SLA Asia Co., Ltd.	-	2	3
Total	1,369	1,419	1,350

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

Remuneration	Total Amount (Million Baht)		
	2013	2014	2015
Salary	465.59	529.43	547.32
Bonus	57.27	64.68	59.64
Provident Fund	19.42	21.96	25.80
Other remuneration (Over time, special subsidy and commission)	18.37	18.62	15.99

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, the Company practically creates HRM & HRD policy emphasizing on increasing performance efficiency and improving working procedure to cope with business working environmental as well as performance evaluation and potential assessment, developing individual capabilities at all levels progressively and proper manpower analyzing and planning to prepare for business extension and competition, and any changes. Indeed, these have to be compatible to the Company's business vision, missions, operation, and corporate culture as synergy simultaneously.

1. Human Resources Management Policy

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

- **Manpower planning Policy**

To support all lines of business in the Company, 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 the 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 the Company'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 the Company leading to be the Company's sustainable success.

- **Performance Development Policy:**

The Company 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 the Company. In 2015, The Company has initially applied new global standard technology (SAP) to support Goal/KPIs and Performance Management i.e. closed monitoring, solution consulting and organizing arrange their owned and subordinators' Goal/KPIs .etc. at individual through top management level leading to be the Company's sustainable success efficiently and effectively in organizational strategic management.

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

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

- **Compensation & Benefit Policy:**

The Company formulates compensation, benefit and welfare scheme by job analyzing and evaluating all positions, responsibilities and their performances at all levels throughout the Company. 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 the Company business operations and other processes known as "Lunch & Learn Project".

Furthermore, Company concentrates on the employee relation and engagement at all levels of employees throughout the Company and also implants them into corporate value along with corporate culture by building synergy working-style. Hence, these initiate the best cooperation among individual level through corporate level. In 2014, there were a various ER&EE programs and activities to build synergy among

employees, executives and organization i.e., the Company athletic activities, Open-mind activities, Synergy program, Employee Engagement activities and other activities (focused on Employee Relation) of company and D-Club (CSR program)...etc..

- **Employee Innovation Recognition Policy :**

To become innovation organization, the Company has been organizing the Company Innovation Award for the Company 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 the Company 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 the Company and also achieving business's needs and preparing to business expansion. Due to the Company believes our employees as valuable and fundamental success factors leading the Company achieving business missions. Therefore, the Company aspires to develop employees in all careers at all levels by harmonizing all aspects of development tools for increasing their skill, knowledge, capability through corporate culture and code of conduct according with the Company 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 the Company.

- **Employee Training & Development Policy:**

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

In-house Training

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

For top and management executives:

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

For operational staffs:

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

For all employees:

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

External Training

In addition to In-house Training, the Company supports all executives and employees to acquire external standard knowledge and skill from training certified courses conducted or instructed by external reputable institutes both local and international in order to enhance their expertise, knowledge, ability and also updating and exchanging new aspect with other organizations to apply some appropriate approach to organization relevantly.

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

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

Summary of Training to management and employees in 2015

Training	Frequency	Number of Participants
In-House Training		
- Managements	47	228
- Employees	53	504
SUB - Total	100	732
External Training		
• Samart Telcoms Pcl.		
- Managements	11	13
- Employees	6	6
• Subsidiaries		
- Managements	38	46
- Employees	58	50
SUB - Total	113	115
Total	213	847

Training Expenses in 2015

Total 2015, total expenses concerning the employees' participation in the trainings domestically and abroad of the Company and its subsidiaries were Baht 5,336,051.06. Total employees' training hours were 10,815.70 hours per year or averagely 13.06 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 course internally, externally and abroad were as follows:

Internal Training Courses

- | | |
|--------------------------------------|-------------------------------------------|
| - Customer Care 360 degree | - Dynamic Modern selling Approach |
| - Electronic Market : e-market | - ICT Technology Trends 2015 |
| - Knowledge Sharing for HR | - Modern Supervisory Program |
| - Project Management | - SAP - Success Factor |
| - Spark up Professional Service_PTN | - TOEIC EXAM2015 |
| - Proactive Service for Improvement | - Risk Management |
| - Personality | - The Successful for Administrative Staff |
| - Strategic Training Road Map | - E-Bidding Workshop |
| - Program Star | - Succeed on your own terms |
| - Building up powerfull presentation | |

External and International Courses

- | | |
|--------------------------------------------------|-----------------------------------------------------|
| - 30 Case studies in HR | - Developing Leadership Skills |
| - Employee Fraud Prevention | - Managing Non-Functional Requirement |
| - Salary & Benefits Trend 2016 | - Strategic Expatriate Management |
| - Team Engagement for HR Excellence | - Strategic Human Resource Development |
| - Strategic analysis and decision making | - Ms.Project2013 for Project Management |
| - Management Social Responsibility | - 2016 DEFERRED TEX |
| - Software development on IOT | - The design and installation of electrical systems |
| - Knowledge Social Security | - Standard ISO9001 |
| - Critical Issues in Management | - Safety awareness |
| - Practical problems with fixed asset accounting | - Executives, information technology planning |
| - Tax Revenue and CPA | |

Corporate Governance

The Board of Directors of the Company realized on the importance of the good Corporate Governance which will be is the fundamental factor for improving standard of business operation to create more transparency, competitiveness and strengthen the confidence of all shareholders, investors and other related parties. 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 and 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 Corporate Governance Principle of SET has been resolved by the Board of Directors of the Company on February 29, 2016. The Corporate Governance Policy covers the following:

1. Rights of Shareholders

The Company emphasizes and recognizes the importance of the rights of all shareholders equitably; no matter such shareholder is a minority shareholder, a major shareholder, an institute investor or a foreigner. All rights that the Company's shareholders obtained in 2015 were as follows:

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

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

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

The Company is aware of the shareholders' rights and equitable treatment to the shareholders under the good corporate governance and to comply with laws. It's the Company policy to allow the shareholders to propose matter(s) for consideration of the Board of Directors as agenda of the shareholders' meeting starting from 2009 Annual General Meeting of shareholders. The shareholders have been granted an opportunity to submit the enquiries for consideration prior the meeting since 2011 provided that they must comply with criteria on proposing of meeting agenda for shareholders' meeting as per specified by the Company's Board of Directors. In 2016 Annual General Meeting of Shareholders, the Company shall allow the minority shareholders to propose the matter for consideration as agenda and submit the enquiries at least 3 months in advance prior the ending date of the fiscal year since September 30, 2015 onward. For the meeting agenda proposal ended on January 31, 2016 and enquiries proposal ended prior to the meeting date of 2016 Annual General Meeting of the Shareholders. And explain the detailed procedures on proposing the matter for consideration as agenda including an advance submission of the enquiries in the Company's website (www.samtel.com). In the "Investor Relations" under the "Proposal question concerning the Company's operation in advance of the Annual General Meeting of Shareholders 2016."

- **Participation in the Shareholders' Meeting**

The Company is aware of the shareholders' rights and equitable treatment to participate in the shareholders' meeting, be informed conditions and procedures of meeting as well as having proxy to vote and comment in the meeting on behalf of the shareholder. With realize on convenience to shareholders and to encourage them to attend the shareholders' meeting. There was only one meeting in 2015, an Annual General Meeting of Shareholders 2015 which held on April 29, 2015

at Miracle Grand Convention Hotel, Vibhavadee-Rangsit Road, Laksi, Donmuang, Bangkok where is convenience for transportation and capability to cover with number of shareholders. The Company is prior to notify and specify date, time and place that comfort the shareholders to participate in the meeting. The rights of shareholder to participate in the meeting are as follows:

Before the Meeting Date

In the Annual General Meeting of Shareholders 2015, the shareholders have been informed on the date and agenda of the meeting via SET's communication system 58 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.samtel.com) in the "Investor Relations" under the "Shareholders Meeting" 40 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, opinions from the Board of Directors for each agenda, conditions and procedures of meeting, annual report, proxy form and any other related document with sufficient information for shareholders' consideration. Moreover, the invitation letter has also been 3 days continually published on the newspaper 21 days prior to the meeting date to be inline with law.

To facilitate the institutional investors to participate in the shareholders' meeting, the Company tries to contact them in advance to assist them in proxy preparation and registration.

On the Meeting Date

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

In the Annual General Meeting of Shareholders 2015, there were 9 directors participated the meeting. Chairman of all committees including the Audit Committee and the Company's managements external auditors and investor relations also presented in the meeting. Chairman of the Board of Directors who was Chairman of the meeting introduced all Board members and the managements to the shareholders, declared to the meeting that there were 200 shareholders and proxies with voting rights attended for the Annual General Meeting of Shareholders 2015. Moreover, for transparency on counting the vote in the meeting, the Company has invited representatives from Thai Investors Association to be the vote inspector as well as requested for additional volunteers from the shareholders to be inspector. The Chairman had declared to the shareholders how to exercise their right and vote before commencement conducted the meeting to be in line with the agenda without any additional topic from what have been expressed in the invitation letter. Voting cards were provided for significant agenda. Voting result in term of approval, disapproval or abstain for each agenda were transparently presented to the meeting. The shareholders were encouraged to express their opinions and raise any questions, either in the agenda or any other questions related to the Company's business, at the meeting. All questions had been answered and taken in the minutes of meeting as well as the opinions from the shareholders. Moreover, after the completion of the meeting, the Chairman has announced to the shareholders to return the voting card to the Company's staffs for keeping as the evidence.

After the Shareholders' Meeting

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

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

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

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

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

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

In every Annual General Meeting of Shareholders, the shareholders have the rights to consider and approve the remuneration for all directors and members of 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.samtel.com).

- **Getting profit**

The Company pays back to shareholders in the form of dividends. The Company has the policy to disburse dividends above 50% of net profit after required reserves. In the 2015 Annual General Meeting of Shareholders, the disbursement of dividend for operating results of 2014 was approved for baht 0.65 per share of which equivalent to 56.99% of net profit after required reserves in compliance with the dividend disbursement policy as stated above. In addition, the Board of Directors in its meeting No.5/2015 on August 13, 2015 had approved the interim dividend payment for six months of year 2015 at Baht 0.25 per share of which equivalent to 61.44% of net profit after required reserves. (Details of dividend payment policy and dividend payment in the past 5 years are shown in the subject "Dividend Policy").

In addition, the rights of shareholders aforementioned. The Company does not obstruct or build obstacle to allow shareholders to communicate.

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' meetings, 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 ordinary share. Proxy form requiring documents were delivered together with the invitation letter for shareholders who would like to appoint a proxy. Proxy form, which contains detail of voting as approve, disapprove or abstain, as well as details of 4 independent directors also are attached for shareholders consideration as alternative proxy in both Thai & English to facilitate the shareholders. In the Annual General Meeting of Shareholders 2015, there were 126 proxies to the Company's independent directors. In addition, voting cards were provided for each agenda, especially, the agenda of appointment

of directors of which been appointed by individual. In every shareholders' meeting, the meetings were conducted to be in line with the agenda without any additional topic from what have been expressed in the invitation letter otherwise rights of the shareholders who could not participate in the meeting by themselves will be deprived. In addition, the Company set criteria about Inside Information Monitoring of which details is shown in the topic "5. Inside Information Control".

3. Attention to Stakeholders

The Company is aware of the support from each stakeholder should increase the competitiveness and ability to generate more benefit for long-term succession and realized the importance of all stakeholders i.e. shareholders, employees of the Company and its subsidiaries, customers, competitors, lenders, societies and environment 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. Thus, general rules and practices have been set for directors, management and employees in the Company's Business Ethics to cover rights and equitable benefits to all stakeholders and posted on the Company's website (www.samtel.com). (More details on the treatment of stakeholders are disclosed in the topic "1.2 Business Ethics").

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, the Company has been published the Management Discussion and Analysis (MD&A) every quarter on the Company's website and via SET's Communication system.
- Criteria on provision of remuneration to the directors and the managements have been clearly disclosed. For more details, please see in the section "Management Structure" in the topic "4. Remuneration of Directors and Management".
- Shareholding information of the directors and the managements has been disclosed in the Annual Report and the Annual Disclosure information. In addition, the Company has a policy requiring the directors and the managements to report a change in their securities holding within 3 business days from the date the securities have been purchased, sold, transferred or accepted transfer. The Company Secretary's unit shall coordinate on submission of such report to SET and SEC. Moreover, it is also specified that any change of such securities holding of the directors and the managements shall be reported to the Board of Directors' meeting every time. The 2015 securities holding information of the directors and the managements were as follows:

Number of ordinary shares held in the Company

Director / Executive	31/12/2014	Buy in SET	Disposition during the year	31/12/2015	Increase (Decrease)
1. Mr. Sombut Uthaisang Spouse and minor children	450,000 -	50,000 -	- -	500,000 -	50,000 -
2. General Sumpun Boonyanun Spouse and minor children	100,000 -	- -	- -	100,000 -	- -
3. Mr. Vichai Pokasamrit Spouse and minor children	100,000 -	- -	- -	100,000 -	- -

Number of ordinary shares held in the Company

Director / Executive	31/12/2014	Buy in SET	Disposition during the year	31/12/2015	Increase (Decrease)
4. Miss Rapeepan Luangaramrut	-	-	-	-	-
Spouse and minor children	-	-	-	-	-
5. Mr. Kajornvut Tayanukorn	500,000	-	-	500,000	-
Spouse and minor children	-	-	-	-	-
6. Mr. Charoenrath Vilailuck	800,000	2,054,600	-	2,854,600	2,054,600
Spouse and minor children	-	-	-	-	-
7. Mr. Watchai Vilailuck	1,200,010	450,000	-	1,650,010	450,000
Spouse and minor children	-	-	-	-	-
8. Mr. Sirichai Rasameechan	150,000	-	-	150,000	-
Spouse and minor children	-	-	-	-	-
9. Mr. Jong Diloksombat	400,000	-	-	400,000	-
Spouse and minor children	-	-	-	-	-
10. Mr. Pornchai Krivichian	42,000	-	-	42,000	-
Spouse and minor children	-	-	-	-	-
11. Mr. Apichat Sirisalipochna	-	90,000	-	90,000	90,000
Spouse and minor children	-	-	-	-	-
12. Mrs. Aroonluck Dilokwanich	-	-	-	-	-
Spouse and minor children	-	-	-	-	-
13. Mr. Dhillokpat Nisamaneevong	-	-	-	-	-
Spouse and minor children	-	-	-	-	-

- Details on connected transactions have been clearly disclosed to prevent a conflict of interest (see more details in the section “Connected Transactions”).

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

- 1) The director and the management 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 management pursuant to the specified report form.
- 2) The Director and the management 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.samtel.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 ensure the Company not only provide all significant information of the Company in the Company's Annual report but also on the Company's website (www.samtel.com) in both languages, Thai and English. The disclosed information comprised of Corporate Governance Policy, Business Ethics, General News, Financial Statement as well as Annual Report and the Annual Disclosure Information (56-1), etc.

Investors Relation

The Company has also set up an Investors Relation section to provide Company's information and activities for investors, shareholders, analysis and general public via Company's website, Road Shows, analysis meetings and conference calls etc. The Company's Investor Relations could be contacted at phone number 0-2502-6726 or sending your question via the Company's website at www.samtel.com or sending the e-mail to Dhillokpat.N@samtel.samartcorp.com. The Company has specified the investor relation ethics to practice follow :

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 announcement on the Company's financial performance have been arranged for public, investors and analysis by quarterly basis with participation of the executives.

Meetings with investors and analysis in 2015 were summarized as follows:

- One on One Meeting with Analysis & Meeting	60	Times
- Announcement of Company's Performance	4	Times
- Road Show	14	Times

• **Disclosure of Information of the Board of Directors and Sub 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 have been clearly and transparently set to be comparable to the general practice in same industry and be appealing enough to attract and retain qualified directors. The directors who also be appointed to be the member of any sub Committees will be paid appropriately more in accordance with the extra work. The Nominating & Compensation Committee will consider the remuneration and propose for consideration of the Board of Directors prior to further approval from the shareholders.
- The remuneration of the Board of Directors and the Managements has been disclosed in the Company's Annual Report and the Annual Information Disclosure (56-1) in the section "Management Structure" in the topic "4. Remuneration of Directors and Management".

• **Accountability to the Financial Statement**

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. Role and Responsibilities of the Board

The Board is the key role for corporate governance matter for the highest benefits of the Company, the Company set policies relating to roles and responsibilities of the Board i.e. composition of the Board of Directors, qualifications of director and role and responsibilities of the Board. Details are as follows:

5.1) Directors' Qualifications

The Board of Directors comprise of directors who have various knowledge, experience, transparent working background, nobility and integrity and have occupational diversification. In addition, they have the skills that advantage to the Company's business, such as accounting & finance, management, strategic planning, laws, corporate governance and other without sexual discrimination to carry on the Company's business and achieve its objective. The Company has 9 directors who complied with the qualification that been described in the Company's "Directors' Qualifications". All of the Directors have contributed their best to the Company which may concern from their participation in the meeting that been described under the "5.5.4 Board & Committees' Meeting".

5.2) The Independent of the Board of Directors

- **Separation of Executive Chairman 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 Executive Chairman must not be attained by the same person. The Company's Chairman of the Board of Directors an Independent Directors who has the qualifications of independent director in accordance with SET's notification and has no business relation with any management of the Company. Roles and Responsibilities of the Chairman and Executive Chairman are 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 Executive Chairman

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 bidding the Company conforming with 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 Executive Chairman should not be delegated or further assigned that authorize the Executive Chairman 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 Securities Exchange Commission's notification) with the Company or subsidiaries except such transactions are handled in line with the connected transaction procedure

or policy which been approved by the Board of Directors of the Company shareholders' meeting to be complied to regulations of SET/ SEC or any related laws and regulations.

- **Balance of Power**

More than half of the members of the Board of Directors are not a part of executive team. Within this half, one third of the directors at least 3 members are independent and have no relations, business or personal, with the Company's executives. 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 (more than one-third of the Board of Directors)
- 4 Executive Directors
- 1 Non-Executive Director

However, the Company also has Non-Executive Director 1 person (Mr. Kajornvut Tayanukorn) who has direct experience with the Company's operating business and one of the Company's Independent Director is a woman (Miss Rapeepan Luangaramrut).

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 Executive Chairman**

The Company has clearly set the separate roles and responsibilities of the Board of Directors and Executive Chairman. 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. They have to operate the business with accountability, duty of care, duty of loyalty and also comply with the Company's Ethics to ensure all Company's businesses are run under Company's objectives, Articles of Association, resolutions of the Board of Directors and shareholders' meeting, laws and regulations of SEC/SET and other related laws. At the same time, Executive Chairman 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 to serve as directors 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 top executives to serve as directors in other companies**

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

5.4) Transparency of Nomination

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

5.5) Board of Directors' Activities during the year

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 the topic of "1.2 Business Ethics" in the procedures and methods on "Notifying the information on misconduct and the protection of the informant"

5.5.2) Leadership and Vision

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

5.5.3) Set up of Committees

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

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

Roles and responsibilities of each committee were disclosed under the topic “2. Committee”. In addition, Committees’ Charters have also been set and disclosed on the Company’s website (www.samtel.com).

5.5.4) Board & Committees’ Meeting

1) Board of Directors’ Meeting

The Board of Directors’ Meeting schedule have been set as quarterly basis with certain agenda. The meeting schedule will be sent to each director by the Company Secretary for preparation and arrangement for meeting participation. However, additional unscheduled Board meetings may be called upon appropriate notice at any time to address specific needs of the Company. The operating results will be regularly reviewed. The invitation letter as well as meeting materials will be delivered by the Company Secretary to all directors at least 5 working days prior to the meeting date for consideration. The average length of the meeting is approximately 2 hours. In addition, the Board of Directors set its quorum of the meeting to be at least 2/3 of all directors attending in the meeting. Details of directors’ attendance for 2015, total 7 meetings, were as follow:

Directors	Date of Appointment	Term of Directorship (Year / month)	Number of Attendance / Total Number of Meeting
1. Mr. Sombut Uthaisang	April 2008	7-8	6/7 ¹⁾
2. General Sumpun Boonyanun	April 2008	7-8	7/7
3. Mr. Vichai Pokasamrit	April 2011	4-8	7/7
4. Miss Rapeepan Luangaramrut	April 2008	7-8	6/7 ¹⁾
5. Mr. Kajornvut Tayanukorn	April 2004	11-8	7/7
6. Mr. Charoenrath Vilailuck	July 1996	19-5	7/7
7. Mr. Watchai Vilailuck	July 1996	19-5	7/7
8. Mr. Sirichai Rasameechan	July 1998	17-6	7/7
9. Mr. Jong Diloksombat	January 2012	3-11	7/7

Remark ¹⁾ Due to has important business abroad.

In 2015, the Board of Directors considered the following agendas:

- Considered the Company Operating Performance and Financial Statements for 2014 as well as quarterly performance of 2015;
- Considered the sufficiency of the Company’s Internal Control System;
- Acknowledged the 2014 Committees’ activities;
- Acknowledged assessment result on quality on arrangement of AGM of Shareholders for 2015, Assessment result on Corporate Governance of Thai Listed Companies for 2015;
- Acknowledged the assessment of corporate governance according to ASEAN CG Scorecard 2014/2015;
- Acknowledge the 2015 assessment result on sustainable Anti-Corruption Progress Indicators of Thai Listed Companies;
- Acknowledge the SET Sustainability Awards 2015;
- Acknowledged the 2014 Board Self Assessment, Committees, CEO and Company Secretary Assessment. Result as well as consider the criteria of the Board Self Assessment, Committees, CEO and Company Secretary Assessment Form for 2015;
- Considered the related party transactions;
- Considered vision, mission and the Company’s 2016 business plan;
- Considered the reviewed and revised the Company’s Corporate Governance Policy and Business Ethics;

- Considered to allow the minority shareholders to propose matter in the agenda and enquiries prior to the meeting date of AGM;
- Considered matters concerning to 2015 AGM agenda and provide opinions to shareholders for consideration;
- Considered the interim dividend payment for six months of 2015;
- Considered the dividend payment for year 2014;
- Considered the appointment of Committees' members;
- Considered the salary increase for 2016, 2015 bonus and bonus policy for 2016;
- Considered the Directors & Officer Liabilities and Corporate Reimbursement Insurance;
- Acknowledged the report a change of such securities holding of the directors and the managements from the previous meeting;

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

2) Committee

In 2015, numbers of each meeting and time attendance of each member were summarized

Name	Number of Attendance / Total Number of Meeting					
	Audit Committee	Executive Board Committee	Corporate Governance Committee	Nominating & Compensation Committee	Risk Management Committee	Sustainable Development Committee
1. General Sumpun Boonyanun	5/5		3/3	3/3		
2. Mr. Vichai Pokasamrit	5/5		3/3	3/3		
3. Miss Rapeepan Luangaramrut	4/5 ¹⁾			3/3		
4. Mr. Kajornvut Tayanukorn			3/3			
5. Mr. Charoenrath Vilailuck		12/12				
6. Mr. Watchai Vilailuck		9/12 ¹⁾				
7. Mr. Sirichai Rasameechan		12/12				
8. Mr. Jong Diloksombat		12/12	3/3		3/3	2/2
9. Mr. Pornchai Krivichian					3/3	2/2
10. Mr. Apichat Sirisalipochana		12/12			3/3	2/2
11. Miss Chotika Kamloonwesaruch					3/3	1/2 ²⁾
12. Mr. Suchart Duangthawee					3/3	
13. Mr. Dhilokpat Nisamaneevong					3/3	
14. Mr. Anupong Saowamas					3/3	
15. Mr. Senee Somma					3/3	
16. Mrs. Nisachol Udomwongwiwat						2/2
17. Miss Kanokwan Chanswangpuvana						2/2
18. Mr. Somchai Bunsupaporn						2/2

Remark : ¹⁾ Due to has important business abroad.

²⁾ Due to has important business.

Details of agenda of each committee meetings in 2015 has been disclosed in the Company's Annual Report 2015 (Form 56-2 or Annual Report) under report of the each committee.

3) Meeting among members of the Non-Executive Directors

In 2015, the non-executive directors has arranged the meeting among only members 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 to as guidelines in practice. (More details of conflict of Interest are disclosed in the topic "1.2 Business Ethics").

5.7) Internal Control and Internal Audit

(Details are shown in "Internal Control, Risk Management and Anti-Corruption").

5.8) Risk Management

(Details are shown in "Internal Control, Risk Management and Anti-Corruption").

5.9) The assessment of the Board of Directors, Committee, CEO and Company secretary

5.9.1) Board Self-Assessment

The Corporate Governance Committee has initiated the Self Assessment form for Board members to review and evaluate their performance for 2015 as a whole. The assessment form, which has been approved by the Board of Directors in its meeting No. 7/2015 on December 17, 2015 was sent to all directors for assessment. The questionnaire covers the following area:

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

From the assessment which been completed by the Board members, total number of directors (9) agreed that for the above area, the Board of Directors of the Company has an **excellent** evaluation by obtaining average score 96.93%.

5.9.2) Directors Self-Assessment

The Corporate Governance Committee has initiated the Self Assessment form for directors to evaluate their performance of director for 2015 and the assessment results were used to develop the performance of director. In a self-assessment of the director individually. The assessment form, which has been approved by the Board of Directors in its meeting No. 7/2015 on December 17th, 2015, was sent to all directors for assessment. The questionnaire covers the following area:

- Knowledge
- Responsibility
- Meeting
- 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 97.41%.

5.9.3 Audit Committee Self-Assessment

To the Audit Committee's evaluation of the work of their own in the past years. That compliance with the guidelines for good practice. And much more effective. It has to be evaluated and the assessment will cover as the following ;

- The composition of the Audit Committee
- Authority, duty and responsibility
- Training and resources
- Meeting
- The activities of the Audit Committee
- The relationship among the head of internal audit, auditors and the management team
- The role of the Audit Committee in the future

From the assessment which been completed by 3 Audit Committee Members, the members agreed that the Audit Committee has an **excellent** evaluation by obtaining average score 97.46%.

5.9.4 Committee Self-Assessment

The Corporate Governance Committee has initiated the self-assessment form of committees for 2015 as Executive Board, Corporate Governance Committee, Nominating & Compensation Committee, Risk Management Committee and Sustainable Development Committee. Results of the self-assessment of each 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 assessment form, which has been approved by the Board of Directors in its meeting No. 7/2015 on December 17, 2015, was sent to each committee for assessment. The questionnaire covers the following area:

- Composition
- Roles & Responsibilities
- Performance monitoring
- Meeting
- Development & Training.

The result assessment of Committee Self-Assessment for 2015. In all 5 topics was shown below:

1. The Executive Board has an **Excellent** evaluation by obtaining average score of 100% .
2. The Corporate Governance Committee has an **Excellent** evaluation by obtaining average score of 98.33%
3. The Nominating & Compensation Committee has an **Excellent** evaluation by obtaining average score of 98.79%
4. The Risk Management Committee has a **Very Good** evaluation by obtaining average score of 89.37%
5. The Sustainable Development Committee has an **Excellent** evaluation by obtaining average score of 91.43%.

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.7/2015 on December 17, 2015 and sent to all directors for assessment. Assessment result will be considered for remuneration adjustment. The questionnaire covers the following area:

- Leadership
- Strategic formulation
- Financial planning and performance
- Board relations
- Risk management and internal control

- Human resources management
- Succession
- Product and service knowledge
- 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 98.75%.

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 from which has been approved by the Board of Directors in its meeting No. 7/2015 on December 17, 2015 and sent to all directors for assessment. Assessment result will be considered for remuneration adjustment. The questionnaire covers the following area;

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

From the assessment which been completed by 9 directors, the directors agreed that the Company Secretary has an excellent evaluation by obtaining average score 95.94%.

5.10) Development of Directors and Managements

The Company specified that whenever there is a change of director, there shall be an orientation for a new director every time in order to get sufficient information before his or her post. 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 Chief Executive Officer to enquire in-depth information about business operation of the Company.

However, In 2015 the Company has not appointed a director on the Board of director positions. The company did not have provide orientation new directors in 2015.

In addition, to support and increase knowledgeable of the directors, periodical training will be provided especially the Director Accreditation Program (DAP) and Director Certification Program (DCP) arranged by the Thai Institute of Directors (IOD). Five of the existing directors had joined DCP program and 4 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 2015, the directors have attended the additional training courses as follows:

Directors	Courses
1. Mr. Sombut Uthaisang	- Seminar on “Thailand CG Forum : Governance as a driving force for business sustainability”, The Stock Exchange of Thailand, The Securities and Exchange Commission and Thai Investors Association.
2. General Sumpun Boonyanun	- Seminar on “Challenges facing audit committees on listed companies’ sustainable development”, The Securities and Exchange Commission.
3. Miss Rapeepan Luangaramrut	- Top Executive Program in Energy Literacy (Class 6), Thailand Energy Academy.
4. Mr. Watchai Vilailuck	- Top Executive Program in Energy Literacy (Class 6), Thailand Energy Academy; - Top Executive Program in Industrial development and Investment (Class 2), Institute of Business and Industrial Development (IBID).
5. Mr. Jong Diloksombat	- National Defence Course (Class 57), National Defence College of Thailand.

1.2 Business Ethics

The Company is conducting the business with great awareness in ethical and moral issues. The handbook concerning business ethics for all members of the Board of Directors, managerial team and our employees has been provided in both Thai and English since 2005 as a guideline to continue his/her duty with honesty, integrity, morality, and of course, highest quality. It also reminds the Company to bring fair treatment in accordance with legal restrictions, to maximize shareholder value, and to prevent plausible conflicts of interest. The Business Ethics had also been posted on the Company’s website for information of the Company’s employees and for public acknowledgement. The Business Ethics will be annually revised. The latest revision has been reviewed by the Board of Directors of the Company on February 29, 2016 and the meeting had also approved the additional policies of Money Laundering Policy and Tax Policy in the Company business ethics compliance with the revised Corporate Governance Policy. Business Ethics covers the following area:

- **Conflict of Interest**

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

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

On any conflict of interest transaction, before entering into the transaction, the Company’ assign to directors, management, employees and related parties to disclose such interests to the Audit Committee for consideration of the transaction, the Audit Committee will carefully review prior to submit with opinion either on such conflict or connection to the Board of Directors for further review and to ensure that the transaction has to be complied with SET’s regulations, information of the transaction i.e. value of transaction, party involved and necessity ext. has been disclosed in the Company’s annual report, Form 56-1 and the auditor’s note in the financial statement. Any consideration of the connected transaction,

the directors who may have conflict of interest will not participate and attend in any agenda that they have conflict of interest in both board and shareholder meeting. Details of the transactions which may have any conflict of interest in 2015 were disclosed under the “Connected Transactions”.

- **Responsibilities 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 send a question in advance of the Shareholders’ Meeting, regularly and timely obtained adequate information, business performance and management policy. Details of shareholders’ rights are described under “1. Rights of Shareholders”.

- **Employee policies**

The Company highly regards all of the employees as valuable resources and is a major factor to drive the business performance to achieve its goals. As a result, it is the Company’s policy to treat employees fairly in all respects, employment opportunity, reasonable remuneration, promotion, welfare i.e. There is always be the nurse(s) stationed in the infirmary everyday at the Company’s office building and the doctor shall visit and treat sick employees twice a week. The Company also has the medical treatment welfare for the employees (in case of out-patient) who are treated at the government and private hospitals. The employees shall be entitled to the annual medical treatment fee pursuant to their level. In 2015, total amount of medical treatment fee reimbursed by the employees of the Company and its subsidiaries amounted to Baht 1.73 million. Moreover, the Company also has group health insurance (in case of in-patient) for the Company’s employees which is made with the American International Assurance Company Limited (AIA) as well as group life insurance which covers all kinds of death, annual medical check-up and provident fund to secure their working life security under the name of “the Registered Samart Group Provident Fund”. The Company also has the social security fund and provision of loan in case of the accident or sickness to the employees, in case of death of the employee or his/her immediate family member, the funeral allowance shall be provided, in case the employee is sick or gives birth, a visiting in hospital shall be arranged and fitness center and special discount for Company’s products etc.

Development programs, both internal and external training courses, are continually provided for all levels of employees. (Please see more details about the employees in the section “Management Structure” under the topic “5. Personnel”). In addition, the Company has provided educational support by awarding scholarship to employees with aims to enhance their knowledge and skills. Furthermore, in 2015, the Company has awarded 1 scholarship at master degree levels to the employee, i.e. on Business Administration, Kasetsart University.

The Company emphasizes on the safety of life and health of 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. The Company will perform all necessary measures to ensure the safety of life and health of employees.
3. The Company seeks to control and prevent losses caused by fire, accidents and illness from working and maintain a safe working environment for employees as well as promoting and raising awareness of health care workers.
4. The Company will support adequate and appropriate resources in accordance with the requirements of the law and commit to develop human resources with knowledge and awareness of safety and health of employees.
5. The Company is aware that a safety and health of employees is very important, it was the duties and responsibilities of executive, supervisors at all levels and employee to comply with the rules and the requirements of the law.

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

1. To appoint the safety officers and the relevant persons in all levels to take responsibility, supervise and monitor the strictly compliance with safety, occupational health and working environmental policy.
2. To fortify the employees at all levels with knowledge, consciousness and joint responsibility, for instance, to arrange for the training and cultivate consciousness on safety, occupational health and working environment for the employees, as well as to arrange for the training on health by arranging the Healthy Week and the Safety Week and etc.

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

Record on 2015 accident at work of the Company, Subsidiaries and Affiliated.

Business Group	Lost Time Accidents in 2015 (Time)
1. Network Solutions	-None-
2. Enhanced Technology Solutions	-None-
3. Business Application	-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.samtel.com).

- **Customer policies**

The Company has policy to build up satisfaction and confidence on continued basis to the Company's valued customers and disclose such practices in the Company's Business Ethics. The Company provides modern and high-quality products and services at reasonable price for customers' satisfaction and needs as well as providing product and equipment from factory which has been certified as international standard. In 2015, new products and services have been developed by the Company and subsidiaries i.e. ;

- Samart Telcoms Public Co., Ltd. offers a full range of integrated business throughout supply chain for customer services and the establishment of nationwide service center, by Samart Communication Services Co., Ltd. for Flexibility Conveniently and earlier service of ICT Solution and Services to customers provides support have 38 centers nationwide and Network Operation Center (NOC), which provides design and failure analysis to clients 24 hours.
- Samart Communication Services Co., Ltd. has been ISO 20000 standard for quality IT service management to improve customer satisfaction for customers.
- Samart Communication Services Co., Ltd. and Samart Comtech Co., Ltd. maintain the standard of service from ISO 9001:2008 which receive more confidence in their services from customers.
- Samart Infonet Co., Ltd. increased customer satisfaction by improvement and development of customer service through CRM system and increased our engineers' skills and expertise through international certification.
- NetService (Thailand) Co., Ltd. focused more on development of specialized information technology to be core products e.g. Human Resource Management and Website Management and the Company also enhanced its staffs' efficiencies by continuous training for knowledge in Information Technology.
- Posnet Co., Ltd. provided development of Electronic Data Capturing system for commercial banks to support new technologies serving current customers such as TLE security Version 3 and 3G network connection.
- Smarterware Co., Ltd. provided staffs training programs of new technologies according to the direction for application development. The company has continuously monitored and verified works under the process to ensure understanding of software application development compliance with CMMI

Level 5. More importantly, the company has still maintained international standard of CMMI Level 5, the highest level certified by Software Engineering Institute (SEI) in development process of quality software development. Moreover, the company targeted development of expertise in GIS and Mobile Application development

- Portalnet Co., Ltd. has expanded staff knowledge to cover SAP Solution Manager and SAP HANA also received Partner Center of Expertise certification from SAP, which is a testament for a quality SAP maintenance service.

- **Trade partners policies**

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

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

- **Creditor policies**

The Company conforms to its Principle of Business Operation in order to the respect and admission of the Creditors and strictly complied with all the terms and conditions agreed upon in a transaction and strictly follow each covenanted condition, pay debt, loan, interest and other guarantee in time and specific conditions. In the event that any particular condition could not be met, the Company will prior inform the Creditors and seeking mutual accepted solution. In case the Company could not follow the covenanted condition, the Company will foregone notify to creditor for solving problem.

- **Counterpart/Competitor policies**

The Company has policy to conducts all business affairs under just rules and competitions, support free trading and disclose such practices in the Company's Business Ethics. Refuse to search for rivals' secret information by all means, dishonestly or inappropriately. Refuse to ruin counterparts/ Competitors' reputations. Not intervene or have a secret transaction that give negative impact to competitor and give benefit to the Company and Refuse to violate intellectual property rights of business' counterparts / competitor.

- **Anti-Corruption policies**

The Company conducts all business affairs under principles of good corporate governance. Anti-Corruption Policy is set to prevent all corruptions that may arise from operating activities and contacts with stakeholders which the directors, executives and employees of the Company, its subsidiaries and associated companies must strictly adhere. The Company has declared in the Company's Code of Business Ethics manual 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 were disclosed in the subject "Internal Control, Risk Management and Anti-Corruption"

- **Money Laundering policy**

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

- **Tax policy**

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

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

- **Responsibility to societies and communities**

The Company recognizes that it can survive and grow in a society that is vigorous and prosperous. Therefore, to bring about societal progress, the Company participated in societal improvements with financial support to all activities that aim to maintain beneficial cultures, customs and rituals. Moreover, the Company will involve in religious activities regularly. The Company also participated in many activities for development of social, education, vocation, athletic ability as well as sanction for outreach people and victims. In addition, the Company has strengthened the closed relationship with the surrounding and nearby communities by building up good relationship with the private and public organizations as well as the community leaders in many levels, so that the cooperation from all parties can be smoothly coordinated for sustainable and concreted development of the communities. In 2015, the Company has continued our efforts to promote "Quality People and Moral Society" and also implemented a variety of activities for public benefits. Details of the projects and activities are shown in "Corporate Social Responsibility Report (Sustainability 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, and assignment to the Human Resources Department provide training to employees. In order to be aware of environmental responsibility when they perform their work by arranging campaign to cultivate conscious mind on environment and natural resources through employee participation activities as well as disseminating news and information on environment in order to build up good understanding on environmental management of the Company. For motivation of the employees to continually conform to the Company's policy, announcement via Company's PR boards, e-mail and internal radio are provided. In 2015, the Company committed to develop products and services with regard to conservation of the environment and its safety standards. Environmentally friendly telecommunication services were offered and the optimal use of energy was promoted for public agencies and enterprises with similar vision were included for joint projects such as Project of Automatic Meter Reading of the Provincial Electricity Authority etc. In addition, there was promoted environmental care and efficient use of resources among its employees via both internal communications and the "Reduce and Reuse" project every year. In 2015, the Company organized the project under the concept "Lor.Ling Plus, Minus, Multiplied, Divided by" concept with aim to encourage the behavioral changing and realize the use of resources with the most benefits through The "Roadshow" events and internal media advertising for create the awareness about saving energy in their daily lives to internal staffs. Details are shown in "Corporate Social Responsibility Report (Sustainability Report)".

- **Corporate Social Responsibility Report (Sustainable Development Report)**

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

- **Non violation of the human right policies and practices**

The Company has policy of non violation of human right as common practice, all employee shall not act or support any action to violate any human rights of which the Non violation of human right policies is set in the Company's Business ethics. The Company has policies that employee's personal information, i.e. medical treatment record, working experience, is the secret and shall not be sent or disseminated

to unauthorized parties. Disclosure or transfer of personal information is only upon the owner's consent. Furthermore, the Company treats all employees equitable, no person shall be discriminated against regardless of race, nationality, language, religion, sex, age and education. The Company has opportunity for the employee to show their capability by set appropriate remuneration and has opportunity for more education both in higher education, and short- term/long-term training. Deliberation related to hiring and judgment of performance should be accurate and fair as well as avoid comments or any other matters that may lead to conflict.

In addition, the Company communicates such matters to employees to acknowledge and observe through HR website (www.samarthre.com). However, if any employee receives unfair comment on the matter, the company also allows employees to suggest, complaint about abuses as well as other related matters. The Company will resolve such problems for benefits to all parties and create good working relationships together.

- **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.samtel.com under "Contact Us".

Mailing Address : Secretary to the Audit Committee
 Samart Telcoms Public Co., Ltd.
 99/7 Moo 4, Software Park, 29th Fl.,
 Chaengwattana Rd., Klong Gluar, Park-kred,
 Nonthaburi 11120

Or send E-mail address : Somchai.B@samtel.samartcorp.com

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 the 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. The Company will not consider if the name is not identified.

The 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 the Chairman of the Audit Committee shall know such information.

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 at www.santel.com and Human Resources' website at www.samarthre.com and etc.

The Company has published Vision, Mission, Corporate Governance Policy and Business Ethics on the Company's website (www.santel.com) and communication Corporate Governance Policy and Business Ethics to management and employees of the company via email, tips and poster in the Company's promotion board. The Corporate Governance Committee will monitor and ensure that Company's regulations, Corporate Governance Policy and Business Ethics have been strictly and continually complied.

2. Committee

The Company's committee consist 6 committees; Audit Committee, Executive Board, Corporate Governance Committee, Nominating & Compensation Committee, Risk Management Committee and Sustainable Development Committee are as the follows:

1) **Audit Committee** as of December 31, 2015 consists of 3 members:

- | | | |
|----|----------------------------|--------------------------------------------------------|
| 1. | General Sumpun Boonyanun | Chairman of the Audit Committee (Independent Director) |
| 2. | Mr. Vichai Pokasamrit | Member (Independent Director) |
| 3. | Miss Rapeepan Luangaramrut | Member (Independent Director) |
| | Mr. Somchai Bunsupaporn | Secretary of the Audit Committee |

Audit Committee comprise of no less than 3 members, and the Audit Committee member number 2. has knowledge and experience to review creditability of the financial reports. Details of Audit Committee are shown in "Directors, Management, Company Secretary and Head of Internal Audit".

Qualifications of the Audit Committee

1. The Audit Committee members shall be appointed by the Board of Directors and/or the Company's shareholders.
2. All members should be Independent Directors as the definition of independent director qualification from the SEC as described under "Qualifications of Independent Director".
3. Not being a director assigned by the Board of Directors to take part in the business decision of the Company, parent company, subsidiaries, associate company, same-level subsidiaries, major shareholder or controlling person of the Company.
4. Not being a director of parent company, subsidiaries, and same-level subsidiaries which is a listed Company.
5. Having sufficient knowledge, experience, and time to perform duties as the Audit Committee members.
6. At least 1 member of the Audit Committee shall have sufficient knowledge and experience to review the reliability of financial statement, the Company has to define in filing form, Form 56-1 and Form 56-2 for name of the Audit Committee member who has that qualification, and has to define his/her qualification in the certification of the Audit Committee profile that should be sent to the SET.

Terms of positions

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

Roles and Responsibilities of the Audit Committee

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

2) Executive Board as of December 31, 2015 consists of 4 members:

- | | | | |
|----|-----------------|-------------|-------------------------|
| 1. | Mr. Watchai | Vilailuck | Chief Executive Officer |
| 2. | Mr. Charoenrath | Vilailuck | Member |
| 3. | Mr. Sirichai | Rasameechan | Member |
| 4. | Mr. Jong | Diloksombat | Member |
| | Mr. Somchai | Bunsupaporn | Secretary |

Terms of positions

Term of the Executive Board members is one year. The Nominating & Compensation Committee will annually consider and select appropriate persons from the members of the Board of Directors and the Management 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 Executive Board

1. Consider business plan, direction and structure as well as the Company's, strategies, and delegation of authorities for further approval of the Board of Directors;
2. Monitor, audit and set the management policies for efficiency and productivities as well as to conform with the instruction of the Board of Directors;
3. Consider and approve annual budget and investment of the Company for further approval of the Board of Directors;
4. Consider remuneration policy and salary structure propose to the Nominating & Compensation Committee for consideration prior to further consideration of the Board of Directors;
5. Consider entering into any transactions binding the Company within its authorities under the Company's Delegation of Authorities;
6. Consider any other activities according to the assignment from the Board of Directors.

The delegation authorities of the Executive Board should not be delegated or further assigned that authorize the Executive Board or its attorney to approve any connected transactions between themselves or any persons who may have conflict of interest (according to the concept of conflict of interest of the Securities Exchange Commission'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 Executive Chairman

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 bidding the Company conforming with 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 Executive Chairman should not be delegated or further assigned that authorize the Executive Chairman 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 Securities Exchange Commission's notification) with the Company or subsidiaries except such transactions are handled in line with the connected transaction procedure or policy which been approved by the Board of Directors of the Company shareholders' meeting to be complied to regulations of SET/ SEC or any related laws and regulations.

3) Corporate Governance Committee as of December 31, 2015 consists of 4 members:

- | | | |
|-------------------|-------------|--------------------------------------------------------------------------|
| 1. Mr. Vichai | Pokasamrit | Chairman of the Corporate Governance Committee
(Independent Director) |
| 2. General Sumpun | Boonyanun | Member (Independent Director) |
| 3. Mr. Kajornvut | Tayanukorn | Member (Non-Executive Director) |
| 4. Mr. Jong | Diloksombat | Member (Executive Director) |
| Mr. Somchai | Bunsupaporn | Secretary |

Terms of positions

Term of members of the Corporate Government 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. The Chairman of the Committee has to be nominated from the Company's Independent Director. However, the retired members are eligible to be re-elected for another term.

Roles and Responsibilities of the Corporate Governance Committee

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

4) Nominating & Compensation Committee as of December 31, 2015 consists of 3 members:

- | | | |
|----|----------------------------|-------------------------------------------------------------------------------|
| 1. | General Sumpun Boonyanun | Chairman of the Nominating & Compensation Committee
(Independent Director) |
| 2. | Mr. Vichai Pokasamrit | Member (Independent Director) |
| 3. | Miss Rapeepan Luangaramrut | Member (Independent Director) |
| | Mr. Somchai Bunsupaporn | Secretary |

Terms of positions

One-third of the Nominating & Compensation Committee, who have been longest in office, shall retire by rotation every year. The retired directors 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 from the members of the Board of Directors and/or any qualified candidates propose to the Board of Directors for replacement.

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 the Board of Directors for consideration 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 Committees, Executive Chairman, top management and a Company Secretary proposed to the Board of Directors for consideration when such position is vacant as well as propose criteria for management succession plan;
3. Propose remuneration policy, guidelines in paying out compensation and other benefits for the Board of Directors, Committees, Executive Chairman and top management of which are appropriate for each person's responsibilities and consistent with the Company's performance and market conditions;
4. Evaluate Company's performance for consideration of the annual bonus and merit increase;
5. Review the Company's salary structure and other benefits.
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 as of December 31, 2015 consists of 8 members:

- | | | |
|----|------------------------------|-------------------------------------------|
| 1. | Mr. Jong Diloksombat | Chairman of the Risk Management Committee |
| 2. | Mr. Pornchai Krivichian | Member |
| 3. | Mr. Apichat Sirisalipochana | Member |
| 4. | Miss Chotika Kamloonwesaruch | Member |
| 5. | Mr. Suchart Duangthawee | Member |
| 6. | Mr. Dhilokpat Nisamaneevong | Member |
| 7. | Mr. Anupong Saowamas | Member |
| 8. | Mr. Senee Somma | Member |
| | Mr. Somchai Bunsupaporn | Secretary |

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

Terms of positions

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

Roles and Responsibilities of the Risk Management Committee

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

6) Sustainable Development Committee as of December 31, 2015 consists of 7 members:

- | | | | |
|----|---------------|-----------------|---------------------------------------------------|
| 1. | Mr. Jong | Diloksombat | Chairman of the Sustainable Development Committee |
| 2. | Mr. Pornchai | Krivichian | Member |
| 3. | Mr. Apichat | Sirisalipochana | Member |
| 4. | Miss Chotika | Kamloonwesaruch | Member |
| 5. | Mrs.Nisachol | Udomwongwiwat | Member |
| 6. | Miss Kanokwan | Chanswangpuvana | Member |
| 7. | Mr. Somchai | Bunsupaporn | Member/Secretary |

Terms of positions

Term of each member is 1 year. The Nominating and Compensation Committee will annually consider and select appropriate persons from the members of the Board of Directors and management and/or any qualified candidates propose for further consideration and appointment from the Board of Directors in the first board meeting after the Annual General Meeting of Shareholders. However, the retired members are eligible to be re-elected for another term.

Roles and Responsibilities of the Sustainable Development Committee

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

All committees carried out their duty and had the meeting regularly and had written minutes. The significant issues of the previous year are show in Annual Report (56-2) including number of meeting of each committee are shown in the topic "5.5.4 Meeting of the Board of Directors and Committee".

3. Nomination of Directors and Managements

- **Nomination of Independent Directors, Directors and Managements**

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 Boards, members of the Boards and other committees, Executive Chairman, other Executives and Company Secretary as well as consider the appropriate remuneration for such directors and management. Whenever the position of directors are vacant,

the Nominating & Compensation Committee will consider the suitable candidate from IOD's Director Pool and proceed to select the candidate who is qualified as the relevant laws and regulations with regards to qualification, experience, knowledge and ability that is advantage and needed to the Company and then propose to the Board of Directors for approval and for further approval of the shareholders in case of vacancy by rotation or appointing of new director. The elected directors should obtain majority vote from shareholders who attend the meeting and have voting right. Each shareholder shall have one vote on each share. In voting, a shareholder shall vote in accordance with the number of votes each shareholder has for one or several directors. The said shareholder may not allot any number of his/her votes to any person. In addition, the Company proposed shareholders to elect the directors on an individual basis to allow shareholders to elect the desirable directors. 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 and propose to the Board of Director and/or the shareholders' meeting in case of rotation or others. 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 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 Subsidiary and the Associated Company

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 subsidiary and the associated company 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 subsidiary and the associated company 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 policies specified and they must be presented to the meeting of the Executive Committee as well. The management of the subsidiary and the associated company 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 subsidiary and the associated company 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 Control

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-offence of computer related and non-infringement of intellectual property. New employee shall sign this agreement together with employment contract. It was also set forth in the Company's Corporate Governance Policy to refuse directors, management and employees of the Company to use Company's inside information for personal benefits. Any trading of Samart Group's securities within 1 month prior to disclosure of either Company's financial performance or any other information that may affect securities' price is prohibited. To ensure that the policy is acknowledged and complied, the Company will notify the all-year schedule of such periods in advance to all directors and management. Every quarter, the Company has also delivered such notice to directors and management to acknowledge. In 2012, there is no case of insider trading from the Company's directors or management. The Directors and management 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 the Stock Exchange of Thailand (SET) within 3 days from the transaction date according to the Securities and Exchange Act B.E. 2535. Any change in securities holdings, such directors and managements have to report the Company Secretary for coordination and preparing report submit to the Securities and Exchange Commission (SEC). In addition, the Company has set as a policy to report on securities holdings of directors and managements in every meeting of the Board of Directors. In case that any director or managements violates the regulations, the warning notice will be made to that director or management to avoid re-misconduct.

In case of conflict of interest, it is the Company's Policy to have the directors, management, employees and related parties to disclose such interests to the Audit Committee for consideration of the transaction to be complied to SET's regulations and any governing laws and regulations prior to further submit for consideration of either the Board of Directors or the shareholders. The directors who have conflict of interest will not participate and attend in any agenda that they have conflict of interest in both board and shareholder meeting. Moreover, any conflict of interest transactions with the connected persons will be disclosed in the Company's Annual Report (56-2) and the Annual Information Disclosure (56-1) under "The Connected Transactions".

General practices for conflict of interest protection have been set not only in the Company's Business Ethics but also in "1.2 Business Ethics" under "Conflict of Interest". Such practices have been delivered to all directors, management and employees. The Corporate Governance Committee will monitor and ensure that Company's regulations, Corporate Governance Policy and Business Ethics have been strictly and continually complied.

The Company has established the Corporate Governance Committee to monitor the compliance duties in accordance with the regulations continuous and appropriately.

6. The compliance with the Principles of Good Corporate Governance in other areas

The Company conducts the business in comply with the 2012 Principles of Good Corporate Governance by the SET. However, there are some areas that the Company has not yet followed as follows:

Equity Treatment of Shareholders

1. The Company does not entitle the right for minority shareholders to participate in the nomination and appointment of director. However, the Board of Directors has appointed the Nomination Committee and Compensation Committee to recruit, select and nominate candidates for the position of director from IOD's Director Pool and proceed to select the candidate who is qualified as the relevant laws and regulations with regards to qualification, experience, knowledge and ability that is advantage and needed to the Company, then propose to the Board of Director / the shareholder's meeting for further approval.
2. The Company has not yet determined to perform the election of directors by using cumulative vote. However, the Company entitled the shareholders to vote for the election of directors individually. Each shareholder shall have one vote for each share as stipulated by the Company's Articles of Association so that the shareholders have the right to elect director with their need.
3. The Company has not established a policy regarding directors and top management to declare their own trading of the Company's share at least 1 day prior to the trade date to the Board of Directors or the assigned person. However, the Company establishes the policy that director and executives must report the change of holding Company's share in every board meeting.

Roles and Responsibilities of the Board of Directors

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. The portion of independent directors and non-executive directors in the Board of Directors are equivalent to 44.44% and 55.55% which are less than 50% and 66% as stipulated by the principles of good corporate governance.
3. The Company has not yet participated in Thailand's Private Sector Collective Action Coalition Anti-Corruption Scheme (CAC). However, in 2015, the Company has joined the Partnership Against Corruption for Thailand (PACT) to attend the training courses and gather recommendation on anti-corruption procedures. The Company's representatives constantly attended the meetings with PACT as well as studied the operating procedures on participation with CAC. Currently, the Company is now considering on appropriateness and readiness on becoming the member of the CAC.

Internal Control, Risk Management and Anti-Corruption

1. Internal Control

- 1.1 The Company's Board of Directors puts emphasis on internal control system on continued, Special emphasis is placed on the adequacy and appropriateness of the internal control system on all business operation to improve efficiency and effectiveness. The Board of Directors oversees all the internal control systems of the Company by taking into account of good corporate governance. Therefore, the Audit Committee has been delegated to review the assessment of the sufficiency of internal control system, review the transparency and accuracy of financial statement and also review that all business operation are compliance with applicable law and regulation together with the connected transaction and the key issues shall be reported to the Board for further consideration. The internal audit office is responsible for regular audit of business operation in compliance with policies and guideline and reporting to the Audit Committee, has duty to audit performance of all units such as accounting, finance, management and operations of all departments to the annual audit plan which must have been approved by the Audit Committee.

The Company has efficient internal control system and risk management by using the principles and guidelines complying with the internal control and risk management framework which are referred to the international standard of the Committee of Sponsoring Organization of the Treadway Commission - Enterprise Risk Management (COSO-ERM) concept, which relate to business operations and management processes within the Company. In 2015, the Board of Directors evaluated the Company's internal control system as guideline from the Securities and Exchange Commission and found no significant error on the Company's internal control system. The 8 enterprise risk management components are as follows:

1) Control Environment

The Company has set its annual Strategic Implementation Plan (SIP) by carefully reviewing and considering the possibility of the goal setting and applied PM Online (Performance Management) to guide performance of all staff toward the same direction, goal and using Key Performance Indicator (KPI) as a tool to reward to personnel. For business clearer and more efficiency, business structure has been classified into 3 Business Groups. Moreover, the Company has developed the Corporate Governance Policy and issue the Code of Conduct Manual for Directors and Staff as the guidance to strictly adhere with integrity and transparency.

2) Objectives Setting

The Company set up objectives or targets of work performance in each level clearly, which included strategy on operations, reports as well as compliance with the written policies, rules and regulations and they must be in line with the main targets or overall missions as well as the acceptable risk levels. Moreover, the Company also adjusted plans, strategy and objectives to make them correspond to the changing situations and risk factors regularly. Objective have been publicized and clarified in the Management Meeting twice a year as well as publicized for the employees' acknowledgement.

3) Event identification

The Company identified incident indicators or risk factors which can cause negative impact to the objectives at organizational level and operational level appropriately and systematically including identified potential incidents which may have positive impact as well. This work has been done by considering external and internal risk sources and by constantly monitoring the results to ensure that risks identified by the Company cover changes in each level. Furthermore, the management or the related persons must have been reported for their acknowledgement on regular basis.

4) Risk Assessment

The Company has set up the Risk Management Committee and applying Enterprise Risk Management (ERM) to assess business risks and introduce preventive/corrective control measures to cope with such risks to comply with new standard of risk management of COSO. (The Committee of Sponsoring Organization of the Tread way Commission) The Company has systematic tools and methods on risk assessment and has prescribed the appropriated criteria in each level, i.e. at organizational and operational level. Qualitative and quantitative assessments have also been conducted by considering from the acceptable risk levels of the organization and from 2 aspects, i.e. impact for damages and risk likelihood to consider risk levels, such as high, middle or low and the methods have been sought to manage those risks.

5) Risk Response

The Company has risk management process systematically and continually. Risk response strategy has been clearly specified in each level and in overall level, such as avoidance, reduction, transfer to others and risk acceptance to ensure that the Company has considered the most worthy and most effective alternative by handling high risk as its first priority to reduce opportunity and overall impact which might occur from such incident. The Company also has good internal control measures which are suitable for the changing risks.

6) Control Activities

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

7) Information System and Data Communication

International standard of information and data center management was implemented within company such as COBIT (Control Objectives for Information and Related Technologies) has been developed for the information technology system of the Company to be in accordance with IT Governance as well as ITIL has been adopted for the computer system to improve itself. Intelligent Data Center was introduced to assist Management in their monitoring and analyzing data i.e. finance, sales, etc. for decisive action. Establishing IT Consolidation Center to support business changes. That is certified ISO 27001 and CMMI Level-5 (Capability Maturity Model Integration) Creating external data back up and preparing site back up for all information system as well as implementing the Human Resource information System.

The Company provided the intranet, Internet and e-mail systems for internal and external communication regarding the policy, procedure, manual announcement and news. And also there are the channel for stakeholders' complaint or suggestion through mail and Company's website.

8) Monitoring Activities

The Company has appropriated procedures to monitor and supervise work performances by comparing them with the targets or indicators Key Performance Indicator (KPI) in each level regularly. In addition, it also has good assessment, analysis and monitoring system, for instance, it specified that the employees at supervisor level must monitor work performances and reports of their subordinates closely and then report to higher supervisor level to ensure that internal control system and measures are efficiently and can respond to risk factors and changes appropriately and in time.

The Executive Board was regularly set up according to the Company's regulation to the meetings to monitor and evaluate Company's monthly performance. The annual audit plan was implemented by Internal Audit Team to ensure the compliance of internal control system and reported to Management, Board of Directors and Audit Committee.

Conclusion

In the Board of Directors' Meeting No.1/2016 on February 29, 2016 in which all three Independent Audit Committee members attended, concluded that the Company has a sufficient internal control system. Furthermore, the Company's auditor, Miss. Siriwan Suratepin, an auditor license no. 4604, audited the Company's financial statement for period ending December 31, 2015 without any comment on the Company's internal control system as significant error.

1.2 Internal Audit

The internal audit department has independence and righteousness and it shall directly report to the Audit Committee, has its Audit Charter which clearly defines scope and responsibility. The audit manual has been prepared and updated continually to be used as referenced criteria for equal operational guidelines and to ensure that the operations of internal audit unit are qualified and complied with the international standard on internal audit professions to promote and improve the organization so that it shall have good corporate governance, increase values to the stakeholders and can lead to sustainable development.

The internal audit unit must audit and assess efficiency of the internal control system, risk management system, compliance of the Company in accordance with the annual audit plan by considering from objectives, strategies, overall missions, risk based audit approach including key control point and additional comments from the management. Such audit plan has been approved by the Audit Committee and it also included recommendations in various aspects, i.e. the preparation of internal control measures and risk management. This method can help the Company be confident that the operations shall be achieved as per the set strategies and objectives. The results were also monitored and assessed regularly to ensure that the planned system can be performed continually and it has been revised and updated regularly.

With regard to the assessment of efficiency of risk management system, the internal audit unit has reviewed the incident indicators or risk factors which impacted objectives and risk management guidelines of the operators. The objectives were to ensure that risks have been identified and assessed correctly and risk management was systematically implemented so that it can manage risks to be in acceptable level. There must be a complete and prompt report and risks must be regularly monitored and reviewed.

With regard to the risk assessment on corruption from outside and inside the organization, the internal audit unit has assessed by identifying indication and possibility of corruption from outside and inside the organization and then considered the preventive and control measures for maximum efficiency to ensure that the Company can prevent and control this matter, so that it can achieve the objectives planned.

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

In 2003, the Board of Directors by through the approval of the Audit Committee has appointed Mr. Somchai Bunsupaporn to be the Company's head of Internal Audit.

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

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

Chief of Internal Audit Unit can provide useful information and recommendation to various departments in the Company with regards to how to operate the works to make them consistent with the laws, rules and regulations required as completely.

The consideration of the appointment, removal and relocation of the Head of Internal Audit are required to have an approved from the Audit Committee.

2. Risk Management

The Company put emphasis on risk management of the organization by appointing the Risk Management Committee which comprised of the Company's President as the Chairman of the Risk Management Committee and the high management as the Committee members. In 2015, the Committee has conducted 3 meetings to consider the overall organizational risks, classify risk levels, prescribe risk management guidelines and assign the responsible persons to carry out risks control measures to make them in acceptable level with aims to make the Company achieve the set objectives and strategies and enhance the shareholders' and the stakeholders' confidence. The Company also reviewed the Company's risks regularly to check which risk has increased or changed.

The Company has a good system to monitor risk management results including an alarming system to make sure that risk management and administration was adequately and effectively and risks have been in acceptable levels. Results have been regularly reported to the supervisors at all levels and the high management.

At present, the situations are changing quickly so risk management is very important to help the Company achieve the objectives when the unforeseen circumstances arise. Hence, it is very essential that the Company must have the management mechanism to strengthen and prepare well-rounded readiness in advance, so that it can manage risks and can sustain its business for a long time.

The Company's risk management policies are disclosed on the Company website. (<http://www.samtel.com>) as follows:

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

The Risk Management Committee monitored successes of risk management by considering from the work plan of the management who was responsible for risk factors and results of the credible measurement on compliance with the work plan as well as considered whether risk level has been decreased or not, so that risk management can be truly effectively.

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.

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 neutrality and political assistance

The Company is a politically neutral business entity that supports lawful operations and democratic form of government with the King as Head of State. Directors, Executives, and Employees enjoy their political rights and freedom under the law. However, they must not deprive company of neutrality and compromise it through their involvement in politics or use its resources to do so.

2. Donation for charity and support fund

The Company supports community and social development to upgrade the quality of life, enhance the economy, and strengthen communities and society through business processes or donation for charity used for public charity only. Moreover, the support fund for Company's business must have a clear proof of documents in compliance with the Company's regulations.

3. Receiving and giving present, property or other benefits policies

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

The Company's anti-corruption policies are disclosed on the Company website. (<http://www.samtel.com>)

Guidelines to perform of anti-corruption

1. The process of risk assessment and risk management

In the aspect of risk management, the Company has an internal audit unit to check the operation in all Company's units following the risks topic of each Company including the risk of corruption to ensure that all units must have appropriate internal control systems both Preventive Control and Detective Control. In case internal control of any unit is found that it is inadequate or fraud, a report of inspection results will be presented to the Audit Committee and the executive with guidelines for the prevention and the improved internal control system.

2. Protection

To ensure an adequate compensation to employees, aim to make awareness and do not lead to corruption, the Company's Human Resources will collect the results of the compensation survey of the prestigious institutions both in Thailand and abroad in each year to adjust wages, including the exchange of information with the other Company's human resources in telecommunications and computers into consideration for employee's compensation.

3. Training and Communication

Supporting best practices for anti-corruption policy by providing a training course to all employees and to promote honesty and guidelines for code of conduct to the Company's employees including the Company's business ethics through new employee orientation. All employees can access all related information in HR Website (www.samarthre.com).

4. Reporting Channels

In order to oversee the implementation of anti-corruption policy, the Company encourages its employees and all stakeholders to report the violation of Company's policies and unfair practices by providing the channels for stakeholders to inform any actions which are against the corporate governance principle, ethics, rules and regulations of the Company, laws or any action which may cause damage to the Company to the Chairman of the Audit Committee. Such document and/or evidence may be sent by the employees themselves or via the postal service as the address shown in the Company's website. The 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.

5. Regulatory and monitoring of the implementation of the policy

Internal audit unit will make an audit report of fraud found in the past year and report to the Audit Committee annually with problems and suggest solutions.

For the past year, no employees fraud, just found defect of non-compliance of the Company's regulations, which have been amended and clarified the correct procedures for employees to acknowledge.

Furthermore, no director or executive was found to break the rules or was forced to resign on the ground of violation of corporate governance principles and the Company did not encounter the problem on having negative reputation caused by failure of the Committees on supervision their duties.

In 2015, the Company was assessed with 3rd level (Established) of the progress of Anti-Corruption development of Listed Companies for 2015 which indicated the demonstration of policy, communication and training on policies and practices against corruption by Thaipat Institute in cooperation with the Office of Securities and Exchange Commission (SEC).

Connected Transactions

1. Details of the connected transactions which might have conflicts of interest.

The connected transactions disclosed in this section are transactions of the Company and its subsidiaries with those who may have a conflict of interest as at December 31, 2014 and 2015:

Companies	Relationship	Counterparts
Samart Corporation Pcl.	The major shareholder of the Company and holds a 70.14% stake.	Mr. Charoenrath Vilailuck Mr. Watchai Vilailuck Mr. Sirichai Rasameechan
Samart Engineering Co., Ltd.	Samart Corporation Pcl. holds a 99.99% stake.	Mr. Charoenrath Vilailuck Mr. Watchai Vilailuck Mr. Sirichai Rasameechan
Samart U-Trans Co., Ltd.	Samart Corporation Pcl. holds a 99.99% stake.	Mr. Charoenrath Vilailuck Mr. Watchai Vilailuck Mr. Sirichai Rasameechan
Cambodia Air Traffic Services Co., Ltd.	Samart Inter Holding Co., Ltd. holds a 100% stake.	Mr. Charoenrath Vilailuck Mr. Watchai Vilailuck
Cambodia Samart Co., Ltd.	Samart Corporation Pcl. holds a 49% stake.	Mr. Charoenrath Vilailuck Mr. Watchai Vilailuck
Vision and Security System Co., Ltd.	Samart Corporation Pcl. holds a 70.00% stake.	Mr. Sirichai Rasameechan
One to One Contacts Pcl.	Samart Corporation Pcl. holds a 68.43% stake and Samart Engineering Co., Ltd. holds a 0.75% stake	Mr. Charoenrath Vilailuck Mr. Watchai Vilailuck Mr. Sirichai Rasameechan
Samart I-Mobile Pcl.	Samart Corporation Pcl. holds a 70.94% stake.	Mr. Charoenrath Vilailuck Mr. Watchai Vilailuck Mr. Sirichai Rasameechan
I-Mobile International Co., Ltd.	Samart I-Mobile Pcl. holds a 99.99% stake.	Mr. Charoenrath Vilailuck Mr. Watchai Vilailuck Mr. Sirichai Rasameechan Mr. Jong Diloksombat
Samart Mobile Services Co., Ltd.	Samart I-Mobile Pcl. holds a 97.40% stake.	Mr. Charoenrath Vilailuck Mr. Watchai Vilailuck Mr. Sirichai Rasameechan Mr. Jong Diloksombat
Samart Multi Media Co., Ltd.	Samart I-Mobile Pcl. holds a 99.99% stake.	Mr. Watchai Vilailuck Mr. Sirichai Rasameechan Mr. Jong Diloksombat
Samart Interactive Media Co., Ltd.	Samart Multi Media Co., Ltd. holds a 99.99% stake.	Mr. Watchai Vilailuck Mr. Sirichai Rasameechan Mr. Jong Diloksombat
Vilailuck International Holding Co., Ltd.	Vilailuck International Holding Co., Ltd. holds a 18.42% stake in Samart Corporation Pcl.	Mr. Charoenrath Vilailuck Mr. Watchai Vilailuck

Companies	Relationship	Counterparts
I-Sport Co., Ltd.	Samart Multi Media Co., Ltd. holds a 49.99% stake.	Mr. Watchai Vilailuck
Samart I-Mobile (Malaysia) Sdn. Bhd.	Samart I-Mobile Pcl. holds a 100% stake.	Mr. Watchai Vilailuck Mr. Jong Diloksombat
PT. Samart I-Mobile (Indonesia) Co., Ltd.	I-Mobile International Co., Ltd. holds a 99.98% stake.	Mr. Watchai Vilailuck Mr. Jong Diloksombat
Teleconnext Co., Ltd.	Samart I-Mobile Pcl. holds a 100% stake.	Mr. Watchai Vilailuck Mr. Jong Diloksombat
I-Mobile Plus Co., Ltd.	Samart I-Mobile Plc. holds a 99.99% stake.	Mr. Charoenrath Vilailuck Mr. Watchai Vilailuck Mr. Sirichai Rasameechan Mr. Jong Diloksombat
Brain Source Co., Ltd.	Samart I-Mobile Pcl. holds a 99.97% stake.	Mr. Watchai Vilailuck Mr. Sirichai Rasameechan Mr. Jong Diloksombat
I-Mobile Inter Trade Co., Ltd.	Samart I-Mobile Pcl. holds a 99.99% stake.	Mr. Charoenrath Vilailuck Mr. Watchai Vilailuck Mr. Sirichai Rasameechan Mr. Jong Diloksombat
Kampot Power Plant Co., Ltd.	Samart Inter Holding Co., Ltd. holds a 100% stake.	Mr. Charoenrath Vilailuck Mr. Watchai Vilailuck
Suvarnabhumi Environment Care Co., Ltd. *	Samart Corporation Pcl. holds a 89.99% stake.	Mr. Charoenrath Vilailuck Mr. Watchai Vilailuck Mr. Sirichai Rasameechan
Contact-In-One Co., Ltd.	Samart Engineering Co., Ltd. holds a 99.99% stake.	Mr. Charoenrath Vilailuck Mr. Watchai Vilailuck Mr. Sirichai Rasameechan
Samart Inter Holding Co., Ltd.	Samart Corporation Pcl. holds a 100% stake.	Mr. Charoenrath Vilailuck Mr. Watchai Vilailuck Mr. Sirichai Rasameechan
Samart Communication Services Co., Ltd.	Samart Telcoms Pcl. holds a 99.99% stake.	Mr. Charoenrath Vilailuck Mr. Watchai Vilailuck Mr. Jong Diloksombat
Samart Comtech Co., Ltd.	Samart Telcoms Pcl. holds a 99.99% stake.	Mr. Charoenrath Vilailuck Mr. Watchai Vilailuck Mr. Jong Diloksombat
Samart Broadband Services Co., Ltd.	Samart Telcoms Pcl. holds a 99.99% stake.	Mr. Charoenrath Vilailuck Mr. Watchai Vilailuck Mr. Sirichai Rasameechan Mr. Jong Diloksombat
Thai Trade Net Co., Ltd.	Samart Telcoms Pcl. holds a 99.99% stake.	Mr. Charoenrath Vilailuck Mr. Watchai Vilailuck Mr. Sirichai Rasameechan Mr. Jong Diloksombat

Companies	Relationship	Counterparts
Posnet Co., Ltd.	Samart Telcoms Pcl. holds a 99.99% stake.	Mr. Charoenrath Vilailuck Mr. Watchai Vilailuck Mr. Sirichai Rasameechan Mr. Jong Diloksombat
Samart Infonet Co., Ltd.	Samart Telcoms Pcl. holds a 99.57% stake.	Mr. Watchai Vilailuck Mr. Jong Diloksombat
Smarterware Co., Ltd.	Samart Telcoms Pcl. holds a 99.99% stake.	Mr. Charoenrath Vilailuck Mr. Watchai Vilailuck Mr. Jong Diloksombat
Samart Ed Tech Co., Ltd.	Samart Telcoms Pcl. holds a 99.99% stake.	Mr. Charoenrath Vilailuck Mr. Watchai Vilailuck Mr. Jong Diloksombat
Portalnet Co., Ltd.	Samart Telcoms Pcl. holds a 99.99% stake.	Mr. Charoenrath Vilailuck Mr. Watchai Vilailuck Mr. Jong Diloksombat
NetService (Thailand) Co., Ltd.	Samart Comtech Co., Ltd. holds a 60% stake.	Mr. Charoenrath Vilailuck Mr. Jong Diloksombat
SLA Asia Co., Ltd.	Samart Communication Services Co., Ltd. holds a 30% stake.	Mr. Jong Diloksombat
Net Media Co., Ltd.	Samart Telcoms Pcl. holds a 99.99% stake.	-
IT Absolute Co., Ltd.	Samart Broadband Services Co., Ltd. holds a 99.94% stake.	-
Samart Reditech Co., Ltd.	Samart Corporation Pcl. holds a 99.99% stake.	Mr. Charoenrath Vilailuck Mr. Watchai Vilailuck Mr. Sirichai Rasameechan Mr. Jong Diloksombat
One to One Professional Co., Ltd.	One to One Contracts Pcl. holds a 99.99% stake.	Mr. Charoenrath Vilailuck Mr. Sirichai Rasameechan
Entertainment Tree Co., Ltd.	Samart Multi Media Co., Ltd. holds a 45.00% stake.	Miss Rapeepan Luangaramrut Mr. Watchai Vilailuck
I-Sport Media Co., Ltd.	I-Sport Co., Ltd. holds a 99.99% stake.	Mr. Watchai Vilailuck
I-Mobile Direct Co., Ltd.	I-Mobile Inter Trade Co., Ltd. holds a 99.97% stake.	Mr. Charoenrath Vilailuck Mr. Watchai Vilailuck Mr. Jong Diloksombat
Teda Co., Ltd.	Samart U-Trans Co., Ltd. holds a 94.35% stake.	Mr. Sirichai Rasameechan
Transec Power Services Co., Ltd.	Teda Co., Ltd. holds a 99.99% stake.	Mr. Sirichai Rasameechan
One To One Cambodia Co., Ltd.	One to One Contracts Pcl. holds a 100% stake.	Mr. Sirichai Rasameechan
Siam Sport Television Co., Ltd.	I-Sport Co., Ltd. holds a 99.99% stake.	Mr. Charoenrath Vilailuck Mr. Watchai Vilailuck

Companies	Relationship	Counterparts
Samart Waste2Power Co., Ltd.	Samart U-Trans Co., Ltd. holds a 99.99% stake.	Mr. Charoenrath Vilailuck Mr. Watchai Vilailuck
Samart U-Trans (Myanmar) Co., Ltd.	Samart U-Trans Co., Ltd. holds a 99.99% stake.	Mr. Charoenrath Vilailuck Mr. Watchai Vilailuck
Phuphatara Co., Ltd.	whose indirect shareholder of 42.38% is Vilailuck Internation Holding Co., Ltd.(VIH) and VIH is the major shareholder of Samart Corporation Pcl.	Mr. Charoenrath Vilailuck Mr. Watchai Vilailuck
I.Q Wine Co., Ltd. (Formerly known as Best Cellar Co., Ltd.)	Director Related is Mr.Thananan Vilailuck	-
Nirvana Memorial Park Co. Ltd.	Director Related is Mr. Watchai Vilailuck, Mr. Sirichai Rasameechan	Mr. Watchai Vilailuck Mr. Sirichai Rasameechan

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

Pricing Policy

The Company and its subsidiaries had significant business transactions with related parties, which have been concluded on commercial terms and bases agreed upon between the Company and those related parties. The Company and its subsidiaries have a policy on pricing with its related parties as specified below.

1. Sales prices are determining at market price. If market price not known, sales price are determined at cost plus a margin not over 15 percent. However, the pricing policy is subject to change depending on the type of business and market competition at the time being.
2. Management fees and rental expenses are charged at the amount stipulated in the relevant agreements.
3. Management fees and rental income are charged at the amount stipulated in the relevant agreements.
4. Other services income and expenses are charged at the price mutually agreed upon.
5. IT service fees expenses to parent company are charged at the amount stated in the agreement which parent company sets base on cost plus a margin of not over 5 percent.
6. Interest on loans to and from related parties are charged at cost of fund plus 0.25 percent per annum or twelve-month fixed deposit rate of the commercial banks that the subsidiary companies frequently use.
7. Guarantee fee is charged between the parties at a rate of 0.3 percent per annum.
8. Dividend income is recognised when declared and the right to receive the dividend is established.
9. Fixed assets are purchased at their net book value plus margin, depending on the condition of fixed assets.
10. Directors and management's benefit expenses are charged as approved by the shareholders' meeting or contractually agreed price.

Connected Transactions**1) Rental and Services Fee**

Transaction Type	Value (Baht Million)		Justification of Transactions
	2015	2014	
1. Samart Telcoms Pcl. rent the office at Software Park Building and used the public utilities services with area 885.64 sq. meter from Samart Corporation Pcl.	5.92	6.07	The rental and service charges for public utilities are reasonable when compared to market price within the same area.
2. Samart Telcoms Pcl. rent a warehouse located on 101/4 Moo.20 Phaholyothin Rd. Klong 1, Klongluang, Pathumthanee and used the public utilities services with area 50 sq. meter. from Samart Corporation Pcl.	0.07	0.07	The rental and service charges for public utilities are reasonable when compared to market price within the same area.
3. Samart Telcoms Pcl. rent the office at Software Park Building and used the public utilities services with area 723.95 sq. meter. from Vilailuck International Holding Co., Ltd.	4.76	4.70	The rental and service charges for public utilities are reasonable when compared to market price within the same area.
4. Samart Communication Services Co., Ltd. rent the office at Software Park Building and Smart One Building, and used the public utilities services with area 647.22 and 288 sq.meter., respectively from Samart Corporation Pcl.	5.84	4.67	The rental and service charges for public utilities are reasonable when compared to market price within the same area.
5. Samart Communication Services Co., Ltd. rent a warehouse located on 101/4 Moo 20, Phaholyothin Rd. Klong 1, Klongluang, Pathumthanee with area 721.23 sq. meter. from Samart Corporation Pcl.	1.01	0.95	The rental charge is reasonable when compared to market price within the same area.
6. Samart Communication Services Co., Ltd. rent the office at Software Park Building and used the public utilities services with area 211.71 and 382.30 sq. meter. from Vilailuck International Holding Co., Ltd.	4.74	4.85	The rental and service charges for public utilities are reasonable when compared to market price within the same area.
7. Samart Communication Services Co., Ltd. rent a building in Chiangmai from Mr. Watchai Vilailuck	0.30	0.30	The building is rented to be used as a maintenance and repair services center for the equipments of the Ruler Telephone project installed in Chiangmai and nearby area. The rental charge is reasonable when compared to market price within the same area.
8. Samart Broadband Services Co., Ltd. rent the office at Software Park Building and used the public utilities services with area 60 sq. meter. from Samart Corporation Pcl.	-	0.29	The rental and service charges for public utilities are reasonable when compared to market price within the same area.
9. Posnet Co., Ltd. rent a warehouse located on 101/4 Moo 20 Phaholyothin Rd. Klong 1, Klongluang, Pathumthanee and used the public utilities services with area 55.68 sq. meter. from Samart Corporation Pcl.	0.08	0.07	The rental charge is reasonable when compared to market price within the same area.

Transaction Type	Value (Baht Million)		Justification of Transactions
	2015	2014	
10. Posnet Co., Ltd. rent the office at Software Park Building and Smart One Building, and used the public utilities services with area 841.35 sq. meter. and 48 sq.meter., respectively from Samart Corporation Pcl.	5.89	5.71	The rental and service charges for public utilities are reasonable when compared to market price within the same area.
11. Samart Comtech Co., Ltd. rent the office at Software Park Building and used the public utilities services for the year 2014 with area 592.42 and for the year 2015 374.72 sq. meter. from Samart Corporation Pcl.	3.23	8.16	The rental and service charges for public utilities are reasonable when compared to market price within the same area.
12. Samart Comtech Co., Ltd. rent a warehouse located on 37/1 Moo 2 Phaholyothin Rd. Klong 1, Klongluang, Pathumthanee and used the public utilities with area 970 and 430 sq. meter. from Samart Corporation Pcl.	0.28	0.44	The rental charge is reasonable when compared to market price within the same area.
13. Samart Comtech Co., Ltd. rent the office at Software Park Building and used the public utilities services with area 1,476.41 sq. meter. from Vilailuck International Holding Co., Ltd.	10.24	9.08	The rental and service charges for public utilities are reasonable when compared to market price within the same area.
14. Samart Ed Tech Co., Ltd. rent the office at Software Park Building and used the public utilities services with area 190 sq. meter. from Vilailuck International Holding Co., Ltd.	-	0.93	The rental and service charges for public utilities are reasonable when compared to market price within the same area.
15. Samart Infonet Co., Ltd. rent the office at Software Park Building and used the public utilities services with area 265.70 sq. meter. from Samart Corporation Pcl.	1.07	0.33	The rental and service charges for public utilities are reasonable when compared to market price within the same area.
16. Samart Infonet Co., Ltd. rent the office at Software Park Building and used the public utilities services with area 291.44 sq. meter. from Vilailuck International Holding Co., Ltd.	0.95	2.53	The rental and service charges for public utilities are reasonable when compared to market price within the same area.
17. Smarterware Co., Ltd. rent the office at Software Park Building and used the public utilities services with area 90.21 sq. meter. from Vilailuck International Holding Co., Ltd.	0.29	0.59	The rental and service charges for public utilities are reasonable when compared to market price within the same area.
18. Portalnet Co., Ltd. rent the office at Software Park Building and used the public utilities services with area 139.29 sq. meter. from Samart Corporation Pcl.	0.93	0.23	The rental and service charges for public utilities are reasonable when compared to market price within the same area.

2) Loans and Borrowings

Borrowing Company	Lending Company	Interest Rate (%)	Value (Baht Million)	
			2015	2014
1. Samart Telcoms Pcl.	For the purchase of Samart Comtech's shares from Samart Corporation Pcl.	-	-	Outstanding Loan -
			-	Interest Paid 2.00

3) Transactions of Sales of Goods and Services as a Normal Business

Sellers of Goods/Services	Buyers of Goods/Services	Amount (Baht Million)	
		2015	2014
1. Samart Telcoms Pcl.	Samart Corporation Pcl.	-	4.34
	Samart Engineering Co., Ltd.	-	12.15
	Combodia Air Traffic Services Co., Ltd.	0.60	0.60
2. Samart Communication Services Co., Ltd.	One to One Contracts Pcl.	1.11	0.65
	I-Mobile Plus Co., Ltd.	-	4.92
3. Thai Trade Net Co., Ltd.	Samart Corporation Pcl.	0.03	0.03
4. Samart Comtech Co., Ltd.	Samart Corporation Pcl.	39.72	33.12
	Samart Multimedia Co., Ltd.	-	0.35
	Samart U-Trans Co., Ltd.	0.01	-
5. Smarterware Co., Ltd.	Samart Multimedia Co., Ltd.	-	7.20
6. Samart Infonet Co., Ltd.	Samart Corporation Pcl.	2.71	1.62
	Samart I-Mobile Pcl.	2.59	2.50
	One to One Contracts Pcl.	6.58	6.34
	I-Mobile International Co., Ltd.	-	0.02
	Samart Multimedia Co., Ltd.	3.61	3.48
	Samart Engineering Co., Ltd.	0.19	0.17
	I-Mobile Plus Co., Ltd.	1.24	1.84
	Nirvana Memorial Park Co., Ltd.	0.08	0.02
	Brain Source Co., Ltd.	0.01	0.02
	I.Q Wine Co., Ltd.	0.13	0.13
	Samart U-Trans Co., Ltd.	0.02	-
7. Samart Corporation Pcl. (IT Data Center services)	Samart Telcoms Pcl.	11.48	11.48
	Samart Communication Services Co., Ltd.	27.60	27.60
	Posnet Co., Ltd.	2.16	2.16
	Thai Trade Net Co., Ltd.	1.28	1.28
	Samart Comtech Co., Ltd.	16.80	16.80
	Samart Infonet Co., Ltd.	1.76	1.76
	Portalnet Co., Ltd.	1.13	-
8. Samart Corporation Pcl. (Management Fee)	Samart Telcoms Pcl.	24.00	24.00
9. Samart Corporation Pcl.	Samart Infonet Co., Ltd.	1.47	1.43
	Posnet Co., Ltd.	0.07	0.19
	Samart Comtech Co., Ltd.	0.03	0.34
	Samart Communication Services Co., Ltd.	0.07	-
10. I-Mobile Plus Co., Ltd.	Samart Telcoms Pcl.	0.32	0.33
	Samart Comtech Co., Ltd.	0.10	0.12
	Samart Infonet Co., Ltd.	0.08	0.13
	Samart Communication Services Co., Ltd.	0.64	0.57
	Portalnet Co., Ltd.	0.01	0.01

Sellers of Goods/Services	Buyers of Goods/Services	Amount (Baht Million)	
		2015	2014
11. Samart I-Mobile Pcl.	Samart Telcoms Pcl.	17.17	5.14
	Samart Communication Services Co., Ltd.	0.19	3.84
	Posnet Co., Ltd	-	0.14
	Samart Comtech Co., Ltd.	0.43	1.29
	Samart Infonet Co., Ltd.	-	0.17
	Smarterware Co., Ltd.	-	0.08
	Thai Trade Net Co., Ltd.	-	0.01
	Samart Ed Tech Co., Ltd.	-	0.01
	Portalnet Co., Ltd.	-	0.08
12. Samart Engineering Co., Ltd.	Samart Telcoms Pcl.	25.51	0.11
	Samart Communication Services Co., Ltd	1.39	1.00
	Samart Comtech Co., Ltd.	0.64	0.68
	Portalnet Co., Ltd.	-	1.26
13. One to One Contracts Pcl.	Samart Telcoms Pcl.	0.56	4.59
	Samart Communication Services Co., Ltd.	4.73	2.56
	Thai Trade Net Co., Ltd.	0.15	0.15
	Posnet Co., Ltd	0.03	-
	Samart Comtech Co., Ltd.	0.12	5.72
	Samart Infonet Co., Ltd.	0.04	0.04
	Smarterware Co., Ltd.	0.01	0.01
14. Vision and Security System Co., Ltd.	Samart Telcoms Pcl.	26.25	0.89
	Samart Communication Services Co., Ltd	0.64	2.23
	Samart Comtech Co., Ltd.	2.36	0.05
15. Samart Multimedia Co., Ltd.	Samart Telcoms Pcl.	-	2.73
	Samart Infonet Co., Ltd.	-	0.10
	Samart Comtech Co., Ltd.	0.03	0.38
	Smarterware Co., Ltd.	-	0.01
	Posnet Co., Ltd	-	0.04
16. Samart Interactive Media Co., Ltd.	Samart Comtech Co., Ltd.	-	0.36
	Samart Infonet Co., Ltd.	-	0.04
	Portalnet Co., Ltd.	-	0.04
17. Vilailuck International Holding Co., Ltd.	Samart Telcoms Pcl.	-	0.01
	Samart Comtech Co., Ltd.	0.05	0.43
	Portalnet Co., Ltd.	0.01	0.02
18. Net Media Co., Ltd.	Samart Corporation Pcl.	-	0.06
19. I.Q Wine Co., Ltd. (Formerly known as Best Cellar Co., Ltd.)	Samart Telcoms Pcl.	0.44	0.49
	Samart Comtech Co., Ltd.	0.59	-
	Samart Communication Services Co., Ltd	0.04	-
	Portalnet Co., Ltd.	0.04	-
20. Portalnet Co., Ltd.	Samart Corporation Pcl.	0.82	-

4) Miscellaneous Normal Business Transactions

Nature of Major Transactions	Value (Baht Million)		Justification
	2015	2014	
1. Samart Telcoms Pcl. paid for the equipment rental, services charges, and miscellaneous expenses to Samart Corporation Pcl.	0.02	0.01	Normal business transaction at market price.
2. Samart Telcoms Pcl. paid for the water, electricity, and car park rental to Vilailuck International Holding Co., Ltd.	0.38	0.63	Normal business transaction at market price.
3. Samart Telcoms Pcl. paid for miscellaneous expenses to Samart Interactive Media Co., Ltd.	0.01	0.20	Normal business transaction at market price.
4. Samart Telcoms Pcl. paid for miscellaneous expenses to Vilailuck Development Co., Ltd.	0.05	0.04	Normal business transaction at market price.
5. Samart Telcoms Pcl. paid for miscellaneous expenses to Phuphatara Co., Ltd.	1.25	1.55	Normal business transaction at market price.
6. Samart Telcoms Pcl. paid for miscellaneous expenses to I-Sport Co., Ltd.	0.01	-	Normal business transaction at market price.
7. Samart Communication Services Co., Ltd. paid for the water, electricity, and car park rental to Vilailuck International Holding Co., Ltd.	0.74	0.86	Normal business transaction at market price.
8. Samart Communication Services Co., Ltd. paid for the miscellaneous expenses to Samart Interactive Media Co., Ltd.	-	0.38	Normal business transaction at market price.
9. Samart Communication Services Co., Ltd. paid value products, and miscellaneous expenses to Samart Corporation Pcl.	0.06	0.03	Normal business transaction at market price.
10. Samart Communication Services Co., Ltd. paid for the miscellaneous expenses to Samart Multimedia Co., Ltd.	-	0.33	Normal business transaction at market price.
11. Samart Communication Services Co., Ltd. paid for the miscellaneous expenses to I-Mobile Plus Co., Ltd.	0.21	0.30	Normal business transaction at market price.
12. Smarterware Co., Ltd. paid for miscellaneous expenses to Samart Corporation Pcl.	0.01	0.01	Normal business transaction at market price.
13. Posnet Co., Ltd. paid for miscellaneous expenses to I-Mobile Plus Co., Ltd.	0.01	0.01	Normal business transaction at market price.
14. Posnet Co., Ltd. paid for miscellaneous expenses to Vilailuck International Holding Co., Ltd.	0.03	0.01	Normal business transaction at market price.
15. Thai Trade Net Co., Ltd. paid for the telephone line and miscellaneous expenses to Samart Corporation Pcl.	0.01	0.01	Normal business transaction at market or actual price.
16. Thai Trade Net Co., Ltd. paid for miscellaneous expenses to Vilailuck International Holding Co., Ltd.	0.04	0.04	Normal business transaction at market price.
17. Thai Trade Net Co., Ltd. paid for miscellaneous expenses to I-Mobile Plus Co., Ltd.	0.09	0.04	Normal business transaction at market price.

Nature of Major Transactions	Value (Baht Million)		Justification
	2015	2014	
18. Samart Comtech Co., Ltd. paid for the office supplies and the miscellaneous services to Samart Corporation Pcl.	0.02	-	Normal business transaction at market price.
19. Samart Comtech Co., Ltd. paid for the water, electricity, and car park rental to Vilailuck International Holding Co., Ltd.	0.89	0.98	Normal business transaction at market price.
20. Samart Infonet Co., Ltd. paid miscellaneous expenses to Vilailuck International Holding Co., Ltd.	0.13	0.14	Normal business transaction at market price.
21. Smarterware Co., Ltd. paid miscellaneous expenses to I-Mobile Plus Co., Ltd.	0.01	0.02	Normal business transaction at market price.
22. Smarterware Co., Ltd. paid for car park rental to Vilailuck International Holding Co., Ltd.	0.07	0.13	Normal business transaction at market price.
23. Samart Ed Tech Co., Ltd. paid for car park rental to Vilailuck International Holding Co., Ltd.	0.03	0.04	Normal business transaction at market price.
24. IT Absolute Co., Ltd. paid for car park rental to Vilailuck International Holding Co., Ltd.	0.03	0.04	Normal business transaction at market price.

Samart Comtech Co., Ltd., a subsidiary company, has purchased the 60% of total shares of NetService (Thailand) Co., Ltd. on 2 January 2014.

Samart Communication Services Co., Ltd., a subsidiary company, has invested the 30% of total shares of SLA Asia Co., Ltd. The Company was registered with the Ministry of Commerce on 26 February 2014.

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

2.1 Necessity and Rationale for Transactions

The Company's Audit Committee is of the opinion that the inter-company transactions above were reasonable and necessary for the Company's operations. Before entering such transactions, the Board of Directors evaluates them on the basis of providing maximum value to the Company. The terms and conditions of connected transactions were set according to standard business terms and conditions, and at market rates. Loans from related companies were secured to strengthen liquidity for the Company's operations only as deemed necessary.

2.2 Measures and Steps of Approval for Connected Transactions

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

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

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

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

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

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

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

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

2.3 Policies and Trend in Future Connected Transactions

In the future, the Company may engage in connected transactions as it deems appropriate based on normal business terms and conditions. It will comply with the laws on securities and the stock market, as well as the relevant regulations, announcements, orders or requirements of the Stock Exchange of Thailand. It will also strictly follow the requirements and practices regarding disclosure of connected transactions, and the acquisition or sale of important assets of the listed company, according to the accounting standards set by the Association of Accountants. The Company will disclose connected transactions in the Notes to Financial Statements audited by the Company's external auditor.

Financial Ratios

1. Financial Positions and Operating Results of Samart Telcoms Public Co., Ltd. and Its Subsidiaries

(Unit: Baht Thousand)

Transaction	As of December 31		
	2013	2014	2015
Cash and cash equivalents	561,910	656,846	615,740
Account receivables - net	3,468,685	1,737,179	2,228,016
Inventories	341,457	352,994	415,276
Property, plant and equipment - net	2,849,107	2,731,197	3,890,141
Intangible asset	155,551	141,636	80,181
Total assets	12,473,093	8,938,416	10,039,615
Overdrafts and short - term loans from banks	3,203,330	1,943,636	3,528,161
Account payables	2,286,893	700,652	434,390
Current portion of long - term loans from banks	511,479	211,560	49,320
Long-term loans from banks - net of current portion	575,902	49,320	-
Debentures	1,460,000	1,560,000	1,655,000
Total liabilities	9,298,397	5,459,560	6,580,819
Paid up capital	616,936	618,000	618,000
Retained earnings	2,056,738	2,323,874	2,311,369
Shareholders' equity	3,174,696	3,478,856	3,458,796
Revenues from sales and services	9,250,761	6,598,146	5,716,047
Total revenues	9,367,117	6,727,807	5,792,684
Cost of goods and service sold	7,459,059	5,266,674	4,542,117
Selling and admin expenses	486,223	488,850	596,033
Finance Cost	368,409	214,527	167,343
Total costs and expenses	7,976,258	5,782,641	5,226,803
Net profit	856,988	704,834	402,340
Net profit per share (Baht/share)	1.40	1.14	0.65
Cash flow from operating activities	1,901,923	3,492,046	900,642
Cash flow from investing activities	(634,302)	(891,729)	(2,003,093)
Cash flow from financing activities	(1,131,029)	(2,505,381)	1,061,353
Par value (Baht/share)	1	1	1
Common shares outstanding (Thousand shares)	616,936	618,000	618,000
Weighted average number of shares (Thousand shares)	613,858	617,629	618,000
Book value (Baht/share)	5.15	5.63	5.60
Dividend per share (Baht/share)	0.75	0.65	0.40

1.2 Financial Ratios of Samart Telcoms Public Co., Ltd. and Its Subsidiaries

Financial Ratio		Samart Telcoms Pcl. and Subsidiaries		
		2013	2014	2015
<u>LIQUIDITY RATIO</u>				
Current ratio	(Times)	1.07	1.06	1.00
Acid test ratio	(Times)	0.49	0.48	0.51
Cash turnover	(Times)	0.22	0.50	0.16
Receivable turnover ratio	(Times)	3.25	2.52	2.86
Average collection period	(Days)	111	143	126
Inventory turnover ratio	(Times)	13.20	10.59	6.68
Days sales outstanding	(Days)	27	34	54
Payable turnover ratio	(Times)	3.71	3.53	8.00
Payment period	(Days)	97	102	45
Cash cycle	(Days)	41	75	135
<u>PROFITABILITY RATIO</u>				
Gross profit margin	(%)	19.37	20.18	20.54
Net profit margin	(%)	9.15	10.48	6.95
Return on equity	(%)	29.02	21.20	11.60
<u>EFFICIENCY RATIO</u>				
Return on assets	(%)	6.89	6.58	4.24
Return on fixed assets ¹⁾	(%)	57.36	59.88	43.13
Asset turnover	(Times)	0.75	0.63	0.61
<u>FINANCIAL POLICY RATIO</u>				
Debt to equity	(Times)	2.93	1.57	1.90
Interest coverage	(Times)	3.65	4.73	3.69
Debt serviceability	(Times)	0.59	0.47	0.22
Dividend payout ratio ²⁾	(%)	54.01	56.99	61.44 ³⁾

Remark: ¹⁾ Including the rights to use communications equipment

²⁾ % of consolidated net profit after deduction of all reserves as stated in the company's Articles of Association and related laws.

³⁾ Dividend payment for 2015, the Board of Directors meeting on February 29, 2016 and on August 13, 2015, has approved dividend payment to shareholders at Baht 0.25 and Baht 0.15, respectively, totaling the dividend payment for 2015 at Baht 0.40 per share. The Annual General Meeting of Shareholders 2016 will be held on April 29, 2016.

Management Discussion and Analysis

1. Operating Results Overview

2015 Operating Results Overview

In 2015, the Company reported the consolidated total revenues of Baht 5,793 million, decreased from 2014 by Baht 935 million or 13.9%. Revenue from sales and services was Baht 5,716 million, decreased by Baht 882 million or 13.4% comparing to 2014 year, resulted from delayed in several IT projects. Other income was Baht 77 million, decreased by Baht 53 million from 2014 due to gain on compensation receipt from insurance and gain from reclassification of investment in 2014.

Cost of sales and services was Baht 4,542 million, decreased from 2014 by Baht 725 million or 13.8% almost the same proportion of revenue decrease. Gross profit was Baht 1,174 million, decreased by Baht 158 million or 11.8%. Gross profit margin was 20.5% increase slightly from 20.2% in 2014.

Selling expenses, administrative expenses, and other expenses were Baht 687 million, increased from 2014 by Baht 169 million, mainly due to penalties from the delay and increase in salary expenses, advertising and promotion expenses, and diminish in value of investment in trading securities.

Finance cost was Baht 167 million, decreased from 2014 by Baht 47 million, mainly from loan repayment during period and lower financial cost in 2015.

Corporate income tax was Baht 1 million, decreased by Baht 29 million as a result of decrease in earnings

As a result, the consolidated net profit attributable to equity holders of the company was Baht 402 million, decreased by Baht 302 million or 42.9% from 2014. Net profit margin was 6.9% decrease from 10.5% in 2014.

Operating Results of the Company and Its Subsidiaries

The revenue structure breakdown by Business Group as of December 31, 2015 and 2014 are as follows:

Business Group	Revenue (Million Baht)		Growth Rate
	2015	2014	
1. Network Solutions	1,892.1	3,307.7	-42.8%
2. Enhanced Technology Solutions	2,828.4	2,201.0	28.5%
3. Business Application	1,072.2	1,219.1	-12.0%
Total	5,792.7	6,727.8	-13.9%

Remark : The above revenues are exclusive of Inter-company transactions.

Network Solutions Business Group

In 2015, revenue were Baht 1,892 million, decreased by Baht 1,416 million or 42.8% compared to Baht 3,308 million in 2014. The decrease was mainly resulted from lower revenue recognition of TOTS 3G nationwide network project.

Enhanced Technology Solutions Business Group

In 2015, revenue were Baht 2,828 million, increased by Baht 627 million or 28.5% compared to Baht 2,201 million in 2014. The increase was mainly resulted from revenue recognition of digital trunk radio system project, and communication network development project.

Business Application Business Group

In 2015, revenue were Baht 1,072 million, decreased by Baht 147 million or 12.0% compared to Baht 1,219 million in 2014, resulted from the decrease of revenue from projects.

2. Financial Statement

Assets

As of December 31 2015, total assets were Baht 10,040 million, increased by Baht 1,101 million or 12.3% from the end of 2014, mainly resulted from an increase of projects' equipment, and trade and other receivables.

Total assets consist of current assets of Baht 5,706 million, representing 56.8% of total assets, increased by Baht 59 million compared with Baht 5,647 million, representing 63.2% of total assets in 2014. The major current assets were trade and other receivables, and accrued revenue, representing 23.2% and 15.3% of total assets respectively.

Non-current assets were Baht 4,334 million, representing 43.2% of total assets, increased by Baht 1,042 million compared with Baht 3,291 million, representing 36.8% of total assets in 2014. The major non-current assets were property plant and equipment, representing 38.7% of total assets.

Trade Account Receivable and Inventory

The Company had net trade receivable of Baht 2,228 million, an increase of Baht 491 million or 28.3%, compared with Baht 1,737 million at the end of 2014. The allowance for doubtful accounts is set for debts overdue 6 - 12 months at 50%, debts overdue 12 months or more at 100%. As of 31 December 2015, the allowance was set up by Baht 15 million. The Company believes that such allowance for doubtful debts is adequate, provided that most account receivable are project debtors and have strong financial status.

At the end of 2015, the net inventory was Baht 415 million, an increase of Baht 62 million or 17.6% compared to Baht 353 million at the end of 2014.

Liquidity

The current ratio in 2015 was 1.0, which decreased slightly from 2014. The company's policy is to match payment term of major suppliers and repayment of loan from bank with payment from customers by requesting for back to back condition from major suppliers. Using this condition, the company can guarantee sufficiency liquidity and the company has been able to repay its debt and interest on time.

As of December 31, 2015, cash and cash equivalents were Baht 616 million, decreased by Baht 41 million, or 6.3% from the end of 2014. The detail of sources and uses of fund are as follows:

- Cash flow from operating activities was Baht 901 million, mainly resulted from operating profit, and cash received from refund withholding tax deducted at source.
- Cash flow used in investing activities was Baht 2,003 million, mainly resulted from capital invested to support project.
- Cash flow from financing activities was Baht 1,061 million, mainly resulted from an increase in loans from financial institutions to support projects.

Sources of Fund

As of December 31 2015, total liabilities were Baht 6,581 million increased by Baht 1,121 million or 20.5% from the end of 2014, mainly due to an increase in loans from financial institutions to support projects.

The shareholders' equity as at 31 December 2015 equals to Baht 3,459 million, decreased by Baht 20 million or 0.6% from the end of 2014. Net profit in 2015 was Baht 402 million, with Baht 402 million dividend payment during the year.

Regarding the above liabilities and shareholders' equity, the company's debt to equity ratio as at 31 December 2015 was 1.9 times increased from 1.6 times at the end of 2014.

As of December 31, 2015, debt service coverage ratio was 4.3 times, which higher than condition of issuing short term debenture that the company must maintain debt service coverage ratio not lower than 1.1 times.

3. Factors Affecting Financial Status or Performance Significantly in the Future

The company plan to bid many large projects in year 2016, which would generate impressive revenue recognitions in the future, nevertheless the project also needed a large amount of working capital, therefore the company has been strictly and cautiously negotiated and agreed with financial institutions and business partners to ensure that a cash cycle have been match and have least affects the company's liquidity.

For supporting operation of the large projects, there would be an issue about the company's debt-to-equity ratio that could be gone temporally high over a short period of time. However if the company's debt-to-equity ratio been high over a long period of time, the company may have to consider a capital increasing as an alternative to reduce risks from having a relatively high D/E ratio.

Report of the Board of Directors' Responsibilities for the Financial Reports

Dear Shareholders,

The Board of Directors of the Company takes responsibility for the Consolidated Financial Statements of the Company and its Subsidiaries and financial information included in the Annual Report. The Financial Statements were prepared in accordance with the generally accepted accounting standards in Thailand employing appropriate accounting policy and continual practice under careful considerations and best estimations as well as disclosing sufficient information in the Notes to Financial Statements.

The Board of Directors has established and maintained efficient internal control system to ensure with reasonable confidence that the accounting procedure is correct, complete and sufficient for asset possessions and acknowledgement of weaknesses to prevent frauds or significant conspiracies.

The Board of Directors appoints the Audit Committee consisting of three Independent Committees with qualification according to SET/SEC regulations and notification for being the audit committee's member to examine accounting policy, quality of Financial Report and internal control system. The Audit Committee's opinion regarding the mentioned issues appears in the Audit Committee's Report as an integral part of the Annual Report.

The consolidated financial statements of the Company 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 Annual Report.

In the Board of Directors' opinion, the internal control system of the Company is generally satisfactory and can reasonably assure the reliability of the Financial Statements of the Company and its Subsidiaries as of December 31, 2015, which was accurate and complied to the accounting standard and related law and regulations.



(Mr. Sombut Uthaisang)
Chairman



(Mr. Watchai Vilailuck)
Chief Executive Officer

Independent Auditor's Report

To the Shareholders of Samart Telcoms Public Company Limited

I have audited the accompanying consolidated financial statements of Samart Telcoms Public Company Limited and its subsidiaries, which comprise the consolidated statement of financial position as at 31 December 2015, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statements of Samart Telcoms Public Company Limited for the same period.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Samart Telcoms Public Company Limited and its subsidiaries and of Samart Telcoms Public Company Limited as at 31 December 2015, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

Emphasis of matters

I draw attention to Note 38.1.3 and Note 6 to the financial statements as the following.

- a) As discussed in Note 38.1.3 to the financial statements, on 26 October 2006, Samart Communication Services Company Limited, a subsidiary company, entered into an agreement with a company (formerly a state enterprise), whereby they would provide an information technology network to The Department of Local Administration for a period of 1 year. The subsidiary is obliged to make the network available at not less than 1,000 sites within 120 days from the contract date and guarantee this minimum number of users throughout the contract period. If the subsidiary is unable to do so within the delivery period (22 February 2007), the counterparty will charge a penalty for any delays in the subsidiary's work. However, as at 22 February 2007 the subsidiary could not make the network available at 1,000 sites because such subsidiary has not yet to receive the equipment from the counterparty and Bandwidth received is not adequate for actual usage. Since the subsidiary could not accomplish the number of guaranteed users. The counterparty therefore could charge a penalty for delay work. However, the subsidiary's management and legal counsel are of the opinion that the subsidiary is not obligated to pay any fine to the counterparty as the delay of such project is not the subsidiary's fault. In addition, the management believes that the negotiation with the counterparty will be successful therefore as at 31 December 2015 the subsidiary has not set up provision for fine from the project delay.
- b) As discussed in Note 6 to the financial statements, Samart Telcoms 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 Telcoms Public Company Limited and those related parties.

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



Siriwan Suratepin

Certified Public Accountant (Thailand) No. 4604

EY Office Limited

Bangkok: 19 February 2016

Statement of financial position

Samart Telcoms Public Company Limited and its subsidiaries

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	As at 31 December 2015	As at 31 December 2014	As at 31 December 2015	As at 31 December 2014
Assets					
Current assets					
Cash and cash equivalents	7	615,740,475	656,845,745	129,771,329	264,155,947
Short-term investments in trading securities	8	43,592,985	177,310,746	43,592,985	151,900,746
Trade and other receivables	9	2,324,597,338	1,771,567,671	1,160,752,123	848,745,355
Accrued income		1,534,293,424	1,910,156,896	330,787,845	532,797,532
Short-term loans to related parties	6	-	-	885,930,000	741,852,360
Inventories	10	415,275,652	352,994,481	223,050,147	216,214,342
Withholding tax deducted at source	11	378,339,940	465,193,697	21,134,104	10,343,819
Other current assets	12	394,161,605	313,130,358	26,664,262	26,049,822
Total current assets		5,706,001,419	5,647,199,594	2,821,682,795	2,792,059,923
Non-current assets					
Restricted bank deposits	13	111,300,156	174,469,577	-	-
Investments in subsidiaries	14	-	-	2,050,510,978	2,050,510,978
Investments in associate	15	4,911,657	7,203,644	-	-
Property, plant and equipment	16	3,890,140,998	2,731,196,586	181,131,111	238,135,435
Intangible assets	17	80,181,106	141,636,435	33,476,893	79,359,488
Goodwill		108,269,858	108,269,858	-	-
Deferred tax assets	32	75,340,433	38,012,848	32,812,409	8,025,802
Other non-current assets		63,469,389	90,427,144	13,571,513	13,570,140
Total non-current assets		4,333,613,597	3,291,216,092	2,311,502,904	2,389,601,843
Total assets		10,039,615,016	8,938,415,686	5,133,185,699	5,181,661,766

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

Statement of financial position (continued)

Smart Telcoms Public Company Limited and its subsidiaries

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at 31 December 2015	As at 31 December 2014	As at 31 December 2015	As at 31 December 2014
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts, short-term loans from banks and trust receipts	18	3,528,160,527	1,943,636,131	427,499,884	301,700,000
Trade and other payables	19	571,466,996	836,510,014	99,144,672	289,052,814
Current portion of debentures	20	870,000,000	1,560,000,000	870,000,000	1,560,000,000
Current portion of long-term loan from financial institution	21	49,320,000	211,560,000	49,320,000	211,560,000
Short-term loans from related parties	6	-	-	289,000,000	103,812,012
Unearned revenue		10,129,747	42,810,551	2,311,408	12,462,089
Current portion of liabilities under finance lease agreements	22	5,582,621	3,521,518	1,495,256	574,386
Income tax payable		626,365	1,270,465	-	-
Accrued project cost		530,563,603	598,271,171	337,259,578	285,133,447
Other current liabilities	23	134,958,304	135,574,542	53,211,244	47,864,431
Total current liabilities		5,700,808,163	5,333,154,392	2,129,242,042	2,812,159,179
Non-current liabilities					
Debentures-net of current portion	20	785,000,000	-	785,000,000	-
Long-term loan from financial institution-net of current portion	21	-	49,320,000	-	49,320,000
Liabilities under finance lease agreements-net of current portion	22	5,785,399	12,059,691	-	1,495,256
Provision for long-term employee benefits	24	79,830,238	56,536,583	21,940,622	18,271,646
Other non-current liabilities		9,395,028	8,489,428	-	-
Total non-current liabilities		880,010,665	126,405,702	806,940,622	69,086,902
Total liabilities		6,580,818,828	5,459,560,094	2,936,182,664	2,881,246,081

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

Statement of financial position (continued)

Samart Telcoms Public Company Limited and its subsidiaries

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at 31 December 2015	As at 31 December 2014	As at 31 December 2015	As at 31 December 2014
Liabilities and shareholders' equity (continued)					
Shareholders' equity					
Share capital					
Registered					
738,000,000 ordinary shares of Baht 1 each		738,000,000	738,000,000	738,000,000	738,000,000
Issued and fully paid up					
618,000,000 ordinary shares of Baht 1 each		618,000,000	618,000,000	618,000,000	618,000,000
Share premium		1,238,860,501	1,238,860,501	1,238,860,501	1,238,860,501
Retained earnings					
Appropriated-statutory reserve	27	73,800,000	73,800,000	73,800,000	73,800,000
Unappropriated		2,237,568,726	2,250,074,319	233,272,143	336,684,793
Other components of shareholders' equity		(704,542,438)	(704,534,919)	33,070,391	33,070,391
Equity attributable to owners of the Company		3,463,686,789	3,476,199,901	2,197,003,035	2,300,415,685
Non-controlling interests of the subsidiaries		(4,890,601)	2,655,691	-	-
Total shareholders' equity		3,458,796,188	3,478,855,592	2,197,003,035	2,300,415,685
Total liabilities and shareholders' equity		10,039,615,016	8,938,415,686	5,133,185,699	5,181,661,766

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

Income statement

Smart Telcoms Public Company Limited and its subsidiaries

For the year ended 31 December 2015

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2015	2014	2015	2014
Revenues					
Revenues from sales and contract work		2,699,392,404	3,299,289,150	673,330,915	992,938,102
Service income	28	3,016,654,579	3,298,856,423	569,263,191	798,128,136
Other income	29	76,637,498	129,661,293	536,792,467	603,686,446
Total revenues		5,792,684,481	6,727,806,866	1,779,386,573	2,394,752,684
Expenses	30				
Cost of sales and contract work		2,035,117,603	2,718,592,944	572,672,126	934,147,586
Cost of services		2,506,999,819	2,548,081,244	561,330,904	703,181,870
Selling expenses		213,583,635	122,330,056	53,938,012	42,866,400
Administrative expenses		382,449,006	366,520,173	160,928,088	150,446,510
Other expenses		88,653,371	27,116,419	63,999,663	14,475,061
Total expenses		5,226,803,434	5,782,640,836	1,412,868,793	1,845,117,427
Profit before share of loss from investment in associate, finance cost and income tax expenses		565,881,047	945,166,030	366,517,780	549,635,257
Share of loss from investment in associate	15	(2,291,987)	(1,796,356)	-	-
Profit before finance cost and income tax expenses		563,589,060	943,369,674	366,517,780	549,635,257
Finance cost	31	(167,343,421)	(214,527,005)	(82,494,537)	(143,870,214)
Profit before income tax expenses		396,245,639	728,842,669	284,023,243	405,765,043
Income tax expenses	32	(1,359,589)	(29,924,931)	15,584,424	874,448
Profit for the year		394,886,050	698,917,738	299,607,667	406,639,491
Profit attributable to:					
Equity holders of the Company		402,340,413	704,834,359	299,607,667	406,639,491
Non-controlling interests of the subsidiaries		(7,454,363)	(5,916,621)		
		394,886,050	698,917,738		
Basic earnings per share					
Profit attributable to equity holders of the Company	34	0.65	1.14	0.48	0.66
Weighted average number of ordinary shares (shares)		618,000,000	617,628,571	618,000,000	617,628,571

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

Statement of comprehensive income

Samart Telcoms Public Company Limited and its subsidiaries

For the year ended 31 December 201๓

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Profit for the year	394,886,050	698,917,738	299,607,667	406,639,491
Other comprehensive income:				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>				
Exchange differences on translation of financial statements in foreign currency	(7,519)	(359)	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax	(7,519)	(359)	-	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>				
Actuarial loss on defined benefit plan	(16,296,273)	(6,398,088)	(1,654,234)	(2,291,207)
Income tax effect	3,096,584	1,159,859	330,847	458,241
	(13,199,689)	(5,238,229)	(1,323,387)	(1,832,966)
Revaluation surplus on land	-	35,099,010	-	35,099,010
Income tax effect	-	(7,019,802)	-	(7,019,802)
	-	28,079,208	-	28,079,208
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax	(13,199,689)	22,840,979	(1,323,387)	26,246,242
Other comprehensive income for the year, net of tax	(13,207,208)	22,840,620	(1,323,387)	26,246,242
Total comprehensive income for the year	381,678,842	721,758,358	298,284,280	432,885,733
Total comprehensive income attributable to:				
Equity holders of the Company	389,183,818	727,676,411	298,284,280	432,885,733
Non-controlling interests of the subsidiaries	(7,504,976)	(5,918,053)		
	381,678,842	721,758,358		

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

For the year ended 31 December 2015

[illegible]

Smart Telcoms Public Company Limited and its subsidiaries
For the year ended 31 December 2015

FIT for the Future

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

Statement of changes in shareholders' equity (continued)

Samart Telecoms Public Company Limited and its subsidiaries

For the year ended 31 December 2015

(Unit: Baht)

	Separate financial statements					
				Retained earnings	Other components of shareholders' equity	Total shareholders' equity
	Issued and fully paid-up share capital	Share premium	Appropriated - statutory reserve	Unappropriated	Other comprehensive income	
Balance as at 31 December 2013	616,936,000	1,232,742,501	73,800,000	364,339,908		2,292,809,592
Profit for the year	-	-	-	406,639,491		406,639,491
Other comprehensive income for the year	-	-	-	(1,832,966)		26,246,242
Total comprehensive income for the year	-	-	-	404,806,525		432,885,733
Additional ordinary shares from warrant exercised (Note 25)	1,064,000	6,118,000	-	-		7,182,000
Dividend paid (Note 37)	-	-	-	(432,461,640)		(432,461,640)
Balance as at 31 December 2014	618,000,000	1,238,860,501	73,800,000	336,684,793		2,300,415,685
Balance as at 31 December 2014	618,000,000	1,238,860,501	73,800,000	336,684,793		2,300,415,685
Profit for the year	-	-	-	299,607,667		299,607,667
Other comprehensive income for the year	-	-	-	(1,323,387)		(1,323,387)
Total comprehensive income for the year	-	-	-	298,284,280		298,284,280
Dividend paid (Note 37)	-	-	-	(401,696,930)		(401,696,930)
Balance as at 31 December 2015	618,000,000	1,238,860,501	73,800,000	233,272,143		2,197,003,035

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

Cash flows statement

Samart Telcoms Public Company Limited and its subsidiaries

For the year ended 31 December 2015

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
Cash flows from operating activities					
Profit before tax		396,245,639	728,842,669	284,023,243	405,765,043
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:					
Unrealised (gains) losses on exchange		3,710,690	2,338,799	(869,561)	1,113,466
(Gains) losses on sale of investment in trading securities	8	(7,463,479)	1,077,520	(7,778,130)	1,077,520
Losses on change in value of investment in trading securities	8	63,137,243	13,943,218	63,137,243	9,953,217
Gains on reclassification of investment	8	-	(38,646,714)	-	(13,700,000)
Bad debts and doubtful debts		25,516,129	1,125,855	862,420	1,094,691
Reduce cost of inventory to net realisable value (reversal)	10	(9,777,581)	27,274,062	(8,820,323)	21,791,685
Share of loss on investment in associated company	15	2,291,987	1,796,356	-	-
Transfer assets to expenses and cost of goods sold		83,655	235,375	-	-
Gains on compensation receipt from insurance		(215,404)	(60,036,013)	-	-
Gains on disposals of equipments		(465,151)	(464,889)	(37,843)	(29,524)
Loss on write-off equipments		-	9,580,331	-	-
Depreciation and amortisation	16, 17	1,067,506,964	1,043,935,527	170,819,932	198,600,168
Allowance for diminution in value and write-off withholding tax deducted at source (reversal)		(4,487,731)	184,959	-	-
Amortisation of deferred interest under finance lease agreements		659,627	152,396	85,357	26,427
Provision for long-term employee benefits	24	7,658,582	13,785,612	2,014,742	5,421,737
Dividend received		(2,167,942)	(6,392,054)	(373,310,506)	(420,358,026)
Interest income	29	(2,206,882)	(3,393,405)	(33,166,550)	(56,921,854)
Interest expense	31	162,632,095	208,297,377	78,573,997	136,366,112
Profit before changes in operating assets and liabilities		1,702,658,441	1,943,636,981	175,534,021	290,200,662

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

Cash flows statement (continued)

Smart Telcoms Public Company Limited and its subsidiaries

For the year ended 31 December 2015

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2015	2014	2015	2014
Cash flows from operating activities (continued)					
Decrease (increase) in operating assets:					
Trade and other receivables		(577,462,066)	1,792,632,640	(344,107,974)	(141,035,464)
Accrued income		375,863,472	1,852,808,398	202,009,687	654,611,169
Inventories		(148,426,943)	(133,533,039)	(59,039,679)	(27,807,800)
Other current assets		(81,038,139)	163,436,287	(614,440)	27,978,873
Other non-current assets		26,957,755	7,413,770	(1,373)	12,552,169
Increase (decrease) in operating liabilities:					
Trade and other payables		(271,139,951)	(1,578,692,389)	(190,863,672)	(266,062,851)
Unearned revenue		(32,680,804)	(15,935,225)	(10,150,681)	(37,969,357)
Accrued project cost		(67,707,568)	(127,904,996)	52,126,131	44,461,209
Other current liabilities		(616,238)	(23,330,354)	5,346,813	26,186,789
Other non - current liabilities		905,600	2,041,458	-	-
Cash from (used in) operating activities		927,313,559	3,882,573,531	(169,761,167)	583,115,399
Employee benefits paid during the year	24	(661,200)	-	-	-
Cash paid for short-term investment in trading securities	8	(12,704,369)	(258,050,019)	(12,704,369)	(258,050,019)
Cash received from short-term investment in trading securities	8	90,748,366	329,648,866	65,653,017	329,648,866
Dividend income from short-term investment in trading securities		2,167,942	6,392,054	1,957,942	5,930,054
Cash paid for interest expenses		(161,329,582)	(211,321,007)	(77,498,303)	(137,807,005)
Cash paid for income tax		(160,344,091)	(280,394,287)	(19,661,621)	(53,563,274)
Cash received from refund withholding tax deducted at source	11	215,450,889	23,196,868	-	21,564,797
Net cash from (used in) operating activities		900,641,514	3,492,046,006	(212,014,501)	490,838,818

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

Cash flows statement (continued)

Samart Telcoms Public Company Limited and its subsidiaries

For the year ended 31 December 2015

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2015	2014	2015	2014
Cash flows from investing activities					
Cash received from settlement of short-term loan to related parties	6	-	-	917,422,360	1,395,300,000
Cash paid to provide short-term loans to related parties	6	-	-	(1,061,500,000)	(371,000,000)
(Increase) decrease in restricted bank deposits	13	63,169,421	(156,678,246)	-	-
Cash received from decreased in share capital of subsidiary	14	-	-	-	41,437,500
Net cash outflows from purchase of investment in subsidiaries	14	-	(3,171,750)	-	-
Dividend received from subsidiaries		-	-	420,970,017	435,810,673
Cash paid for purchase of investment in associated company	15	-	(9,000,000)	-	-
Purchase of equipment, communications equipment and intangible assets	16, 17	(2,071,861,152)	(831,433,900)	(6,911,250)	(4,586,275)
Cash received from insurance claims for equipment		227,225	104,691,792	-	-
Proceeds from sales of equipments		3,158,133	466,221	40,277	30,070
Cash received from interest received		2,213,774	3,397,233	15,537,280	19,664,547
Net cash from (used in) investing activities		(2,003,092,599)	(891,728,650)	285,558,684	1,516,656,515
Cash flows from financing activities					
Increase (decrease) in bank overdrafts		246,368	(2,896,528)	-	-
Proceeds from short-term loans from banks		4,960,555,343	5,826,695,230	1,205,918,200	2,705,027,000
Cash paid to settle short-term loans from banks		(3,589,095,864)	(6,774,346,836)	(1,197,318,819)	(3,540,299,253)
Increase (decrease) in trust receipts		112,818,549	(510,288,114)	17,200,503	(262,792,425)
Increase in bill of exchange payable		100,000,000	200,000,000	100,000,000	200,000,000
Cash received from short-term loans from related parties	6	-	-	257,000,000	50,000,000
Repayment of short-term loans from related parties	6	-	(93,000,000)	(71,812,012)	(306,000,000)
Cash received from debentures	20	1,855,000,000	2,420,000,000	1,855,000,000	2,420,000,000
Cash paid for debenture redemption	20	(1,760,000,000)	(2,320,000,000)	(1,760,000,000)	(2,320,000,000)
Repayment of long-term loans from financial institutions	21	(211,560,000)	(826,500,550)	(211,560,000)	(488,072,633)
Payment of liabilities under finance lease agreements		(4,872,816)	(3,521,518)	(659,743)	(574,386)
Cash received from additional ordinary shares from warrants exercised	25	-	7,182,000	-	7,182,000
Cash received from additional ordinary shares capital from non-controlling interests of the subsidiaries		-	4,000,000	-	-
Dividend paid	37	(401,696,930)	(432,461,640)	(401,696,930)	(432,461,640)
Decrease in non-controlling interests of the subsidiaries from dividend payment		(41,316)	(243,344)	-	-
Net cash from (used in) financing activities		1,061,353,334	(2,505,381,300)	(207,928,801)	(1,967,991,337)
Decrease in translation adjustments		(7,519)	(359)	-	-
Net increase (decrease) in cash and cash equivalents		(41,105,270)	94,935,697	(134,384,618)	39,503,996
Cash and cash equivalents at beginning of year		656,845,745	561,910,048	264,155,947	224,651,951
Cash and cash equivalents at end of year		615,740,475	656,845,745	129,771,329	264,155,947

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

Cash flows statement (continued)

Smart Telcoms Public Company Limited and its subsidiaries

For the year ended 31 December 2015

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
Note	2015	2014	2015	2014
Supplemental cash flows information				
Non-cash items:				
Transfer from inventory to equipment	95,923,353	94,721,142	61,024,197	85,468,223
Dividend receivable from subsidiary	-	-	99,999,466	149,616,919
Increase in revalue surplus on land	-	35,099,010	-	35,099,010

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

Notes to consolidated financial statements

Samart Telcoms Public Company Limited and its subsidiaries

For the year ended 31 December 2015

1. General information

Samart Telcoms Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Its parent company is Samart Corporation Public Company Limited, which was incorporated in Thailand. The Company is principally engaged in the operation of a fully-integrated telecommunications, communication network and information technology business, the provision of IT and communication system design and installation services, and communication equipment and computer distribution, repair and maintenance system. The registered office of the Company is at 59 Moo 2, Phaholyothin Road, Tambol Klong-Nueng, Amphur Klong-Luang, Pathumthani.

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 Telcoms Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”).

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2015 Percent	2014 Percent
Samart Communication Services Co., Ltd.	Design and installation of communication, network public rural telephone project	Thailand	100	100
Posnet Co., Ltd.	Electronic fund transfer	Thailand	100	100
Thai Trade Net Co., Ltd.	Electronic data interchange	Thailand	100	100
Samart Broadband Services Co., Ltd.	Ceased its operation since 2008	Thailand	100	100
Samart Comtech Co., Ltd.	Design and installation of telecommunications network	Thailand	100	100
Smarterware Co., Ltd.	Manufacture production of software packages and provision of software development services	Thailand	100	100
Samart Telecommunication (Cambodia) Co., Ltd.	Ceased business in 2010, currently is in processing of liquidation	Cambodia	100	100
Samart Infonet Co., Ltd.	Provision of internet services	Thailand	100	100
Samart eD Tech Co., Ltd.	E-Learning courseware development consultation	Thailand	100	100
Net Media Co., Ltd.	Distribution of information system and communications equipment	Thailand	100	100
Portalnet Co., Ltd.	Design and installation of Enterprise Resource Planning (ERP) system and fully integrate ERP solution for government and public sectors	Thailand	100	100
Subsidiary held by Samart Broadband Services Co., Ltd.				
IT Absolute Co., Ltd.	Distribution of information system and communications equipment	Thailand	100	100
Subsidiary held by Samart Comtech Co., Ltd.				
Net Service (Thailand) Co., Ltd.	Development of information technology system for government agencies and private companies	Thailand	60	60

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

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

- 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 an overseas subsidiary company are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of “Exchange differences on translation of financial statements in foreign currency” in the statements of changes in shareholders’ equity.
- 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 or loss and within equity in the consolidated statement of financial position.
- h) For the book of account, upon acquisition of subsidiaries which under common control (purchase shares from parent company), the excess of the net asset value (at fair value) at the acquisition date over the cost of the investment has been presented as other components of shareholders’ equity in the statement of financial position under “Excess of cost of investment over book value of the subsidiaries at the acquisition date”.

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

3. New financial reporting standards

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

(a) Financial reporting standards that became effective in the current year

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

TAS 19 (revised 2014) Employee Benefits

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

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

TFRS 10 Consolidated Financial Statements

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

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

TFRS 11 Joint Arrangements

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

This standard does not have any impact on the financial statements since the subsidiary already applies the equity method to account for the investment in a joint venture.

TFRS 12 Disclosure of Interests in Other Entities

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

TFRS 13 Fair Value Measurement

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

This standard does not have any significant impact on the 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 (revised 2015) and new financial reporting standards and accounting treatment guidance which is effective for fiscal years beginning on or after 1 January 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards. The Company's management believes that the revised and new financial reporting standards and accounting treatment guidance will not have any significant impact on the financial statements when it is initially applied.

4. Significant accounting policies**4.1 Revenue recognition***Sales of goods*

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

Rendering of services

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

Transponder rental income

Transponder rental income is recognised as revenue on the 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.

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 of 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 experiences and analysis of debt aging.

4.4 Inventories

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

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

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

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 joint ventures and associates are accounted for in the consolidated financial statements using the equity method.
- c) Investments in subsidiaries are accounted for in separate financial statements using the cost method. The fair value of marketable securities is based on the latest bid price of the last working day of the year as quoted on the Stock Exchange of Thailand. If the last bid price of the last working day of the year as quoted on the Stock Exchange of Thailand is not available, the basis used by the Company to determine the fair value of marketable securities is the amount for which an asset can be exchanged or liability settled between knowledgeable, willing parties in an arm's length transaction.

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

In the event the Company reclassifies investments from one type to another, such investments will be readjusted to their fair value as at the reclassification date. The difference between the carrying amount of the investments and the fair value on the date of reclassification are recorded in profit or loss or recorded as other components of shareholders' equity, depending on 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 Property, plant and equipment /Depreciation

Land is stated at revalued amount. Building and building improvement and equipment is stated at cost or 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 their fair values. 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 assets, the increase is credited directly to the other comprehensive income and the cumulative increase is recognised in other components of shareholders' 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 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" of other components of shareholders' equity in respect of the same asset.

Depreciation of building and equipment is calculated by reference to their costs, on the straight-line basis over the following estimated useful lives:

Building	-	20 years
Building improvement	-	3, 5 and 10 years
Telecommunication and tooling equipment	-	3, 5, 8 and 10 years
Furniture and office equipment	-	3 and 5 years
Motor vehicles	-	5 years

Depreciation is included in determining income.

No depreciation is provided on land and telecommunication equipment 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 (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss when the asset is derecognised.

4.7 Intangible assets

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

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

	<u>Useful lives</u>
License	5 years
Computer software	10 years

4.8 Business combinations

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 cost are accounted for as expenses in the year in which the costs are incurred and the services are received.

4.9 Goodwill

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

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

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Company's cash generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Company and its subsidiary company estimates 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.

4.10 Related party transactions

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

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

4.11 Long-term leases

Leases of plant or equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and 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 leases is depreciated over the shorter of the useful life of the asset and the lease period.

Leases of plant or equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

4.12 Foreign currencies

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

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at 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.

4.13 Impairment of assets

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

An impairment loss is recognised in profit or loss. However in cases where land was previously revalued and the revaluation was taken to equity, a part of such impairment is recognised in other components of shareholders' 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 estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case the reversal, which exceeds the carrying amount that would have been determined, is treated as a revaluation increase.

4.14 Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

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

Defined benefit plans

The Company and its subsidiaries have obligations in respect of the severance payments it 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.

4.15 Provisions

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

4.16 Income tax

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

Current 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.

4.17 Derivatives

Forward exchange contracts

Receivables and payables arising from forward exchange contracts are translated into Baht at the rates of exchange ruling at the end of reporting period. Unrecognised gains and losses from the translation are included in determining income.

4.18 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 these from estimates. Significant judgements and estimates are as follows:

Construction contracts

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

Leases

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

Allowance for doubtful accounts

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

Allowance for diminution in value of withholding tax deducted at sources

The Company and its subsidiaries regard withholding tax deducted at sources as an asset since they have the right to claim for a refund of it. The net realisable value of tax depends on the exercise of the right to claim it, and the results of any tax audit by the Revenue officials. The management has used judgment to assess the outcome of the refund claim and amount of allowance for diminution in value of withholding tax deducted at sources as at the end of reporting period.

Fair value of financial instruments

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

Property plant and equipment/Depreciation

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

The Company measures land at revalued amounts. Such amounts are determined by the independent valuer using the market approach. The valuation involves certain assumptions and estimates.

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

Goodwill and intangible assets

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

Deferred tax assets

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

Post-employment benefits under defined benefit plans

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

Litigation and delay penalty

The subsidiaries have contingent liabilities as a result of litigation and delay penalty. The subsidiaries' management have used judgement to assess the results of the litigation and delay penalty, and believe that the provision 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, which have been concluded on commercial terms and bases agreed upon between the Company and those related parties. The Company and its subsidiaries have a policy on pricing with its related parties as specified below.

1. Sales prices are determining at market price. If market price not known, sales price are determined at cost plus a margin not over 15 percent. However, the pricing policy is subject to change depending on the type of business and market competition at the time being.
2. Management fees and rental expenses are charged at the amount stipulated in the relevant agreements.
3. Management fees and rental income are charged at the amount stipulated in the relevant agreements.
4. Other services income and expenses are charged at the price mutually agreed upon.
5. IT service fees expenses to parent company are charged at the amount stated in the agreement which parent company sets base on cost plus a margin of not over 5 percent.
6. Interest on loans to and from related parties are charged at cost of fund plus 0.25 percent per annum or twelve-month fixed deposit rate of the commercial banks that the subsidiary companies frequently use.
7. Guarantee fee is charged between the parties at a rate of 0.3 percent per annum.
8. Dividend income is recognised when declared and the right to receive the dividend is established.
9. Fixed assets are purchased at their net book value plus margin, depending on the condition of fixed assets.
10. Directors and management's benefit expenses are charged as approved by the shareholders' meeting or contractually agreed price.

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

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
<u>Transactions with parent company</u>				
IT Service fee expense	62	61	12	12
Management fee expense	24	24	24	24
Sales and service income	43	35	-	-
Purchase of merchandise and service	4	7	-	-
Other income	-	4	-	4
Rental expenses	6	5	1	1
Other expenses	17	16	5	5
Interest expenses	-	2	-	2
Dividend paid	281	303	281	303
<u>Transactions with subsidiaries</u>				
(eliminated from the consolidated financial statements)				
Sales and service income	-	-	124	82
Purchase of merchandise and service	-	-	470	406
Purchase of assets	-	-	6	-
Rental income	-	-	3	3
Management fee income	-	-	79	79
Guarantee fee income	-	-	11	9
Other income	-	-	7	7
Interest income	-	-	32	55
Other expenses	-	-	1	8
Interest expenses	-	-	5	8
Dividend income (Note 14)	-	-	371	414

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
<u>Transactions with related companies</u>				
Sales and service income	16	40	1	13
Purchase of merchandise and service	87	25	68	8
Purchase of assets	-	6	-	4
Rental expenses	5	8	2	2
Other expenses	15	26	7	8
Dividend income	1	6	1	5
Dividend paid	4	4	4	4

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
<u>Trade and other receivables - related parties (Note 9)</u>				
Parent company	40,349	20,292	-	-
Subsidiaries	-	-	396,488	397,165
Related companies (related by shareholders or directors)	4,075	9,550	50	7,807
Total trade and other receivables - related parties	44,424	29,842	396,538	404,972
<u>Accrued income - related parties</u>				
Parent company	7,182	5,888	-	-
Subsidiaries	-	-	-	307
Related companies (related by shareholders or directors)	706	-	-	-
Total accrued income - related parties	7,888	5,888	307	-
<u>Prepaid expenses - related party</u>				
Related company (related by shareholders or directors)	-	1,160	-	-
Total prepaid expenses - related party	-	1,160	-	-
<u>Trade and other payables - related parties (Note 19)</u>				
Parent company	5,931	5,170	864	926
Subsidiaries	-	-	19,684	70,434
Related companies (related by shareholders or directors)	9,909	11,223	1,364	2,400
Total trade and other payables - related parties	15,840	16,393	21,912	73,760
<u>Unearned revenue - related party</u>				
Parent company	-	212	-	-
Total unearned revenue - related party	-	212	-	-
<u>Accrued project cost - related parties</u>				
Parent company	124	120	-	-
Subsidiaries	-	-	83,202	85,762
Related companies (related by shareholders or directors)	317	1,161	-	-
Total accrued project cost - related parties	441	1,281	83,202	85,762

As at 31 December 2015 and 2014, the balance of short-term loans to related parties and short-term loans from related parties between the Company and those related companies and the movement are as follows:

(Unit: Thousand Baht)

	Separate financial statements			
	Balance as at 31 December 2014	During the year		Balance as at 31 December 2015
		Increase	Decrease	
Short-term loans to related parties				
<u>Subsidiaries</u>				
Portalnet Co., Ltd.	584,922	360,000	(493,922)	451,000
Samart Communication Services Co., Ltd.	56,000	72,500	(128,500)	-
Net Media Co., Ltd.	50,930	-	(39,000)	11,930
Samart Comtech Co., Ltd.	45,000	629,000	(251,000)	423,000
Samart eD Tech Co., Ltd.	5,000	-	(5,000)	-
Total short-term loans to related parties	741,852	1,061,500	(917,422)	885,930
Short-term loans from related parties				
<u>Subsidiaries</u>				
Samart Infonet Co., Ltd.	71,812	44,000	(71,812)	44,000
Thai Trade Net Co., Ltd.	32,000	-	-	32,000
Samart Communication Services Co., Ltd.	-	163,000	-	163,000
IT Absolute Co., Ltd.	-	50,000	-	50,000
Total short-term loans from related parties	103,812	257,000	(71,812)	289,000

Directors and management's benefits

During the year ended 31 December 2015 and 2014, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Short-term employee benefits	37	28	24	24
Post-employment benefits	1	1	-	-
Total	38	29	24	24

Agreements with related parties

Long-term rental and service agreements

- The Company and its subsidiaries entered into a three-year office space sublease agreements and facility service with Samart Corporation Public Co., Ltd., the parent company, for their operation. The Company and its subsidiaries are to pay a monthly rental and service fee approximately Baht 2 million per month (Separate financial statements: Baht 0.5 million per month).

- b) The Company and its subsidiaries entered into office space rental and facility service agreements with Vilailuck International Holding Co., Ltd., a related company, for their operation. This contract will be expired in April 2017. The Company and its subsidiaries have to pay a monthly rental and service fee of approximately Baht 2 million per month (Separate financial statements: Baht 0.4 million per month).

Service agreements

- c) The Company entered into a one-year management contracts with Samart Corporation Public Co., Ltd., the parent company, whereby the Company is obligated to comply with performance conditions and pay service fee totaling approximately Baht 2 million per month.
- d) The Company and six subsidiary companies (Samart Communication Services Co., Ltd., Samart Comtech Co., Ltd., Posnet Co., Ltd., Thai Trade Net Co., Ltd., Samart Infonet Co., Ltd. and Portalnet Co., Ltd.) entered into information technology management agreements with Samart Corporation Public Co., Ltd., the parent company which will be expired in April 2016. The Company and its subsidiaries have to pay a monthly service fees totaling approximately Baht 5 million per month (Separate financial statements: Baht 1 million per month).

Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its related parties, as described in Note 38.4 to the financial statements.

7. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Cash	1,371	1,520	69	57
Bank deposits	614,369	655,326	129,702	264,099
Total	615,740	656,846	129,771	264,156

As at 31 December 2015, bank deposits in saving accounts and fixed deposits carried interests between 0.10 and 1.38 percent per annum (2014: between 0.38 and 1.75 percent per annum).

8. Short-term investments in trading securities

(Unit: Thousand Baht)

	Consolidated financial statements				Separate financial statements			
	2015		2014		2015		2014	
	Cost	Fair value	Cost	Fair value	Cost	Fair value	Cost	Fair value
Common stock and warrant	101,574	43,593	136,122	177,311	101,574	43,593	134,122	151,901
Add: Change in value	(57,981)		41,189		(57,981)		17,779	
Total short-term investment in trading securities	43,593		177,311		43,593		151,901	

Movement of the short-term investments in trading securities account as at 31 December 2015 and 2014 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Balance at beginning of year	177,311	219,830	151,901	219,830
Cash paid of short-term investment in trading securities - at cost	12,704	258,050	12,704	258,050
Disposal during year				
Cash received from disposal of short-term investment	(90,748)	(329,649)	(65,653)	(329,649)
Gain (loss) from disposal of short-term investment	7,463	(1,077)	7,778	(1,077)
Total	(83,285)	(330,726)	(57,875)	(330,726)
Loss on change in value	(63,137)	(13,943)	(63,137)	(9,953)
Reclassification of other investment as trading securities	-	5,453	-	1,000
Gain from reclassification of investments	-	38,647	-	13,700
Balance at end of year	43,593	177,311	43,593	151,901

On 24 June 2014, a meeting of the Company's and Samart Comtech Co., Ltd., subsidiary company's Board of Executive Directors passed a resolution approving the reclassification of investment in One to One Contacts Public Co., Ltd., from other investments to short-term investments in trading securities. The reclassification was made because the Company intends to selling them in the near term. Therefore, the Company and its subsidiary company recorded the value of these investments at fair value as at the reclassification date.

9. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
<u>Trade accounts receivable - related parties</u>				
Aged on the basis of due dates				
Not yet due	4,228	3,834	37,117	34,242
Past due				
Up to 3 months	38,880	20,008	13,242	12,867
3 - 6 months	1,150	3,115	8,662	11,765
6 - 12 months	39	2,514	2,003	2,515
Over 12 months	122	371	1,001	-
Total trade accounts receivable - related parties	44,419	29,842	62,025	61,389
<u>Trade accounts receivable - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	448,204	815,787	122,529	186,819
Past due				
Up to 3 months	692,146	371,906	375,569	28,016
3 - 6 months	453,844	194,224	24,669	192,396
6 - 12 months	391,501	4,067	128,917	3,810
Over 12 months	212,468	333,136	118,904	39,186
Total	2,198,163	1,719,120	770,588	450,227
Less: Allowance for doubtful debts	(14,566)	(11,783)	(8,508)	(7,646)
Total trade accounts receivable - unrelated parties, net	2,183,597	1,707,337	762,080	442,581
Total trade accounts receivable - net	2,228,016	1,737,179	824,105	503,970

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
<u>Other receivables</u>				
Advances	9,515	24,392	1,328	613
Securities business receivables	1,022,626	1,022,626	-	-
Other receivables - related parties	5	-	334,513	343,583
Other receivables - unrelated parties	107,061	9,997	806	579
Total	1,139,207	1,057,015	336,647	344,775
Less: Allowance for doubtful debts	(1,042,626)	(1,022,626)	-	-
Total other receivables - net	96,581	34,389	336,647	344,775
Total trade and other receivables - net	2,324,597	1,771,568	1,160,752	848,745

- a) The Company and its subsidiaries have transferred their collection rights from projects to banks as collateral of loans from banks and bank guarantee. As at 31 December 2015, the balance of the above accounts receivable included the receivables that were transferred their collection rights to banks totaling approximately Baht 1,345 million (2014: Baht 386 million) (Separate financial statements: Baht 531 million (2014: Baht 180 million)).
- b) As at 31 December 2015, trade accounts receivable of the Company included amounts of Baht 4 million (2014: Baht 4 million) receivable from financial institutions which were ordered to cease their operations by the authorities. The Company has already provided full allowance for doubtful accounts for these amounts.
- c) Securities business receivables

As at 31 December 2015, IT Absolute Co., Ltd., a subsidiary company (formerly operate securities business) had securities business receivables which are under legal proceedings, undergoing restructuring or being settled in installments, to Baht 1,023 million (2014: Baht 1,023 million), on which the subsidiary already fully set up allowance for doubtful account.

In addition during the year 2009, the subsidiary company has filed lawsuits with the Civil Court and the Bankruptcy Court, seeking to have the seven customers settled their total outstanding debts of Baht 978 million to the subsidiary company. The seven debtors are under absolute receivership by the Central Bankruptcy Court and these are being carried out in accordance with the process laid down under bankruptcy laws. The Civil Court dismissed the lawsuits of seven debtors so that the subsidiary company could receive settlement in the bankruptcy cases.

The share purchase agreement of shares in IT Absolute Co., Ltd., on 3 February 2012, states that if the company receives any repayment or benefit subsequent to share transfer date (all together called “repayment”) arising from obligation before or at share transfer date, Samart Broadband Services Co., Ltd., another subsidiary company (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) As at 31 December 2015, allowance for doubtful debt had not been set aside in full amount for the outstanding balances of the Company and its subsidiaries’ accounts receivable - unrelated parties that were aged more than 12 months past due totaling Baht 212 million (2014: Baht 333 million) and separate financial statements totaling Baht 119 million (2014: Baht 39 million). This is because such accounts receivable are government units and private companies that obtained government projects, who have no uncollectable experience and the process of payment approval for such receivables normally take a long time. The management of the Company and its subsidiaries believe that the allowance for doubtful debts is adequate.

10. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2015	2014	2015	2014	2015	2014
Finished goods	381,778	124,849	(1,367)	(2,221)	380,411	122,628
Work in process	26,476	133,673	(22,295)	(31,219)	4,181	102,454
Supplies	1,830	1,622	-	-	1,830	1,622
Good in transit	28,854	126,290	-	-	28,854	126,290
Total	438,938	386,434	(23,662)	(33,440)	415,276	352,994

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2015	2014	2015	2014	2015	2014
Finished goods	177,674	40,826	(380)	(297)	177,294	40,529
Work in process	28,435	69,827	(12,856)	(21,759)	15,579	48,068
Supplies	1,323	1,326	-	-	1,323	1,326
Good in transit	28,854	126,291	-	-	28,854	126,291
Total	236,286	238,270	(13,236)	(22,056)	223,050	216,214

During the current year, the Company reversed the write-down of cost of inventories by Baht 9.8 million (2014: recorded the reduced cost by Baht 27.7 million) (The Company only: reversed the write-down of cost Baht 8.9 million and 2014: recorded the reduced cost by Baht 21.8 million), and reduced the amount of inventories recognised as expenses during the year.

11. Withholding tax deducted at sources

The balance of withholding tax deducted at sources as at 31 December 2015 and 2014, aged on years, are summarised below.

(Unit: Thousand Baht)

Year	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Before 2010	2,437	11,741	-	-
2011	2,165	2,165	-	-
2012	47,998	48,014	-	-
2013	7,100	223,102	-	-
2014	196,449	196,417	10,344	10,344
2015	124,628	-	10,790	-
Total	380,777	481,439	21,134	10,344
Less: Allowance for diminution in value of withholding tax deducted at sources	(2,437)	(16,245)	-	-
Total withholding tax deducted at sources - net	378,340	465,194	21,134	10,344

The Company and its subsidiaries regard withholding tax deducted at sources as an asset since they have the right to claim for refund of it. However, the net realisable value of withholding tax depends on the exercise right to claim it, and the results of any tax audit by the Revenue officials.

During the year 2015, the subsidiaries received such refund of the withholding tax of 2013 approximately Baht 215 million (2014: The Company and its subsidiaries received refund of the withholding tax of 2012 approximately Baht 23 million and the Company only was approximately Baht 22 million).

As at 31 December 2015, the subsidiaries set up allowance for diminution in value of withholding tax deducted at sources totaling approximately Baht 2 million (2014: Baht 16 million). The management of the subsidiaries believe that the allowance for diminution in value of withholding tax deducted at sources is adequate.

12. Other current assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Advance to supplier	6,375	40,585	2,422	1,534
Retention receivable	52,448	-	-	-
Prepaid expense	159,522	195,807	11,304	14,989
Input tax refundable	161,382	46,556	7,521	-
Undue input tax	8,814	22,737	538	2,974
Others	5,621	7,445	4,879	6,553
Total other current assets	394,162	313,130	26,664	26,050

13. Restricted bank deposits

As at 31 December 2015, the subsidiaries have pledged their fixed deposits with the banks amounting to approximately Baht 111 million (2014: Baht 174 million). These represent restricted deposits pledged with the banks to secure credit facilities, letter of guarantees obtained from banks and certain bank deposits restricted to secure undue debt settlement under domestic letters of credit.

14. Investments in subsidiaries

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

Company's name	Paid-up capital		Shareholding percentage		Cost		Dividend received during the year	
	2015	2014	2015	2014	2015	2014	2015	2014
	(Million Baht)	(Million Baht)	(%)	(%)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)
Samart Communication Services Co., Ltd.	500	500	100	100	500,000	500,000	70,000	80,000
Posnet Co., Ltd.	72	72	100	100	72,000	72,000	-	-
Thai Trade Net Co., Ltd.	53	53	100	100	53,000	53,000	-	-
Samart Broadband Services Co., Ltd.	13.81	13.81	100	100	13,812	13,812	50,112	334,428
Samart Comtech Co., Ltd.	225	225	100	100	900,700	900,700	101,250	-
Smarterware Co., Ltd.	10	10	100	100	9,999	9,999	119,992	-
Samart Infonet Co., Ltd.	62	62	100	100	18,000	18,000	-	-
Samart Telecommunication (Cambodia) Co., Ltd.	30,000 USD	30,000 USD	100	100	1,041	1,041	-	-
Samart eD Tech Co., Ltd.	5	5	100	100	5,000	5,000	29,999	-
Net Media Co., Ltd.	10.32	10.32	100	100	250	250	-	-
Portalnet Co., Ltd.	3,370	3,370	100	100	478,000	478,000	-	-
Total investments in subsidiaries					2,051,802	2,051,802	371,353	414,428
Less: Allowance for impairment of investments					(1,291)	(1,291)		
Total investments in subsidiaries - net					2,050,511	2,050,511		

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

(Unit: Million Baht)

Company's name	Proportion of equity interest held by non-controlling interests		Accumulated balance of non-controlling interests		Loss allocated to non-controlling interests during the year	
	2015	2014	2015	2014	2015	2014
	(Percent)	(Percent)				
Net Services (Thailand) Co., Ltd. (Subsidiary companies of Samart Comtech Co., Ltd.)	40	40	(6)	2	(8)	(6)

14.3 Summarised financial information that based on amounts before inter-company elimination about Net Services (Thailand) Co., Ltd. (its subsidiary) that have material non-controlling

Summarised information about financial position

(Unit: Million Baht)

	As at 31 December	
	2015	2014
Current assets	9	8
Current liabilities	37	15
Non-current liabilities	1	-

Summarised information about comprehensive income

(Unit: Million Baht)

	For the year ended 31 December	
	2015	2014
Revenue	10	19
Loss	(19)	(15)

Summarised information about cash flows

(Unit: Million Baht)

	For the year ended 31 December	
	2015	2014
Cash flows used in operating activities	(24)	(18)
Cash flows used in investing activities	-	(1)
Cash flows from financing activities	24	18
Net decrease in cash and cash equivalents	-	(1)

14.4 Change in share capital of subsidiary

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

14.5 Purchase of investments

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

Subsequently, on 2 January 2014, the subsidiary company purchased that company's share with mutually agreed price as stipulated in a share transfer document at Baht 5.05 per share, totaling approximately Baht 6.1 million and entered into an agreement with the remaining shareholders, to jointly determine the company's management structure. As a result of the purchase of investment in the subsidiary, under the acquisition method, the subsidiary company recorded the excess of the cost of acquisition of the ordinary shares in the subsidiary over the fair value, amounting to approximately Baht 0.2 million as goodwill in non-current assets in the consolidated financial statements.

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

(Unit: Thousand Baht)

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

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

(Unit: Thousand Baht)

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

On 13 January 2014, the subsidiary company fully paid to the former shareholder (the seller). In addition, this company called up the remaining 50 percent of shares in proportion to the subsidiary company's holding, and the subsidiary company has already paid up the full value of shares at a price of Baht 10 per share, totaling approximately Baht 6 million.

14.6 Liquidation

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

15. Investment in associate

15.1 Details of the associate

(Unit: Thousand Baht)

Company's name	Nature of business	Consolidated financial statement					
		Shareholding percentage		Cost		Carrying amounts based on equity method	
		2015	2014	2015	2014	2015	2014
		(%)	(%)				
Associate held by the subsidiary company							
SLA Asia Co., Ltd. (held by Samart Communication Services Co., Ltd.)	Operate an installation of telecommunication network project	30	30	9,000	9,000	4,912	7,204
Total						4,912	7,204

15.2 Share of loss

During the year, the subsidiary company has recognised its share of loss from investment in associate in the consolidated financial statements as follows:

(Unit: Thousand Baht)

Company's name	Consolidated financial statements	
	Share of loss from investment in associate during the years	
	2015	2014
Associate held by the subsidiary company		
SLA Asia Co., Ltd.	2,292	1,796
Total	2,292	1,796

15.3 Summarised financial information of associate

Financial information of the associated company was summarised below.

(Unit: Thousand Baht)

Company's name	As at 31 December						For the year ended 31 December			
	Paid-up capital		Total assets		Total liabilities		Total revenues		Net loss	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
SLA Asia Co., Ltd. (held by Samart Communication Services Co., Ltd.)	30,000	30,000	16,769	24,408	397	236	69	84	7,640	5,988

On 17 December 2013, a meeting of the Company's Board of Directors passed a resolution approving the joint establishment by Samart Communication Services Co., Ltd., a subsidiary company, of a new company named "SLA Asia Co., Ltd." to operate an installation of telecommunication network project, and import and distribute related equipment. The new company has a registered capital of 300,000 ordinary shares of Baht 100 each or a total of Baht 30 million which will be fully paid up, with the subsidiary to hold 30 percent, Loxley & AIT Holding Co., Ltd. to hold 60 percent and other shareholders to hold 10 percent. The associated company was registered with the Ministry of Commerce on 26 February 2014.

16. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statement						
	Revaluation basis	Cost basis					Total
	Land	Buildings and building improvement	Telecommunication and tooing equipment	Furniture fixtures and office equipment	Motor vehicles	Telecommunication equipment under installation	
Cost / Revalued amount:							
1 January 2014	36,778	77,437	9,377,981	281,572	52,127	25,051	9,850,946
Additions	-	718	763,033	14,841	3,700	3,059	785,351
Disposals	-	-	(180)	(3,179)	(1,340)	-	(4,699)
Transfer in/Transfer out	-	-	(76,637)	-	-	(2,786)	(79,423)
Revaluation during the year	35,099	-	-	-	-	-	35,099
31 December 2014	71,877	78,155	10,064,197	293,234	54,487	25,324	10,587,274
Additions	-	247	2,032,432	22,868	10,915	21	2,066,483
Disposals	-	-	(35,630)	(126,645)	(3,396)	-	(165,671)
Transfer in/Transfer out	-	-	101,623	(110)	-	(6,051)	95,462
31 December 2015	71,877	78,402	12,162,622	189,347	62,006	19,294	12,583,548
Accumulated depreciation:							
1 January 2014	-	64,200	4,077,174	243,839	25,583	-	4,410,796
Depreciation for the year	-	2,427	953,630	14,233	8,318	-	978,608
Accumulated depreciation on disposals	-	-	(179)	(3,178)	(1,340)	-	(4,697)
Transfer in/Transfer out	-	-	(27,107)	-	-	-	(27,107)
31 December 2014	-	66,627	5,003,518	254,894	32,561	-	5,357,600
Depreciation for the year	-	2,536	971,241	18,264	8,633	-	1,000,674
Accumulated depreciation on disposals	-	-	(35,628)	(126,633)	(717)	-	(162,978)
Transfer in/Transfer out	-	-	(256)	49	(159)	-	(366)
31 December 2015	-	69,163	5,938,875	146,574	40,318	-	6,194,930
Allowance for impairment loss:							
1 January 2014	-	-	2,578,121	-	-	12,922	2,591,043
Decrease during the year	-	-	(92,566)	-	-	-	(92,566)
31 December 2014	-	-	2,485,555	-	-	12,922	2,498,477
31 December 2015	-	-	2,485,555	-	-	12,922	2,498,477
Net book value:							
31 December 2014	71,877	11,528	2,575,124	38,340	21,926	12,402	2,731,197
31 December 2015	71,877	9,239	3,738,192	42,773	21,688	6,372	3,890,141
Depreciation for the year							
2014 (Baht 964 million included in cost of services, and the balance in selling and administrative expenses)							978,608
2015 (Baht 983 million included in cost of services, and the balance in selling and administrative expenses)							1,000,674

(Unit: Thousand Baht)

	Separate financial statement						
	Revaluation basis	Cost basis					Total
	Land	Buildings and building improvement	Telecommunication and tooing equipment	Furniture fixtures and office equipment	Motor vehicles	Telecommunication equipment under installation	
Cost / Revalued amount:							
1 January 2014	36,778	63,444	934,233	56,862	6,255	2,644	1,100,216
Additions	-	-	-	886	3,700	-	4,586
Disposals	-	-	(113)	(1,786)	-	-	(1,899)
Transfer in/Transfer out	-	-	85,468	-	-	-	85,468
Revaluation during the year	35,099	-	-	-	-	-	35,099
31 December 2014	71,877	63,444	1,019,588	55,962	9,955	2,644	1,223,470
Additions	-	247	537	443	2,254	-	3,481
Disposals	-	-	(16,420)	(33,379)	-	-	(49,799)
Transfer in/Transfer out	-	-	63,669	-	-	(2,644)	61,025
31 December 2015	71,877	63,691	1,067,374	23,026	12,209	-	1,238,177
Accumulated depreciation:							
1 January 2014	-	54,036	728,931	55,106	3,813	-	841,886
Depreciation for the year	-	1,198	142,060	908	1,181	-	145,347
Accumulated depreciation on disposals	-	-	(112)	(1,786)	-	-	(1,898)
31 December 2014	-	55,234	870,879	54,228	4,994	-	985,335
Depreciation for the year	-	1,165	117,604	905	1,834	-	121,508
Accumulated depreciation on disposals	-	-	(16,420)	(33,377)	-	-	(49,797)
31 December 2015	-	56,399	972,063	21,756	6,828	-	1,057,046
Net book value:							
31 December 2014	71,877	8,210	148,709	1,734	4,961	2,644	238,135
31 December 2015	71,877	7,292	95,311	1,270	5,381	-	181,131
Depreciation for the year							
2014 (Baht 142 million included in cost of services, and the balance in selling and administrative expenses)							145,347
2015 (Baht 118 million included in cost of services, and the balance in selling and administrative expenses)							121,508

16.1 The Company arranged for an independent professional valuer to appraise the value of certain assets in 2014 for land. The basis of the land was revalued using the market approach.

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

(Unit: Thousand Baht)

	Consolidated financial statements / Separate financial statements	
	2015	2014
Land	30,539	30,539

16.2 As at 31 December 2015, the Company and its subsidiary companies had telecommunication and tooling equipment, vehicles and equipment under finance lease agreements with net book values amounting to Baht 5 million (2014: Baht 10 million) (Separate financial statements: Baht 0.4 million (2014: Baht 1 million)).

16.3 As at 31 December 2015, certain equipment items of the Company and its subsidiaries have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation and allowance for impairment loss of those assets amounting to approximately Baht 3,300 million (2014: Baht 2,990 million) (Separate financial statements: Baht 864 million (2014: Baht 686 million)).

17. Intangible assets

The net book value of intangible assets as at 31 December 2015 and 2014 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	License	Computer software	Total	License	Computer software	Total
As at 31 December 2015						
Cost	235,499	93,411	328,910	235,499	24,230	259,729
Less: Accumulated amortisation	(206,341)	(42,388)	(248,729)	(206,341)	(19,911)	(226,252)
Net book value	29,158	51,023	80,181	29,158	4,319	33,477
As at 31 December 2014						
Cost	235,499	88,033	323,532	235,499	20,800	256,299
Less: Accumulated amortisation	(158,400)	(23,496)	(181,896)	(158,400)	(18,540)	(176,940)
Net book value	77,099	64,537	141,636	77,099	2,260	79,359

A reconciliation of the net book value of intangible assets for the years 2015 and 2014 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Net book value - net at beginning of year	141,636	155,551	79,359	132,612
Acquisition of computer software	5,378	46,083	3,430	-
Acquisitions of subsidiary during the year	-	5,329	-	-
Amortisation	(66,833)	(65,327)	(49,312)	(53,253)
Net book value - net at end of year	80,181	141,636	33,477	79,359

Intangible assets - License

On 10 August 2011, the Board of the National Broadcasting and Telecommunications Commission passed a resolution approving the issue to the Company of a 5-year, Type two telecommunication business license without own telecommunications network (Very Small Aperture Terminal (VSAT) service). The license is effective from the date of termination of the old contract to provide local audio and visual data communications via satellite services (13 September 2011). The Company is obliged to comply with various conditions, which included a commitment to hand over the telecommunications equipment used in provision of the data communication via satellite service to the National Broadcasting and Telecommunications Commission within 11 December 2011, and to pay an annual service fee. Although, as at 31 December 2015, the Company is still in the process of handing over the telecommunications equipment, the Company's management believe that no penalty will be charged for late delivery, and so no provision for such a penalty has been recorded in the books of account. In addition, the Company is negotiating to purchase back equipment after completing of hand over the above equipment.

The Company assessed the impairment of licenses by determining the present value of projected future cash inflows on the basis of certain assumptions and operations plans prepared by the Company's management. Based on such information, as at 31 December 2015, such assets have not been impairment. However, future changes in market competition and changing technology in the industry are significant factors that could further reduce the value of projected future cash inflows below the book values as stated in the statements of financial position.

18. Bank overdrafts, short-term loans from banks and trust receipts

(Unit: Thousand Baht)

	Interest rate (percent per annum)		Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014	2015	2014
Bank overdrafts	6.500 - 7.675	6.750 - 7.775	246	-	-	-
Short-term loans from banks	3.200 - 4.750	3.600 - 5.500	2,892,472	1,521,012	110,299	101,700
Bill of exchange payable	2.500	2.950	300,000	200,000	300,000	200,000
Trust receipts	3.200 - 3.350	2.077 - 4.450	335,443	222,624	17,201	-
Total			3,528,161	1,943,636	427,500	301,700

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

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

19. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Trade accounts payable - related parties	2,898	6,809	13,852	67,685
Trade accounts payable - unrelated parties	431,492	693,843	42,295	185,492
Other payables - related parties	12,942	9,584	8,060	6,075
Other payables - unrelated parties	15,817	20,221	2,068	2,162
Accrued expenses	90,246	89,283	15,330	11,403
Interest payables	18,072	16,770	17,540	16,236
Total trade and other payables	571,467	836,510	99,145	289,053

20. Debentures

(Unit: Thousand Baht)

	Consolidated financial statements / Separate financial statements	
	2015	2014
Debentures	1,655,000	1,560,000
Less: Current portion of debentures	(870,000)	(1,560,000)
Debentures - net of current portion	785,000	-

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

(Unit: Thousand Baht)

	Consolidated financial statements / Separate financial statements	
	2015	2014
Balance at beginning of year	1,560,000	1,460,000
<u>Add</u> : Debentures issued during the year	1,855,000	2,420,000
<u>Less</u> : Redemption of debentures during the year	(1,760,000)	(2,320,000)
Balance at end of year	1,655,000	1,560,000

As at 31 December 2015 and 2014, debentures are unsubordinated, unsecured debentures with registered name and carried fixed interests between 2.24 and 3.65 percent per annum (2014: between 2.99 and 3.80 percent per annum). The debentures will be repayable within 2018.

21. Long-term loan from financial institution / current portion of long-term loan

The detail of long-term loans from financial institution as at 31 December 2015 and 2014 are summarised below:

(Unit: Thousand Baht)

			Significant terms and conditions of loan agreements			Consolidated financial statements / Separate financial statements	
No.	Lender	Credit facilities	Repayment term	Collateral	Interest rate	2015	2014
		(Million Baht)			(percent per annum)		
The Company							
1.	Bank	1,552	For the loan facility amount of Baht 600 million Quarterly installments of Baht 150 million. Full loan repayment must be made within 18 months. The first installment will be paid on 31 March 2013 For the loan facility amount of Baht 952 million Monthly installments of Baht 17.6 million. The first installment will be paid on 31 January 2013.	Samart Communication Services Co., Ltd. and share capital of Portalnet Co., Ltd.	MLR-1.75	49,320	260,880
Total loans from financial institutions						49,320	260,880
<u>Less</u> : current portion						(49,320)	(211,560)
Long term loans - net of current portion						-	49,320

Movement in the long-term loans account during the year ended 31 December 2015 and 2014 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Balance at beginning of year	260,880	1,087,381	260,880	748,953
<u>Less</u> : Repayment	(211,560)	(826,501)	(211,560)	(488,073)
Balance at end of year	49,320	260,880	49,320	260,880

22. Liabilities under finance lease agreements

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Liabilities under finance lease agreements	11,925	16,798	1,537	2,195
<u>Less:</u> Deferred interest expenses	(557)	(1,217)	(42)	(126)
	11,368	15,581	1,495	2,069
<u>Less:</u> Portion due within one year	(5,583)	(3,521)	(1,495)	(574)
Liabilities under finance lease agreements - net of current portion	5,785	12,060	-	1,495

The Company and its subsidiaries have entered into the finance lease agreements with leasing companies for rental of motor vehicles for use in their operations, whereby they are committed to pay rental on a monthly basis. The terms of the agreements are generally 5 years.

Future minimum lease payments required under the finance lease agreements were as follows:

(Unit: Thousand Baht)

	Consolidated financial statements					
	Less than 1 year		1 - 5 years		Total	
	2015	2014	2015	2014	2015	2014
Future minimum lease payments	5,978	4,140	5,947	12,658	11,925	16,798
Deferred interest expenses	(395)	(619)	(162)	(598)	(557)	(1,217)
Present value of future minimum lease payments	5,583	3,521	5,785	12,060	11,368	15,581

(Unit: Thousand Baht)

	Separate financial statements					
	Less than 1 year		1 - 5 years		Total	
	2015	2014	2015	2014	2015	2014
Future minimum lease payments	1,537	660	-	1,535	1,537	2,195
Deferred interest expenses	(42)	(86)	-	(40)	(42)	(126)
Present value of future minimum lease payments	1,495	574	-	1,495	1,495	2,069

23. Other current liabilities

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Value added tax payable	18,820	34,735	-	22,837
Withholding Tax deduct at source	13,238	15,761	1,137	1,225
Undue output VAT	83,331	63,669	46,774	21,034
Others	19,569	21,410	5,300	2,768
Total other current liabilities	134,958	135,575	53,211	47,864

24. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, was as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Provision for long-term employee benefits at beginning of year	56,537	36,353	18,272	10,559
Included in profit or loss:				
Current service cost	5,354	11,690	1,229	4,716
Interest cost	2,304	2,096	786	706
Included in other comprehensive income:				
Actuarial (gain) loss arising from				
Demographic assumptions changes	1,472	6,398	230	2,291
Financial assumptions changes	12,349	-	2,156	-
Experience adjustments	2,475	-	(732)	-
Benefits paid during the year	(661)	-	-	-
Provision for long-term employee benefits at end of year	79,830	56,537	21,941	18,272

Line items in profit or loss under which long-term employee benefit expenses are recognised are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Cost of sales	1,673	1,676	-	-
Selling expenses	406	1,455	355	1,412
Administrative expenses	5,579	10,655	1,660	4,010
Total expenses recognised in profit or loss	7,658	13,786	2,015	5,422

The Company and its subsidiaries expect to pay Baht 3 million of long-term employee benefits during the next year (Separate financial statements: Nil) (2014: Baht 1 million, Separate financial statements: Nil).

As at 31 December 2015, the weighted average duration of the liabilities for long-term employee benefit is 17 years (Separate financial statements: 17 years) (2014: 17 years, separate financial statements: 17 years).

Significant actuarial assumptions are summarised below:

(Unit: percent per annum)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Discount rate	3.1	4.3	3.1	4.3
Salary increase rate	4.0 - 7.0	4.0 - 7.0	4.0 - 7.0	4.0 - 7.0
Turnover rate	0 - 24	0 - 20	0 - 24	0 - 20

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2015 are summarised below:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	Liability increase (decrease)		Liability increase (decrease)	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(9)	10	(2)	2
Salary increase rate	10	(9)	2	(2)
	Increase 20%	Decrease 20%	Increase 20%	Decrease 20%
Turnover rate	(9)	11	(1)	1

25. Warrants

On 24 April 2008, the Annual General Meeting of the Company passed a resolution to issue 18 million warrants, the offering price per unit is Baht 0 to the Company's directors and the employees of the Company and its subsidiaries. The exercise ratio is 1:1 and the exercise price is Baht 7.50 per 1 ordinary share. Warrants to be allocated to the Company's directors and the employee of the Company and its subsidiaries will be divided into 5 certificates with 5 years maturity from the issuance date. Each certificate will have the same date of issuance, offering and expiration with different exercise period as shown in the following detail. Each warrant holders can split exercise or fully exercise their right of the amount allocated for each certificate.

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

On 27 April 2009, the Annual General Meeting of the Company passed a resolution to approve the revision of the exercise price of the warrants offering to the Company's directors and the employees of the Company and its subsidiaries from Baht 7.5 per share to be Baht 6.75 per share.

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

Movements of warrants for the year ended 31 December 2014 were summarised below.

(Number of units: Thousand units)

Warrants issuance to	Balance as at 29 May 2009	Cumulative number of exercised warrants		Balance as at 31 December 2014
		Exercised during the prior years	Exercised during the year	
Directors	5,500	(5,025)	(475)	-
Employees	12,500	(11,911)	(589)	-
Total	18,000	(16,936)	(1,064)	-

26. Surplus on revaluation of land

(Unit: Thousand Baht)

	Consolidated financial statements / Separate financial statements	
	2015	2014
Balance at beginning of year	33,070	4,991
Add: Surplus arising from revaluation	-	28,079
Balance at end of year	33,070	33,070

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

27. Statutory reserve

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

28. Service income

Service income for the years ended 31 December 2015 and 2014 summarised as followings:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Type-one telecom license	-	458,382	-	-
Type-two telecom license without its own network	335,454,247	372,262,815	335,454,247	372,262,815
Type-one internet license	97,715,409	113,557,230	-	-
Other service income	2,583,484,923	2,812,577,996	233,808,944	425,865,321
Total service income	3,016,654,579	3,298,856,423	569,263,191	798,128,136

29. Other income

Other income for the years ended 31 December 2015 and 2014 consist of:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Gain from sales in trading securities	7,463	-	7,778	-
Gain from reclassification of investment	-	38,647	-	13,700
Gain on exchange rate	20,181	-	4,021	-
Interest income	2,207	3,393	33,167	56,922
Dividend income from subsidiaries	-	-	371,353	414,428
Management fee income	-	-	79,200	79,200
Gain on compensation receipt from insurance	215	60,036	-	-
Gain from allowance for withholding tax deduction	4,488	-	-	-
Other	42,083	27,585	41,273	39,436
Total other income	76,637	129,661	536,792	603,686

Insurance claim - Fire incident

On 29 March 2014, there was fire incident at a backup site used to provide computer software services for the core business operations of Portalnet Co., Ltd., a subsidiary company. The fire caused damage to fixed assets of the subsidiary with net book value totaling Baht 54 million. However, the subsidiary company had insurance coverage for direct damage to most of these assets, with net book value totaling Baht 45 million, while assets with net book value amounting to Baht 10 million did not have insurance coverage.

Subsequently, on 30 June 2014, the subsidiary company received a letter from the insurance company confirming that it would receive compensation for these losses of approximately Baht 104 million and the subsidiary company recorded the insurance compensation claim received net of the losses from the fire incident, amounting to Baht 60 million, as other income in the income statement for the year ended 31 December 2014. The subsidiary company had already received the full amount of insurance compensation in August 2014.

30. Expenses by nature

Significant expenses classified by nature are as follow:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Raw materials, equipment and cost of project used	3,051,605	3,210,267	581,492	912,356
Salaries, wages and other employee benefits	755,564	750,241	91,562	94,110
Depreciation and amortisation	1,067,507	1,043,936	170,820	198,600
Rental expenses from operating lease agreements	156,898	155,843	10,944	11,149
(Increase) decrease in changes in inventories of finished goods and work in progress	(149,732)	29,490	(95,455)	126,106
Advertising and marketing expense	59,351	36,007	27,108	15,852

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

31. Finance cost

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Interest expense on:				
Bank loans, overdrafts and trust receipts	162,042	205,528	73,572	126,490
Loans from related parties	-	1,998	4,917	9,764
Liabilities under finance lease agreements	590	771	85	112
Total interest expenses	162,632	208,297	78,574	136,366
Bank charges	4,711	6,230	3,921	7,504
Total finance cost	167,343	214,527	82,495	143,870

32. Income tax

Income tax expenses for the years ended 31 December 2015 and 2014 are made up as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Current income tax:				
Current income tax charge	35,591	72,558	8,871	34,055
Deferred tax:				
Relating to origination and reversal of temporary differences	(34,231)	(42,633)	(24,455)	(34,929)
Income tax expense reported in the statement of comprehensive income	1,360	29,925	(15,584)	(874)

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2015 and 2014 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Deferred tax relating to actuarial loss on defined benefit plan	3,097	1,160	331	458
Deferred tax relating to revaluation surplus on land	-	(7,020)	-	(7,020)
	3,097	(5,860)	331	(6,562)

Reconciliation between income tax expenses and the product of accounting profit multiplied by the applicable tax rates for the years ended 31 December 2015 and 2014

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Accounting profit before tax	396,246	728,843	284,023	405,765
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by applicable tax rate	79,249	145,768	56,805	81,153
Effects of:				
Promotional privileges	(24,558)	(24,195)	-	-
Utilisation of tax loss carry forward	(24,900)	(37,795)	-	-
Income not subject to tax	(327)	(3,685)	(74,597)	(83,317)
Non-deductible expenses	31,303	7,578	2,486	1,478
Additional expense deductions allowed	(62,011)	(61,394)	(2,78)	(188)
Total	(80,493)	(119,491)	(72,389)	(82,027)
Deferred tax assets not recognised	2,604	3,648	-	-
Income tax expenses reported in the statement of comprehensive income	1,360	29,925	(15,584)	(874)

The components of deferred tax assets and deferred tax liabilities are as follows:

(Unit: Thousand Baht)

	Statement of financial position			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Deferred tax assets				
Allowance for doubtful accounts	7,003	1,046	392	219
Allowance for diminution in value of inventories	4,724	6,680	2,647	4,411
Allowance for asset impairment	2,811	2,811	227	227
Accumulated depreciation - equipment	45,977	38,695	27,487	26,551
Assets under finance lease agreements	1,147	899	219	180
Provision for long-term employee benefits	10,613	9,333	3,522	3,119
Accrued vacation leave	649	600	106	106
Actuarial loss	4,579	1,392	866	536
Unrealised loss from revaluation of trading investment	11,596	-	11,596	-
Unused tax loss	8,365	3,779	-	-
Others	3,407	4,831	-	-
Total	100,871	70,066	47,062	35,349
Deferred tax liabilities				
Other receivables - unrelated parties	11,214	-	-	-
Accumulated amortisation - License	5,832	15,420	5,832	15,420
Unrealised gain from revaluation of trading investments	-	8,238	-	3,556
Revaluation surplus on land	8,268	8,267	8,268	8,268
Receivables arising from forward exchange contracts	217	79	150	79
Others	-	49	-	-
Total	25,531	32,053	14,250	27,323
Deferred tax-net	75,340	38,013	32,812	8,026

Deferred tax assets and liabilities in statement of financial position were as follows:

(Unit: Thousand Baht)

	Statements of financial position			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Deferred tax assets	75,340	38,013	32,812	8,026
Deferred tax liabilities	-	-	-	-
Deferred tax - net	75,340	38,013	32,812	8,026

As at 31 December 2015, the Company has deductible temporary differences and unused tax losses totaling Baht 477 million (2014: Baht 587 million), on which deferred tax assets have not been recognised as the Company believes future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

Details of expiry date of unused tax losses are summarised as below:

(Unit: Thousand Baht)

	Consolidated financial statements	
	2015	2014
31 December 2016	4,263	37,533
31 December 2017	363,141	453,977
31 December 2018	66,283	66,283
31 December 2019	29,537	29,537
31 December 2020	13,926	-
	477,150	587,330

33. 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 of the Company are as follows:

Details	Smarterware Co., Ltd.	Samart eD Tech Co., Ltd.
1. Certificate No.	1152(7)/2551	1713(7)/2553
2. Promotional privileges for	Software	Software
3. The significant privileges are:		
3.1 Exemption from corporate income tax on net income from promoted operations for a period of 8 years commencing as from the date of first earning operating income. Furthermore, accumulated losses incurred during the corporate income tax exemption period, the subsidiary is allowed to utilise the losses as a deduction against net income for a period of 5 years after the expiry of the tax exemption period, whether from any one year or from several years.	Commencing until 29 April 2017	Commencing until 21 June 2019
3.2 Exemption from income tax on dividends paid from the income of the promoted operations for which corporate income tax is exempted, throughout the corporate income tax exemption.	Granted	Granted
3.3 Exemption from import duty on imported machinery for use in production as approved by the Board.	Ended on 19 August 2010 30 April 2009	Throughout the period of promoted 22 June 2011
4. Date of first earning operating income		

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

(Unit: Thousand Baht)

	2015	2014
BOI promoted	188,082	187,615
Non-BOI promoted	5,235	4,755
Total service income	193,317	192,370

34. 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.

35. 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 groups based on products and services and have three reportable segments as follows:

1. Network Solutions

Provide advanced solutions for telecommunications and data communication networks from consultation, survey, design, installation and implementation and system management services, as well as professional maintenance services for wired and wireless networks, including core networks, access networks, network equipment and end devices and various communications services via both high-speed networks and satellite communications.

2. Enhanced Technology Solutions

Provide solutions for information technology systems, including advanced systems customisation for customers requiring accuracy and high stability. The solutions range from consultation, engineering design and software development to installation, project management, management, and maintenance services.

3. Business application

Provide advanced software application services that enhance the capability and efficiency of the operations of corporate clients and the efficiency of service provision by clients in the public sector.

No operating segments have been aggregated to form the above reportable operating segments.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and on a basis consistent with that used to measure operating profit or loss in the financial statements. However, the Company and its subsidiaries financing activities (including finance costs and finance income) and income taxes are managed on a Group basis and are not allocated to operating segments.

Transfer prices between business segments are as set out in Note 6 to the financial statements.

Inter-segment revenues are eliminated on consolidation.

35.1 The results of operations separated by business segment

The following tables present revenue and profit information regarding the Company and its subsidiaries' operating segments for the years ended 31 December 2015 and 2014, respectively.

(Unit: Million Baht)

	Network infrastructure solutions		Enhanced technology solutions		Business application		Adjustments and eliminations		Consolidated financial statements	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Sales and services income										
- Related parties	288	339	281	267	1,954	1,512	(2,464)	(2,043)	59	75
- Third parties	1,829	3,231	2,761	2,137	1,067	1,156	-	-	5,657	6,524
Total sales and services income	2,117	3,570	3,042	2,404	3,021	2,668	(2,464)	(2,043)	5,716	6,599
Cost of sales and services	1,831	3,256	2,601	2,033	2,449	1,976	(2,339)	(1,998)	4,542	5,267
Gross profit	286	314	441	371	572	692	(125)	(45)	1,174	1,332
Other income									77	130
Selling expenses									(214)	(122)
Administrative expenses									(383)	(367)
Other expense									(89)	(27)
Share of loss from investment in associate									(2)	(2)
Finance cost									(167)	(215)
Income tax expenses									(1)	(30)
Non-controlling interests of the subsidiaries									7	6
Profit for the year									402	705

35.2 Assets separate by business segment are as follows:

(Unit: Million Baht)

	Network infrastructure solutions		Enhanced technology solutions		Business application		Adjustments and eliminations		Consolidated financial statements	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Assets										
Trade accounts receivable	1,038	1,378	1,263	578	1,547	1,145	(1,620)	(1,364)	2,228	1,737
Accrued income	306	533	1,313	1,475	24	20	(109)	(118)	1,534	1,910
Inventories	226	228	129	70	95	68	(35)	(13)	415	353
Intangible asset - license	29	77	-	-	-	-	-	-	29	77
Property, plant and equipment	418	781	2,817	951	944	1,176	(289)	(177)	3,890	2,731
Others									1,944	2,130
Total assets									10,040	8,938
Total liabilities	3,722	4,294	4,958	2,344	1,171	1,532	(3,270)	(2,710)	6,581	5,460
Additions (decrease) to non-current assets other than financial instruments and deferred tax assets	(509)	(166)	1,859	449	(243)	(203)	(102)	(60)	1,005	20

Geographic information

The Company and its subsidiaries are operated in Thailand only. As a result, all of the revenues and assets as reflected in these financial statements pertain to the aforementioned geographical reportable.

Major customers

For the year 2015, the Company and its subsidiaries have revenue from two major customers in amount of Baht 837 million from sales by business application segments and Baht 743 million, arising from sales by network infrastructure solutions segments (2014: Baht 1,488 million and Baht 850 million derived from two major customer, arising from sales by network infrastructure solution segments and business application segment, respectively).

36. Provident fund

The Company, subsidiary companies and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The Company, subsidiary companies and their employees contributed to the fund monthly at the rate of 3 - 10 percent of basic salary. The fund, which is managed by Bangkok Bank Public Co., Ltd., will be paid to employees upon termination in accordance with the fund rules. The year 2015, the contribution for the year 2015 amounting to approximately Baht 27 million (2014: Baht 23 million) (Separate financial statements: Baht 5 million (2014: Baht 4 million)) were recognised as expenses.

37. Dividends

	Approved by	Total dividends	Dividend per share	Paid on
		(Million Baht)	(Baht)	
2015				
Final dividend on 2014 profit	Annual General Meeting of the shareholders on 29 April 2015	401.7	0.65	3 September 2014 15 May 2015
Less: Interim dividend paid in 2014		(154.5)	(0.25)	
		247.2	0.40	
Interim dividend paid on earnings for the six-month period of 2015	Board of Director Meeting on 13 August 2015	154.5	0.25	9 September 2015
Total dividends paid for 2015		401.7	0.65	
2014				
Final dividend on 2013 profit	Annual General Meeting of the shareholders on 29 April 2014	462.9	0.75	9 September 2013 15 May 2014
Less: Interim dividend paid in 2013		(184.9)	(0.30)	
		278.0	0.45	
Interim dividend paid on earnings for the six-month period of 2014	Board of Director Meeting on 7 August 2014	154.5	0.25	3 September 2014
Total dividends paid for 2014		432.5	0.70	

38. Commitments and contingent liabilities

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

38.1 Commitments

- 38.1.1 The Company entered into transponder lease agreements with domestic and foreign contractual partners. Under the agreements, the Company had commitment to pay rental fees to its contractual partners in monthly installments, totaling approximately USD 0.2 million per month (2014: USD 0.2 million per month).
- 38.1.2 On 10 August 2011, the Board of the National Broadcasting and Telecommunications Commission passed a resolution approving the issue to the Company of a 5-year, Type two telecommunication business license without own telecommunications network (Very Small Aperture Terminal (VSAT) service). The license is effective from the date of termination of the old contract to provide local audio and visual data communications via satellite services (13 September 2011). The Company is obliged to comply with various conditions, which included a commitment to hand over the telecommunications equipment used in provision of the data communication via satellite service to the National Broadcasting and Telecommunications Commission within 11 December 2011, and to pay an annual service fee. Although, as at 31 December 2015, the Company is still in the process of handing over the telecommunications equipment, the 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. However, the Company is still in the process of purchase back of the telecommunications equipment.
- 38.1.3 On 26 October 2006, Samart Communication Services Co., Ltd., a subsidiary company, entered into an agreement with a company (formerly a state enterprise), whereby they would provide an information technology network to The Department of Local Administration for a period of 1 year. The subsidiary is obliged to make the network available at not less than 1,000 sites within 120 days from the contract date and guarantee this minimum number of users throughout the contract period. If the subsidiary is unable to do within the delivery period (22 February 2007), the counterparty will charge a penalty for any delays in the subsidiary's work. However, as at 22 February 2007 the subsidiary could not make the network available at 1,000 sites because such subsidiary has not yet to receive the equipment from the counterparty and Bandwidth received is not adequate for actual usage. Since the subsidiary could not accomplish the number of guaranteed users. The counterparty therefore could charge a penalty for delay work. However, the subsidiary's management and legal counsel are of the opinion that the subsidiary is not obligated to pay any fine to the counterparty as the delay of such project is not the subsidiary's fault. In addition, the management believes that the negotiation with the counterparty will be successful therefore as at 31 December 2015 the subsidiary has not set up provision for fine from the project delay.
- 38.1.4 On 3 November 2009, Samart Comtech Co., Ltd., a subsidiary company, entered into an agreement with government agency, whereby it was to provide information systems development services. The subsidiary was obliged to install and deliver all hardware and application software within a certain date. However, the subsidiary delivered the work after the deadline (2 November 2012), and the government agency charged a delay penalty, calculated from the day after each delivery deadline or the extended deadline until all work has been delivered and is working properly. Subsequently, during May 2013, the subsidiary company delivered all systems to the government agency and the inspection process for the work delivered was completed on 26 November 2014.

Later, on 26 March 2015, the subsidiary company received a formal letter notifying it of the results of the work acceptance inspection from a government agency and the charging of a delay penalty of Baht 43 million. In April 2015, the government agency settled the penalty against the final payment payable amount to the subsidiary. However, the subsidiary's management has requested permission to appeal to the government agency for clarify the reason and request that the penalty be waived.

- 38.1.5 On 27 September 2013, Samart Comtech Co., Ltd., a subsidiary company, entered into an agreement with a government agency to provide data entry, including the installation of computer hardware. The subsidiary hired two subcontractors to provide the services for key in data to the government agency. Subsequently, in the year 2015, the two subcontractors delivered the data to the government agency late and the government agency charged a delay penalty of Baht 88 million to the subsidiary company, by settle it against the amounts payable to the subsidiary. In May and November 2015, it was partially settled of Baht 56 million. However, the subsidiary's management assessed that this delay of work was not the subsidiary's fault and as stipulated in the hire of work contracts the subsidiary will be able to collect the penalties from the subcontractors. Therefore, as at 31 December 2015, the subsidiary company has not set aside any provision for these delay penalties in its accounts.
- 38.1.6 Posnet Co., Ltd., a subsidiary company, entered into two agreements with a private limited company to provide system maintenance services. Subsequently, during the year 2015, that company charged a penalty and compensatory damages totaling of Baht 8 million to the subsidiary under these two agreements, for breaches of the conditions stipulated therein. The subsidiary is currently requesting details of the penalties and compensation from such company. The subsidiary's management has considered the matters and believes that the subsidiary will not have to pay the penalty and compensatory damages, and therefore, as at 31 December 2015, the subsidiary company has not set aside any provision in its accounts.
- 38.1.7 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 is obligated to comply with the conditions stipulated in the contract and pay a service fee totaling approximately Baht 0.1 million per month (2014: Baht 0.2 million per month).
- 38.1.8 Portalnet Co., Ltd., a subsidiary company, entered into a contract to use computer software application services with SAP (Thailand) Co., Ltd, effective until terminated by the subsidiary. The subsidiary is obligated to comply with the conditions stipulated in the contract and pay a service fee of approximately Baht 6 million per month (2014: Baht 6 million per month).
- 38.1.9 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 4 million per quarter (2014: Baht 5 million and Baht 8 million per quarter).
- 38.1.10 Portalnet Co., Ltd., a subsidiary company, entered into a contract with Let Systems Ltd. to provide system maintenance services for computer software applications for core business operation by transferring the assignment to provide maintenance services from Siemens AG. The subsidiary is obligated to comply with the conditions stipulated in the contract and pay service fee of approximately Euro 0.01 million per month (2014: Euro 0.01 million per month).
- 38.1.11 The Company has outstanding commitment totaling approximately Baht 56 million (2014: Baht 56 million) in respect of the uncalled portion of their investments in its subsidiaries.

38.1.12 The Company and its subsidiary companies entered into the service agreements with various companies between 1 and 4 years. The Company and its subsidiary companies have to pay a monthly facility service fee at the rate stipulated in the agreements.

38.2 Operating lease commitments

38.2.1 The Company and its subsidiaries has entered into several lease agreements in respect of the lease of office building space, utilities, IT data center system, the contract of high-speed connection and data exchange service. 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)

Currency	Consolidated financial statements	
	2015	2014
Payable within:		
Less than 1 year	30	25
1 to 4 years	5	3

38.2.2 In addition, Samart Communication Services Co., Ltd., a subsidiary company, entered into a rental agreement to sublet space from a private company for a period of 3 years from the date that each site is handed over. The space is to be used for installation of stanchions, advertising banners and 3G and/or 4G network equipment, and the subsidiary company is committed to pay rental of approximately Baht 5 million per month, totaling approximately Baht 15 million (2014: Baht 78 million).

38.3 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 ordinary course of business for the Company and its subsidiaries. The details of bank guarantees are as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Performance guarantees	1,980	2,353	569	627
Guarantee electricity use, among others	137	75	56	4
	2,117	2,428	625	631

38.4 Related party guarantees

The Company and its subsidiaries had the following commitments to banks and a leasing companies as a result of their guarantees of credit facilities and rental of equipment.

38.4.1 The Company was guarantor of credit facilities of its subsidiary company from banks and a leasing company amounting to Baht 30,987 million (2014: Baht 23,729 million).

38.4.2 Samart Communication Services Co., Ltd., a subsidiary company, is guarantor of credit facilities of the Company from banks amounting to Baht 49 million (2014: Baht 261 million).

Generally, the guarantees are effective for as long as the underlying obligations have not been discharged by the Company and subsidiaries. Guarantee fees are charged by the Company and its subsidiary companies.

38.5 Litigation

On 5 January 2004 a civil lawsuit was filed against IT Absolute Co., Ltd. a subsidiary company, with the plaintiff lodging a claim for the return of assets and compensation totaling Baht 15.6 million. The subsidiary company was accused of failure to comply with the terms and conditions of a share sale agreement executed with a customer (the plaintiff). The alleged failure occurred while the subsidiary company was operating under its previous name, Yuanta Securities (Thailand) Company Limited.

The share purchase and sale agreement dated 7 January 2003 between the subsidiary company's former shareholders (the seller) and a bank (the purchaser), states that if any liabilities attributable to the activities of the seller occurred within two years after the shares were transferred to the purchaser and were not presented in the statement of financial position as at 31 December 2002, the seller would, if the case was finalised and the Court ordered the subsidiary company to settle such liabilities, pay compensation to the subsidiary company at a rate of 92.7329 percent of such liabilities.

On 29 September 2005, the Civil Court ordered the subsidiary company to return the securities to the plaintiff or pay Baht 8.4 million if the subsidiary company was unable to do so. Subsequently, the subsidiary company lodged an appeal with the Appeal Court, and on 16 March 2011 the Appeal Court affirmed the judgment of the Court of First Instance. The subsidiary company then lodged an appeal with the Supreme Court on 12 May 2011 and this case is in the process of being considered by the Supreme Court. However, as at 31 December 2015, the Company estimated its contingent liabilities at Baht 0.6 million, (2014: Baht 0.6 million) and recorded this under the caption of "other non-current liabilities" in the statement of financial position.

39. Fair value hierarchy

As at 31 December 2015, the Company and its subsidiaries had the assets and liabilities that were measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)

	Consolidated Financial Statements		
	Level 1	Level 2	Total
Assets measured at fair value			
Held for trade investments Equity instruments	44	-	44
Derivatives Foreign currency forward contracts	-	1	1
Land	-	72	72
Liability measured at fair value			
Debenture	1,655	-	1,655

(Unit: Million Baht)

	Separate Financial Statements		
	Level 1	Level 2	Total
Assets measured at fair value			
Held for trade investments Equity instruments	44	-	44
Derivatives Foreign currency forward contracts	-	1	1
Land	-	72	72
Liability measured at fair value			
Debenture	1,655	-	1,655

40. Financial instruments

40.1 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 and short-term and long-term loans. The financial risks associated with these financial instruments and how they are managed in described below.

Credit risk

The Company and its subsidiaries are exposed to credit risk primarily with respect to trade accounts receivable, loans and other receivable. The Company and its subsidiaries manage the risk by adopting appropriate credit control policies and procedures, therefore do not expect to incur material financial losses. In addition, the majority of sales and services are supplied to credit worthy customers such as stated enterprises, government agencies and the banking sector. The maximum exposure to credit risk is limited to the carrying amounts of receivables, loans, other receivables and notes receivable as stated in the statement of financial position.

Interest rate risk

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

Significant financial assets and liabilities classified by type of interest rates are summarised 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.

(Unit: Million Baht)

	Consolidated financial statements											
	Fixed interest rates				Floating		Non-interest		Total		Effective interest rate	
	Within 1 year		1 - 5 years		interest rate		bearing		Total		(percent per annum)	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Financial Assets												
Cash and cash equivalents	-	-	-	-	589	629	26	28	615	657	0.100-1.375	0.375-1.750
Temporary investments in trading securities	-	-	-	-	-	-	44	177	44	177	-	-
Trade and other receivables	-	-	-	-	-	-	2,325	1,772	2,325	1,772	-	-
Restricted bank deposits	-	-	-	-	-	18	111	156	111	174	0.850	1.625
	-	-	-	-	589	647	2,506	2,133	3,095	2,780		
Financial liabilities												
Loans from banks	-	-	-	-	2,892	1,521	-	-	2,892	1,521	3.200-4.750	3.600-4.100
Trust receipts												
- Baht	-	-	-	-	335	223	-	-	335	223	3.200-3.350	3.600-4.450
Bill of exchange	300	200	-	-	-	-	-	-	300	200	2.500	2.950
Trade and other payables	-	-	-	-	-	-	571	837	571	837	-	-
Debentures	870	1,560	785	-	-	-	-	-	1,655	1,560	2.240-3.650	2.970-4.100
Long-term loan from bank	-	-	-	-	49	261	-	-	49	261	4.750	4.500-5.500
Liabilities under finance lease agreements	6	3	6	12	-	-	-	-	12	15	4.400-4.625	4.625-4.750
	1,176	1,763	791	12	3,276	2,005	571	837	5,814	4,617		

(Unit: Million Baht)

	Separate financial statements											
	Fixed interest rates				Floating interest rate		Non-interest bearing		Total		Effective interest rate (percent per annum)	
	Within 1 year	1 - 5 years										
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Financial Assets												
Cash and cash equivalents	-	-	-	-	130	263	-	1	130	264	0.100-1.375	0.375-1.750
Temporary investments in trading securities	-	-	-	-	-	-	44	152	44	152	-	-
Trade and other receivables	-	-	-	-	-	-	1,161	849	1,161	849	-	-
Short-term loans to related parties	-	-	-	-	886	742	-	-	886	742	3.210	3.920-3.950
	-	-	-	-	1,016	1,005	1,205	1,002	2,221	2,007		
Financial liabilities												
Loans from banks	-	-	-	-	110	102	-	-	110	102	3.200-3.250	3.600-4.100
Trust receipts												
- Baht	-	-	-	-	17	-	-	-	17	-	3.280	-
Bill of exchange	300	200	-	-	-	-	-	-	300	200	2.500	2.950
Trade and other payables	-	-	-	-	-	-	99	289	99	289	-	-
Debentures	870	1,560	785	-	-	-	-	-	1,655	1,560	2.240-3.650	2.970-4.100
Short-term loans from related parties	-	-	-	-	289	104	-	-	289	104	1.375	1.750-6.625
Long-term loan from bank	-	-	-	-	49	261	-	-	49	261	4.750	5.000
Liabilities under finance lease agreements	1	1	-	1	-	-	-	-	1	2	4.400	4.750
	1,171	1,761	785	1	465	467	99	289	2,520	2,518		

Foreign currency risk

The Company and its subsidiaries' exposure to foreign currency risk arises mainly from trading transactions that are denominated in foreign currencies. The Company and its subsidiaries seek to reduce this risk by entering into forward exchange contracts.

The Company and its subsidiaries have significant foreign currency financial assets and liabilities that were unhedged against foreign exchange risk, as summarised below.

Currency	Consolidated financial statements		Separate financial statements		Exchange rate as at 31 December	
	2015	2014	2015	2014	2015	2014
	((Million))	(Million)	(Million)	(Million)	(Baht per unit of foreign currency)	
Assets						
US dollars	-	0.2	-	0.2	-	32.8128
Liabilities						
US dollars	2.5	8.7	0.7	5.3	36.2538	33.1132
Euro	1.2	-	-	-	39.7995	-

The majority of the liabilities are due within one year.

Forward exchange contracts

Currency	Consolidated financial statements	Separate financial statements	Maturity date	Contractual exchange rate
	(Million)	(Million)		(Baht per unit of foreign currency)
As at 31 December 2015				
Bought amount				
US dollars	3.8	2.0	27 January - 24 June 2016	34.98216 - 36.2050
Euro	1.5	-	29 February 2016	39.6700
As at 31 December 2014				
Bought amount				
US dollars	0.6	0.6	26 January - 2 March 2015	32.1100 - 32.1750
Sold amount				
US dollars	0.2	0.2	13 February 2015	32.4475

40.2 Fair values of financial instruments

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

41. Capital management

The primary objective of the Company and its subsidiaries capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value.

As at 31 December 2015, the Group's debt-to-equity ratio was 1.9:1 (2014: 1.6:1) and the Company's was 1.3:1 (2014: 1.3:1).

42. Approval of financial statements

These financial statements were authorised for issue by the Company's authorised Directors on 19 February 2016.

Remuneration of the Auditors

1. Audit fee

Audit Fee in 2015 comprised of following details:

- Audit Fee for accounting period ended December 31, 2015 of the Company was Baht 1,820,000 of which excluded other miscellaneous payment of Baht 72,872 (i.e. auditors' traveling expenses, photo copy expenses).
- Audit Fee for accounting period ended December 31, 2015 of the subsidiaries that the same auditor as the Company were Baht 4,630,000 of which excluded other miscellaneous payment of Baht 127,195 (i.e. auditors' traveling expenses, photo copy expenses).

2. Non-Audit Fee

Non-Audit Fee in 2015 comprised of following details:

- Smarterware Co., Ltd., the subsidiaries paid professional fee to EY Office Limited for the review of compliance conditions stipulated in the investment promotion certificate submitted to BOI for the period ended December 31, 2015 at Baht 70,000.
- Samart Ed-Tech Co., Ltd., the subsidiaries paid professional fee to EY Office Limited for the review of compliance conditions stipulated in the investment promotion certificate submitted to BOI for the period ended December 31, 2015 at Baht 70,000.

Directors, Management, Company and Secretary as of December 31, 2015

Name-Surname / Position / Date of appointment	Age	Education / Training	Shareholding in Company (%)	Relationship	Working Experience last 5 years		
					During	Position	Company / Department
1. Mr. Sombut Uthaisang - Position • Independent Director • Authorized Director • Chairman - Date of appointment as Director • April 24, 2008	79	- Master of Public Administration, National Institute of Development Administration (NIDA) - Bachelor Degree in Law, Thammasat University - The Columbo 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 2013-Present 2014-Present	Chairman Chairman of the Corporate Governance Committee <u>Position in other listed companies</u> Independent Director Independent Director <u>Position in non-listed companies</u> -	Samart Telcoms Pcl. Samart Telcoms Pcl. Thonburi Medical Centre Pcl. Bangkok Dusit Medical Services 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 / Date of appointment	Age	Education / Training	Shareholding in Company (%)	Relationship	Working Experience last 5 years		
					During	Position	Company / Department
2. General Sumpun Boonyanun - Position • Independent Director • Chairman of the Audit Committee • Chairman of the Nominating & Compensation Committee • Corporate Governance Committee Member - Date of appointment as Director • April 24, 2008	72	- Bachelor Degree in 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 College 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 2008-Present 2008-Present 2008-Present	Independent Director Chairman of the Audit Committee Chairman of the Nominating & Compensation Committee Corporate Governance Committee Member <u>Position in other listed companies</u> - <u>Position in non-listed companies</u> -	Samart Telcoms Pcl. Samart Telcoms Pcl. Samart Telcoms Pcl. Samart Telcoms Pcl.
3. Mr. Vichai Pokasamrit - Position • Independent Director • Audit Committee Member • Nominating & Compensation Committee Member • Chairman of the Corporate Governance Committee - Date of appointment as Director • April 21, 2011	66	- 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 2011-Present 2012-Present	Independent Director / Audit Committee Member Nominating & Compensation Committee Member Chairman of the Corporate Governance Committee <u>Position in other listed companies</u> - <u>Position in non-listed companies</u> Deputy Director of the Bureau of the Budget Advisor to the Bureau of the Budget	Samart Telcoms Pcl. Samart Telcoms Pcl. Samart Telcoms Pcl. Office of the Prime Minister Office of the Prime Minister

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 / Date of appointment	Age	Education / Training	Shareholding in Company (%)	Relationship	Working Experience last 5 years		
					During	Position	Company / Department
4. Miss Rapeeapan Luangaramrut - Position • Independent Director • Audit Committee Member • Nominating & Compensation Committee Member - Date of appointment as Director • April 24, 2008	59	- 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. - Certificate in Director Certification Program (DCP), Thai Institute of Directors Association (IOD) in 2003 - Leadership Program (Class 9), Capital Market Academy - National Defence Course (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	-	-	2008-Present	Independent Director / Audit Committee Member	Samart Telcoms Pcl.
					2013-Present	Nominating & Compensation Committee Member	Samart Telcoms Pcl.
					2008-2013	Corporate Governance Committee Member	Samart Telcoms Pcl.
					2010-Present	Position in other listed companies Director	TPT Petrochemicals Pcl.
					2013-Present	Position in non-listed companies Consulting President	Deam House Co., Ltd.
					2012-Present	Director	Entertainment Tree Co., Ltd.
					2005-Present	Director	R Property Co., Ltd.
					2004-Present	Executive Chairman	Khun Reed Corporation Co., Ltd.
					2004-Present	Executive Director	Derma Belle Co., Ltd.
					2000-Present	Executive Chairman	110 Vipha Co., Ltd.
					2005-Present	Director	Siam Solvay Foundation
					1989-2011	Director	Solvay Peroxythai Co., Ltd.

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

Name-Surname / Position / Date of appointment	Age	Education / Training	Shareholding in Company (%)	Relationship	Working Experience last 5 years		
					During	Position	Company / Department
5. Mr. Kajornvut Tayanukom - Position • Director • Corporate Governance Committee Member - Date of appointment as Director • April 29, 2004	60	- 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 2013-Present 2008-2013 2001-Present 2013-Present	Director Corporate Governance Committee Member Nominating & Compensation Committee Member <u>Position in other listed companies</u> Executive Vice President <u>Position in non-listed companies</u> Executive Director	Samart Telcoms Pcl. Samart Telcoms Pcl. Samart Telcoms Pcl. Bangkok Bank Pcl. Processing Center Co., Ltd.
6. Mr. Charoenrath Vialluck - Position • Authorized Director • Executive Director - Date of appointment as director • July 26, 1996	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	0.462% (2,854,600 Shares)	Mr. Watchai's Brother	1996-Present 1995-Present 1993-Present 2008-Present 2003-Present 2013-Present 2013-Present Present 1993-Present 2000-2013	Director / Executive Director <u>Position in other listed companies</u> Executive Chairman & CEO Director Chairman of the Risk Management Committee Director Director Executive Director / Risk Management Committee Member <u>Position in non-listed companies</u> Director Director Director Director	Samart Telcoms Pcl. Samart Corporation Pcl. Samart Corporation Pcl. Samart Corporation Pcl. Samart I-Mobile Pcl. One to One Contacts Pcl. One to One Contacts Pcl. Subsidiaries, Affiliated and Related Companies (as details in Directors and Managements in Subsidiaries, Affiliated and Related Companies) Vialluck International Holding Co., Ltd. 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 / Date of appointment	Age	Education / Training	Shareholding in Company (%)	Relationship	Working Experience last 5 years		
					During	Position	Company / Department
7. Mr. Watchai Vilailuck - Position • Authorized Director • Chief Executive Officer - Date of appointment as director • July 26, 1996	53	- Bachelor Degree in Accounting Faculty of Commerce and Accounting, Thammasat University - Certificate of Management Program, United Kingdom in 1985 - Certificate of Strategic Planning & Implementation, University of Michigan Business School, Singapore in 2000 - Director Accreditation Program (DAP), Thai Institute of Directors Association (IOD) in 2004 - Diploma in National Defence for The Joint State-Private Sector Course (Class 21), National Defence College of Thailand in 2008-2009 - Leadership program (Class 11), Capital Market Academy (CMA) in 2010-2011 - The Programme for Senior Executives on Justice Administration Batch 15, National Justice Academy, Office of Judiciary in 2011-2012 - ASEAN Executive Management Programme (Class 2), The Secretariat of the Prime Minister, Office of the Civil Service Commission (OCSC), Office of the National Economic and Social Development Board, Ministry of Foreign Affairs and Sasin Graduate Institute of Business Administration, Chulalongkorn University in 2013 - The 5 th Training Course on Administrative Justice for Executives, Institute of Administrative Justice, The Office of the Administrative Courts of Thailand in 2013-Aug. 2014 - Top Executive Program in Energy Literacy (Class 6), Thailand Energy Academy in 2015 - Top Executive Program in Industrial Development and Investment (Class 2), Institute of Business and Industrial Development (IBID) in 2015	0.267% (1,650,010 Shares)	Mr. Charoenrath's Brother	2000-Present 1996-Present	Chief Executive Officer Director	Samart Telcoms Pcl. Samart Telcoms Pcl.
					2000-Present 1993-Present 2004-Present	<u>Position in other listed companies</u> President Director Chief Operating Member of the Risk Management Committee	Samart Corporation Pcl. Samart Corporation Pcl. Samart Corporation Pcl.
					2013-Present 2014-Present	Chairman of the Sustainable Development Committee Acting Chief Operating Officer of Call Center LOB	Samart Corporation Pcl. Samart Corporation Pcl.
					Present	Acting Chief Operating Officer of Utilities and transportations LOB and Technology Related Services LOB	Samart Corporation Pcl.
					2003-Present 2012-Present	Director Acting Management Directors-Service Provider Business	Samart I-Mobile Pcl. 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.
					2013-Present 2013-Present	Director Executive Chairman / Chairman of the Risk Management Committee	One to One Contacts Pcl. One to One Contacts Pcl.
					Present	<u>Position in non-listed companies</u> Director	Subsidiaries, Affiliated and Related Companies (as details in Directors and Managements in Subsidiaries, Affiliated and Related Companies) Vilailuck International Holding Co., Ltd. One to One Contacts Co., Ltd.
					1993-Present 2000-2013	Director Director	

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 / Date of appointment	Age	Education / Training	Shareholding in Company (%)	Relationship	Working Experience last 5 years		
					During	Position	Company / Department
8. Mr. Sirichai Rasameschan - Position • Director • Executive Director - Date of appointment as director • July 1, 1998	65	- 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 in 2000	0.024% (150,000 shares)	-	1998-Present	Director / Executive Director	Samart Telecoms Pcl.
					2000-Present	Position in other listed companies 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.
					2008-Present	Nominating & Compensation Committee Member	Samart I-Mobile Pcl.
					2014-Dec.2015	Director	Samart I-Mobile Pcl.
					2005-Dec.2015	Risk Management Committee Member	Samart I-Mobile 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.
					Present	Position in non-listed companies Director	Subsidiaries, Affiliated and Related Companies (as details in Directors and Managements in Subsidiaries, Affiliated and Related Companies) Thai Institute of Directors Association (IOD) One to One Contacts Co., Ltd.
						Speaker	
					2000-2013	Director	

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 / Date of appointment	Age	Education / Training	Shareholding in Company (%)	Relationship	Working Experience last 5 years		
					During	Position	Company / Department
9. Mr. Jong Diloksombat - Position • Director • Executive Director • President • Corporate Governance Committee Member • Chairman of the Risk Management Committee • Chairman of the Sustainable Development Committee - Date of appointment as director • January 11, 2012	56	- Master of System Science, University of Louisville, USA - Bachelor Degree in Electrical Engineering, Chulalongkorn University - Certificate of Strategic Planning & Implementation, University of Michigan Business School, Singapore in 2000 - Director Accreditation Program (DAP), Thai Institute of Directors Association (IOD) in 2004 - Certificate of Executive Development Program, Faculty of Commerce and Accountancy, Thammasat University in 2005 - Certificate of Crisis Management Master Class, VMAC Business Group-Premier Provider of Business Intelligence in 2009 - Capital Market Leader Program, The Securities and Exchange Commission (SEC) and Sasin Graduate Institute of Business Administration of Chulalongkorn University in 2014 - National Defence Course (Class 57), National Defence College of Thailand in 2015	0.065% (400,000 Shares)	-	2012-Present	Director / Executive Director / President / Corporate Governance Committee Member	Samart Telcoms Pcl.
					2012-Present	Chairman of the Risk Management Committee	Samart Telcoms Pcl.
					2013-Present	Chairman of the Sustainable Development Committee	Samart Telcoms Pcl.
					Position in other listed companies		
					2012-Present	Executive Director	Samart Corporation Pcl.
					2009-Present	Risk Management Committee Member	Samart Corporation Pcl.
					2013-Present	Sustainable Development Committee Member	Samart Corporation Pcl.
					2012-Present	President of ICT Solutions and Services LOB	Samart Corporation Pcl.
					2005-Present	Corporate Governance Committee Member	Samart I-Mobile Pcl.
					2003-Nov.2015 2005-Nov.2015	Director / Executive Director Risk Management Committee Member	Samart I-Mobile Pcl. Samart I-Mobile Pcl.
					2003-2012	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 : * 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 / Date of appointment	Age	Education / Training	Shareholding in Company (%)	Relationship	Working Experience last 5 years		
					During	Position	Company / Department
10. Mr. Pomchal Krivichian - Position • Executive Vice President - Network Solutions Business Group • Risk Management Committee Member • Sustainable Development Committee Member - Date of appointment as Management • March 1, 2005	50	- Master of Engineering, Bridgeport University, USA	0.007% (42,000 Shares)	-	2015-Present	Executive Vice President - Network Solutions Business Group	Samart Telcoms Pcl.
					2011-2015	Executive Vice President - Network Services Business Group and System Integration Business Group	Samart Telcoms Pcl.
					2005-Present	Risk Management Committee Member	Samart Telcoms Pcl.
					2013-Present	Sustainable Development Committee Member	Samart Telcoms Pcl.
					2007-2010	Vice President - System Integration Business Group	Samart Telcoms Pcl.
					2005-2010	Vice President - Network Services Business Group	Samart Telcoms Pcl.
						Position in other listed companies -	
					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 : * 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 / Date of appointment	Age	Education / Training	Shareholding in Company (%)	Relationship	Working Experience last 5 years		
					During	Position	Company / Department
11. Miss Chotika Kamloonwesaruch¹⁾ - Position • Executive Vice President - Enhanced Technology Solutions Business Group • Risk Management Committee Member • Sustainable Development Committee Member - Date of appointment as Management • March 15, 2016	48	- Master of Engineering, King Mongkut's University Of Technology North Bangkok	140,000 (0.023%)	-	Mar2016-Present 2010-Present 2013-Present Present	Executive Vice President - Enhanced Technology Solutions Business Group Risk Management Committee Member Sustainable Development Committee Member Position in other Company - Position in non-listed companies Director	Samart Telcoms Pcl. Samart Telcoms Pcl. Samart Telcoms Pcl. Subsidiaries, Affiliated and Related Companies (as details in Directors and Managements in Subsidiaries, Affiliated and Related Companies)
12. Mr. Suchart Duangthavee²⁾ - Position • Executive Vice President - Business Application Business Group • Risk Management Committee Member - Date of appointment as Management • March 15, 2016	57	- Bachelor Degree of Engineering, King Mongkut's University of Technology North Bangkok.	466,000 (0.075%)	-	Mar2016-Present 2012-Present Present	Senior Vice President - Business Application Business Group Risk Management Committee Member Position in other Company - Position in non-listed companies Director	Samart Telcoms Pcl. Samart Telcoms Pcl. Subsidiaries, Affiliated and Related Companies (as details in Directors and Managements in Subsidiaries, Affiliated and Related Companies)

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

¹⁾ Has been appointed Miss Chotika Kamloonwesaruch as Executive Vice President - Enhanced Technology Solutions Business Group on March 15th, 2016.

²⁾ Has been appointed Mr. Suchart Duangthavee as Senior Vice President - Business Application Business Group on March 15th, 2016.

Name-Surname / Position / Date of appointment	Age	Education / Training	Shareholding in Company (%)	Relationship	Working Experience last 5 years		
					During	Position	Company / Department
13. Mrs. Aroonluck Dilokwanich - Position • Vice President - Corporate Accounting - Date of appointment as Management • September 1, 2003	57	- Master of Accounting, Bridgeport University, USA. - Bachelor of Accounting, Thammasat University	-	-	2003-Present	Vice President - Corporate Accounting <u>Position in other listed companies</u> - <u>Position in non-listed companies</u> -	Samart Telcoms Pcl.
14. Mr. Dhiokpat Nisamaneevong - Position • Vice President - Finance & Investor Relations • Risk Management Committee Member - Date of appointment as Management • February 1, 2014	46	- Master of Business Administration, Major Finance, Long Island University, School of Business, Booklyn Campus, New York - Bachelor of Business Administration, concentration of Finance, Kasetsart University	-	-	2014-Present 2014-Present 2002-2014 Present	Vice President - Finance & Investor Relations Risk Management Committee Member <u>Position in other listed companies</u> Vice President - Lob Finance <u>Position in non-listed companies</u> Director	Samart Telcoms Pcl. Samart Telcoms Pcl. Samart I-Mobile Pcl. Subsidiaries, Affiliated and Related Companies (as details in Directors and Managements in Subsidiaries, Affiliated and Related Companies)
15. Mr. Somchai Bunsupaporn - Position • Assistant Vice President - Internal Audit and Company Secretary • Sustainable Development Committee Member - Date of appointment as Assistant Vice President - Internal Audit and Company Secretary • October 28, 2003	58	- Master of Business Administration, Kasetsart University - Bachelor of Accounting, Chulalongkorn University - Internal Audit operations Course 1 Class 27, The Institute of certified Accountants and Auditors of Thailand (Federation of Accounting Professions) - Laws and regulations for company secretary course 3, Research Center for Law and Development Faculty of Law Chulalongkorn University.	0.00006% (400 Shares)	-	2003-Present 2013-Present	Assistant Vice President - Internal Audit and Company Secretary Sustainable Development Committee Member <u>Position in other listed companies</u> - <u>Position in non-listed companies</u> -	Samart Telcoms Pcl. Samart Telcoms 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

Company Secretary's Role and Responsibilities

The Board of Directors has appointed Mr. Somchai Supaporn as the Company Secretary.

Roles and responsibilities of the appointed Company Secretary are as follows:

1. Perform his/her duty with accountability, duty of care and duty of loyalty as well as has to comply by laws and any other related regulation.
2. Support the Board of Directors for their activities included providing consultation in related to the 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 and the resolutions of the Board of Directors' and the shareholders' meetings as well as laws and related regulations.
4. Prepare and keep the Company's documents such as register of directors, notice calling directors' and shareholders' meetings as well as the minutes of such meetings and the annual report, etc.
5. Keep a report on interest filed by a director and executive as well as submit a copy of the report to the Chairmen of the Board of Directors and the Audit Committee within 7 business days from the date on which the Company has received such report.

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

The Company has specified the qualifications of the Company Secretary as follows:

1. Having well-rounded knowledge and understanding of the Company's businesses.
2. Understand roles and duties of the Company Secretary.
3. Having knowledge and understanding concerning legal matters, regulations of the Office of SEC and the Stock Exchange of Thailand.
4. Do not exploit the Company's business opportunity for personal benefits as well as preserve the confidential information of the Company.
5. Having good human relationship and can coordinate and contact with other agencies inside and outside the Company.
6. Possess English proficiency.
7. Having working experiences on the Company Secretary at least 3-5 years.

During the past year, the Company Secretary has attended the training courses and seminars to strengthen knowledge as follows:

- SR Training Direction 2015 of The Stock Exchange of Thailand and Sustainable Business Development Institute ;
- Corporate Culture and Corporate Governance of The Stock Exchange of Thailand ;
- Professional Corporate Secretary : Assistant to good Corporate Governance of The Stock Exchange of Thailand ;
- Breakfast Talk "Secret (don't) tip how to disclosure don't harmful and far from inside of The Securities and Exchange Commission ;
- Thailand CG Forum : Governance as a driving force for business sustainability of The Stock Exchange of Thailand, The Securities and Exchange Commission, and Thai Institute of Directors Association.

Board of Directors & Committees' List

Directors of Sub-Committees	Board of Directors	Executive Board	Audit Committee	Risk Management Committee	Corporate Government Committee	Nominating & Compensation Committee	Sustainable Development Committee
1. Mr. Sombut Uthaisang	x						
2. General Sumpun Boonyanun	/		x		/	x	
3. Miss Rapeepan Luangaramrut	/		/			/	
4. Mr. Vichai Pokasamrit	/		/		x	/	
5. Mr. Kajornvut Tayanukorn	/				/		
6. Mr. Charoenrath Vilailuck	/	/					
7. Mr. Watchai Vilailuck	/	x					
8. Mr. Sirichai Rasameechan	/	/					
9. Mr. Jong Diloksombat	/	/		x	/		x
10. Mr. Pornchai Krivichian				/			/
11. Mr. Apichat Sirisalipochna				/			/
12. Miss Chotika Kamloonwesaruch				/			/
13. Mr. Suchart Duangthawee				/			
14. Mr. Dhilokpat Nisamaneevong				/			
15. Mr. Anupong Saowamas				/			
16. Mr. Senee Somma				/			
17. Mrs. Nisachol Udomwongwiwat							/
18. Miss Kanokwan Chanswangpuvana							/
19. Mr. Somchai Bunsupaporn							/

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

Major Subsidiaries' Directors

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			/

Remark : x = Chairman, / = Director

Curriculum Vitae of Head of Internal Audit and Compliance of the Company

Head of Internal Audit

Educational background and work experience of Mr.Somchai Bunsupaporn, Internal Audit is as follows:

- Education** :
- Master of Business Administration, Kasetsart University
 - Bachelor of Accounting, Chulalongkorn University
- Training** :
- 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
- Work Experience** :
- | | |
|----------------|----------------------------------------------------------------------------------------|
| 2003 - Present | Assistant Vice President - Internal Audit and Company Secretary
Samart Telcoms Pcl. |
| 2013 - Present | Sustainable Development Committee Member
Samart Telcoms Pcl. |

During the past year, the head of Internal Audit has attended trainings and seminars concerning internal auditing as follows:

- The role of Executives in driving Anti-corruption policy of Thai listed Companies Association.
- Work shop : Anti-Corruption The Practical Guide of The Thai Institute of Directors Association.

Head of Compliance

The Company has assigned the Company Secretary Division is a compliance unit to supervise and oversee the operation of the Company, directors and executives to ensure that they have been correctly complied with the regulations of the SET, the SEC, the Public Company Limited Act., and other related laws.

Further details of Company Secretary is shown in “Directors, Management and Company Secretary”

General Information and Reference

Company's Information

Company	:	Samart Telcoms Public Company Limited
Head Office	:	99/7 Moo 4, Software Park 29 th Floor, Chaengwattana Road, Klong Gluar, Pak-kred, Nonthaburi 11120
Registration No.	:	0107538000631
Web site	:	http://www.samtel.com
Telephone	:	0-2502-6000
Fax.	:	0-2502-6648
Registered Capital	:	738,000,000 Baht
Number of shares sold	:	618,000,000 Ordinary shares
Par Value	:	Baht 1 per share

Other References

Registrar	:	Thailand Securities Depository Co., Ltd.
Head Office	:	93 The Stock Exchange of Thailand Building, Ratchadaphisek Road, Dindaeng, Bangkok 10400
Telephone	:	0-2009-9000
Fax.	:	0-2009-9991
Auditor	:	Ms. Siriwan Suratepin
		The Certified Public Accountant's License No. 4604
Head Office	:	EY Office Limited 33 rd Floor, Lake Rajada Office Complex 193/136-137 Rajadapisek Road, Klongtoey, Bangkok 10110
Telephone	:	0-2264-0777
Fax.	:	0-2264-0789-90

Remark : Investor can find more information of the Company's form 56-1 as shown in the Company website at www.samtel.com or www.sec.or.th.

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



SAMART TELCOMS PUBLIC COMPANY LIMITED

99/7 Software Park, 29th Fl., Moo 4,
Chaengwattana Rd., Klong Gluar,
Pak-Kred, Nonthaburi 11120 Thailand
Tel : (662) 502 6000
www.samtel.com