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ANNUAL REPORT 2014
SMART I-MOBILE PUBLIC COMPANY LIMITED



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“Mobile Multimedia Movement 2014”



Our Success Stories

Over 30 Million Devices sold in 10 Years of sustainable growth with proof of accreditation for impressively efficient work

“Mobile Business : *i-mobile*”



No. 1 local brand in Thailand
1st DVBT2 DTV phone launch in the world
DTAC partnership 600K smart phone



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“Multimedia Business : guide”



No.1 in travel website (UIP 150K/Day)
Highest rating in TV program (Travel Channel)
Active shelf activity in EDT Guidebook
Good feedback of EDT Top 10 Free Copy

“Service Provider Business : **i-mobile 3G X**”



No.1 in MVNO Business
The Best Hi-Speed Service Provider

Message from the Board of Directors



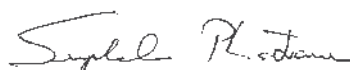
The year of 2014 is another year of significant business changes for Samart I-Mobile Plc.. It aligns with the digital market competition, which keeps changing all the time. Only those who possess market insight can identify business opportunities and ultimately gain business sustainable growth. As the Company acknowledges such circumstances, the Company has never satisfied with the current success. The Company still tries in developing greater products and services to be introduced to the market. It is noticeable that the Company has focused more on the smart phone market. Our smart phone sales are growing even though the market has already shown a sign of market saturation. From the 2014 mobile device total sales, over three-million-units sales were smart phone or 75% of total mobile sales of which generating revenue of over ten thousand million Baht or 90% of total mobile revenue. Another big change in 2014 is the role of i-mobile smart phone in the world market, especially markets in AEC, Middle East and Africa regions, where the Company adopt the uniqueness of the DTV series, which supports the digital TV systems worldwide.

However, it is admitted that the Company have faced more intense competition than previously. This is because several Chinese smart phone brands have entered the Thai market. With their high value-for-money, advance technology and great build quality, they have success in gaining market share. Another important factor is the co-operation between Thai network service provider and Indian smart phone manufacturer which gives the value-for-money strategy to encourage its current customers to transfer from 2G to 3G network, which have been a huge success case so far.

Multimedia business and MVNO business have faced the changing market competition and customer behavior as well. These force us to develop new businesses and additional services to generate revenue and business growth. Our businesses and services are quite unique and different from available services in the market. This competition advantage will enable us to expand our market and customer base in order to achieve sustainable growth, which is our ultimate goal.

With this high competition, the Company combines all strong advantages in mobile multimedia business both the advance technology in production of modern smart phones, high-value-for money, various content services, easy to assess, and up-to-date technology and mobile networks services. This is done by creating application to meet demand of online media consumers with the highest speed of 3G network package, which is free. In 2015, the Company continues to focus on the different creative and innovative marketing strategies by joining with other partners in various fields to create new experience for customers in every lifestyle.

On behalf of Samart I-Mobile Plc., the Board of Directors would like to thank all shareholders, customers, business partners, financial institutions, staffs and all well wishers who have generously supported the Company. The Company will continue to manage and operate the business with transparency to achieve the maximum benefits to all stakeholders and will continue to participate in development of community, social and environment.



(Professor Suphachai Phisitvanich)
Chairman

Samart I-Mobile Public Company Limited

Report of the Executive Committee

The Company strongly believes in the importance of managing the business operations according to the Company's business policies and plans, including any initiatives mandated by the resolutions of the Board of Directors and Shareholders meetings. All such implementations needed to be done have to be executed in strict adherence to the Company's Corporate Governance Policy and Business Ethics. Consequently, the Board of Directors appointed the Executive Committee to analyze and appraise numerous important issues prior to further consideration by the Board of Directors. Moreover, as a written guideline, the charter of the Executive Committee has been provided in order to clearly specify composition, qualification, term of post, roles and responsibilities of the Executive Board as well as details of meeting arrangement and report to the Board of Directors of the Company.

In 2014, the Executive Committee conducted 12 meetings to consider numerous matters concerning the Company. Results from the meeting, including the comments and recommendations, have been reported to the Board of Directors for consideration. The significant matters considered during the year were summarized below:

- **Establish Business Strategies and Plans**
The Executive Committee analyzed the annual Strategic & Implementation Plans and problem resolution guidelines for each line of business operations on a quarterly basis. Every year, the Company arranges at least 2 management meetings where the participants are the manager level onwards to convey its operation plans and strategies to the management and the employees for their acknowledgement and compliance.
- **Monitor and Follow-up the Performance of the Company and its subsidiaries**
The Executive Committee reviewed and monitored business operations of the Company and its subsidiaries and provided advices for any problems may have to achieve business target.
- **Establish Remuneration Policies and Employee Salary Guidelines**
The Executive Committee analyzed and assessed annual salary increment and bonus. The salary increase and bonus allocation are in line with the Company's operation performance and commensurate with the industry's average remuneration. This recommendation was submitted to the Nominating & Compensation Committee for further consideration.
- **Follow-up on the Directives Mandated by the Board of Directors**
The Executive Committee analyzed and appraised numerous important issues mandated by the Board of Directors such as investment, fiscal year budget as well as consideration on promotion and new hire manpower.

The Executive Committee is intent to perform its duties to the utmost honesty, caution, and thoroughness with the objectives of ensuring the Company's highest benefits, equity and fairness to all shareholders and stakeholders. To be sure, the Executive Committee seeks monitors all company's systems to ensure the strictest adherence to all rules and regulations, Company's Objectives and Article of Association and comply with the good corporate governance principle in order to fulfill the targets on enhancement of stability and growth on continued basis which can further lead to the sustainable growth of business.



(Mr. Watchai Vilailuck)
Executive Chairman

Samart I-Mobile Public Company Limited



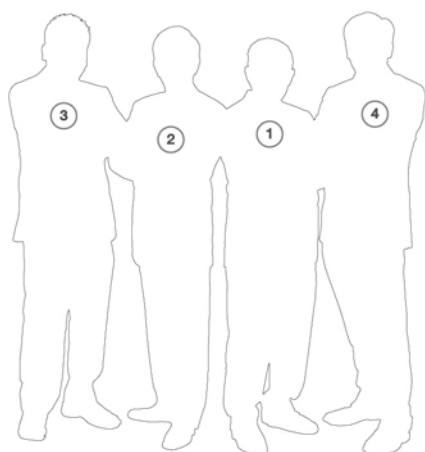


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The Board of Directors

1. Professor Suphachai Phisitvanich
 - Chairman of the Board of Directors
 - Independent Director
 - Audit Committee Member
2. Dr. Chotivid Chayavadhanangkur
 - Independent Director
 - Chairman of the Audit Committee
 - Chairman of the Corporate Governance Committee
 - Nominating and Compensation Committee Member
3. Mr. Kunthit Arunyananda
 - Independent Director
 - Audit Committee Member
 - Chairman of the Nominating and Compensation Committee
 - Corporate Governance Committee Member
4. Mr. Charoenrath Viailuck
 - Authorized Director



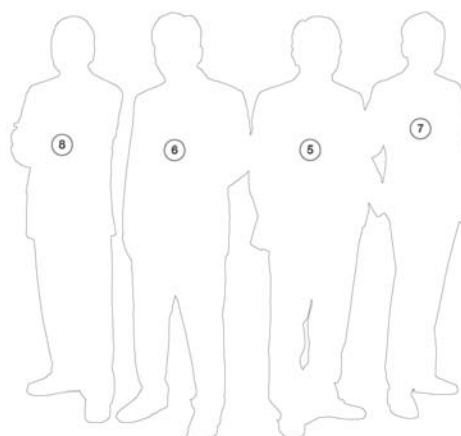


5. Mr. Watchai Viailuck
- Authorized Director
 - Chief Executive Officer
 - Executive Chairman
 - Chairman of the Risk Management Committee

8. Mr. Sirichai Rasameechan
- Authorized Director
 - Nominating & Compensation Committee Member
 - Risk Management Committee Member

6. Mr. Thananan Viailuck
- Authorized Director
 - President
 - Executive Director
 - Risk Management Committee Member
 - Chairman of the Sustainable Development Committee

7. Mr. Jong Diloksombat
- Authorized Director
 - Executive Director
 - Corporate Governance Committee Member
 - Risk Management Committee Member



VISION

Sustainable growth through Integrated Broadband Communication to ease everyday life

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Mission

Focusing on great customer experience on products through all touch points including software solutions and service to create beyond customer expectation

Creating innovative content and application platform through various digital mediums in order to serve customer needs where as seeking for developing mutual sustainable growth with potential partners

Focusing on up to date convergence service platform for our customer's best efficient result

.....

Business Direction

No. 1 Integrated Mobile Solution Provider with the Sustainable Business Model and Being a one stop service in a digital business

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Report of the Audit Committee

Dear Shareholders

The Audit Committee of Samart I-Mobile Public Company Limited consists of 3 independent directors with combined experience in finance, accounting, and business administration named Dr. Chotivid Chayavadhanangkur as Chairman of the Audit Committee, Professor Suphachai Phisitvanich and Mr. Kunthit Arunyananda as committee members. All members possess adequate qualifications for their posts as specified by the Audit Committee Charter and in accordance with the regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand as well as best practice guidelines.

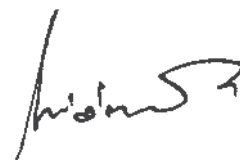
The Audit Committee conducted 5 meetings in 2014, to discuss and share opinions with management, internal auditors and external auditor on matters related to the Company's business which was summarized below:

- The Audit Committee reviewed the quarterly and yearly financial statements and Management Discussion and Analysis of the Company and its subsidiaries in consultation with management and external auditors. The Audit Committee's opinion was that the financial reporting was in accordance with Thai Financial Reporting Standards and present fairly, reliability and adequate disclosure. In addition, the Audit Committee also conducted one exclusive meeting with the external auditor to freely discuss important issues and significant information to prepare the financial statements.
- The Audit Committee reviewed the adequacy and effectiveness of risk management, internal control systems and internal audit from the internal audit report to ensure that the Company's operation was operated, controlled and monitored efficiently, effectively and achieved the goal.
- The Audit Committee reviewed internal audit works by considering the independent of Internal Audit Department, the sufficiency of manpower and evaluation the performance of the Internal Audit Head and internal audit function. In addition, the Audit Committee provides recommendations to encourage the internal audit to perform its independent duties effectively and efficiently.
- The Audit Committee, in conjunction with the Company's internal legal counsel and Compliance Department, reviewed adherence to the Securities and Exchange Act, regulations of the Securities and Exchange Commission, the Stock Exchange of Thailand and other laws related to the Company's business operations as well as business commitments with third party agreements.
- The Audit Committee took into consideration the nomination and appointment of the external auditor and annual audit fee for 2014. This process entailed assessment of the current external auditor for its independence, performance from the year before, competency, experience and with competitive audit fee. After careful consideration, the Audit Committee therefore proposed the Board of Directors and shareholders meeting to appoint EY Office Limited as the external auditor of the Company and its subsidiaries for 2014.
- The Audit Committee reviewed and approved the annual internal audit plan as well as reviewed the evaluation of the Company's internal control system from internal audit report and internal control assessment of internal audit. In addition, the Audit Committee held one formal meeting with the head of internal audit and external auditors to give suggestion according to the annual internal audit plan, risk management, internal control and internal audit.
- The Audit Committee reviewed the connected transactions or the transactions which may have conflicts of interest transaction as well as disclosure of such transactions to ensure the compliance with rules and regulations prescribed by the Securities and Exchange Commission and other regulatory bodies and to certify that such aforementioned transactions were reasonable, transparent with adequate disclosure pursuant to the Good Governance Principles and for maximum benefits of the Company.
- The Audit Committee reported its activities to the Board of Directors by quarterly and provided useful recommendations, which were properly adopted.

- The Audit Committee conducted its self-assessment, the results in overall areas of assessment were excellent. This was shown that the Audit Committee performed their duties completely as assigned by the Board of Directors and complied with the best practices.

The Audit Committee performs its duties and responsibilities as assigned by the Board of Directors with knowledge, capability, carefulness and sufficient independence in overseeing the Company's state of affairs and the Company's business operations that is carried without any conflict of interest and with adequacy of internal control systems. Furthermore, the Audit Committee gives comments and recommendations which are beneficial to all of the Company's stakeholders.

In summary, the Audit Committee is of the opinion that the Company's financial reports are prepared in accordance with Thai Financial Reporting Standards with sufficient disclosure. The Company has complied with the Securities and Exchange Act, regulations of the SET and the SEC as well as other laws related to the Company's business. The Company has good corporate governance with sufficient risk management, internal control systems and internal audit.



(Dr. Chotivid Chayavadhanangkur)
Chairman of the Audit Committee
Samart I-Mobile Public Company Limited



Report of the Corporate Governance Committee

Dear Shareholders

The Company highly values the promotion of and emphasis on corporate governance, code of business conduct, and Company's framework of sustainable development to improve corporate governance for greater efficiency. The Board of Directors has established written Corporate Governance Policy and Business Ethics for practices of directors, executives and employees in order to create more transparency, competitiveness and strengthen the confidence to shareholders, investors and all related parties. Hence, the Corporate Governance Committee, of which the Chairman is an Independence Director, is therefore assigned by the Board of Directors to oversee and monitor the business operations in compliance with the Corporate Governance Principles of the Stock Exchange of Thailand.

In 2014, the Corporate Governance Committee conducted 2 meetings to follow up and consider various matters to support and promote the Company's Good Corporate Governance Practices. The Corporate Governance Committee each time has subsequently reported to the Board of Directors, which could be summarized below:

- Review the Company's corporate governance policy and business ethics to comply with the Principle of Good Corporate Governance, Corporate Social Responsibility Policy and the regulations of the SET and the SEC as well as the international corporate governance criteria which are based on ASEAN CG Scorecard.
- Review all committees' charters to comply with the Principle of Good Corporate Governance, the regulations of governed organizations and the Company's policies.
- Monitor performances of the Sub-Committees to ensure the compliance with the Company's corporate governance policy and the Principle of Good Corporate Governance by specifying that all Committees shall from time to time report their performances to the Board of Directors and provide annual performances report to shareholders in the Annual Report.
- Encourage the minority shareholders to propose the agenda and submit any enquiries for consideration in the Annual General Meeting of Shareholders to comply with the Securities and Exchange Act and the Principle of Good Corporate Governance.
- Encourage the Board of Directors to conduct self-assessment of the Board of Directors, individual director, sub-committees including CEO assessment and Corporate Secretary Assessment annually. Results and recommendations from such assessments shall be considered for further improvement.
- Review the Company's Corporate Governance Report disclosed in the annual report to comply with the regulations of the SEC and SET as well as the disclosure of information to support the Asian Economic Community.

The Corporate Governance Committee carries out duties and responsibilities as assigned by the Board of Directors, and continues to review, update and develop the Company's Corporate Governance as well as emphasizes and recognizes the importance of the rights of all stakeholders equitably to achieve the objective and target with accuracy and transparency. Due to the continual monitor and development of the Company's Corporate Governance Practices, the Company scored "Excellent" or "5 Stars" in the 2014 Corporate Governance Report and was ranked in Top Quartile of the group of companies with market capitalization of Baht 3,000-9,999 million surveyed by Thai Institute of Directors Association (IOD). The Company was also ranked in TOP30 of Thai listed companies from ASEAN CG Scorecard Assessment of 6 ASEAN countries. Awards included SET AWARDS 2014 as Top Corporate Governance Report Awards from the Stock Exchange of Thailand. In addition, the Company scored "Very Good" from the jointly survey on quality in convening the 2014 Annual General Meeting of Shareholders by the SEC, Thai Investors Association and Listed Companies Association.

(Dr. Chotivid Chayavadhanangkur)

Chairman of the Corporate Governance Committee
Samart I-Mobile Public Company Limited

Report of the Sustainable Development Committee

Dear Shareholders

The Board of Directors of Samart I-Mobile Public Company Limited recognizes the importance of sustainable development which will lead to the sustainable growth of business and be developed in the recognition of social and environmental responsibility as well as corporate governance. Thus, the Board of Directors has appointed the Sustainable Development Committee which consists of 7 members. The President is appointed as Chairman of the Sustainable Development Committee.

In 2014, the Sustainable Development Committee conducted 2 meetings to follow up and consider various matters to ensure the compliance with the sustainable development policy and charter of the committee. The significant matters considered during the year were summarized below:

- Consider the result of the sustainable development assessment from the SEC.
- Study roadmap to the sustainable development of the SEC, and the process to join the Collective Action Coalition in Thailand's private sector to anti-corruption in order to prepare for the implementation of CSR and the information disclosure as stipulated by the SEC.
- Review the Company's sustainable development policy of which the Committee considered and commented that the policy was in accordance with the guidelines for sustainable development which covered 3 elements; environment, society and corporate governance for the long-term growth and sustainability to the Company's operation along with social responsibility.
- Build up corporate culture that can encourage all employees to have conscious mind and devote their efforts and personal time for benefits of communities as a whole, and promote and educate the employees at all levels on social and environmental awareness to serve as guidelines on social and environmental conservation and development throughout the organization.
- Follow up the Corporate Social Responsibility activities during the year 2014.
- Conduct self-assessment of the Sustainable Development Committee and report to the Board of Directors for development.
- Report performance to the Board of Directors and provide annual performances report to shareholders in the Annual Report.

The Sustainable Development Committee carries out the duties and responsibilities as assigned by the Board of Directors with utmost effort and focuses on developing the Corporate Social Responsibility activities coupled with managing the Company's business with the recognition of the Principles of Good Corporate Governance. The implementation of the sustainable development will not meet the target unless the valuable support from all stakeholders; shareholders, directors, management and employees including community and society associated with the operation of the Company ultimately leading to the sustainable growth of business.



(Mr. Thananan Vilailuck)

Chairman of the Sustainable Development Committee
Samart I-Mobile Public Company Limited



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Report of the Risk Management Committee

Dear Shareholders

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

In 2014, the Risk Management Committee conducted 3 meetings to carry out duties and responsibilities as assigned by the Board of Directors, and ensure the Company performed operations based on the specified risk management plans. During the year, the Company did not encounter any circumstances or any risks which impacted the operation plans of the Company.

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

(Mr. Watchai Vilailuck)

Chairman of the Risk management Committee
Samart I-Mobile Public Company Limited

Report of the Nominating and Compensation Committee

Dear Shareholders

The Company realizes the importance of recruiting candidates to assume the positions of directors and top executives as well as their appropriate remuneration packages. Consequently, the Board of Directors has appointed the Nominating and Compensation Committee, of which the Chairman is an Independence Director, to be responsible for screening and nominating candidates who are highly knowledgeable in their fields, capability, and have appropriate qualifications for director and top executive positions, and setting policies and guidelines for remuneration package for directors, committee members and top executives.

In 2014, the Nominating and Compensation Committee conducted 4 meetings to consider numerous matters concerning the Company. The member who has an interest in any agenda shall be refrained from voting and not attend the meeting to consider that agenda. Results from the meeting, including the comments and recommendations, have been reported to the Board of Directors for consideration. The significant matters considered during the year were summarized below:

- Nominate and propose candidates who had knowledge and experience in business related to the Company's operation, and had full qualifications as the regulations of the SEC and the SET in order to assume the position of the Company's directors and committees in case of vacancy and retiring by rotation.
- Screen the remuneration packages for directors and committees, any directors who have been assigned to take more responsibilities in any committee would receive additional compensation as appropriated.
- Consider criteria of annual salary increment and bonus in consultation with the Human Resource Department and the Executive Committee. The annual salary increment and bonus were determined at an appropriate level and suitable with the Company's business performance.
- Consider the allotment of warrants from the warrant holders who ceased to be directors or employees of the Company and its subsidiaries to the qualified employees of the Company and its subsidiaries.
- Conduct self-assessment of the Nominating and Compensation Committee for 2014 and report to the Board of Directors for development.
- Report performance to the Board of Directors and provide annual performances report to shareholders in the Annual Report.

The Nominating and Compensation Committee performs duties carefully, prudently, reasonably, transparency and independence as well as a commitment based on principles of equality, justice, transparency and accountability for comply with the principles of good corporate governance and international recognition for the highest benefits to shareholders and all stakeholders. The remuneration of the directors and management is considered at the appropriate level to create incentive to obtain work efficiency as well as retain knowledgeable and capable persons to work with the Company. The consideration based on the authority, assigned responsibility, and operating results, as well as growth and the Company's performance, business liquidity and factors which may affect the Company or overall economic situation. The methods are in accordance with the Charter and related regulations and be comparable to other companies in the same industry.



(Mr. Kunthit Arunyananda)

Chairman of the Nominating and Compensation Committee
Samart I-Mobile Public Company Limited

Corporate Social Responsibility

Overall Policy

The Company conducts business by considering on responsibility to society and environment as well as good corporate governance for the sustainable growth of both the Company's business and society. Apart from CSR after process, which is done continuously in form of various projects to promote innovation, charity events and donations, the Company concretes more action by setting up working group on social and environmental responsibility for sustainability of the business. The Board of Directors' Meeting No. 6/2014 on November 12, 2014 resolved to approve the establishment of the Sustainable Development Committee (SD Committee). The quorum consists of Managing Director as Chairman, Executive Vice President as Vice Chairman, representatives from head of each Line of Business, head of Human Resource Department, Corporate Communication Department and Corporate Secretary as committee members. The Company's Corporate Secretary is also secretary to the SD Committee. The SD Committee comprises at least 6 members. Main missions of this Committee are to concretely define policy and guideline on social and environmental responsibility operations so that they can be used as guidelines on monitoring their progress and assessment of CSR operations to report to the Board of Directors. The SD Committee shall convene the meeting at least 2 times a year and be responsible to review CSR Policies. The Board of Directors' Meeting No. 7/2014 on December 17, 2014 resolved to approve the following CSR Policies:

CSR Policies

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

The Company conducts business based on good governance principle and recognizes the importance of all stakeholders. The Company has considered and prioritized stakeholders as well as provided appropriate strategies for sustainable development of business as follows:

Stakeholder	Policies and Strategies
1. Customer	Provide trendy, high-quality, reasonable price of product and service to meet the customers' diversity of needs as well as strengthen and maintain the good relationship between customers and the Company.
2. Employee	Respect for the individual privacy, provide fairly employment, develop the employees' skills and capability, provide both in-house and external training and educating course for more capability of employees, be aware of occupational safety and health of employee and also provide the appropriate compensation.
3. Trade partner	Systematically provide goods and services with the highest standard based on trading condition, contract and business ethics.
4. Shareholder	Operate all business affairs according to the principles of good Corporate Governance and Equitable Treatment for the highest benefits of every shareholder.
5. Creditors	Strictly follow to the agreements or any specific conditions

Stakeholder	Policies and Strategies
6. Society as a whole and communities	Give support to society and community in all activities, strengthen good relationship and give corporation for community sustainable development and concrete basis, to cultivate consciousness to the Company's employees on responsibility to the society, community and environment via media and internal activities continually.
7. Environment	Operate the business by considering on environmental conservation and security standard, support environment activities and conservation campaign as well as provide knowledge and training to the employees regarding environmental conservation.
8. Counterpart/Competitor	Conduct all business affairs under just rules and competitions, support free trading.

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

The Company prioritizes stakeholders in order to allocate resources according to the defined priority of associated operations at the highest efficiency and effectiveness for sustainable growth of business. Stakeholders that are directly affected by the Company's operation are customers and employees. Therefore, the Company has set vision and mission to represent the Company's focus on customers by providing trendy, high-quality, reasonable price of products and services and select the integrated innovative products and services to meet the customers' needs as normal operation of the Company as follows:

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Sustainable growth through Integrated Broadband Communication to ease everyday life

Mission

- Focusing on great customer experience on products through all touch points including software solutions and service to create beyond customer expectation.
- Creating innovative content and application platform through various digital mediums in order to serve customer needs where as seeking for developing mutual sustainable growth with potential partners.
- Focusing on up to date convergence service platform for our customer's best efficient result.

The later significant stakeholder is the Company's employees. The Company has high regard for all employees as valuable and crucial fundamental for the Company's sustainable success and growth. The Company provides fairly employment, develops the employees' skills and capability, and provides both in-house and external training as well as educating course for more capability of employees. This includes educating and training courses related to corporate social responsibility and anti-corruption. Details regarding employee policy were disclosed in "5. Fair Labor Practices" and in "Human Resources Management and Development Policy". Details were disclosed in the section "Management Structure" under the topic of "Human Resources Management and Development Policy".

Progress and Reporting

The Company conducts business in compliance with the CSR Policies and taking into account with all stakeholders. The policies regarding treatments to all stakeholders are stipulated in the Company's Business Ethics. Details were disclosed in the section "Corporate Governance" under topic of "Business Ethics" and posted on the Company's website at www.i-mobilephone.com. The CSR policies comprise 9 operating principles of conduct as follows:



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

Progress of the above 9 operating principles of conduct was as follows:

1. Organization Governance

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

The Company realized on the importance of the good Corporate Governance which will be the fundamental factor for improving standard of business operation to create more transparency, competitiveness and strengthen the confidence of all shareholders, investors and other related parties. Thus written Corporate Governance Policy and Business Ethics, which complied with the Corporate Governance Principles of the Stock Exchange of Thailand (“SET”), have been provided for practices of directors, managements and employees of the Company. The Company has the Corporate Secretary Division which is the compliance unit to supervise and oversee the operations of the Company, the directors and the managements to ensure that they have been correctly complied with the regulations of the SET, the Office of Securities and Exchange Commission (“SEC”) and the Public Company Limited Act including other relevant laws. More details on Corporate Governance initiatives undertaken by the Company in 2014 were shown in “Corporate Governance”.

Due to the continual monitor and development of the Company’s Corporate Governance Practices, in 2014, the Company has been recognized and received the following awards:

1. ASEAN CG Scorecard Assessment of 6 ASEAN countries

The Company was ranked as TOP30 of Thai listed companies with the score of 80-89.

2. The 2014 CGR Survey Report of Thai listed company

The Company scored “Excellent” or “5 Stars” in the 2014 Corporate Governance Report and was ranked in *Top Quartile* of the group of companies with market capitalization of Baht 3,000-9,999 million.

3. SET Award 2014

The Company won the SET AWARDS 2014 as Top Corporate Governance Report Awards from the Stock Exchange of Thailand as same as the other 2 companies of SAMART group; Samart Corporation Plc. and Samart Telcoms Plc.. Only 10 listed companies from 550 listed companies received these awards.



4. Survey on quality in convening the 2014 Annual General Meeting of Shareholders

The Company scored “Very Good” from the jointly survey on quality in convening the 2014 Annual General Meeting of Shareholders by the SEC, Thai Investors Association and Listed Companies Association.

2. Fair Operating Practices

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

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

3. Anti-Corruption

Define the anti-corruption policies and corporate into the Company’s Code of Business Ethics Manual.

The Company recognizes the importance and anti-corruption in all aspects. The Corporate Governance Committee’s Meeting No. 2/2014 and No. 1/2015 has reviewed the policies regarding anti-corruption and proposed the Board of Directors’ Meeting No. 1/2015 on February 24, 2015 to approve the amendment of the anti-corruption policy in conformity with the Sustainable Development Roadmap for listed companies by the SEC. The amended polices were covered:

1. Political neutrality and political assistance
2. Donation for charity and support fund
3. Receiving and giving present, property or other benefits policies

Furthermore, General Operating Guidelines were provided as follows:

1. Process of risk assessment and risk management.
2. Protection
3. Training and Communication
4. Reporting Channels
5. Regulatory and monitoring of the implementation of the policy.

Result of the implementation of such policies in 2014 caused the following matters:

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

The Company disclosed the above policies in the Company’s Business Ethics manual and posted on website at www.i-mobilephone.com for all employees to adhere. Details of Anti-Corruption policy, Guidelines to perform of anti-corruption and the result of the implementation of such policies and training course regarding protection and prevention of corruption were disclosed in the section “Anti-Corruption”.



4. Respect of Fundamental Human Rights

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

The Company adheres to human rights principle as a mutual operating principle. All employees shall not undertake any action or shall by no means support any action to violate any human rights. On the contrary, the Company shall create the knowledge-based-organization on human rights as well as cultivate consciousness to the Company's employees to make them adhere to and follow. The policy on non-human right violation has been stated in the business ethics manual as follows:

- Personal right and freedom:
 - The Company has policies that employee's personal information is the secret and shall not be sent or disseminated to unauthorized parties;
 - Disclosure or transfer of personal information only upon the owner's consent;
 - The human has right and freedom so long as not violate the right and freedom of others.
- Equal treatment:
 - All employees shall be treated equally and there shall not be and discrimination against race, nationality, language, religion, gender, age and education;
 - The employees shall value and respect each other and shall behave oneself appropriated with his/her duty pursuant to the regulations of the Company and the tradition and shall not damage the Company's image;
 - The Company allows the employees to express their potentials fully and shall fix appropriated remuneration pursuant to the Company's regulations and also provide opportunity to the employees to further their education both in university level as well as short term and long term training course;
 - Deliberation related to hiring and judgment of performance should be accurate and fair;
 - When performing the work, avoid expressing opinions that have to do with differences of physical and mind, race, nationality, language, religion, gender, age, education, or any other attribute likely to cause conflict;
 - Contribute to making the work environment free of oppression and injustice;
 - The employee shows respect and tolerance for each other's opinions.

5. Fair Labor Practices

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

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

1. Respect for the right to work pursuant to the fundamental human right principles. Details are provided under "Corporate Governance" in the topic of "Business Ethics" in the item of "Non-violation of human rights policy".
2. Specify to have "Compensation & Benefit Policy" regarding to employee motivation, internal impartiality and compensation standards, and job value to company, Company essentially determines corporate compensation, benefit and welfare policy being compatible to position accountability, knowledge, and

competence with business operation and up-to-date compare to leading companies in industrial competition. In the other hand, Company certainly ensures compensation, benefit and welfare policy aligned to new wage of legal regulation and preparing to AEC.

For welfare of employees, the Company has group health insurance (in case of in-patient) for the Company's employees as well as group life insurance which covers all kinds of death, annual medical check-up and provident fund to secure their working life security. The Company also has the social security fund and provision of loan in case of the accident or sickness to the employees as well, loan for employees in case of the employee or his/her family died, fitness center and special discount for Company's products. Details regarding welfare of employees were disclosed in the section "Corporate Governance" under topic of "Employee Policies".

3. Specify to have "Safety and Health Policy". The Company develops policy and system of safety and health of employees in accordance with the requirements of law, and perform all necessary measures to ensure the safety of life and health of employees. Furthermore, the Company also has the practical guidelines concretely by appointment of the safety officers, training and cultivate consciousness of safety, occupational health and working environment for the employees, the annual evacuation drill in case of fire, the fingerprint scanning system, medical examination provide basic medical services as well as serving modern medicine and an annual health check. More details were disclosed in the section "Corporate Governance" under topic of "Business Ethics" in "Employee Policies".
4. Specify to have "Human Resources Management and Development Policy" as below:
 - Recruitment & Selection Policy: The Company continuously applies proactive approaches in recruiting capable people at all levels including of sourcing and attracting new graduated candidate by launching Campus Tour and Activities Programs in leading universities and coordinating with business recruitment agency and allied business network to build the Company's branding for career opportunity in joining the Company for professional candidate as well.
 - Employee Relation & Engagement Policy: The Company encourages people to work together as a team. Our focus is to create a corporate culture that values and the coordination and collaboration efficiency.
 - Career Development Policy: The Company 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.
 - Employee Training & Development Policy: The Company provides both in-house and external training to support and develop the executives and employee's capabilities.
 - Talent Management Policy and Succession Planning: The Company provides courses and/or tools to manage and develop the employees with excellent performance potential and career planning.

Details regarding Human Resources Management and Development Policy were disclosed in the section "Management Structure" under topic of "Human Resources" in "Human Resources Management and Development Policy"

Internal Activities

The Company recognizes that the Company can survive and grow stronger by the support of all employees. Thus, the Company focuses on a contribution to the quality of life of employees. In 2014, the Company provided various activities for employees to participate and happy to work as follows:

1. Happy Money Project

The project is designed to provide employees with a good financial health knowledge and skills in financial management, resolve their debts, creating financial stability. It allows employees to work at full capacity, coupled with the work happily for high organizational performance.



2. Team Building Activities

Activity aims to give employees commit to the same goal and vision; a commitment to strive for success and to enhance the performance, ready to be adapted to cope with any changes and proud to be part of the team and organization.



3. Business Talk

The Company conducted business talk in order to encourage all employees to acknowledge and understand directions, business goal, ways to work together to achieve the goals, provide incentives to work and drive the business to grow steadily for sustainable income of the Company.



4. New Year Board Wish

This activity was designed to enhance the functionality and positive attitude of employees, all employees were invited to join the activity by sending a greeting card to anyone in the Company and post it on the activity board. The employees, who participated in this activity, have a chance to win prizes from participated executives.



5. New Year Party

The Company arranged New Year Party for employees to have lunch and join colorful games in each booth from their creativity. Many prizes were provided in each booth for employees to win. All employees prepared their own gifts to play game and exchange with their friends.



6. Consumer Responsibility

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

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

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

Details were disclosed in the section "Corporate Governance" under topic of "Business Ethics" in "Customers Policies".



7. Contribution to the Community and Society

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

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

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

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

8. Environmental Conservation

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

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

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

The Company has a policy to strengthen and provide knowledge and training on environment to the employees in the organization, in order to be aware of environmental responsibility as follows:

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

In 2014, the activities arranged by the Company included:

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

We have developed products and services in line with environmental conservation and environmental safety standards. Environmentally friendly telecommunication services were offered and the optimal use of energy was promoted for public agencies and enterprises with similar vision.

- **Inculcation of Green Mind**

Samart Group 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 2014, Samart Group organized the project under the “Lor. Ling. Know and Change” concept with aim to perpetuate behavioral changes and also to pursue maximum efficiency from resources. As a result, a 3D house model went up as a part of the exhibition that showed how to save energy in daily life. In addition, in its bid to turn unused items into something useful for the society, the project carried out various other activities. Among them was a call for the donation of unused notebooks that were passed onto students in need.



9. Innovation and Publication of Innovation from Social Responsibility

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

Samart Innovation Award Project is an important activity that Samart Group of Companies conducted continually for more than 10 years with aims to encourage the youth and the new generation entrepreneurs to develop their creativity and capability which can lead to technology innovation. After the end of the contest in each year, the Company has disseminated qualified and winning projects to the public via activities and public relations media constantly. This project cannot only be used as commercial promotion to the contestants but it can also motivate the Thai new innovative developers. For the past year, there were 60 news coverage publicized via newspaper, radio, television and on-line media.

Business practices that affect social responsibility

As the Company conducts business in compliance with the CSR Policies through 9 operational principles, in 2014, the Company and its subsidiaries have not been audited or investigated by the competent authority or any law in any way and the business of the Company and its subsidiaries have not been accused of having negative impacts on society and environment.

Activities for society and environment (CSR after process)

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



Creation of quality people

- **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 2014:** The annual contest was in its 12th year in 2014, Samart Group joined force with *National Science and Technology Development Agency (NSTDA)* in organizing “**The Young Technopreneurs Project**” The program covered:

- Korea field trip to visit and see advanced technologies at “Seoul International Fair 2014” in South Korea for top 3 winners
- *The Business Startup Funds* to 25 outstanding teams, each receiving Baht 20,000. The winner of *Samart Innovation Awards 2014* 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.
- Commercial opportunity: During the past three years (2012 to 2014), Samart Group have supported 76 teams or over 200 person of young technopreneurs for technology business sector. In addition, the Company is committed to identifying and developing more such technopreneurs.



2. **Samart Innovation FUND** has awarded scholarships and research grants to telecommunications students in their last year of study at six 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, Mahidol University and King Mongkut’s University of Technology North Bangkok*. In all, Samart Innovation FUND handed out Baht 360,000 as research grants in 2014. Each scholarship was worth Baht 20,000 and each of the universities got three grants for their students.



3. **Samart Innovation CAMP** has offered training on necessary telecommunication-technology knowledge and work skills. Conducted under the theme of “*Get Ready to be a Professional*”, the training took place at the Bangkok University, the King Mongkut’s University of Technology Thonburi, the Ramkhamhaeng University, the Rajamangala University of Technology Krungthep, and more, in 2014.

- **SAMART SCHOLARSHIPS:**

- > **Scholarships for Thammasat University's undergraduate students:** 3 scholarships worth Baht 245,400.
- > **Scholarships for Mahidol University's graduate students:** *The Samart Foundation* provided 5 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 Ban Kantrong School, Ban Wan School and Ban Muang School. These 3 schools are located in Surin province.



- **Sponsorship for SPORTS CAPABILITIES**

- > **Sponsorship for football clubs:** *Samart Group* has been a sponsor of various football clubs such as Buriram United Football Club, the Songkhla (Wuachon) Football Club, the Chonburi Football Club, the Phrae United Football Club, the Suphanburi United Football Club, the Royal Thai Navy Football Club and the TOT SC Football Club. *Samart Multimedia Company Limited*, meanwhile, has sponsored the Muangthong United Football Club.
- > **Sponsorship for football:** *Samart Group* gave Baht 15,000,000 in sponsorship to the 2014 FIFA World Club, and Baht 200,000 for the construction of a beach flag football ground.
- > **Sponsorship for badminton:** *Samart Group* gave Baht 20,000 in sponsorship to the Broker Badminton Championship 2014. Organized by the Stock Exchange of Thailand and the Association of Thai Securities Companies, this tournament offers HRH Princess Maha Chakri Sirindhorn's trophy to the winner.
- > **Sponsorship for golf:** *Samart Group* granted Baht 64,980 in sponsorship to a golf tournament held by the High-Level Judicial Executives 15 Golf Club. *Samart Corporation Pcl.*, meanwhile, offered Baht 50,000 in sponsorship to Thammasat University Hospital's charity golf tournament and Baht 30,000 in sponsorship to Thammasat University's golf tournament.



- **Other Forms of Support for EDUCATIONAL OPPORTUNITIES**

- > **Support for the improvement of library, kindergarten classrooms and playground:** Volunteers from the “*Samart D Club*” went to the Ban Thung Ta Kaeo School in Tambon Huai Hin, Chaibadan district, Lop Buri province to carry out the improvement under the budget of Baht 315,000 granted by *Samart Group*.



- > **Sponsorship for Computer Club “C-Square”:** Samart Group gave Baht 20,000 to this camp by the Faculty of Engineering, King Mongkut’s Institute of Technology Ladkrabang, so as to allow senior-secondary-education students to gain additional knowledge.

- **Support for COMMUNITY AND SOCIAL DEVELOPMENT**

- > **Support for “hazardous waste bins”:** *Samart Group* provided 20 hazardous waste bins worth Baht 450,000 to the Pakkret City Municipality for use in the Pakkret Community. With these bins, the quality of life in the community is bound to increase while pollution is set to ease.
- > **Support for the Thai Journalists Association of Thailand:** *Samart Group* gave Baht 200,000 to the association for organizing the dinner talk marking the association’s 59th anniversary.



Promotion of the Moral Society

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

- > **Samart Mind Power** for the promotion of morality, Dhamma, and conscience
 - **A Dhamma course** titled *Format Your Mind Delete Your Emotions (2 Days 3 Nights)* was held at the Rama IX Meditation Center, the Rama IX Kanchanaphisek Temple for 40 participants. This course has been held for four consecutive years already.

- **Organizing Dhamma talks:** In 2014, Phra Ajarn Surasak Surayano - a preacher from Wat Chonlaprathan Rangsarit - delivered a sermon on “How to Stay Happy in the Changing Society” while Phra Maha Sompong Talaputto gave a dhamma talk on “Keeping Pace with Dhamma and the World with 3G Dhamma”. Such dhamma talks have been held every year for interested employees.



- > **Fund for “Doing Good” Project:** Volunteers from the “Samart D Club” received eight grants from *Samart Group* for the implementation of their various initiatives to improve the society. Each grant was worth Baht 50,000.



- > **Raincoats and reflective vests for traffic police** in the areas of Pakkret and Pak Klong Rangsit on an annual basis to facilitate their operation: *Samart Group* has donated the raincoats and vests worth Baht 80,000.





- > **Sightseeing Trip for Children:** Employees joining the “*Samart D Club*” took 50 children from the Ban Nokkamin Foundation to the National Science Museum in Klong 6, Pathum Thani province so as to expand their world of learning.



- > **Support for Royally-Initiated Moral Tales:** *Samart Group* provided support for the moral tales worth Baht 33,413 and Hello Kitty Love Mom shirts worth Baht 179,500 for use in children/ youth activities.
- > **Blood Donation:** In collaboration with the Thai Red Cross Society, the *Samart Group* arranged blood-donation activities twice a year so as to provide employees and local people with social-contribution opportunities.
- > **Support for BBA Charity Concert:** *Samart Group* gave Baht 20,000 to this charity concert. Held by Thammasat University and Standard Chartered Bank, it raised funds for the Eye Surgery Unit of the Thai Red Cross Society.
- > **Support for Children’s Day Activities:** *Samart Group* has donated supplies such as notebooks, pencils and learning materials to various organizations for the activities at Wat Poramaiyikawas School, Maitree Utis Community School, Numprasong Wittaya School, Chotikaram School, Baan Chivitmai Jaisamarn Foundation (Khleng Toei Community), the Thonburi Rotary Youth Center, and the Lop Buri-based ‘My School’.



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 in the Business Ethics and posted on the website of the Company at www.i-mobilephone.com. Anti-corruption policy and practical guidelines including procedures were disclosed in the section “Anti-Corruption”.

In addition, the Company maintains system of internal control and risk management to prevent the Company from participating with corruption. The details were disclosed in the section “Internal Control and Risk Management”. The business and financial risks were disclosed in the section “Risk Factors” and posted on the Company’s website at www.i-mobilephone.com.

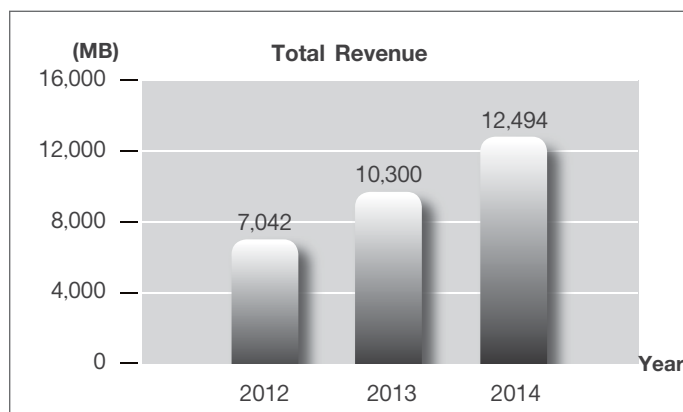
Financial Highlights

	2012 ⁽¹⁾	2013	2014
Result of Operation (Million Baht)			
Sales and Service Revenue	6,940	10,239	12,370
Sales Support Revenue	45	19	29
Total Revenues	7,042	10,300	12,494
Gross Profit ⁽²⁾	1,363	2,565	2,656
Net Profit	161	807	710
Financial Position (Million Baht)			
Total Assets	5,488	7,283	10,638
Total Liabilities	2,896	4,095	7,218
Total Shareholders' Equity	2,592	3,188	3,420
Financial Ratio			
Net Profit Margin (%)	2.28	7.83	5.69
Return on Equity (%)	6.53	28.28	21.93
Return on Assets (%)	2.87	12.63	7.93
Debt to Equity Ratio (Times)	1.12	1.28	2.11
Earnings per Share (Baht)	0.04	0.19	0.16
Dividend per Share (Baht)	0.025	0.110	0.090
Dividend Payout Ratio (%)	67.68	59.31	55.56
Book Value per Share (Baht)	0.60	0.73	0.78
Par Value per Share (Baht)	0.10	0.10	0.10
Number of issued and paid up shares ⁽³⁾ (Million Shares)	4,303.94	4,373.47	4,400.25

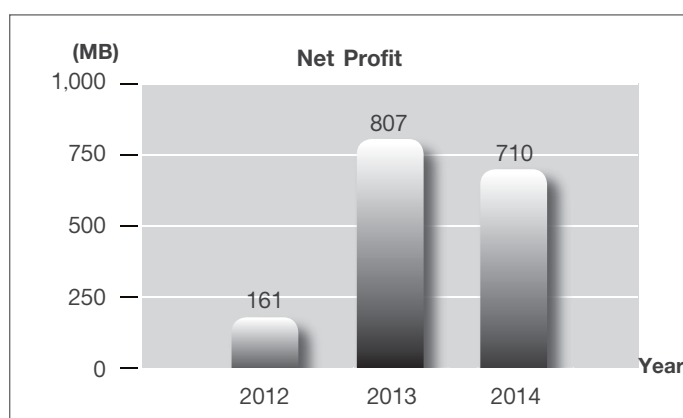
Remarks: ⁽¹⁾ Restatement due to the impact of deferred tax, which effective year 2013.

⁽²⁾ Gross Profit was calculated by including sales support revenue.

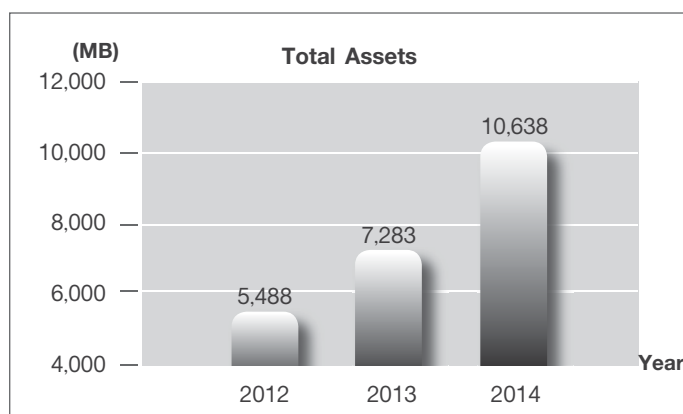
⁽³⁾ During the year 2012-2014, the Company's paid up capital was increased from the exercise of warrants offering to the Company's directors and employees of the Company and its subsidiaries.



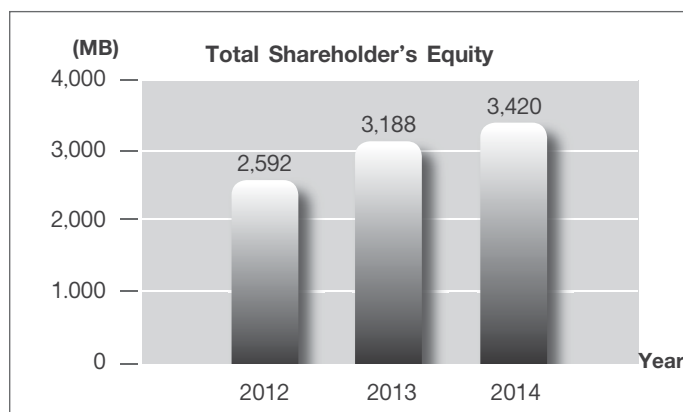
Total revenues of Baht 12,494 million, an increase of Baht 2,194 million or 21.29% compared to 2013. This was primarily resulted from a growth of i-mobile handset sold as well as revenue from Service Provider Business during 2014.



Net profit was Baht 710 million, a decrease of Baht 97 million or 11.93% compared to the previous year. Net profit margin and Return on Equity (ROE) were 5.69% and 21.93%, a decrease of 2.14% and 6.34% respectively, compared to the previous year.



Total assets were Baht 10,638 million, an increase of Baht 3,355 million or 46.08% compared to the end of 2013. This was driven mainly by an increase in trade account receivables and inventories in relative to higher sales of Mobile Business in 2014.



Total shareholder's equity was Baht 3,420 million, an increase of Baht 232 million or 7.28% compared to the end of 2013. Accordingly, net profit in 2014 was Baht 710 million, with Baht 528 million dividend payments during the year.

Policy and Overview of Business

Policy and Overview of Business Operation

The Company distributes mobile phone, feature phones, smart phones and tablets including gadgets and various accessories, with variety of most updated information, news and edutainment contents as special added services both in Thailand and abroad under the brand of “i-mobile” and other hi-end brands. Furthermore, the Company provides wholesale and resale 3G services by purchasing a package including telecommunications and Airtime from TOT Public Company Limited to provide the services under the brand name of “i-mobile 3GX”. The Company also provides varieties of most updated information, news and edutainment contents in the form of Voice and Non-Voice services i.e. BUG1113, BUG2Mobile, BUG1900, www.EDTGuide.com, www.Horoworld.com and other. Furthermore, the Company is an Application Developer through smart phones and other multimedia devices in order to fit new generation’s lifestyle. At presents, line business of the Company divided into 3 main lines businesses; Mobile Business, Multimedia Business and Service Provider Business.

Vision, Mission and Business Direction

Vision

Sustainable growth through Integrated Broadband Communication to ease everyday life

Mission

- Focusing on great customer experience on products through all touch points including software solutions and service to create beyond customer expectation.
- Creating innovative content and application platform through various digital mediums in order to serve customer needs where as seeking for developing mutual sustainable growth with potential partners.
- Focusing on up to date convergence service platform for our customer’s best efficient result.

Business Direction

No. 1 Integrated Mobile Solution Provider with the Sustainable Business Model and Being a one stop service in a digital business

Highlight of Change and Development

Samart I-Mobile Public Company Limited (“SIM”), formerly known as Samart Easy Pay Company Limited, was established by Samart Corporation Public Company Limited (“SAMART”) in 1995 with a registered capital of Baht 50 million. The primary objective was to operate telecommunication business. The business operation of the Company has continually growth.

In 2003, the Company has changed the name to be Samart I-Mobile Company Limited and restructured its business and shareholding structures to facilitate the development to be fully integrated Mobile Multimedia services. On September 18, 2003, the Company’s par value was split from Baht 10 per share to Baht 1 per share. Additionally, the Company increased its registered capital of Baht 110 million by issuing 110 million new ordinary shares at a par value of Baht 1 totaling Baht 110 million for initial public offering. The new registered capital of the Company was Baht 430 million. The Company was approved to be a public company on September 30, 2003 and the Company’s ordinary shares were listed in the Stock Exchange of Thailand on December 9, 2003. On May 6, 2008, the Company approved the alteration of par value from the current par value of Baht 1.00 per share to a par value of Baht 0.10 per share in order to achieve greater liquidity in the Company’s stock trading as its price was higher than the other stocks in the same type of business. On April 24, 2008, the Annual General Meetings’ of Shareholders has resolved to approve the increase of the registered capital of Baht 14 million



from the existing registered capital of Baht 430 million to the new registered capital of Baht 444 million for the issuance of warrants offering to the company's directors and the employees of the Company and its subsidiaries.

In terms of international cooperation, in 2006, Axiata Group Berhad formerly known as TM International Sdn Bhd., a wholly owned subsidiary of Telekom Malaysia Berhad ("TM") who is the largest mobile operator in Malaysia and had a worldwide comprehensive network of services, acquired 24.42% stake in SIM from SAMART. Key benefits of alliance with TM were the opportunity to expand its business in the territories where TM has presence as an operator. In 2014, Axiata Group Berhad sold the whole amount of SIM's shares to SAMART.

Change of subsidiaries during 2014

- On February 4, 2014, the Extraordinary Meeting of the shareholders of I-Mobile Direct Co., Ltd., a subsidiary company, passed a special resolution to reduce its share capital from Baht 2.25 million (22,500 ordinary shares of Baht 100 each) to Baht 0.6 million (6,000 ordinary shares of Baht 100 each) by canceling 16,500 ordinary shares of Baht 100 each. The subsidiary company registered the reduction in its share capital with the Ministry of Commerce on March 13, 2014.
- On March 27, 2014, a General Meeting of the shareholders of Take A Look Co., Ltd., a subsidiary company, passed a special resolution to dissolve the company. The subsidiary company registered its dissolution with the Ministry of Commerce on April 9, 2014 and registered the completion of liquidation with the Ministry of Commerce on June 20, 2014.
- I-Sport Co., Ltd., a subsidiary with 49.99% indirect holding by Samart Multimedia Co., Ltd., has proportionally increased its registered capital of Baht 80 million from Baht 40 million to new registered capital of Baht 120 million. Purpose of capital increase is to support business expansion to sports-related and sport content businesses. I-Sport Co., Ltd. has acquired 6 million ordinary shares with a par value of Baht 10, representing 100% of the issued and paid-up shares of Siam Sport Television Co., Ltd. from Siam Sport Syndicate Public Company Limited, another shareholder of I-Sport Co., Ltd., at the total amount of Baht 60 million. This investment will ensure that the Company is able to gain more competitiveness and revenues in TV media, sport license and sports-related businesses. In addition, the Company has more complete range of services in order to strengthen its revenue and profit in the future.

Nature of Business

The business operations of the Company and subsidiaries are divided into 3 lines of business as follows:

1. **Mobile Business**

Distribution of mobile phones, feature phones, smart phones and tablets, under the brand of i-mobile including gadgets, and various accessories through a variety of channels both in wholesale (Traditional Trade) and retail channels (Modern Trade), especially the expanding sales channels to a large shopping mall (Hypermarket), mobile phone retailers, IT equipment retailers and e-commerce sites including its own shop called “i-mobile by SAMART” to distribute the Company’s products and provide after sales services nationwide.

2. **Multimedia Business**

Provision of varieties of most updated information, news and edutainment contents which address to everyone’s need and fit with their lifestyles in the form of voice services under the BUG1113 and BUG1900 services, and non-voice or multimedia services under the BUG2Mobile services via multi-devices, for example, sports update reporting, www.Horoworld.com - the center of the fortune teller and horoscope, www.EDTGuide.com - the center of “Eat-Drink-Travel” lifestyle, etc. These services will be produced, published and promoted via multiple-media such as printing media, public TV programs, and applications on new smart devices. Last, we are also in the entertainment business, currently producing TV programs broadcasted through new media platforms via mobile application such as Facebook, YouTube and website in both iOS and Android Operating System.

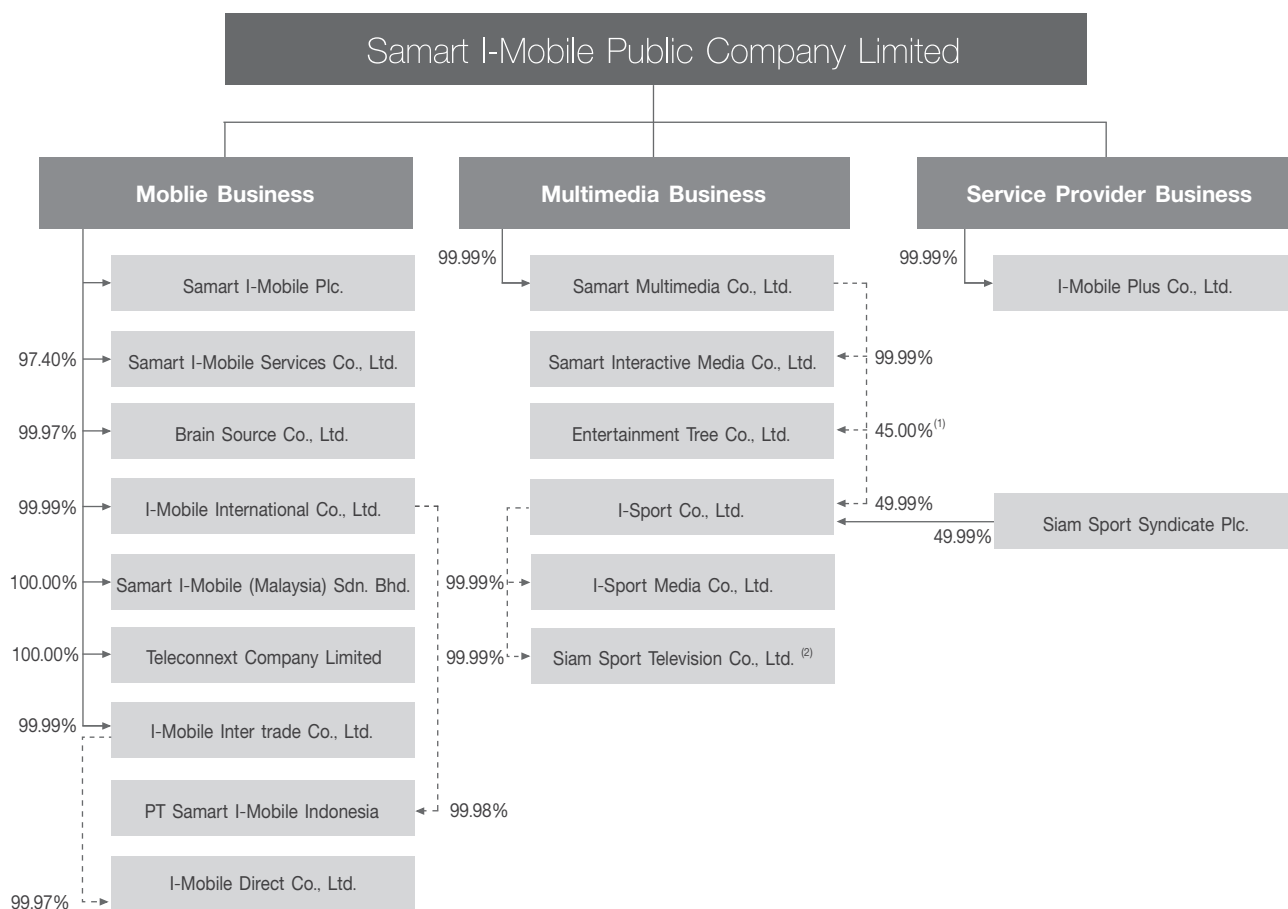
3. **Service Provider Business**

The Company provides the wholesale and resale 3G services on the 2100 MHz frequency covering the service areas nationwide with more than five thousand base stations by purchasing a package including telecommunications and Airtime from TOT PLC. To provide the services under i-mobile 3GX brand to end users and corporate users. Currently, the Company provides five main services including Voice Call, Data (Mobile Internet), SMS, MMS and other value added services (VAS). In addition, the Company is in the process of testing international roaming and international call services with VoIP technology. The advantage of providing the international call services by the Company over TOT is the lower cost of services. Hence, this will enable the Company to provide the cheaper services and compete with current main providers in the market.



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Business Structure



Remarks: ⁽¹⁾ The remaining portion is held by 2 persons who have business expertise in such company with no conflict of interest.

⁽²⁾ On December 3, 2014, the extraordinary meeting of shareholders of I-Sport Co., Ltd. passed a resolution to acquire Siam Sport Television Co., Ltd. from Siam Sport Syndicate Public Company Limited to operate in TV media, sport license and sports-related businesses.

Revenue Structure

The revenue structure of the Company and subsidiaries as of December 31, 2012 - 2014 is as follows:

(Unit: Million Baht)

Revenue	Operated by	% of shareholding	2012		2013		2014	
			Revenue	%	Revenue	%	Revenue	%
Mobile Business	SIM,SIMM,TCN	100.00	5,784	82.14	9,098	88.34	11,321	90.61
	SMS	97.40						
	BS,IMD	99.97						
	IMI,IMIT	99.99						
	SIMI	99.98						
Multimedia Business	BUG,SIAM	99.99	1,054	14.97	947	9.19	749	6.00
	I-SPORT	49.99						
	I-SPORTM	49.99*						
	SSTV	49.99*						
	ENT	45.00						
Service Provider Business	IMP	99.99	102	1.44	194	1.88	300	2.40
Total Revenues from Operations			6,940	98.55	10,239	99.41	12,370	99.01
Selling support income			45	0.64	19	0.18	29	0.24
Interest income			4	0.06	4	0.04	4	0.03
Gain on exchange			13	1.19	0	0.00	24	0.19
Gain on change in value and disposal of short-term investments			4	0.06	1	0.01	1	0.00
Gain on disposal of investment in subsidiary company			1	0.02	0	0.00	0	0.00
Other income			34	0.48	37	0.36	66	0.53
Total Revenues			7,042	100.00	10,300	100.00	10,494	100.00

SIM	= Samart I-Mobile Plc.	BUG	= Samart Multimedia Co., Ltd.
IMI	= I-Mobile International Co., Ltd.	SMS	= Samart Mobile Services Co., Ltd.
SIAM	= Samart Interactive Media Co., Ltd.	SIMM	= Samart I-Mobile (Malaysia) Sdn. Bhd.
BS	= Brain Source Co., Ltd.	IMD	= I-Mobile Direct Co., Ltd.
SIMI	= PT Samart I-Mobile Indonesia	IMP	= I-Mobile Plus Co., Ltd.
I-SPORT	= I-Sport Co., Ltd.	TCN	= Teleconnext Company Limited
IMIT	= I-Mobile Inter trade Co., Ltd.	ENT	= Entertainment Tree Co., Ltd.
I-SPORT M	= I-Sport Media Co., Ltd.	SSTV	= Siam Sport Television Co., Ltd.

Remark * I-SPORT holds 99.99% shareholding in I-SPORTM and SSTV.



Information of Subsidiary Companies

Information of Subsidiary Companies as at December 31, 2014

Name of Company	Type of Business	Shareholder	Registered Capital	Total of Ordinary Share	Company's shareholding	
					Number of share	Percentage
1. Samart Multimedia Co., Ltd. 99/12 Moo 4, Software Park 24 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6000 Fax. 0-2502-8136	1. Provide content services via fully integrated wire and wireless technologies both voice service via Audiotext and Call Center, and non voice services. 2. Content producer and developer.	SIM	200 Million Baht	2,000,000	1,999,997	99.99
2. Samart Mobile Services Co., Ltd. 37/1 Moo 2, Phaholyothin Rd., Klong 1, Klongluang, Pathumthanee 12120 Tel. 0-0502-6000 Fax. 0-2502-6496	Procure and sell communication and information technology equipment through wholesale.	SIM	490 Million Baht	49,000,000	47,724,999	97.40
3. I-Mobile International Co., Ltd. 99/3 Moo 4, Software Park 33 rd Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6200 Fax. 0-2502-8532	Invest in the businesses related to the distribution of mobile phones bundled with content in overseas markets.	SIM	200 Million Baht Paid-up capital of 185 Million Baht	20,000,000	19,999,997	99.99
4. Brain Source Co., Ltd. 99/12 Moo 4, Software Park 24 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6000 Fax. 0-2502-8136	Research and develop application on mobile phone.	SIM	1 Million Baht	10,000	9,997	99.97
5. I-Mobile Plus Co., Ltd. 99/13 Moo 4, Software Park 23 rd Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6200 Fax. 0-2502-8532	Carry on the service of telecommunication business, and be agent for all types of telecommunication services.	SIM	100 Million Baht	10,000,000	9,999,997	99.99
6. Samart Interactive Media Co., Ltd. 99/12 Moo 4, Software Park 24 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6000 Fax. 0-2502-8136	Face-to-face foretell at HoroWorld shop and via website, provide training and selling products related to horoscope and fortunetelling.	BUG	160 Million Baht	16,000,000	15,999,997	99.99

Name of Company	Type of Business	Shareholder	Registered Capital	Total of Ordinary Share	Company's shareholding	
					Number of share	Percentage
7. I-Sport Co., Ltd. 99/12 Moo 4, Software Park 24 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6000 Fax. 0-2502-8136	Provide sports information through comprehensive interactive multimedia in Thailand and overseas market.	BUG	120 Million Baht	12,000,000	5,999,996	49.99
8. Entertainment Tree Co., Ltd. 99/12 Moo 4, Software Park 24 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6103 Fax. 0-2502-6361	Manufacturer, distribute and provide entertainment media, through television, telephone, internet system, satellite system and others both local and overseas, installation of several equipments and network including facilities and other related services.	BUG	5 Million Baht	500,000	225,000	45.00
9. Samart I-Mobile (Malaysia) Sdn. Bhd. 18 B, Jalan Mutiara Raya, Taman Mutiara, 56000 Kuala Lumpur, Malaysia Tel. 603-9131-6403 Fax. 603-9133-4941	Distribution of mobile phones bundled with content services and provider of interactive multimedia services in Malaysia.	SIM	5,000,000 Malaysian Ringgit	2,000,000	2,000,000	100.00
10. PT. Samart I-Mobile Indonesia Wisma 46 - Kota BNI, Lt.24 Suite 24.01, Jl. Jend. Sudirman Kav.1, Jakarta 10220, Indonesia Tel. 621-5744-555 Fax. 621-5744-777	Distribution of mobile phones bundled with content services and provider of interactive multimedia services in Indonesia.	IMI	6,420,000 USD	6,420,000	6,419,000	99.98
11. Teleconnex Co., Ltd. (Formerly known as "Samart I- Mobile (Hong Kong) Co., Ltd.") 23/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong Tel. 852-2980-1888 Fax.852-2956-2192	Distribution of mobile phones bundled with content services and provider of interactive multimedia services in Hong Kong.	SIM	5,000,000 HKD	5,000,000	5,000,000	100.00
12. I-Mobile Inter trade Co., Ltd. 99/3 Moo 4, Software Park 33 rd Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6200 Fax. 0-2502-8532	Export of mobile phones bundled with content services and other products of the Company.	SIM	5 Million Baht	500,000	499,997	99.99



Name of Company	Type of Business	Shareholder	Registered Capital	Total of Ordinary Share	Company's shareholding	
					Number of share	Percentage
13. I-Sport Media Co., Ltd. 99/12 Moo 4, Software Park 24 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6000 Fax. 0-2502-8136	Operate business relating to sport advantages such as competition provider, live broadcasting, others activities and benefit management to sport player.	I-SPORT	1 Million Baht	100,000	99,997	99.99
14. I-Mobile Direct Co., Ltd. 99/3 Moo 4, Software Park 33 rd Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6000 Fax. 0-2502-6900	Provide and distribute communication and information technology equipment and accessories through direct selling	IMIT	600,000 Baht	6,000	5,998	99.97
15. Siam Sport Television Co., Ltd. 66/26 Ramintra Rd., Nuanchan, Buang-gum, Bangkok 10230 Tel. 0-2502-6000 Fax. 0-2502-8136	Own TV programs on digital TV channels, 3 Sport Channels on True Vision, Production outsource and Live Broadcast production for all sport competition programs.	I-SPORT	60 Million Baht	6,000,000	5,999,994	99.99

SIM = Samart I-Mobile Plc.

BUG = Samart Multimedia Co., Ltd.

IMI = I-Mobile International Co., Ltd.

I-SPORT = I-Sport Co., Ltd.

IMIT = I-Mobile Inter Trade Co., Ltd.

Changes during the Year

The Company has put lots of effort into the smart phone market, and as a result sale shares were more than 75% of the total mobile device sales volume. Revenue was over 90% of the total mobile device sales value. Whereas, the sale units have also increased over 20% compared to last year. This is a very important step to the leading position in the Thai smart phone market. Furthermore, the Company is the only one to introduce the first DTV smart phone series to the market. This is another success for the Company in introducing greater technology that can comfort consumers' daily life in this digital era.

Due to good market feedbacks from i-mobile smart phone, the Company returns consumers with greater devices. For the first time, the Company co-operates with Kyocera (the Japanese leading electronic manufacturer) in introducing i-mobile IQ X Ken, the Company's first water-proof smart phone with the IP58 international standard, capable of underwater calls, combined with Smart Sonic Receiver. In addition, the Company received good feedback for other smart phone models introduced over the past year as well.

Another big change in 2014 is the role of i-mobile smart phone in the world market, especially markets in AEC, Middle East and Africa regions, where the Company adopt the uniqueness of the DTV series, which supports the digital TV systems worldwide.

Multimedia business also faced external changes, which affect business operations for the past few years, due to dynamic changes of content consumption behaviors. Therefore, the Company needs to change the business operations by relying less on the direct income from end users and formulating new source of income from new services that can capture and align with the current market situation. Moreover, the Company has developed new content applications for smart phones and using its delivery for the new contents to the hands of the targeted customers, especially in travel and dining areas, sports, horoscopes, and searching information. There are many channels that the Company uses to connect with the customers, such as telephone lines, websites, TV programs, books and other printing. As a result, the Company has received the highest rating in the TV program (Travel Channel Thailand) which is the most popular TV channel. It also received the highest rating on the Company travel website.

In 2014, MVNO business achieved more than 50% growth in revenue year on year. The most successful marketing strategies are i-mobile 3GX SIM cards bundling with i-mobile devices and IT chain stores devices, such as Banana IT stores, IT City stores, J.I.B. Computer stores and MLINK. Moreover, the 3G Speed of 3GX is the highest speed comparing with all other operators in Thailand, tested by The Office of the National Broadcasting and Telecommunications Commission (NBTC). The Company also promoted i-mobile 3GX brand through several events. As a result, the Company was ranked the fourth position of the most recognizable brands, after AIS, DTAC and TRUEMOVE, referenced from the Most Powerful Brands surveys of Marketing Department, Business Administration and Accounting Faculty, Chulalongkorn University.



Industry and Competitive Analysis

The glory of business in the digital era can change over one night. In terms of the world smart phone market, there are many changes. The leader of electronics manufacturers, Samsung (from South Korea) has benefited from the popularity of the smart phone and became the biggest smart phone manufacturer, overtaking Nokia since 2011, yet Samsung did declined in sales, for the very first time. This is the result of intensive competition led by Chinese mobile manufacturers, such as Xiaomi, a Chinese electronics manufacturer which just introduced its first smart phone three years ago, and became the third biggest manufacturers, ranked after only Samsung and Apple.

For the past year, it is noticeable that cheaper smart phones, with similar specifications from Chinese mobile manufacturers, take a more important role in the market. Chinese mobile manufacturers have gained huge growth in the electronics market, and are ready to contend against any current leading brands by any means of competition; pricing, technology and marketing. All players know that no one can stay as a leader for long, since customer behaviors are changing and they have more options, so they have much less brand loyalty.

This has created more competition situation, hence forcing all of them to focus more on developing better value-for-money offering, producing higher performance products, and communicating their brand targeted at their selected market. The Company has also focused on this segment by enhancing both the product quality and competitive price, and made its good sales for this year.

In 2014, for the mid-end segment, all major smart phone brands Sony, LG and HTC have developed their products to be able to compete with Samsung. Today, these smart phone brands have been perceived not much different with others. In addition, new player such as Asus, co-operating with Intel, was able to penetrate into this segment and gained significant market share.

Under the high competitive market situation of low-end and mid-end market, all players were faced with cheaper Chinese smart phone brands and also new promoted brand from major mobile operators. Therefore, i-mobile had continuously enhanced their business operations by improving not only the product design and quality, best selected components/parts but also its services at each touch point. The Company expanded their service stations, renovated i-mobile shops to enhance their customer experiences, and partnered with selected mobile operators to co-launch competitive mobile phones offered to the market. The Company also expanded their business operation overseas by partnering with selected strategic partners (both operators and dealers), whose brands have been well accepted in those markets. As a result, the Company ended up with higher sales revenue than the past year, even though there was more fierce competition.

With fast developments in the Thai consumer lifestyle, to be more social (than even) together, with the fast mobile technology advancement, this affects the declining price of new smart phones introduced in Thai market. Thai consumers have become addicted to access the Internet via mobiles, as it is more convenient than accessing via other devices. Last year, the content business had changed dramatically due to this trend. Consumers can access similar information and content effortlessly with lower costs. This has forced all mobile content providers to change their ways of providing services, based on the changing consumer lifestyle.

As mentioned above, communication technology has dramatically developed and enables consumers to access mobile content more conveniently with lower costs. The mobile content providers need to be active and create additional value to their services, including new sources of revenues, relying less on direct income from users, but creating new services and business partnership.

The change of technology also affects the customer behavior, especially the 3G and 4G services from operators which have more coverage and higher speed from the old technology. Therefore, the customer has used smart phones much

more than the last year, which has impacts for the content providers. They have to change and follow with these trends which tend to be more online services via mobile devices, such as smart phones and tablets, and to serve the customer in the different online media channels. Incorporating with the popularity of social network, online chat applications, such as Facebook, Instagram, YouTube, LINE, WhatsApp and Twitter among all users, have factors which increase the usage of data services through mobile devices. Therefore, it needs the services of mobile operators to support their lifestyle, and using the technology online and to connect with their own social lifestyle, and consume the content and media via online devices accessory via 3G networks. As it can be seen, the number of 3G subscribers has huge growth. It is expected that the number of 3G subscribers will reach 73.5 million at the end of 2014, which is a growth from 2013 of 25.6 million. All mobile operator partners with smart phone manufacturers, such as Apple, Samsung, HTC, and LG introduced their new smart phones. Apart from that, the mobile operators had launched their own smart phones to fasten the service migrating from 2G to 3G. They also offer several promotion packages to cover all customer segments.

From customer internet usage behavior in 2014, we believe that the demand for data services will continue to grow. Consumers prefer to access via 3G than 2G to connect to their favorite online social networks, and to search for information and content, to watch online media from applications such as YouTube, etc. Mobile operators will maintain their attractive offering such as the unlimited data usage packages, as it has been proven that their consumers are able to control their budgets effectively. They will explore real demands from selected segments and will develop the right to offer these on smart phones and tablets in order to cover all market segments.

From the competitive market situation, i-mobile has concluded the straight points of each business by producing the mobile device with new technology and to combine them with the variety of services and content via applications and bundling with the best 3G speed provider, in order to fulfill the customer lifestyle. Moreover i-mobile have partnered with other business partners to be more competitive and provide the variety of products and services to the market, which is the good function, such as Digital TV on mobile phone and using content services for different lifestyles, which is the right solution. Therefore, i-mobile can still be competitive in the market.



Risk Factors

Risk factors that may impact the Company's operation are as follows:

1. Business Risks

1.1 Risks from Mobile Business

As mentioned before, the mobile phone market, especially the smart phone market, has changed dynamically due to intensive competitions and changing consumer behaviors. As a result, businesses are resolving challenges in terms of aligning strategy and business plans in the market, and cost management under the price war. The Company has changed in its operating, under the change of market trends. Hence, the Company focuses more on data and market analysis, including market tracking, customer research, so that the Company can develop the right products and services for the target customers. The Company also values the quality of products by managing the number of models and focuses more on detail design, developing and launching products. Moreover, The Company values the services, both in sale and after sale services, which are at a good standard and fast service. This also focused on building good experiences for our customers by renovated i-mobile's shops. To be more competitive in the market, the company is also expanding the market by partnering with the mobile operators to develop and launch the competitive offering packages and promotion for its customers. The Company develops new channels via online and social networking.

In addition, the Company sees the opportunities in the foreign markets, especially countries in MEA (Middle East and Africa) and AEC regions, whose smart phone markets grow significantly. These markets have much potential and purchasing power. The Company has already developed partnership with dealers overseas. The Company has sold some of its products and joined several product exhibitions, which received much attention and good feedback. This will strengthen the business in the future.

1.2 Risks from Multimedia business

The main risk for this business is the development of access to information, and the change of consumers' behavior which makes competition not limited to any form but covers bigger markets consisting of new competitors, and new services. The role of media has changed into merely a service provider for information exchange. Hence, the Company puts more effort in developing its own services and new contents and creating long-term strategic partners in many channels such as free copy, any printing and more focus with online channels, such as website, online applications, to answer the needs of the consumer in each segment which adapts to their lifestyle. Additionally, the synergy of each business as content business, mobile business and Telecom services businesses, made i-mobile stronger and more competitive in the market.

1.3 Risks from MVNO Business

1.3.1 Risks from Market Saturation

At the end of the third quarter of 2014, the number of Thai mobile phone subscribers increased to 100.2 million, 5.2 percent growth from the previous quarter and 9.9 percent from the same quarter of the previous year. The percentage rate increased to 150 percent, which means over 50 percent of the population, has two mobile numbers. From this incident, the competition will be focused on taking users from other operators now acquiring new users. Hence, the Company has developed sale channels to be more varied and differentiated from the competitor form the highest speed of 3G. The

Company develops the new products and services focusing on the customer who is using more data and more activity in the social network, and online media, and also focusing more on customers who work in the manufacturing sector. Moreover, the Company is also bundling data packages with i-mobile phone to provide the best services.

1.3.2 Risks from Price War

From the competition last year, mobile operators were more ready for 3G services due to the 3G nationwide coverage network. This enabled three main operators launching many promotion packages for 2G users to switch to 3G networks and co-promotion with smart phones and tablets. Operators have reduced their service fee and promotion price under this intensive competition. Therefore, the Company has created the competitive packages by partnering with other businesses and synergy with the i-mobile device and contents business to develop the products and services, in a different way from others, and provided the best solutions to the customers in using data, voice and multimedia applications, to answer their needs and their lifestyles.

2. Financial Risk

2.1 Foreign Exchange Risk

The Company and subsidiaries have exposed to foreign exchange risk as a result of import and export of products from / to overseas markets, and trust receipts in foreign currencies. However, such transactions have been hedged through forward contracts and also the Company and subsidiaries have considered using other appropriate financial instruments as well as monitoring financial market and foreign exchange closely. In 2014, the Company and subsidiaries had revenues and costs in foreign currencies at 2.8% of total revenues and 90.5% of total cost of goods sold respectively. As at 31 December 2014, the Company and subsidiaries presented USD 54.1 million of foreign currency assets and debts, of which 67.6% or USD 36.6 million is hedged by forward contracts.

2.2 Interest Rate Risk

Regarding the Company and subsidiaries' short term and long term loans from financial institutions, the fluctuation of interest rate in the market that can affect cost of funds would be accounted. As at 31 December 2014, the Company and subsidiaries disclosed total loans from financial institutions of Baht 5,624.7 million, in which 98.5% is in short term that rely on money market rate. The Company and subsidiaries have been monitoring the interest rate in financial market closely to select appropriate borrowing terms. In addition, the Company and subsidiaries also considered to borrow in USD currency in some certain period, given that the interest rate and hedging cost are comparably low, in order to reduce the financial costs.

2.3 Credit Doubtful Debt

Given a considerable portion of trade receivables on total assets, the Company and subsidiaries may have risk associated with unpaid debts of trade receivables. As 31 December 2014, the Company and subsidiaries presented trade receivable (unrelated parties) of Baht 5,934.8 million, representing 55.8% of total assets, in which Baht 14.3 million were outstanding more than 12 months, reduced by Baht 4.5 million, compared to the end of 2013. In fact, the Company and subsidiaries have reserved the allowance for doubtful debts amount of Baht 18.9 million, moderately decreased from 2013 by Baht 5.7 million. Complying with the Company's policy through an efficient credit control procedure and substantial monitor of debt collection, the management ensures that the credit risk has been minimized.



2.4 Guarantee to subsidiary companies

The Company has contingent liabilities with respect to the guarantee of subsidiaries' credit facilities, including working capital line and joint credit line with the Company. As such, the Company may expose to risk associate with default on the guaranteed loans. However, as a regular subsidiaries' business monitoring especially on financial position, the management is confident that there will be no any event of defaults. As at 31 December 2014, subsidiaries' outstanding loans guaranteed by the company were Baht 2,362.6 million.

3. Risk from major shareholders holding over 50% of the shares

As at December 31, 2014, Vilailuck Group including Samart Corporation Public Company Limited and its subsidiaries hold 3,202,385,500 shares or 72.78% of the Company's issued and paid-up capital which can control most of the shareholders' resolutions on various important matters such as the appointment of directors, or other resolutions that need a majority votes of the shareholders, except for those resolutions that require 75% of the shareholders' votes, as specified by the law or the Company's Articles of Association. As a result, other shareholders may not be able to gather enough votes to offset the major shareholders' influence. However, the Company appointed 3 independent directors to be the Audit Committee to review the connected transactions or the transactions that may lead to conflicts of interests to ensure that they are in compliance with the law and the regulations of the SET and the SEC, and are reasonable and for the highest benefit of the Company.

Shareholders

As at December 30, 2014, the top ten shareholders were as follows:

No.	Shareholder's Name	Number of Shareholding	%
1.	Vilailuck Group ⁽¹⁾	3,202,385,500	72.78
	- Samart Corporation Public Company Limited ⁽²⁾	3,121,579,000	70.94
	- Samart Telecom Public Company Limited	28,620,400	0.65
	- Vilailuck International Holding Co., Ltd.	22,035,100	0.50
	- Mrs. Sukanya Vanichjakvong	17,050,000	0.39
	- Mr. Watchai Vilailuck ⁽³⁾	7,781,000	0.18
	- Samart U-Trans Co., Ltd.	2,620,000	0.06
	- Mr. Tankaseam Vanichjakvong	1,500,000	0.03
	- One to One Contacts Public Company Limited	1,000,000	0.02
	- Miss Srintip Vilailuck	200,000	0.01
2.	Bualuang Long-Term Equity Fund (B-LTF)	52,198,700	1.19
3.	Bualuang Infrastructure Retirement Mutual Fund	43,165,900	0.98
4.	Bualuang Siriphol Corporate Governance (BSIRICG)	42,871,300	0.97
5.	Bualuang Siriphol Corporate Governance RMF (BSIRIRMF)	39,249,700	0.89
6.	Bualuang Infrastructure	26,944,200	0.61
7.	Provident Fund of Electricity Generating Authority of Thailand	25,218,800	0.57
8.	Bualuang Thanakom Open-end Fund	23,057,100	0.53
9.	Bualuang Long-Term Equity Fund 75/25 (B-LTF75)	21,173,400	0.48
10.	Mrs. Niphanan Chupotcharoen	19,550,000	0.44
	Total shares of top ten shareholders	3,495,814,600	79.44
	Total shares of the minority shareholders	904,435,400	20.56
	Grand total	4,400,250,000	100.00

Source: Thailand Securities Depository Co., Ltd. as at December 30, 2014.

⁽¹⁾ Samart Corporation Public Company Limited, Samart Telecom Public Company Limited, Vilailuck International Holding Co., Ltd., Mrs. Sukanya Vanichjakvong, Mr. Watchai Vilailuck, Samart U-Trans Co., Ltd., Mr. Tankaseam Vanichjakvong, One to One Contacts Public Company Limited and Miss Srintip Vilailuck are acting in concert regarding the determination of the relationship or Behavior as an act with another person and comply with Section 246 and 247.

⁽²⁾ A holding company of which Vilailuck International Holding Co., Ltd. and Vilailuck family hold 17.12% and 27.55% of the total shares respectively.

⁽³⁾ Includes holding by spouse and minor children.



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Dividend Payment Policy

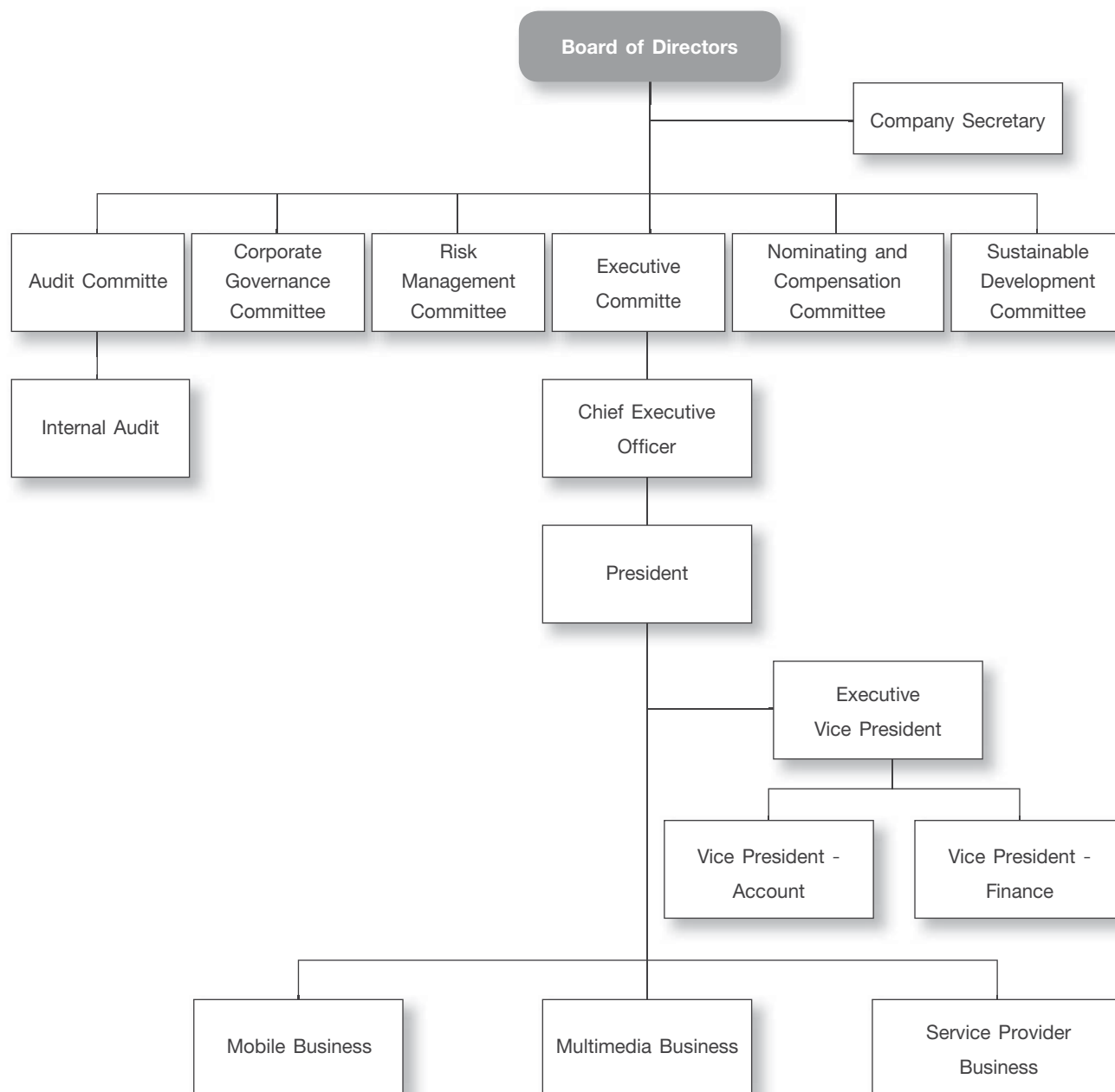
The Company has policy to pay dividend no less than 50% of its consolidated net profit after deduction of all reserves as stated in the Company's Articles of Association and related laws, subject to need for future investment and business plan. The Company's subsidiary and associated companies have policy 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 the Company's financial position.

Details of dividend payment

Financial Ratio		2012	2013	2014
Earnings per Share	(Baht)	0.04	0.19	0.16
Dividend per Share	(Baht)	0.025	0.110	0.090
Dividend Payout Ratio	(%)	67.68	59.31	55.56

Management Structure

The management structure of the Company as at December 31, 2014 consists of the Board of Directors and 6 Sub-Committees; the Audit Committee, the Corporate Governance Committee, the Risk Management Committee, the Executive Committee, the Nominating and Compensation Committee and the Sustainable Development Committee, to oversee management and internal control systems to be comply with the Company's policy. The organizational chart is presented below:





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Board of Directors

Board of Directors as at December 31, 2014:

Name	Position
1. Professor Suphachai Phisitvanich	Chairman of the Board of Directors / Independent Director / Audit Committee Member
2. Dr. Chotivid Chayavadhanangkur	Independent Director / Chairman of the Audit Committee / Chairman of the Corporate Governance Committee / Nominating and Compensation Committee Member
3. Mr. Kunthit Arunyananda	Independent Director / Audit Committee member / Chairman of the Nominating and Compensation Committee / Corporate Governance Committee Member
4. Mr. Charoenrath Vilailuck ⁽¹⁾	Director
5. Mr. Watchai Vilailuck ⁽¹⁾	Director / Executive Chairman / Chief Executive Officer / Chairman of the Risk Management Committee
6. Mr. Thananan Vilailuck ⁽¹⁾	Director / President / Chairman of the Sustainable Development Committee / Executive Director / Risk Management Committee Member
7. Mr. Jong Diloksombat ⁽¹⁾	Director / Executive Director / Corporate Governance Committee Member / Risk Management Committee Member
8. Mr. Sirichai Rasameechan ^{(1) (2)}	Director / Nominating and Compensation Committee Member / Risk Management Committee Member

Remarks: ⁽¹⁾ Representative directors from Samart Corporation Plc., a major shareholder, with 70.94% stake holding.
⁽²⁾ To be appointed as director on August 7, 2014.

The number of directors is in line with the Company's Articles of Associations that the Board of Directors should have at least 7 members. 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. All members of the Audit Committee have adequate knowledge and experience to review creditability of the Company's financial statements.

Education and working experience of each director including position in subsidiaries and related companies as at December 31, 2014 were shown in the section "Directors, Management, Company Secretary and Head of Internal Audit". Details of Sub-Committee were shown in the section "Corporate Governance" under the topic "Sub-Committees".

Details of number of meeting attendance, date of appointment as director, term of post and the resigned directors during year were shown in the section "Corporate Governance" under the topic "Meeting of the Board of Directors and Sub-Committees".

Authorized Directors as at December 31, 2014 were as follows:

Two out of the following three directors are authorized to sign on behalf of the Company with the Company's seal affixed: Mr. Charoenrath Vilailuck, Mr. Watchai Vilailuck and Mr. Thananan Vilailuck or one director from Mr. Charoenrath Vilailuck, Mr. Watchai Vilailuck, Mr. Thananan Vilailuck co-sign with Mr. Jong Diloksombat or Mr. Sirichai Rasameechan with the Company's seal affixed.

Roles and Responsibilities of the Board of Directors

Qualifications of Director

1. Has qualifications which comply to Public Company Act B.E. 2535 or related laws including regulations of the Stock Exchange of Thailand, the Securities and Exchange Commission, and Company's Articles of Association.
2. Does not run any business, which is competed with the Company, and not being a shareholder of any legal entities whose business are the Company's competitors except obtained approval from the shareholders meeting.
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. Has sufficient time for fully participated as a Director of the Company.

Qualifications of Independent Director

1. Holding share not exceeding 0.5 percent of the total number of shares with voting rights of the Company, parent company, subsidiaries, affiliates, major shareholder or controlling person of the Company, including shares held by related persons of such 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 2 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, affiliates, 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 2 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, affiliates, major shareholder or controlling person, unless the foregoing relationship has ended not less than 2 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 2 million baht per year from the Company, parent company, subsidiaries, affiliates, 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 2 years prior to the date of appointment.
7. Not being a director who has been appointed as a representative of the Company's director, major shareholder or shareholder who is related to the Company's major shareholder.
8. Not undertaking any business in the same nature and in significant competition to the business of the Company or subsidiaries or not being a partner in a partnership or being an executive director, employee, staff, advisor who receives salary or holding shares exceeding 1 percent of the total number of shares with voting rights of other company which undertakes business in the same nature and in significant competition to the business of the Company or subsidiaries.
9. Not having any characteristic which make him incapable of expressing independent opinions with regard to the Company's business affairs.



Terms of positions

Pursuant to the Public Company 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 and Compensation Committee. However the independent directors shall be in post no longer than 3 terms except getting a unanimous approval from the Nominating and 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, and shall be approved from the Board of Directors and/or the shareholders' meetings.

Scope of Responsibilities and Authority of the Board of Directors

The Board of Directors will focus and ensure that the Company's business will achieve its target and in the direction that create value and best benefit to the shareholders as well as all stakeholders. Any conflict of interest with the Company and its subsidiaries will be prohibited. The Board will also comply with the Company's Ethics with responsibility, due care, and integrity to ensure all Company's businesses are run under Company's objectives, Articles of Association, resolutions of the Board of Directors' and shareholders' meetings as well as laws and regulations of the SET, the SEC and other related laws. Their duties include:

1. Conduct business with responsibility, due care, and integrity uphold the duties according to the law, and the Company's objectives, Articles of Association, resolutions of the Board of Directors and shareholders' meeting as well as disclosure sufficient information to the shareholders.
2. Formulate policies and directions for the Company's operations. The Board must also supervise managerial and administrative departments to deliver all policies with effectiveness and efficiency.
3. Review and approve the company's vision and mission annually
4. Approve annual budget and investment of the Company.
5. Appoint directors and committee members to replace of those who retire by rotation as well as consider the remuneration package for such directors and committees' members, which are proposed by Nominating and Compensation Committee, for further consideration of the shareholders' meeting.
6. Appoint committees to oversee administrative process and internal system to coincide with Company's policies namely, Executive Committee, Risk Management Committee, Corporate Governance Committee, Nominating and Compensation Committee and Sustainable Development Committee. For the appointment of Audit Committee members, the Nominating and Compensation Committee will nominate appropriated candidates propose for further consideration of the Board of Directors and/or shareholders' meeting.
7. Appoint and consider remuneration package, proposed from the Nominating and Compensation Committee, for top executives and company secretary.
8. Summarize financial statements of the Company every end of the fiscal year. Authorize the statements for further consideration of the Annual General Meeting of Shareholders.
9. Nominate appropriated auditor and its remuneration from proposal of the Audit Committee for further consideration of the Annual General Meeting of Shareholders.
10. Ensure that the Company has 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 the 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' 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 Business Ethics manual for the Company's directors and executives to adhere as their practical guidelines and posted on the Company's website ([www. i-mobilephone.com](http://www.i-mobilephone.com)).

Delegation of Authorities of the Board of Directors

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

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

Delegation of Authorities between the Board of Directors and the Management

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

The Management

The Management as at December 31, 2014:

- | | | | |
|----|-----------------|--------------|---|
| 1. | Mr. Watchai | Vilailuck | Chief Executive Officer/
Acting Managing Director - Service Provider Business |
| 2. | Mr. Thananan | Vilailuck | President/
Acting Managing Director - Mobile Business |
| 3. | Mr. Pracha | Phathayakorn | Executive Vice President |
| 4. | Mr. Subhasiddhi | Rakkasikorn | Managing Director - Multimedia Business,
Seconded to be Managing Director, Samart Multimedia Co., Ltd. |
| 5. | Mrs. Sumonthip | Srimek | Vice President - Account |
| 6. | Miss Kusuma | Kerdpol | Vice President - Finance |

Details of Education, working experience including and position in subsidiaries and related company as at December 31, 2014 were shown in the section "Directors, Management, Company Secretary and Head of Internal Audit".

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 Miss Boonrut Mongkolratanakorn as the Company Secretary since October 31, 2003. In addition, she has been appointed as secretary to sub-committees such as the Executive Committee, the Corporate Governance Committee, the Nominating and Compensation Committee, the Risk Management Committee and the Sustainable Development Committee. The Company has specified qualifications and roles and responsibilities of the Company Secretary are as follows:



Qualifications of the Company Secretary:

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

Roles and responsibilities of the Company Secretary:

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 addition, Company Secretary Division is assigned to be 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 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.

Profile and experience of Miss Boonrut Mongkolratanakorn was shown in "Directors, Management, Company Secretary and Head of Internal Audit." During the past year, the Company Secretary has attended the training courses and seminars to strengthen knowledge as follows:

- CSR disclosure guidelines of Form 56-1
- Strategic Governance Issues for Asian Listed Companies in 2014
- The demanding and challenging role of the company secretary
- Share experience in various departments of Listed Company
- M&A: Building Business Strategy in Thailand
- Meeting arrangement by Video Conference
- CG Forum 2/2014 :Corporate Governance in the Perspective of Investors
- 2013/14 Survey Result of Corporate Governance of listed company as per ASEAN CG Scorecard
- Financial literacy project at work
- Preparation for CSR Report
- Sustainable development evaluation by Thaipat Institute

- Responsible Supply Chain Management
- CSR 360 degrees to propel Thai Sustainable Society
- Draft of legislation on waste electrical and electronic products and hazardous waste from the community
- Unlocking Corporate Value through Sustainability Reporting
- Enhancing Good Corporate Governance based on CGR Scorecard
- Shared Value Opportunities in Thailand
- Sustainability Risk & material Analysis
- Smart Listing program Training by the SET
- CSR Evaluation & Knowledge Management
- The 2014 Survey result or Director's remuneration
- Smart disclosure of Form 56-1

Remuneration of Directors and Management

Remuneration of Directors

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 and Compensation Committee will consider the remuneration and propose for consideration of the Board of Directors prior to further approval from the shareholders. The Company discloses criteria and remuneration of each director in Annual Report and Form 56-1.

Remuneration of directors consists of Meeting allowance and bonus without other benefits. Meeting allowance will be approved by shareholders' meeting and will be paid to the director who attends in the meeting. All members in the Board of Directors and the Audit Committee will have the same rate of meeting allowances. The meeting allowance rate for the Chairman of the 2 mentioned committees shall be 2 times higher than the other directors. The meeting allowance rate for the Chairman of Nomination and Remuneration Committee and the Corporate Governance Committee is 33.33% higher than other committee member. There is no consideration of meeting allowance for the Executive Committee, the Risk Management Committee and the Sustainable Development Committee since all members are the Company's executives. Remuneration of directors will be consideration based on the suitability of various reasons and to be comparable to the general practice in same industry as well as the Company's operating result, roles & responsibilities of the Board of Directors and the overall business.

The remuneration of directors of the Company and Committees' members was approved from the 2014 Annual General Meeting at the amount of not exceeding Baht 6.5 million the same as previous year which consists of meeting allowance and bonus without other benefits. The meeting allowance for each meeting participated of the Board of Directors and Committees was shown below:

The Board of Directors and the Audit Committee

- | | |
|------------|----------------------|
| - Chairman | Baht 30,000 per time |
| - Member | Baht 15,000 per time |

The Nominating and Compensation Committee and the Corporate Governance Committee

- | | |
|------------|----------------------|
| - Chairman | Baht 20,000 per time |
| - Member | Baht 15,000 per time |

Remuneration of Management

Remuneration of management will be determined in accordance with the principles and policy set by the Nominating and Compensation Committee which is related to the performance of the Company and each management. The remuneration has been set to be comparable to the general practice in same industry and be appealing enough to attract and retain qualified management.

Compensation and annual bonus for top executives will be determined from the Company's operating result, overall economy and performance of each top executive. Criteria for remuneration and annual bonus will be clarified for acknowledgement before the performance evaluation at the end of the year. The Nominating and Compensation Committee will consider that criteria before proposing to the Board of Directors for consideration and approval.

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

In 2014, the Company paid remuneration to directors and the managements as follows:

1. Monetary and other remunerations of the Board of Directors and Committees were as follows:

Name	Monetary (Baht)						Other
	Meeting Allowance				Bonus	Total	Warrants ⁽¹⁾ (Unit)
	Board of Directors	Audit Committee	Corporate Governance Committee	Nominating and Compensation Committee			
1. Professor Suphachai Phisitvanich Chairman of the Board of Directors / Independent director	120,000	60,000	-	-	350,000	530,000	3,000,000
2. Dr. Chotivid Chayavadhanangkur Director / Independent director	90,000	120,000	40,000	45,000	300,000	595,000	3,000,000
3. Mr. Kunthit Arunyananda Director / Independent director	105,000	75,000	30,000	80,000	300,000	590,000	3,000,000
4. Mr. Charoenrath Vilailuck Director	105,000	-	-	-	300,000	405,000	3,000,000
5. Mr. Watchai Vilailuck Director	105,000	-	-	-	300,000	405,000	3,000,000
6. Mr. Thananan Vilailuck Director	90,000	-	-	-	300,000	390,000	3,000,000
7. Mr. Jong Diloksombat Director	90,000	-	30,000	-	300,000	420,000	3,000,000
8. Mr. Sirichai Rasameechan ⁽²⁾ Director	30,000	-	-	60,000	300,000	390,000	-
9. Mr. Azwan Khan bin Osman Khan ⁽³⁾ Director	-	-	-	-	300,000	300,000	3,000,000
10. Mr. Simon John Perkins ⁽⁴⁾ Director	30,000	-	-	-	-	30,000	-
11. Mr. Annis bin Sheikh Mohamed ⁽⁵⁾ Director	-	-	-	-	300,000	300,000	-
Total	765,000	255,000	100,000	185,000	3,050,000	4,355,000	24,000,000

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 "Meeting of the Board of Directors and Sub- Committees."

Remarks: ⁽¹⁾ On May 29, 2009, the Company issued 100,250,000 warrants to the Company's directors and employees of the Company and its subsidiaries, the 33,000,000 warrants of which equivalent to 32.92% of the total issued warrants were allocated to the 11 directors at that time. Some allocated directors ceased from his directorship, therefore, the warrants for existing directors represent 23.94% of the total issued warrants. The warrants have an exercise ratio at 1:1, are exercisable at a price of Baht 1.7 per share, and have an exercise period of five years from the issue date, expiring on May 28, 2014. The warrants are exercisable on the 15th of the last month of each quarter throughout their terms, from June 15, 2009 to May 28, 2014.

⁽²⁾ To be appointed as director on August 7, 2014.

⁽³⁾ Resigned from director on February 17, 2014.

⁽⁴⁾ Resigned from director on August 4, 2014.

⁽⁵⁾ Resigned from director and the Nominating and Compensation Committee member on August 4, 2014

2. Monetary Remuneration of 4 managements is as follows:

Type	Amount
Salary (Baht)	15,182,120
Bonus (Baht)	2,157,000
Provident Fund ⁽¹⁾ (Baht)	1,094,000
Warrant ⁽²⁾ (Unit)	16,800,000

Remarks: ⁽¹⁾ Provident fund to the executives have been provided by the Company at the rate of 3-10% of salary related to year of services.

⁽²⁾ On May 29, 2009, the Company issued 100,250,000 warrants to the Company's directors and employees of the Company and its subsidiaries. The existing management was allocated 16,800,000 warrants of which equivalent to 16.76% of the total issued warrants. The warrants have an exercise ratio at 1:1, are exercisable at a price of Baht 1.7 per share, and have an exercise period of five years period from the issue date, expiring on May 28, 2014. The warrants are exercisable on the 15th of the last month of each quarter throughout their terms, from June 15, 2009 to May 28, 2014.

Human Resource

Number of employees of the Company and its subsidiaries classified by line of business for the past 3 years are as follows:

Line of business	Number of Employees (persons)		
	2014	2013	2012
1. Mobile Business	586	548	445
2. Multimedia Business	193	217	195
3. Service Provider Business	57	81	85
4. Support Business	87	110	112
Total	923	956	837

Expenses related to the employees of the Company and subsidiaries

Expenses related to the employees of the Company and subsidiaries for the past 3 years of which comprised salary, bonus, provident fund, warrants and others such as special grant, O/T and commission are as follows:

Line of business	Amount (Million Baht)		
	2014	2013	2012
Salary	259.48	251.03	217.28
Bonus	22.31	31.60	24.08
Provident Fund	10.54	10.52	9.12
Others	47.08	76.13	30.95

Human Resources Management and Development Policy

The Company always regards that our employees are valuable and crucial fundamental for the Company's sustainable success as a leading Telecommunication and Technology related company in the industry. Since the Company achievement depends on qualified and high caliber employees, 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:

- **Recruitment & Selection Policy**

The Company continuously applies proactive approaches in recruiting capable people at all levels including of sourcing and attracting new graduated candidate by launching Campus Tour and Activities Programs in leading universities and coordinating with business recruitment agency and allied business network to build the Company's branding for career opportunity in joining the Company for professional candidate as well. In Selection Policy, the Company places importance on the selection its employees, focusing on knowledge, ability in with their virtues recruitment & selection combines cooperation among original affiliation and human resources to ensure that the process of recruitment & selection on good corporate governance. These would be capable people at all levels and lead them to success their owned career at SAMART leading to be the Company's sustainable success.

- **Performance Development Policy:**

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.

- **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, man-hour 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. 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 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., SAMART athletic activities, Open-mind activities, Synergy program, Employee Engagement activities and other activities focusing on Employee Relation of company and D-Club (CSR program),etc.

2. Human Resources Development Policy

The Company has a consolidated HRD policy to continuously develop the knowledge and ability of employees being appropriate to their owned position at all levels for 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's 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 encourage and develop the employees to facilitate the organization's strategies and goals most effectively and efficiently, the Company therefore conducts training courses deem necessary as follows:

For top and management executives:

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

For operational staffs:

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

For all employees:

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

Furthermore, the Company organizes special competency development program for specialist, namely Modern Marketing Management. The objective is to equip the marketing with the marketing knowledge and skills in order to be ready for the intense competition and the changing business environment factors. This program cooperated with leading institute to develop program for its executives supporting SMART marketing policy relevantly responding to fluctuating market target and customer need.

External Training

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

- **Talent Management Policy 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 2014

Training	Frequency	Number of Participants
In-House Training		
Management	29	311
Employees	45	781
Total	74	1,092
External Training		
Management	30	37
Employees	36	54
Total	66	91
Grand Total	140	1,183

The Cost of training for 2014

The cost of training for In-House and External Training of the Company and subsidiaries were totaling Baht 2,129,317.62. Total training hours were 7,341.40 hours per year. Average training per person per year was 6.21 hours which was higher than standard of Department of Labor which was set at 6 hours per year. The sample in-house and external training programs for 2014 were as follows:

In-House Training in 2014

- Smart Management Presentation
- Act.Coach : Effective Coaching for Manager
- Smart Management Effectiveness
- Effective Interviewing Techniques
- Modern Marketing Management 2014
- Project Modern Supervisory Skill (2 days)
- Effective Business Communications
- English for Fundamental Writing
- Creating & Strategies Implemented Plan (SIP 2015)
- Orientation The Company

- Applications for technical program Gimp.Inkscape
- Applications for technical program VDO Conference
- Applications for technical program Lotus Notes mail
- Applications for technical program Open Office
- CMMI Training (Role : Project Quality Assurance Process, Configuration Management)
- CMMI Training (Role : Project Manager, Quality Assurance)
- Systems Applications Products for Module - Project System (SAP)
- Applications for technical program Contract Alert System
- Applications for technical program PR Workflow
- Excellent Management : CHANGE AHEAD
- Happy Team : Happy work
- Sale Adventure Team Up
- Sale Techniques
- Update i-mobile Product
- SET TOP BOX Knowledge
- Customer Service Adventure Team - Spirit
- THE BUG : Business Talk

External Training in 2014

- The 5th Training Course on Administrative Justice for Executive : AJE
- Integrated Brand Communication
- The Power of Digital Marketing for Success
- Platform Mobile Social Application Development with HTML5
- Knowledge of the laws governing the employment of people with disabilities
- Annual Seminar “Go Through the Change” from the EY Group
- Principles of Fraud auditing
- Challenge of the audit committee to the sustainable development of the listed company.
- Write a few words to make more money
- Indesign CC for Designer Training
- Control new buyers with Google Hangouts On Air
- Inside Facebook
- Conversation Tips for accelerated debt
- Internal Audit Management
- HR Outlook :Teads & Opportunity
- Emerging Identity of Internal Audit
- GET TO KNOW RD
- Update a new internal control and compliance with the rules of the Compliance Unit
- HR management system to meet international standards for small and medium businesses
- HR in Action
- HR as Strategic Partner
- Out of The BOX
- Seminar: social activity for the disabilities
- CSR Management
- Strengthen skills and practices of social responsibility
- Seminar: social activity for the disabilities in ASEAN
- Prepare for Happy Retirement
- Workshop on Development of professional standards, professional qualifications and human resource management
- Knowledge Management
- Happy Workplace to Happy AEC
- Competency Base Interview
- Labor Law for HR to Know
- Internal Communication Strategies
- 2014 TFRS
- Update Withholding Tax
- Train the Trainers
- Interpretation of the Customs Tariff Regulations
- HR Report for Employer Expect
- Recruitment and Selection Strategy
- Technical Investigation and Disciplinary creatively
- TFRS for NPAEs
- Standard Financial Statements
- Integration of the anti-money laundering and the reporting of transactions
- Strategy in Cost and Price Analysis
- Omni-Channel Marketing
- Logistic Management for Cost Reduction
- Increase Profit by Cost Management and Control
- Advance Wireless Internet working Configuring, Managing and Troubleshooting
- How to build Digital Publication
- The integrated internal audit
- SMART DISCLOSURS PROGRAM
- 6 skills management for top managers
- Redhat System Admin 2
- XBRL new dimension of financial reporting in the digital age
- IT Fraud Prevention and Information Security Governance
- Strategic Management



Corporate Governance

The Board of Directors realizes on the importance of the good Corporate Governance which will be the fundamental factor for improving standard of business operation to create more transparency, competitiveness and strengthen the confidence of all shareholders, investors and other related parties. Thus, written Corporate Governance Policy and Business Ethics, which complied with the 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.

Corporate Governance Policy and Business Ethics

Corporate Governance Policy

The Board of Directors realizes on the importance of good Corporate Governance which will create more transparency, competitiveness and strengthen the confidence to shareholders, investors and all related parties. The written Corporate Governance Policy was provided both in Thai and English in 2006 and posted on the Company's website for acknowledgement of employees and others. The policy focuses on internal control and internal audit system, and the overseeing of the operation of management to comply with policy effectively for long-term benefits of shareholders under the terms of the law and business ethics. The Corporate Governance Committee will oversee the employees to strictly comply with the policy. The Corporate Governance Policy will be annually reviewed and revised to comply with new regulations. The latest revision of the Corporate Governance Policy, which complies with the Principles of Good Corporate Governance for listed companies of the SET, has been approved the Board of Directors on February 24, 2015. The Policy covers the following issues:

1. Rights of Shareholders

The Company emphasizes and recognizes the importance of the rights of all shareholders equitably; minority shareholders, major shareholders, institutional investors or foreigners. The Company does not hinder or create barriers to allow shareholders to communicate with each other.

All rights that the Company's shareholders obtained in 2014 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 send question in advance of 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 since 2009 and allowed to submit any enquiries prior to the Annual General meeting of shareholders since 2011. The shareholders who would like to propose the agenda have to comply with the Company's procedures and criteria of the above matter.

In the 2014 Annual General Meeting of Shareholders, the Company allowed the shareholders to propose the matter for consideration as agenda or submit the enquiries at least 3 months in advance of the end of the fiscal year and has specified the shareholding proportion of the shareholders entitled to propose the agenda must not be less than 4 percent of total number of the voting rights. The Company would notify and disclose contact channels and period for proposing agenda and enquiries via SET on September 30, 2014 and also provided details of the procedures on the Company's website (www.i-mobilephone.com), under "Investor Relation" in topic "Proposal question concerning the Company's operation in advance of the 2015 AGM" from September 30, 2014 onwards.

- **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 shareholders. With realize on convenience to shareholders and to encourage them to attend the shareholders' meeting, the Company is prior to notify and specify date, time and place that comfort the shareholders to participate in the meeting.

There was only one meeting in 2014, the 2014 Annual General Meeting of Shareholders held on April 29, 2014 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 rights of shareholder to participate in the meeting were as follows:

Before the Meeting Date

The shareholders would be informed on the date and agenda of the shareholders' meeting via the SET's communication system 55 days prior to the meeting date which was complied with the regulations of the SET. At the same time, the Company would also disclose the notice of shareholders meeting as well as related documents in both languages, Thai and English, on the Company's website (www.i-mobilephone.com) 37 days prior to the meeting date for the shareholders to have sufficient time for consideration. Same documents would be directly delivered to the shareholders by TSD, the Company's registrar, 30 days prior to the meeting date depends on consideration matter that required by law and regulations. The notice of shareholders meeting would contain fact, rationales, an opinion of the Board of Directors for each agenda, conditions and procedures of meeting as well as other related document with sufficient information for shareholders' consideration. Moreover, the notice of shareholders meeting will be published in the newspaper at least 3 consecutive days and at least 3 days prior to the meeting date to be in line with the 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 was aware of the equitable of shareholders' right and their comfort to participate in the shareholders' meeting. Appropriated technology and equipments were sufficient for registration reviewed on required documents more than one hour prior to commencement of the meeting. There were 7 directors attended in the Annual General Meeting of Shareholders of 2014. Moreover, the Board of Directors, Chairman of all committees, the Company's management and external auditors would also present in the meeting in order that the shareholders could ask questions during the meeting. Chairman of the Board of Directors who was Chairman of the meeting would introduce all Board members and the management, total shareholders attending in the meeting and total shares that entitled to vote to the shareholders for acknowledgement. In the 2014 Annual General Meeting of Shareholders, there was 150 shareholders attended the meeting either in person or in proxy. In addition, he declared their right and vote before commencement of the meeting to be

in line with the agenda without any additional topic from what have been expressed in the invitation letter. Voting cards were provided for significant agenda. Voting result in term of approval, disapproval or abstain for each agenda were transparently presented to the meeting. The shareholders were encouraged to express their opinions and raise any questions, either in the agenda or any other questions related to the Company's business, at the meeting. All questions had been answered and taken in the minutes of meeting as well as the opinions from the shareholders.

After the Shareholders' Meeting

Resolution of the meeting was disclosed to the 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 and English had been sent to SET and related parties within 14 days after the meeting date as well as posted on the Company's website (www.i-mobilephone.com) for verification.

- **Appointment / Dismissal 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 for one or several directors. The said shareholder may not allot any number of his/her 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/her 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 General Meeting of Shareholders, the shareholders have the rights to consider and approve the remuneration for all directors and members of sub-committees. Adequate Information of all candidates for being considered and appointed as directors or members of committees was also delivered for shareholders' consideration.

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

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

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

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

- **Profit Sharing**

The Company will return profit to its shareholders in form of dividend payment. The Company has policy to pay dividend no less than 50% of its consolidated net profit after deduction of all reserves as stated in the Company's Articles of Association and related laws, subject to need for future investment and business plan. 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 the Company's financial position.

In the 2014 Annual General Meeting of Shareholders, the Meeting approved dividend payment for 2013 to shareholders at Baht 0.11 per share or equivalent to 59.31% of consolidated net profit after deduction of all reserves which was higher than rate stipulated by the Company's dividend payment policy.

In addition, the Board of Directors' Meeting No. 5/2014 on August 7, 2014, approved the interim dividend payment for the first six months of 2014 at Baht 0.06 per share, totaling Baht 264.015 Million or equivalent to 54.23% of consolidated net profit after deduction of all reserves which was higher than rate stipulated by the Company's dividend payment policy.

Details of dividend payment policy of the Company and subsidiaries including dividend payment in the past 3 years were shown in the section "Dividend Payment Policy".

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 3 independent directors also are attached for shareholders consideration as alternative proxy and also required document, evidence and proxy method along with the invitation letter to shareholders' meeting which have been prepared in Thailand and English to facilitate the shareholders.

In the 2014 Annual General Meeting of Shareholders, there were 48 shareholders assigned the company's independent director to be a proxy to attend and vote instead of them. In addition, voting cards were provided for each agenda, especially, the agenda of appointment of directors of which been appointed by individual. 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 will conduct 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 were shown in the section "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. i-mobilephone.com](http://www.i-mobilephone.com)). Details regarding Attention to Stakeholders were shown in the section "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 can access information conveniently and speedily as follows:

- To submit the financial report to the Stock Exchange of Thailand ("SET") and the Securities and Exchange Commission Thailand ("SEC") within the specified timeframe. The financial report did not have any transactions where the auditor opinioned 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 started to prepare the Management Discussion and Analysis (MD&A) for the financial statement every quarter and post it on the Company's website and the SET's communication system.
- Criteria on provision of remuneration to the directors and the executives have been clearly disclosed. More details were disclosed in the section "Management Structure" under topic "Remuneration of Directors and Management".
- Details on connected transactions have been clearly disclosed to prevent a conflict of interest. More details were disclosed in the section "Connected Transactions".
- Shareholding information of the directors and the executives has been disclosed in the Annual Report and the Annual Disclosure information. In addition, the Company has a policy requiring the directors and the executives to report a change in their securities holding within 3 business days from the date the securities have been purchased, sold, transferred or accepted transfer. The Company Secretary's unit shall coordinate on submission of such report to SET and SEC. Moreover, it is also specified that any change of such securities holding of the directors and the executives shall be reported to the Board of Directors' meeting every time. The 2014 securities holding information of the directors and the executives were as follows:

Securities holding information of the directors and the executives in 2014

Director / Executive	Ordinary Share (shares)					
	31/12/2013	Acquisition during the year		Disposal during the year	31/12/2014	Increase (Decrease)
		Warrant	Buy in SET			
1. Professor Suphachai Phisitvanich Spouse and minor children	3,850,000 -	1,650,000 -	- -	- -	5,550,000 -	1,650,000 -
2. Dr. Chotivid Chayavadhanangkur Spouse and minor children	2,100,000 -	900,000 -	- -	- -	3,000,000 -	900,000 -
3. Mr. Kunthit Arunyananda Spouse and minor children	800,000 -	900,000 -	- -	900,000 -	800,000 -	- -
4. Mr. Charoenrath Vilailuck Spouse and minor children	- -	900,000 -	- -	900,000 -	- -	- -
5. Mr. Watchai Vilailuck Spouse and minor children	6,221,000 -	1,560,000 -	- -	- -	7,781,000 -	1,560,000 -
6. Mr. Thananan Vilailuck Spouse and minor children	1,800,000 -	- -	- -	1,800,000 -	- -	(1,800,000) -
7. Mr. Jong Diloksombat Spouse and minor children	1,000,000 -	900,000 -	750,000 -	1,650,000 -	1,000,000 -	- -
8. Mr. Sirichai Rasameechan ⁽¹⁾ Spouse and minor children	- -	- -	- -	- -	- -	- -
9. Mr. Azwan Khan bin Osman Khan ⁽²⁾ Spouse and minor children	- -	- -	- -	- -	- -	- -

Director / Executive	Ordinary Share (shares)					
	31/12/2013	Acquisition during the year		Disposal during the year	31/12/2014	Increase (Decrease)
		Warrant	Buy in SET			
10. Mr. Annis bin Sheikh Mohamed ⁽³⁾ Spouse and minor children	- -	- -	- -	- -	- -	- -
11. Mr. Simon John Perkins ⁽³⁾ Spouse and minor children	- -	- -	- -	- -	- -	- -
12. Mr. Subhasiddhi Rakkasikorn Spouse and minor children	96,000 -	3,000,000 -	- -	3,086,000 -	10,000 -	(86,000) -
13. Mr. Lai Ki Tong ⁽⁴⁾ Spouse and minor children	- -	- -	- -	- -	- -	- -
14. Mr. Pracha Phathayakorn Spouse and minor children	- -	- -	- -	- -	- -	- -
15. Mrs. Sumonthip Srimek Spouse and minor children	600,000 -	600,000 -	- -	600,000 -	- -	- -
16. Miss Kusuma Kerdpol Spouse and minor children	150,000 -	200,000 -	210,000 -	410,000 -	- -	(150,000) -

- Remarks:** ⁽¹⁾ To be appointed as director on August 7, 2014.
⁽²⁾ Resigned from director on February 17, 2014.
⁽³⁾ Resigned from director on August 4, 2014.
⁽⁴⁾ Resigned from the Company's executive on August 4, 2014.

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

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

The Company were disclosed to shareholders, investors and any related parties via SET's Communication system, Company's website (www.i-mobilephone.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:

4.1 Provide multi channels for disclosure of information apart from the SET's communication system

- Annual Report and Form 56-1

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

- **Company's website**

The Board of Directors is aware of the efficiency of website disclosure to the shareholders and related persons as well as equitably and easily of getting information. The Board of Directors therefore ensures the Company not only provides all significant information of the Company in the Company's Annual report but also on the Company's website (www.i-mobilephone.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, Form 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, analysts and general public via Company's website, Road Shows, analysts meetings, conference calls, etc. The Company's Investor Relations could be contacted at phone number 0-2502-6583 or via www.i-mobilephone.com or e-mail address at Pongthep.v@samartcorp.com. Ethics of the investor relations are as follows:

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 has been arranged for investors, analysts and public on a quarterly basis with participation of the executives.

Meetings with investors and analysts in 2014 were summarized as follows:

- Analyst Meeting	72	Times
- Road Show	4	Times
- Announcement of Company's Performance	7	Times

4.2 Disclosure of Information of the Board of Directors and Committees

- Structure, Roles and Responsibilities of the Board as well as performance of the Board and each Committee, also, Directors' Information was disclosed in the Company's website;
- Directors and Management's Remunerations: Policy of Directors' Remuneration has been clearly and transparently set to be comparable to the general practice in same industry and be appealing enough to attract and retain qualified directors. The directors who also be appointed to be the member of any sub Committees will be paid appropriately more in accordance with the extra work. The Nominating and Compensation Committee will consider the remuneration and propose for consideration of the Board of Directors prior to further approval from the shareholders.

The above information and remuneration of each board member have been disclosed in the Company's Annual Report and Form 56-1 in the section "Management Structure" under topic "Remuneration of directors and management".

4.3 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 accepted accounting standard in Thailand with appropriated financial policy. The reports were carefully considered and prepared with sufficient information in the notes to financial statements. The financial statements have been audited and commented independently by the authorized auditors of the SEC to increase the confidence and reliability of financial report.

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 points in order to prevent whether from any dishonesty or significant error. The Board of Directors had appointed the Audit Committee of which comprised independent directors to be responsible for the quality of the financial statements and the internal control system and disclosed such opinion in the Annual Report under the Report of the Audit Committee. The opinion of the Audit Committee has already been disclosed in the annual report. Moreover, Report of the Board of Directors' responsibility on the Company's Financial Statements was also attached in the Company's Annual Report.

5. Roles and Responsibilities of the Board of Directors

As the Board of Directors is the success key of Corporate Governance practice for the highest benefit of the Company, thus, the Company sets policies relating to roles and responsibilities of the Board i.e. composition, qualification of directors in order that the Board performs duty effectively in the following details:

5.1 Composition of the Board of Directors

The Board of Directors comprise of directors who have various knowledge, experience, transparent working background, nobility and integrity and must have occupational diversification. In addition, they have the skills that advantage to the company's business, such as accounting & finance, management, strategic planning, laws and corporate governance and other without sexual discrimination. The Board will also have leadership and vision to carry on the Company's business and achieve its objectives. The Company has 8 directors who complied with the qualification that been described under "Management Structure". In addition, all of the Directors have contributed their best to the Company which may concern from their participation in the meeting. Details of directors' qualification and number of attend in the meeting were shown in "Meeting of the Board of Directors and Committees"

5.2 The Independent of the Board of Directors

- **Separation of Chairman and CEO**

For best benefit of the shareholders and to strike a balance of power within the Company, the Chairman of the Board of Directors is not the same person as CEO. The Company's Chairman of the Board of Directors is an independent director who has the qualifications of independent director in accordance with the SET's notification and has no business relation with any management of the Company.

Roles and Responsibilities of the Chairman of the Board of Directors

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

Roles and Responsibilities of Chief Executive Officer

1. Manage and control general business operation of the Company to comply with its objectives, policy and the Articles of Association.
2. Consider investment plans before proposing to the Executive Board and the Board of Directors for further approval.
3. Act on behalf or in the name of the Company as delegation of authorities defined in the Company's policy and practice.
4. Carry out any assignment from the resolutions of the Board of Directors and/or the Company's shareholders meetings.

The delegation of authorities, duties and responsibilities of CEO shall not be delegated or further assigned that authorize CEO or its attorney to approve any transactions that CEO or connected persons or any persons who may have conflict of interest have done with the Company or its subsidiaries unless such transactions are complied with the Company's policy or principle approved by the Board of Directors. Such connected transactions shall be proposed to the Board of Directors' and / or shareholders' meetings for approval to comply with the notification of the Stock Exchange of Thailand, the Securities and Exchange Commission (SEC) or related law.

- **Balance between members**

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 and shall at least 3 members are independent members who 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 the Board of Directors and Executive Chairman must not be attained by the same person. The Chairman of the Board of Directors should be an independent member.

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

- 3 Independent Directors (more than one-third of the Board of Directors)
- 3 Executive Directors (representatives from major shareholders)
- 2 Non-Executive Directors (representatives from major shareholders)

The 2 Non-Executive Directors namely Mr. Charoenrath Vilailuck and Mr. Sirichai Rasameechan have working experience relating to the Company's business.

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

- **Roles and Responsibilities of the Board of Directors and CEO**

The Company has clearly set the separate roles and responsibilities of the Board of Directors and CEO. The Board of Directors will focus and ensure that the Company's business will achieve its target and in the direction that create value and best benefit to the shareholders as well as all stakeholders. Any conflict of interest with the Company and its subsidiaries will be prohibited. The Board will also comply with the Company's Ethics with responsibility, due care, and integrity to ensure all Company's businesses are run under Company's objectives, Articles of Association, resolutions of the Board of Directors' and shareholders' meetings as well as laws and regulations of the SET, the SEC and other related laws. At the same time, CEO who is the management's leader will focus on general management of the Company.

5.3 Being Director in other Listed Companies

- **Policy for directors 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 8 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 of which better than not exceed 5 companies according to guideline of Corporate Governance.

- **Policy for top executives to serve as directors in other companies**

The management of the Company will also be obtained approval from the Executive Committee 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 of Directors ensures the Company to provide transparency process of nomination of directors and management of the Company of which the details were disclosed under "Nomination of Directors and Management"

5.5 Accountabilities of the Board of Directors

Board of Director's Activities in the previous year

5.5.1 Set policy and business direction

The Board of Directors involved and agreed on set out the Company's vision, mission, Corporate Governance Policy, Business Ethics, strategies, goal, direction, business plan, budget, internal control and internal audit systems, and risk management 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, 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 as well as laws and regulations of the SET and the SEC

The Company's Vision, Corporate Governance Policy and Business Ethics have been posted on the Company's website (www.i-mobilephone.com) under the governance of the Corporate Governance Committee to have all employees to strictly conform and practice.

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 section “Opinion and Suggestion”.

5.5.2 Appointment of Sub-Committees

For governing the management to comply with the approved policies and having better efficiency, the Board of Directors appointed the following 6 committees to help the Board for consideration in significant matters:

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

Roles and responsibilities of each committee were disclosed in the section “Sub-Committees”. In addition, Committees’ Charters have also been set and disclosed on the Company’s website (www.i-mobilephone.com).

5.5.3 Meeting of the Board of Directors and Sub-Committees

1) The Board of Directors

The Board of Directors’ Meeting schedule has been set as quarterly basis with certain agenda. The meeting schedule will be sent to each director by the Company Secretary for preparation and arrangement for meeting participation. However, additional unscheduled Board meetings may be called upon appropriate notice at any time to address specific needs of the Company. The operating results will be regularly reviewed. The notice of the Board of Directors’ meeting 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. To comply with the Company’s Articles of Association, unless any urgent matters, the notice of the Board of Directors’ meeting will be delivered by the Company Secretary to all directors 7 days prior to the meeting date for consideration. In addition, if directors would like to propose the agenda, they will inform prior the meeting date or propose as other matters in the meeting. 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.

The average length of the meeting is approximately 2 hours. In 2014, there were 7 meetings as follows:

Name	Position	Date of appointment	Term of position (year/ month)	Number of attendance / Total number of meeting
1. Professor Suphachai Phisitvanich	Chairman of the Board of Directors / Independent Director / Audit Committee Member	May 11, 2005	9/7	4/7 ⁽³⁾
2. Dr. Chotivid Chayavadhanangkur	Independent Director / Chairman of the Audit Committee / Chairman of the Corporate Governance Committee/ Nominating and Compensation Committee Member	September 30, 2003	11/3	6/7 ⁽⁴⁾
3. Mr. Kunthit Arunyananda	Independent Director / Audit Committee member / Chairman of the Nominating and Compensation Committee / Corporate Governance Committee Member	September 30, 2003	11/3	7/7
4. Mr. Charoenrath Vilailuck ⁽¹⁾	Director	September 30, 2003	11/3	7/7
5. Mr. Watchai Vilailuck ⁽¹⁾	Director / Executive Chairman / Chief Executive Officer / Chairman of the Risk Management Committee	September 30, 2003	11/3	7/7
6. Mr. Thananan Vilailuck ⁽¹⁾	Director / President / Chairman of the Sustainable Development Committee / Executive Director / Risk Management Committee Member	September 30, 2003	11/3	6/7 ⁽⁴⁾
7. Mr. Jong Diloksombat ⁽¹⁾	Director / Executive Director / Corporate Governance Committee Member / Risk Management Committee Member	September 30, 2003	11/3	6/7 ⁽⁴⁾
8. Mr. Sirichai Rasameechan ^{(1) (2)}	Director / Nominating and Compensation Committee Member / Risk Management Committee Member	August 7, 2014	0/4	2/2

Resigned directors during 2014 (totaling 3 directors)

Name	Position	Date of appointment	Term of position (year/ month)	Number of attendance / Total number of meeting
1. Mr. Azwan Khan bin Osman Khan ⁽⁵⁾	Director	October 30, 2008	February 17, 2014	0/0
2. Mr. Annis bin Sheikh Mohamed ⁽⁵⁾	Director/ Nominating and Compensation Committee Member	December 17, 2012	August 4, 2014	0/4 ⁽⁴⁾
3. Mr. Simon John Perkins ⁽⁵⁾	Director	February 25, 2014	August 4, 2014	2/3 ⁽⁴⁾

- Remarks:**
- ⁽¹⁾ Representative directors from Samart Corporation Plc., a major shareholder, with 70.94% shareholding.
 - ⁽²⁾ To be appointed as director on August 7, 2014.
 - ⁽³⁾ Absence due to sick.
 - ⁽⁴⁾ Absence due to important business in overseas.
 - ⁽⁵⁾ Representative directors from Axiata Group Berhad, a major shareholder, with 23.93% shareholding. On July 2, 2014, Axiata Group Berhad sold its entire holding of 23.93% in SIM to Samart Corporation Plc.

In 2014, the Board of Directors considered the following agendas:

- Acknowledged Securities holding of directors and executives from the previous meeting
- Considered and approved the Company's financial statement for 2013 and quarterly financial statements of 2014
- Considered dividend payment for the year 2013 and the interim dividend payment for the first half of the year 2014
- To approve annual bonus for directors and committee members
- To approve the appointment of director to replace the vacant position
- Considered the evaluation of the adequacy of internal control system
- Approved the revision of the Company's Corporate Governance Policy, Business Ethics and Sub-Committee's Charters
- Acknowledged for the 2013 performances of Sub-Committees
- Considered and approved the election of the Company's directors to replace of those who will retire by rotation
- Considered and approved the remuneration of the Board of Directors and Committees for the year 2014
- Considered and approved the appointment of the Company's auditor and fixing audit fee for 2014
- Considered the Directors' and Officers' Liability Insurance
- Considered subjects relating to the Annual General Meeting of Shareholders for 2014 prior to present to the shareholders' meeting
- Considered the connected transactions
- Considered and approved date of the Board of Directors' Meeting, Sub-committee's Meeting and Shareholders' Meeting
- Considered and approved the appointment of the members in each committee to replace who resigned by rotation
- Acknowledged survey result of the 2013-2014 ASEAN CG Scorecard
- Acknowledged survey results of the 2014 AGM performance assessments
- Approved the change in the Company's authorized signatories
- Acknowledged Corporate Governance Report of Listed Companies for 2014
- Consider and approved the investment in company's subsidiaries and others
- Considered Strategic & Implementation Plan for 2015
- Considered and approved Salary increment rate for 2015 and set the annual bonus policy for 2014 and 2013
- Approved renewal of management fee agreement with Samart Corporation Plc.
- Considered results of Board Self-Assessment for 2013
- Approved criteria of the self-assessment of Board Sub-Committee for 2014
- Approved criteria of CEO Assessment and Company Secretary Assessment in 2014
- Approved meeting schedule of the Board of Directors, Sub-Committees and Shareholders for 2015
- Approved the change in the authorized signatories and limit to sign the financial document
- Other agendas relating to the Company's operation

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

During the year, Non-Executive Directors convened non-executive meeting to discuss any managerial issue.

2) Sub-Committees

In 2014, numbers of each meeting and time attendance of each member were summarized below:

Names	Number of Attendance / Total Number of Meeting					
	Audit Committee	Executive Committee	Corporate Governance Committee	Nominating and Compensation Committee	Risk Management Committee	Sustainable Development Committee
1. Professor Suphachai Phisitvanich	4/5 ⁽¹⁾					
2. Dr. Chotivid Chayavadhanangkur	4/5 ⁽²⁾		2/2	3/4		
3. Mr. Kunthit Arunyananda	5/5		2/2	4/4		
4. Mr. Watchai Vilailuck		12/12			3/3	
5. Mr. Thananan Vilailuck		12/12			3/3	2/2
6. Mr. Jong Diloksombat		12/12	2/2		3/3	
7. Mr. Annis bin Sheikh Mohamed ⁽³⁾				0/2 ⁽²⁾		
8. Mr. Sirichai Rasameechan				4/4	3/3	
9. Mr. Pracha Phathayakorn ⁽⁴⁾		7/7			2/2	2/2
10. Mr. Subhasiddhi Rakkasikorn					2/2	2/2
11. Mr. Dhilokpat Nisamaneevong ⁽⁵⁾					1/1	
12. Miss Kusuma Kerdpol ⁽⁶⁾					2/2	
13. Mr. Teerawut Kreepanich ⁽⁵⁾					1/1	
14. Miss Chullada Sapsarasin					2/2	2/2
15. Mr. Teerapon Asavatitanonta					2/2	2/2
16. Mr. Nipon Sudkeaw						2/2
17. Miss Boonrut Mongkolratanakorn						2/2

- Remarks:**
- ⁽¹⁾ Absence due to sick.
 - ⁽²⁾ Absence due to importance business in overseas.
 - ⁽³⁾ Resigned from Nominating and Compensation Committee member on August 4, 2014. There were 2 meetings of the Nominating and Compensation Committee before his resignation.
 - ⁽⁴⁾ To be appointed as the Executive Committee member on May 9, 2014. There were 7 meetings of the Executive Committee after his appointment.
 - ⁽⁵⁾ Resigned from Risk Management Committee member on May 9, 2014. There was 1 meeting of the Risk Management Committee before his resignation.
 - ⁽⁶⁾ To be appointed as Risk Management Committee member on May 9, 2014 in replace of Mr. Dhilokpat Nisamaneevong. There were 2 meetings of the Risk Management Committee after her appointment.

All sub-committees carried out their duties assigned by the Board of Directors, regularly report the performance to the Board of Directors, and provide annual performances report to shareholders in the Annual Report.

5.6 Conflicts of Interest

To prevent conflicts of interest, the Company has drawn out guidelines for directors and employees to perform as details in “Business Ethics”.

5.7 Internal Control and Risk Management

Please see details in the section “Internal Control and Risk Management” and “Corporate Social Responsibility” under topic “Anti-Corruption”.

5.8 The assessment of the Board of Directors, Sub-Committees, CEO and Company Secretary

5.8.1 Board Self-Assessment and Director Self-Assessment

The Corporate Governance Committee is responsible for self-assessment of the Board of directors and individual director to annually review and evaluate directors' performance to comply with Corporate Governance of the Company. Comments and recommendations from the assessments are further considered in the Board of Directors' meeting for improvement.

Board Self-Assessment

The Corporate Governance Committee has initiated the Self Assessment form for Board members to review and evaluate their performance for 2014 as a whole. The assessment form, which has been approved by the Board of Directors in its meeting No. 7/2014 on December 18, 2014, was submitted to all directors for assessment. The questionnaire covered the following area:

1. Board Composition
2. Strategic Guidance
3. Monitoring and Evaluation
4. Accountability

The 2014 Board Self-Assessment, evaluated by 8 directors in the above areas, had an excellent evaluation by obtaining average score of 97.84%.

Director Self-Assessment

The Corporate Governance Committee has initiated the Self Assessment form for director to evaluate their performance. The result of assessment was used to develop the performance of director. The assessment form, which has been approved by the Board of Directors in its meeting No. 7/2014 on December 18, 2014, was submitted to all directors for assessment. The questionnaire covered the following area:

1. Knowledge
2. Responsibilities
3. Meeting
4. Self-development

The 2014 Director Self-Assessment, evaluated by 8 directors in the above 4 areas, had an excellent evaluation by obtaining average score of 97.50%.

5.8.2 Sub-Committee Self-Assessment

The Corporate Governance Committee has initiated the self-assessment form of sub-committees annually. The assessment result is considered to continuously improve the performance of the committee and to comply with roles and responsibilities as assigned by the Board of Directors. The assessment form, which has been approved by the Board of Directors in its meeting No. 7/2014 on December 18, 2014, was submitted to all sub-committees members for assessment. The criteria for self-assessments of Executive committee, Corporate Governance Committee, Nominating and Compensation Committee, Risk Management Committee and Sustainable Development Committee cover the following areas:

1. Composition
2. Roles & Responsibilities
3. Performance monitoring
4. Meeting
5. Development & Training.

The Audit Committee Self-Assessment is implemented for the Audit Committee to evaluate its own performance in the past year with regards to the compliance with prudent practices and effectiveness. The questionnaire covered the following area:

1. Composition
2. Roles & Responsibilities
3. Training & Resources
4. Meeting
5. Auditing Activities
6. Relationship between head of internal audit unit, external auditors and the Company's executives
7. The future trend of the Audit Committee

The results of each Sub-Committee Self-Assessment were shown below:

	Result	Average Score(%)
1. Executive Committee	Excellent	94.17
2. Risk Management Committee	Excellent	95.56
3. Nominating and Compensation Committee	Excellent	97.88
4. Corporate Governance Committee	Excellent	95.93
5. Audit Committee	Excellent	99.18
6. Sustainable Development Committee	Excellent	93.96

5.8.3 CEO Assessment

The Corporate Governance Committee conducts CEO Assessment annually. The form has been approved by the Board of Directors in its meeting No.7/2014 on December 18, 2014 and was submitted to all directors for assessment. Assessment result would be considered for remuneration adjustment. The questionnaire covered the following area:

1. Leadership
2. Strategy formulation
3. Financial planning and performance
4. Board relations
5. Risk management and internal control
6. Human resources management
7. Succession
8. Product and service knowledge
9. Good corporate governance and code of business conduct

The 2014 CEO Assessment, evaluated by the Company's 7 directors in the above 9 areas, had an excellent evaluation by obtaining average score of 97.14%.

5.8.4 Company Secretary Assessment

The Board of Directors conducts the Company Secretary assessment annually. Results of the assessment will use to develop working performance of Company Secretary to support the Board of Directors in compliance with the roles and regulations of the SET and the SEC. In 2014, the Board of Directors considered the criteria of Company Secretary Assessment in its meeting no. 7/2014 on December 18, 2014. The form of Assessment was submitted to each director to assess the Company Secretary in the following areas:

1. Knowledge
2. Compliance
3. Communication and Coordination

4. Documentation
5. Meeting
6. Corporate Governance

The 2014 Company Secretary Assessment, evaluated by 8 directors in the above 6 areas, had an excellent evaluation by obtaining average score of 96.93%.

5.8.5 Head of Internal Audit Assessment

The Audit Committee is assigned by the Board of Directors to assess performance of Head of Internal Audit annually. Results of the assessment will use to develop working performance of Head of Internal Audit and Internal Audit Office in both audit work and independent consulting on governance and other control. The form has been approved by the Audit Committee in its meeting No. 5/2014 on December 18, 2014 and was submitted to each member for assessment in the following areas:

1. Purpose, Authority and Responsibility
2. Independence and Objectivity
3. Qualification and Professional
4. Continuous Improvement
5. Internal Audit Office Management
6. Knowledge and Competency

The 2014 Head of Internal Audit Assessment, evaluated by 3 Audit Committee members in the above 6 areas, had an excellent evaluation by obtaining average score of 98.67%.

5.9 Development of Directors and Management

The Company specified that whenever there is a change of director, there shall be an orientation for a new director every time in 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 the Executive Chairman/CEO to enquire in-depth information about business operation of the Company.

In 2014, the Board of Directors approved the appointment of 2 new directors, namely Mr. Simon John Perkins and Mr. Sirichai Rasameechan and held the orientation of new directors according to the Company policy.

In addition, to support and increase knowledgeable of the directors, periodical training will be provided especially the Director Accreditation Program (DAP) and Director Certification Program (DCP) and other programs relating to director which arranged by the Thai Institute of Directors (IOD). 4 directors had joined DCP program, 2 directors had joined DAP program and 2 directors had joined both DAP and DCP program. IOD training course of each director was shown in "Directors, Management, Company Secretary and Head of Internal Audit". 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 2014, the following 3 directors attended the training courses:

1. Dr. Chotivid Chayavadhanangkur attended the 2014 Annual Seminar held by EY Office Limited: “Go through the Change” in the following topics:
 - Responsibility of the Audit Committee to the sustainability of the organization.
 - Reform of tax law
 - Thailand after the Asian Economic Community (AEC)
 - New accounting standards that affect the Listed Company
 - Anti-Money Laundering Law: Effect to Thai economy
2. Mr. Watchai Vilailuck
 - “The 5th Training Course on Administrative Justice for Executives”, Institute of Administrative Justice, The Office of the Administrative Courts of Thailand
3. Mr. Jong Diloksombat
 - “Capital Market Leader Program” by The Securities and Exchange Commission (SEC) and Sasin Graduate Institute of Business Administration of Chulalongkorn University

Business Ethics

As the Company conducts the business with great awareness in ethical practices, the Board of Directors has provided the written Thai-English Business Ethics of directors, management and employees of the Company and subsidiaries since 2005 in order to set as the practical working guidelines with honesty, to be in standard, quality and integrity which including an attention of all stakeholders, related transaction, compliance with the laws, assets prevention and conflict of interest. The Company’s directors, management and employees must perform and comply with strictly. It is also posted in the Company’s website for employees and the outsider’s acknowledgement. The Company reviews Business Ethics annually of which the latest Corporate Governance Policy was approved by the Board of Directors on February 24, 2015. It is covering the following topics:

- **Conflict of Interest**

To prevent conflicts of interest, the Company has drawn out guidelines for directors and employees in the Company’s Business Ethics 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. Any trading of the Company’s securities within 1 month prior to disclosure of either the Company’s financial performance or any other information that may affect securities’ price is prohibited.
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.

On any conflict of interest transaction, before entering into the transaction, the Audit Committee will carefully review prior to submit with opinion either on such conflict or connection to the Board of Directors for further review and to ensure that the transaction has to be complied with the SET’s regulations, information of the transaction i.e. value of transaction, party involved and necessity ext. (Arm’s Length Basis) 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 neither participate nor vote in such meeting. Transactions that might be conflict of interest of the Company in 2014 are shown in the section “Related Transactions”.



- **Responsibilities to shareholder**

The Company is 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 propose an agenda and send a question in advance, attend, vote and have comments in the shareholders' meeting, to share in profits, regularly and timely obtained adequate information, business performance and management policy. Details of shareholders' rights were shown 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. 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 2014, total amount of medical treatment fee reimbursed by the employees of the Company and its subsidiaries amounted to Baht 913,504.44. Moreover, the Company also has group health insurance (in case of in-patient) for the Company's employees which is made with the American International Assurance Company Limited (AIA) as well as group life insurance which covers all kinds of death, annual medical check-up and provident fund to secure their working life security under the name of "the Registered Samart Group Provident Fund". The Company also has the social security fund and provision of loan in case of the accident or sickness to the employees as well, loan for employees, fitness center and special discount for Company's products etc.

Development programs, both internal through e-learning and external training courses, are continually provided for all levels of employees. In addition, the Company has provided educational support by awarding scholarship to employees with aims to enhance their knowledge and skills. Please see more details about the employees under section "Management Structure" in the topic "Human Resources Management and Development Policy".

In addition, 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.

Further more, the Company also allowed 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 environment 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 of 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.

In 2014, there was no serious accident found and no employee took a leave due to accident in workplace.

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 at www.samarthre.com. Such ethics have been written in the working regulations of the Company for the employee's adherence and disclosed on the Company's website at www.i-mobilephone.com.

- **Treatment of Customers**

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 2014, new products and services have been developed by the Company and subsidiaries including control and inspection of product's quality before distribution. The Company has launched many models of mobile phones with variety functions to serve customers' needs in all levels and continued to improve after sales services. The i-mobile service centers provide a total solution to customers both the complete mobile phone sales and repair services. The technicians have been stationed at the repair centers to oversee the repair works, upgrade software and provide other services to customers as well as guarantee to change new product immediately within 7 days if there is any problem, spare unit while repairing. In addition, the Company provides training course to our employees who work at service centers nationwide continuously in order to give more understanding of products and services and expertise to answer questions and solve problem of customers in a timely manner. The Company has appointed the Authorized Service Centers and Drop Points to service customers nationwide with the same quality as i-mobile service centers. Moreover, the Company provides call center services for consultation and complaint of customers, and also for control the quality prior release for satisfaction in goods and services of customers.

Moreover, the Company set Customer Retention Management (CRM) unit called "i-club". The customer who has service at i-mobile shop and subscribe as a member of i-club will receive 10% discount for new product, 30% discount for accessories, and special promotions at i-mobile shops. In addition, there are special activities, benefits and 10-40% discounts from the leading stores participating. At present, total i-club members are more than 700,000. The Company considers fair and reasonable compensation to dealers and keeps in touch with dealers in order to share each other opinion and work together to meet the same targets. Training program is set to facilitate dealers and gain understanding of the Company's products and services. Dealer Conference is organized to express gratitude to the dealers and meet with the Company's management as well as update new products, acknowledge the Company's operating results and set target in the next year.

- **Treatment of Trade partners**

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 disclose such practices 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, keep in touch with customer in order

to share each other opinion and refusing to accept any personal benefit offered by partners as well as refusing to fabricate or falsify information that will cause misunderstandings to partners, avoid purchase from partner who may be involved in violate human rights and infringe intellectual property and do not deal business with partner who may be involved in illegal and immoral activities.

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.

- **Treatment of Creditors**

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 conduct all business affairs under rules and fair competitions to encourage trading without fraudulently and inappropriately seeking confidential information of its competitors, or damage competitors' reputations by abusive accusation. The Company will not intervene or has a secret transaction that give negative impact to competitors and give benefit to the Company. The Company also refuses to violate intellectual property rights of business' counterparts /competitors. The policy has been disclosed in the Company's Business Ethics. In addition, the Company sets the policy that all employees shall acknowledge and sign the agreement of non-disclosure confidential information, non-violation of concealment of computer related and non-infringement of intellectual property.

- **Policy regarding Anti-corruption**

The Company recognizes the importance and anti-corruption in all aspects. The Corporate Governance Committee's Meeting No. 2/2014 and No. 1/2015 reviewed the policies regarding anti-corruption and proposed the Board of Directors' Meeting No. 1/2015 on February 24, 2015 to approve the amendment of the anti-corruption policy in conformity with the Sustainable Development Roadmap for the listed companies by the SEC. The Company disclosed the policy in the Company's Business Ethics manual and posted on website at www.i-mobilephone.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 section "Anti-Corruption".

- **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 concremented development of the communities.

In 2014, SAMART Group has continued our efforts to promote “People of Quality, Society of Morality” and also implemented a variety of activities for public benefits. Details of the projects and activities were shown in “Corporate Social Responsibility (CSR)”

- **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. For motivation of the employees to continually conform to the Company’s policy, announcement via the Company’s PR boards, e-mail, internal radio, mobile media, newsletter and road show are provided, for example, “Lor.Ling. Activity” (Save our SAMART) has set for 6 consecutive years since 2008. In addition, the Company educates employees on environmental awareness as details shown in the section “Corporate Social Responsibility” under topic “Environmental Conservation”.

- **Sustainable Development Report**

The Company provides Corporate Social Responsibility Report or Sustainable Development Report by initiating the report as part of the Annual Report. In the near future, the Company plan to issue Sustainable Development Report in separate report.

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

The Company provides non violation of human right policies and practices in the Company’s Business Ethics and emphasize on human right as a common practices. All employees shall not act or support any action to violate any human rights. 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 at www.samartthre.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**

The Board of Directors respects the importance of all stakeholders in participation of the Company's success and discloses related important information to stakeholders sufficiently in a timely and transparent manner. Thus the feedback 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.i-mobilephone.com under "Contact Us".

Mailing Address: Secretary to the Audit Committee
Samart I-Mobile Public Company Limited.
99/10 Moo 4, Software Park, 26th floor,
Chaengwattana Rd., Klong Gluar, Park-kred,
Nontaburi 11120

Secretary to the Audit Committee 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.i-mobilephone.com and Human Resources' website at www.samarthre.com and etc.

The Company's Vision, Mission, Corporate Governance Policy and Business Ethics have been publicized on the Company's website (www.i-mobilephone.com) and communicated to management and employees via email, in form of weekly Tips on Corporate Governance and poster on PR board. In addition, the Corporate Governance Committee is entrusted to oversee the duties of directors, management and employees to abide strictly.

Sub-committees

Composition

The Company's management structure comprised of 6 sub-committees; the Audit Committee, the Corporate Governance Committee, the Executive Committee, the Risk Management Committee, the Nominating & Compensation Committee, and the Sustainable Development Committee. Details of directors, qualification, term of positions and roles & responsibilities are as follows:

1) **Audit Committee** as at December 31, 2014:

1.	Dr. Chotivid Chayavadhanankur	Chairman (Independent Director)
2.	Professor Suphachai Phisitvanich	Member (Independent Director)
3.	Mr. Kunthit Arunyananda	Member (Independent Director)
	Mrs. Duangsamorn Nutprasasn	Secretary

Qualifications of the Audit Committee

1. The Audit Committee members shall be appointed by the Board of Directors and/or shareholders' meetings.
2. All members should be Independent Directors as the definition of independent director qualification from the SEC.
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 filling 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 and Compensation Committee and the Committee ensures that the extra term will not cause or impact to the independent of such director, and shall be approved from the Board of Directors and/or the shareholders' meetings.

Roles and Responsibilities of the Audit Committee

1. Review the Company's financial statement to ensure its accuracy and adequacy.
2. Review the Company's internal control, and internal audit system to ensure that they are suitable and efficient, to determine the independence of internal audit unit, as well as to propose the appointment, transfer and dismissal of the chief of an internal audit unit or any other unit in charge of an internal audit.
3. Review the Company's compliance with the Securities and Exchange Act, the regulations of the SET and the laws relating to the Company's business.
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. Attend a non-management meeting with an auditor at least once a year.
6. Review the connected transactions or the transactions that may lead to conflicts of interests to ensure that they are in compliance with the law and the regulations of the SET, and are reasonable and for the highest benefit of the Company.
7. Prepare report of the Audit Committee to be disclosed in the annual report with at least information defined in the notification of the SET.
8. Perform any other activities as assigned by the Board of Directors.



2) Executive Committee as at December 31, 2014:

1.	Mr. Watchai Vilailuck	Executive Chairman
2.	Mr. Thananan Vilailuck	Member
3.	Mr. Jong Diloksombat	Member
4.	Mr. Pracha Phatthayakorn ⁽¹⁾	Member
	Miss Boonrut Mongkolratanakorn	Secretary

Remark: ⁽¹⁾ To be appointed as Executive Committee member on May 9, 2014.

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 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. CEO of the Company will be the Chairman of the Executive Committee.

Scope of Responsibilities and Authority of the Executive Committee

1. Set Company's strategies and business plan as well as the Company's management structure and delegation of authorities for further approval of the Board of Directors.
2. Audit, monitor and implement the Company's policies and management practices to conform to the assignment from the Board of Directors efficiently.
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 and propose to the Nominating and Compensation Committee for consideration prior to further approval of the Board of Directors.
5. Act on behalf or in the name of the Company as delegation of authorities defined in the Company's policy and practice.
6. Carry out other work as assigned by the Board of Directors.

The delegation of authorities, duties and responsibilities of the Executive Committee shall not be delegated or further assigned that authorize the Executive Committee or its attorney to approve any transactions that the Executive Committee or connected persons or any persons who may have conflict of interest have done with the Company or its subsidiaries unless such transactions are complied with the Company's policy or principle approved by the Board of Directors. Such connected transactions shall be proposed to the Board of Directors' and/or shareholders' meetings for approval to comply with the notification of the Stock Exchange of Thailand, the Securities and Exchange Commission (SEC) or related law.

3) Corporate Governance Committee as at December 31, 2014:

1.	Dr. Chotivid Chayavadhanangkur	Chairman (Independent Director)
2.	Mr. Kunthit Arunyananda	Member (Independent Director)
3.	Mr. Jong Diloksombat	Member
	Miss Boonrut Mongkolratanakorn	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/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. 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.

Scope of Responsibilities and Authority of the Corporate Governance Committee

1. Responsible for governing and monitoring business operation and performance of committees, management and employees of the Company to comply with the principles of good corporate governance, Company's policies and related laws.
2. Establish and review the Company's significant procedures and practices to comply with the principles of good corporate governance.
3. Regularly review the Company's policies, principles and practices.
4. Provide suggestions relevant to business ethics and best practices to the Company's directors, management and employees.
5. Ensure that the principles of good corporate governance are performed on practice continuously and appropriately.
6. Report to the Board of Directors the Company's good corporate governance along with its opinions for the practices and recommendations for appropriate improvements.

4) Nominating and Compensation Committee as at December 31, 2014:

1.	Mr. Kunthit Arunyananda	Chairman (Independent Director)
2.	Dr. Chotivid Chayavadhanangkur	Member (Independent Director)
3.	Mr. Sirichai Rasameechan	Member
	Miss Boonrut Mongkolratanakorn	Secretary

Terms of positions

One-third of the Nominating and 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 and Compensation Committee will consider an appropriate person from the members of the Board of Directors and/or any qualified candidates and propose to the Board of Directors for appointment.

Scope of Responsibilities and Authority of the Nominating and Compensation Committee

1. Recruit, select, and nominate appropriate candidates for independent directors, Chairman of the Board, Board of Directors proposed for consideration and approval of Board of Directors' and/or the shareholders' meetings when those positions are vacant due to termination of terms or other reasons.
2. Recruit, select, and nominate appropriate candidates for position members of each committee, CEO, top management and company secretary proposed to consideration of Board of Directors when such position is vacant as well as propose criteria for selecting candidates for the succession plan.
3. Propose to the Board of Directors the guidelines and reasonable remuneration packages for all members of the boards and executives of which must be complimented to their duties, conform to the Company's operating performance and market's atmosphere.
4. Evaluate the Company's performance for consideration of the annual bonus and merit increase.
5. Review the Company's salary structure and any other remuneration.
6. Screen and verify the list of the candidates proposed to the director with the relevant agencies to ensure that they are not blacklisted or have been revoked from the list of such agencies.
7. In case the director who is retired by 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 at December 31, 2014:

1.	Mr. Watchai Vilailuck	Chairman
2.	Mr. Sirichai Rasameechan	Member
3.	Mr. Jong Diloksombat	Member
4.	Mr. Thananan Vilailuck	Member
5.	Mr. Pracha Phathayakorn ⁽¹⁾	Member
6.	Mr. Subhasiddhi Rakkasikorn ⁽¹⁾	Member
7.	Miss Chullada Sapsarasin ⁽¹⁾	Member
8.	Mr. Teerapon Asavatitanonta ⁽¹⁾	Member
9.	Miss Kusuma Kerdpol ⁽¹⁾	Member
	Miss Boonrut Mongkolratanakorn	Secretary

Remark: ⁽¹⁾ To be appointed as Risk Management Committee member on May 9, 2014.

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, 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. The nominated committee's member will appoint the chairman of Risk Management Committee from the committee's members.

Scope of Responsibilities and Authority of the Risk Management Committee

1. Set clear business directions, identify, analyze and investigate significant risk factors as well as specify strategies to manage those risks.
2. Set risk management standards for use as guidelines in each work unit.
3. Supervise to ensure that such measures are fully communicated and employees have complied with them.
4. Provide for a systematic and continued evaluation and analysis of damage that may occur to make sure that risk survey has covered all processes of business operations.
5. Support and develop risk management continually to cover all organization and comply with international standard.

6) Sustainable Development Committee as at December 31, 2014:

1.	Mr. Thananan Vilailuck	Chairman
2.	Mr. Pracha Phathayakorn	Vice-Chairman
3.	Mr. Subhasiddhi Rakkasikorn	Member
4.	Miss Chullada Sapsarasin	Member
5.	Mr. Teerapon Asavatitanonta	Member
6.	Mr. Nipon Sudkeaw	Member
7.	Miss Boonrut Mongkolratanakorn	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 sub-committees carried out their duty and had the meeting regularly and had written minutes. The significant issues of the previous year including number of meeting of each sub-committee are shown in "Other Company's Corporate Practices" in topic "Meeting of the Board of Directors and Sub-Committee".

Nomination of Directors and Management

The Nominating and 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, CEO, 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 and Compensation Committee will consider the suitable candidate from IOD's Director Pool and proceed to select the candidate who have qualification as specified by the relevant laws and regulations with regards to qualification, experience, knowledge, capabilities beneficial to the Company and in accordance with the Company's strategy. The suitable candidate will be proposed to the Board of Directors for approval 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 and 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 the SEC and the 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 the Executive Committee, the Audit Committee, the Risk Management Committee, the Corporate Governance Committee, the Nominating and Compensation Committee and the Sustainable Development Committee. The nomination of members of the committee will be selected and nominated by the Nominating and 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.

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.

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-violation of concealment 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 and Business Ethics to refuse the directors, management and employees of the Company to use Company's inside information for personal benefits. Any trading of the Company's securities within one month prior to disclosure of either Company's financial performance or any other information that may affect securities' price is prohibited. To ensure that the policy is acknowledge and complied, the Company will notify the year plan schedule of such periods in advance to all directors and executives. Every quarter, the Company has also delivered such notice to directors and executives to acknowledge. In 2014, there is no case of insider trading from the Company's directors and executives. The press releases for the corporate governance are published on a weekly basis to all employees via email, tips and poster in the Company's promotion board. 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 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 the SET's regulations and any governing laws and regulations prior to further submit for consideration of either the Board of Directors or the shareholders. The directors who have conflict of interest will not participate in any agenda that they have conflict of interest. Moreover, any conflict of interest transactions with the connected persons will be disclosed in "Connected Transaction".

General practices for conflict of interest protection have been set not only in the Company's Business Ethics but also in "5. Roles and Responsibilities of the Board of Directors" under topic "Conflict of Interest". Such practices have been delivered to all directors, management and employees. The Corporate Governance Committee will monitor and ensure that Company's regulations, Corporate Governance Policy and Business Ethics have been strictly and continually complied.

Moreover, the Corporate Governance Committee has been established to ensure that good corporate governance is being conducted continuity at all levels in accordance to legal requirement and the Company's Articles of Associations.

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

The Company conducts the business in comply with the 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 has no policy for executive directors to serve as directors in other listed companies not more than 2 listed companies. However, the Company has set the policy for all directors to be the director in any listed companies not exceeding 5 companies. In addition, the management of the Company will also be obtained approval from the Executive Committee prior to be a director in any companies of which are not have either similar business or being the Company's competitors. The Nomination Committee and Compensation Committee is responsible to consider and nominate the candidate who is knowledge, capability and has sufficient time to perform his duty.
2. There is no woman independent director in the Company's Board of Directors. However, the Company has no gender discrimination in any way.
3. The portion of independent directors and non-executive directors in the Board of Directors are equivalent to 37.5% and 62.5% which are less than 50% and 66% as stipulated by the principles of good corporate governance.

Internal Control and Risk Management

Internal Control

The importance of an internal control has always been a key focus. 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, risk management and compliance with the laws and regulations. However, 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 operations are compliance with applicable laws and regulations 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 auditing of business operation in compliance with policies and guideline and reporting to the Audit Committee to improve the effectiveness of internal control.

The Company has proper and effective internal control and risk management systems, aligned with the integrated framework of the Committee of Sponsoring Organizations of the Treadway Commission-Enterprise Risk Management (COSO-ERM) concept, which relate to business operations and management processes within the Company both at organizational and operational level. In 2014, 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 eight enterprise risk management components are as follows:

1. Control Environment

The Company set up the clear policy, business plan and operations with emphasis on integrity and provided business ethics for board, management and employees. The Board of Directors, who had various knowledge, experience, and specific skill that suitable for the Company business, exercised oversight to ensure that committee acted as role and responsibilities as assigned in the charter. Additionally, the Company has appointed the qualified independent director with competency and experienced as the audit committee to review the business activities. The Management had also established the organization and structure favor efficient business execution with the authority, reporting line and responsibility with properly segregation of duties are also clearly determined at each level. In addition, the Company had also established the Human Resources Management policy cover selection and recruitment, development, retaining and talent management and succession plan for executives. Furthermore, competency, performance measure, incentives and reward has been set up systematically to fulfillment of internal control responsibilities.

2. Objective Setting

The Company provided each department and employees with clearly written stated objectives and goals, including strategies, operations, reporting, and rules and regulations compliance. These information has been communicated to management and staff thoroughly. These objectives and goals aligned with the overall Company's mission at its risk appetite level. Furthermore, the Company reviewed and updated business plans, strategies, and objectives according to the current situation and changing risk factors.

3. Event Identification

The Company properly and systematically identified events or risk factors that may negatively influence the Company's objectives both at organization and operation level. In addition, the Company identified future events, which might have a positive impact on its objectives, by considering both internal external risks. The Company also routinely monitored results to ensure that the Company has identified risk factors likely to affect any change (at each operational level) and regularly reported to management and other relevant parties.

4. Risk Assessment

The Company specified clear objectives for operations, financial and non-financial reporting, including compliance with all relevant laws and regulations and properly identified acceptable risk level. Moreover, the Company specified all risk factors that might affect to the goal and objective in systematic cover the enterprise, line of business and business process level including assesses risk that might lead to any fraudulent of financial reporting, asset and corruption for instance.

In addition, the Company identified and assessed all significant changes that might have an impact on internal control systems by properly considering laws and regulations, economics and environmental issues that affected the organization.

5. Risk Response

The Company had in place a continuous and systematic risk management process. The Company planed strategic responses to risk at the individual and overall level by considering either avoiding, reducing, sharing, or accepting the risk as appropriate to the Company's interests. The Company always considered the most cost efficient and most effective methods to manage high risk, thereby reducing the overall likelihood and impact of that particular risk. The Company also has an effective internal control system, which is suitable for handling any changing risks.

6. Control Activity

The Company developed control activities to mitigate risk to an acceptable level by stating clear policy which determined the expectation and work flow for practical implementation. The written procedure for connected transactions, or transactions that might lead to conflicts of interest was set up in compliance with the laws, rules and regulations prescribed by the SEC and the SET. All the transactions with outsiders have been reviewed, monitored and audited by the Audit Committee, Internal Auditor and External Auditor to ensure that the activity was in accordance with the established policy, procedure, applicable laws and regulations and control system. The company implemented the general control activities for information technology systems such as segregation of duties, level of information access controls, sensitive information protection policy, passwords control and audit trail. The company also implemented information security policy including communicate and enforce to staffs in all level.

7. Information and Communication

The Company had an information network system that connected across the organization to support business decisions and initiatives. It also had an effective information security system, including a contingency plan to protect the information system when there were serious incidents that might cause system failure. Furthermore, the Company deployed an audit trail system that can track back and review historical data. The Company also maintained an information system to analyze data and indicate any risk area, for which comprehensive records and reports were available.

The Company provided the Intranet and Internet systems for internal and external communication regarding the policy, procedure, manual, announcement and news. In addition, there were the channel for stakeholders' complaint or suggestion through mail and Company's website.

8. Monitoring

The Company monitored and evaluated the internal control assessment result by regularly comparing with targets or key performance indicators (KPIs) defined at each level. Work performance must be periodically audited by independent internal audit and external audit to ensure that the internal control system was effective and responsive to risk factors in an appropriate and timely manner.

Moreover, the Company evaluated and communicated internal control deficiencies to the responsible person including appropriated top executive and directors to take action. The in charge person has to report the progress of corrective action to the Board of Director and Audit Committee periodically.



Conclusion

Based on the above assessment, the Board of Directors' Meeting No. 1/2015 on February 24, 2015, in which all 3 Audit Committee members attended, has evaluated the Company's internal control system by using the Securities and Exchange Commission evaluation questionnaire and concluded that the Company had a sufficient internal control system. The Company provided sufficient manpower to ensure that the operation would proceed efficiently. Internal control system could be strengthened in monitoring not only the operation of the Company but also the operation of the subsidiaries in safe guarding of assets from wrong usage or used by unauthorized persons. Business transaction with related persons and the persons who had conflict of interest with the Company were prohibited. The Board of Directors also concluded that internal control system for other topics was done sufficiently.

Furthermore, the Company's auditors, Miss. Kamontip Lertwitworatep, an auditor license no. 4377 and Miss Siriwan Suratepin, an auditor license no. 4604, audited the financial statements of the Company and subsidiaries for the year ended December 31, 2014 without any comment on the Company's internal control system as significant error.

Internal Audit

The Internal Audit Office performs its duties independently and objectively and reports functionally and directly to the Audit Committee. The Internal Audit Charter and Manual are regularly updated as its primary source of reference. This ensures that the Internal Audit Office conforms to the International Standard for the Professional Practices of Internal Auditing (Standard) and delivers a high standard of service with due professional care to support the Company's good corporate governance policy and practice, adding value to both the Company's stakeholders and the Company's sustainable development.

The Internal Audit Office evaluates and improves the effectiveness of internal control, risk management and governance processes according to annual audit plan. The Internal Audit Office creates an annual audit plan, approved by the Audit Committee, after consideration of overall objectives, strategies, mission, and the Risk Based Audit Approach, including key control points and management opinions. The Internal Audit Office also consults and advises on the preparation of internal control measures and risk management, etc. to ensure that company performance follows its strategies and achieves its goal and objectives. Furthermore, the Internal Audit Office regularly performs monitoring activities to ensure the planned system can be performed continually and it has been revised and updated regularly.

In assessing the effectiveness of Risk Management, the Internal Audit Office reviews event identification and risk factors which affect the Company's objectives, and then reviews the Risk Management approach. This ensures the accuracy of both event identification and risk assessment, and ensures that a systematic Risk Management approach exists. It also ensures that risk is managed at the appetite level, is reported timely to all relevant personnel, and is reviewed continuously.

In assessing external and internal fraud risks management, the internal audit Office performs fraud risk assessment and events identification and then evaluates the possibility of external and internal fraud. The Internal Audit Office also considered the most effective measures to prevent and control risk to ensure that the Company achieves its objectives.

The Head of Internal Audit acts as the secretary to the Audit Committee to enhance the effective achievement of its responsibilities and ensure accountability as assigned by the Board of Directors and also provide recommendations and suggestions in various aspects which are beneficial to the organization. Moreover, the Audit Committee also emphasized quality and development of internal audit task and also encouraged the internal audit personnel to develop themselves on continued and regular basis.

Head of Internal Audit and Head of Compliance Unit

Head of Internal Audit

In the Audit Committee's Meeting 4/2013 on August 13, 2013 has approved the appointment of Mrs. Duangsamorn Nutprasasn who had adequate education, working experience and training courses as the Company's Head of Internal Audit.

The Audit Committee is responsible for consideration the independence of the Internal Audit unit as well as the appointment, transfer and dismissal of the chief of on internal audit unit or any other unit in charge of an internal audit. Details about education, experience and training of the head of internal audit were shown in the section "The Board of Directors, Management, Company Secretary and Head of Internal Audit". Result of Internal Auditor Assessment is shown in the section "Corporate Governance" under the topic of "Internal Auditor Assessment"

Furthermore, Head of Internal Audit is able to give useful information, recommendation to any department in the Company regarding general practice in accordance with the laws and regulations as well.

Head of Compliance Unit

The Company does not have a separate Compliance Unit, however, the Company's Compliance Unit is the responsibility of Company Secretary to ensure that the Company correctly complied with rules and regulations of the SEC, the SET and the Public Company Limited Act and other relevant laws. Responsibilities of Company Secretary as Head of Compliance Unit are as follows:

- Perform duty with responsibility, Caution and honesty as stipulated by laws and other relevant regulations
- Supervise and oversee the operation activities of the Board of Directors and propose recommendations to the Board concerning the Company's regulations and the regulations of the related department.

Risk Management

The Company emphasizes the importance and value of risk management. Therefore, the Company appoints the Chairman of the Executive Committee as the Chairman of the Risk Management Committee, together with the Chief Executive Officer and senior management as members of the committee. In 2014, the Risk Management Committee conducted 3 meetings in order to monitor and follow up the accomplishment of risk management by considering the management action plans and the reliable measured results of the plans. At each meeting, the responsible management reported the results of risk managements approach which identified in the previous meeting to the Risk Management Committee to discuss whether risk level has been successfully mitigated, thus resulting in effective risk management.

Risk management is the important component of all business process and connects to all level in the organization. The Company annually prepares Corporate Risk Profile and classifies major risk factors that may impact its goals by Strategic Risk, Business Risk, Operational Risk, Financial Risk and Event Risk. The Company prioritizes the risks, designs risk management concept and assign the person in charge for managing and controlling the risk to the acceptable level. This enabled the Company to accomplish its goals and strategic and build confidence for all shareholders and stakeholders. The Risk Management Committee continuously monitors any change of each risk factor.

Consequently, the Company set up comprehensive Risk Management Policy in Company's Corporate Governance Policy and discloses on the Company's website at www.i-mobilephone.com. Details are as follows:

1. Preparation of risk management plan by each department to support the Company's master business plan and to cope with business risks for the Company's goal achievement;
2. Risk management will be carried according to the plan mentioned above. Each responsible department has prioritized the risks by evaluating the overall risk profile and its potential impact to the organization. The appropriate risk mitigation criteria shall be determined in conjunction with each department where as internal audit department undertaking role as risk coordinator and reviewer;



3. Risk Management countermeasures shall be implemented and regularly followed up by the Risk Management Committee comprising of each concerning management in a quarterly meeting as outlined in the risk management plan. All countermeasures shall be followed and reviewed by internal audit department to ensure that the final outcome is agreeable with the Company's proposed objectives.

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

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 adherence. The Corporate Governance Committee's Meeting No. 2/2014 and No. 1/2015 had reviewed Anti-Corruption Policy and proposed to the Board of Directors' Meeting No. 1/2015 to consider and approve the policy. The Anti-Corruption Policy has been disclosed in the Company's Business Ethics manual and posted on the Company's websites at www.i-mobilephone.com for directors, executives and employees to adhere. Details of the policy are as follows:

Anti-Corruption Policy

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 though 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.

General Operating Guidelines

1. Process of risk assessment and risk management.

The Company has an Internal Audit Department to audit operations which may trend to have risks of all departments of each company, including risks from corruption to ensure that all departments have appropriated internal control system in place, both on preventive control and defective control. If it is found that any department does not have adequate internal control system or there is a corruption case, such matter shall be reported to the Audit Committee and the high level executives. Preventive guidelines must have also been reported in order to improve the internal control system.

2. Protection

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

3. Training and Communication

To encourage operations pursuant to anti-corruption policies by providing training to employees to promote honesty, integrity and best practices on good conduct and ethics for employees including code of business ethics of the Company during the orientation of the new employees. All employees can access to such information via HR Website (www.samarthre.com).

4. Reporting Channels

To supervise on compliance with anti-corruption policies, the Company encourages its employees and stakeholders to report any policy violations, unfair practices or any misconduct, i.e. against good governance principles, code of business ethics, rules & regulations of the Company or the laws. Such matter can be reported to the Chairman of the Audit Committee via postal services at the designated address provided in the Company's website or it can be submitted by person. The Chairman of the Audit Committee shall proceed pursuant to the procedures and then forward to the members of the Audit Committee for further consideration. The Company shall protect the whistle blower by not disclosing name of such whistle blower to any person.

5. Regulatory and monitoring of the implementation of the policy.

The Internal Audit Department shall summarize the audit result only the corruption issues of each department during the previous year and report to the Audit Committee annually with recommendations to solve the problems.

Result of the implementation of such policies in 2014 caused the following matters:

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

Moreover, the Company is also aware of the importance on anti-corruption, hence, the Company's representatives are sent to attend various meetings in relation to the prevention and detection of fraud in organizations such as General Practice for Anti-corruption by IOD and IT Fraud Prevention and Information Security Governance by the SET and the Institute of Internal Auditors of Thailand etc.

Connected Transactions

1. Related transactions which might have conflicts of interest for the year ended December 31, 2014 were as follows:

Related Parties	Transaction Type	Value of Transaction (Million Baht)	Necessity of Transactions
1. Samart Corporation Plc. (SC) The major shareholder of Samart I-Mobile Plc. (SIM) with 70.94% shareholding.	Samart I-Mobile Plc. (SIM) and its subsidiaries paid for rental and utility service fee to Samart Corporation Plc. (SC) as follows: - Samart I-Mobile Plc. - Samart Multimedia Co., Ltd. (Subsidiary of SIM) - Entertainment Tree Co., Ltd. (Subsidiary of SIM) - Brain Source Co., Ltd. (Subsidiary of SIM) (Total outstanding as at December 31, 2014 was Baht 1,838,427.66)	19.820 8.115 0.098 1.235	The rental and service charge for public utilities were reasonable compared to market price in nearby area and the same price compared with other renters. The Audit Committee in its meeting No. 1/2015 on February 24, 2015, resolved that such rental has the same rate charged to other customers.
<u>Director and Management of SC</u> (related person) 1. Mr. Charoenrath Vilailuck 2. Mr. Watchai Vilailuck 3. Mr. Sirichai Rasameechan 4. Mr. Jong Diloksombat	Samart I-Mobile Plc. (SIM) sold mobile phone and accessories to Samart Corporation Plc. and its subsidiaries as follows: - Samart Corporation Plc. (SC) - Samart Engineering Co., Ltd. (Subsidiary of SC) - One To One Contacts Plc. (SC is a major shareholder) - Vision and Security System Co., Ltd. (Subsidiary of SC) - Samart U-Trans Co., Ltd. (Subsidiary of SC) - Teda Co., Ltd. (Subsidiary of SC) - Transec Power Plant Co., Ltd. (Subsidiary of SC) - Cambodia Air Traffic Services Co., Ltd. (Subsidiary of SC) - Suvarnabhumi Environment Care Co., Ltd. (Subsidiary of SC) - Samart Telcoms Plc. (STC) (SC is a major shareholder) - Samart Communication Services Co., Ltd. (Subsidiary of STC) - Posnet Co., Ltd. (Subsidiary of STC)	0.771 0.119 0.254 0.105 0.032 0.147 0.044 0.370 0.003 3.920 3.845 0.143	The Audit Committee in its meeting No.1/2015 on February 24, 2015 resolved that it was a normal business transaction for sale and purchase of goods according to the general trade conditions.



Related Parties	Transaction Type	Value of Transaction (Million Baht)	Necessity of Transactions
	- Portalnet Co., Ltd. (Subsidiary of STC) - Samart Comtech Co., Ltd. (Subsidiary of STC) - Samart Infonet Co., Ltd. (Subsidiary of STC) - Smarterware Co., Ltd. (Subsidiary of STC) - Thai Trednet Co., Ltd. (Subsidiary of STC) - Samart Ed Tech Co., Ltd. (Subsidiary of STC) - Net Service (Thailand) Co., Ltd. (Subsidiary of STC) (Total outstanding as at December 31, 2014 was Baht 2,711,140)	0.083 1.276 0.175 0.079 0.007 0.008 0.010	
	Samart Multimedia Co., Ltd. (Subsidiary of SIM) sold EDT Guide Book, Horoworld and provided messaging services to Samart Corporation Plc. and its subsidiaries as follows; - Samart Corporation Plc. (SC) - One To One Contacts Plc. (SC is a major shareholder) - Samart Telcoms Plc. (STC) (SC is a major shareholder) - Samart Communication Services Co., Ltd. (Subsidiary of STC) (Total outstanding as at December 31, 2014 was Baht 2,818,150.38)	0.003 6.462 0.009 0.010	The Audit Committee in its meeting No.1/2015 on February 24, 2015 resolved that it was a normal business transaction for sale and purchase of goods and services according to the general trade conditions.
	Samart Multimedia Co., Ltd. (Subsidiary of SIM) Sold Gift and Sacred object to Samart Corporation Plc. and its subsidiaries as follows; - Samart Corporation Plc. (SC) - Samart Engineering Co., Ltd. (Subsidiary of SC) - One To One Contacts Plc. (SC is a major shareholder) - Vision and Security System Co., Ltd. (Subsidiary of SC)	0.513 0.004 0.007 0.029	The Audit Committee in its meeting No.1/2015 on February 24, 2015 resolved that it was a normal business transaction for sale and purchase of goods according to the general trade conditions.

Related Parties	Transaction Type	Value of Transaction (Million Baht)	Necessity of Transactions
	- Suvarnabhumi Environment Care Co., Ltd. (Subsidiary of SC) - Teda Co., Ltd. (Subsidiary of SC) - Samart Telcoms Plc. (STC) (SC is a major shareholder) - Samart Communication Services Co., Ltd. (Subsidiary of STC) - Posnet Co., Ltd. (Subsidiary of STC) - Portalnet Co., Ltd. (Subsidiary of STC) - Samart Comtech Co., Ltd. (Subsidiary of STC) - Samart Infonet Co., Ltd. (Subsidiary of STC) - Smarterware Co., Ltd. (Subsidiary of STC) - Samart Ed Tech Co., Ltd. (Subsidiary of STC)	0.007 0.010 0.675 0.704 0.041 0.045 0.734 0.140 0.033 0.003	
	I-Mobile Plus Co., Ltd. (Subsidiary of SIM) sold sim card and 3G mobile phone services to Samart Corporation Plc. and its subsidiaries as follows; - Samart Corporation Plc. (SC) - Samart Engineering Co., Ltd. (Subsidiary of SC) - One To One Contacts Plc. (SC is a major shareholder) - Suvarnabhumi Environment Care Co., Ltd. (Subsidiary of SC) - Samart U-Trans Co., Ltd. (Subsidiary of SC) - Teda Co., Ltd. (Subsidiary of SC) - Transec Power Service Co., Ltd. (Subsidiary of SC) - Vision and Security System Co., Ltd. (Subsidiary of SC) - Samart Telcoms Plc. (STC) (SC is a major shareholder) - Samart Communication Services Co., Ltd. (Subsidiary of STC)	0.434 0.116 0.064 0.016 0.039 0.126 0.128 0.077 0.331 0.873	The Audit Committee in its meeting No.1/2015 on February 24, 2015 resolved that it was a normal business transaction for sale and purchase of goods and services according to the general trade conditions.



Related Parties	Transaction Type	Value of Transaction (Million Baht)	Necessity of Transactions
	- Posnet Co., Ltd. (Subsidiary of STC) - Thai Trade Net Co., Ltd. (Subsidiary of STC) - Samart Comtech Co., Ltd. (Subsidiary of STC) - Samart Infonet Co., Ltd. (Subsidiary of STC) - Smarterware Co., Ltd. (Subsidiary of STC) - Portalnet Co., Ltd. (Subsidiary of STC) (Total outstanding as of December 31, 2014 was Baht 351,303.68)	0.009 0.036 0.119 0.122 0.017 0.012	
	Samart I-Mobile Plc. and its subsidiaries paid for Management fee to Samart Corporation Plc.	12.000	Provide services on Management and Administration, the fee was calculated by estimating from times usage. The Audit Committee had its meeting No.1/2015 on February 24, 2015 and resolved that it was reasonable price.
	Samart I-Mobile Plc. and its subsidiaries paid Information Technology fee to Samart Corporation Plc. as follows; - Samart I-Mobile Plc. - Samart Multimedia Co., Ltd. (Subsidiary of SIM) - Samart Mobile Services Co., Ltd. (Subsidiary of SIM) - I-Mobile Plus Co., Ltd. (Subsidiary of SIM) - I-Mobile International Co., Ltd. (Subsidiary of SIM)	16.440 8.628 0.024 0.012 0.324	The Audit Committee in its meeting No.1/2015 on February 24, 2015 resolved that it was a normal business transaction for sale and purchase of services according to the general trade conditions.
	Samart I-Mobile Plc. and its subsidiaries paid miscellaneous expenses for example; training room rental, telephone preventive-maintenance and etc. to Samart Corporation Plc. as follows; - Samart I-Mobile Plc. - Samart Mobile Services Co., Ltd. (Subsidiary of SIM) - Samart Multimedia Co., Ltd. (Subsidiary of SIM) - I-Mobile International Co., Ltd. (Subsidiary of SIM)	0.047 0.001 0.017 0.010	The Audit Committee in its meeting No.1/2015 on February 24, 2015 resolved that it was a normal business transaction for sale and purchase of goods and services according to the general trade conditions.

Related Parties	Transaction Type	Value of Transaction (Million Baht)	Necessity of Transactions
	- I-Mobile Plus Co., Ltd. (Subsidiary of SIM)	0.002	
	Samart I-Mobile Plc. and its subsidiaries bought set top box from Samart Engineering Co., Ltd. as follows: - Samart I-Mobile Plc. - Samart Multimedia Co., Ltd. (Subsidiary of SIM) (Total outstanding as at December 31, 2014 was Baht 134,402,766.18)	183.459 0.014	The Audit Committee in its meeting No.1/2015 on February 25, 2015 resolved that it was a normal business transaction for sale and purchase of used asset at the market price.
	Samart I-Mobile Plc. (SIM) sold wood pallets to Samart Engineering Co., Ltd.	0.012	The Audit Committee in its meeting No.1/2015 on February 24, 2015 resolved that it was a normal business transaction for sale and purchase of services according to the general trade conditions.
	Samart I-Mobile Plc. (SIM) sold car to Samart Telcoms Plc.	1.335	The Audit Committee in its meeting No.1/2015 on February 25, 2015 resolved that it was a normal business transaction for sale and purchase of used asset at the market price.
	Samart I-Mobile Plc. and its subsidiaries paid contact center management fee to One To One Contacts Plc. as follows. - Samart I-Mobile Plc. - Samart Multimedia Co., Ltd. (Subsidiary of SIM) - I-Mobile Plus Co., Ltd. (Subsidiary of SIM) (Total outstanding as at December 31, 2014 was Baht 29,425)	7.189 28.113 12.675	The Audit Committee in its meeting No.1/2015 on February 24, 2015 resolved that it was a normal business transaction for sale and purchase of services according to the general trade conditions.
	Samart I-Mobile Plc. paid fees of mobile phone repair to Samart Engineering Co., Ltd.	0.175	The Audit Committee in its meeting No.1/2015 on February 24, 2015 resolved that it was a normal business transaction for sale and purchase of services according to the general trade conditions.
	Samart I-Mobile Plc. and its subsidiaries bought Call Center System from One To One Contacts Plc. as follows. - Samart I-Mobile Plc. - I-Mobile Plus Co., Ltd. (Subsidiary of SIM) (Total outstanding as at December 31, 2014 was Baht 40,051,000)	22.500 16.800	The Audit Committee in its meeting No.1/2015 on February 24, 2015 resolved that it was a normal business transaction for sale and purchase of services according to the general trade conditions.

Related Parties	Transaction Type	Value of Transaction (Million Baht)	Necessity of Transactions
	I-Mobile Plus Co., Ltd. (Subsidiary of SIM) bought 3GX Software from Samart Communication Services Co., Ltd.	4.920	The Audit Committee in its meeting No.1/2015 on February 24, 2015 resolved that it was a normal business transaction for sale and purchase of services according to the general trade conditions.
	Samart Multimedia Co., Ltd. (Subsidiary of SIM) bought Billing System Software from Smarterware Co., Ltd.	7.200	The Audit Committee in its meeting No.1/2015 on February 24, 2015 resolved that it was a normal business transaction for sale and purchase of services according to the general trade conditions.
	Samart Multimedia Co., Ltd. (Subsidiary of SIM) bought car from Samart Comtech Co., Ltd.	0.350	The Audit Committee in its meeting No.1/2015 on February 24, 2015 resolved that it was a normal business transaction for sale and purchase of used asset at the market price.
	Samart I-Mobile Plc. and its subsidiaries paid internet services to Samart Infonet Co., Ltd. as follows.		The Audit Committee in its meeting No.1/2015 on February 24, 2015 resolved that it was a normal business transaction for sale and purchase of services according to the general trade conditions.
	- Samart I-Mobile Plc. - Samart Multimedia Co., Ltd. (Subsidiary of SIM) - I-Mobile International Co., Ltd. (Subsidiary of SIM) - I-Mobile Plus Co., Ltd. (Subsidiary of SIM) - Brain Source Co., Ltd. (Subsidiary of SIM) (Total outstanding as at December 31, 2014 was Baht 472,138.92)	2.500 3.480 0.015 1.842 0.024	
2. Vilailuck International Holding Co., Ltd. (VH) The major shareholder of Samart Corporation Plc. (SC) with 17.12% shareholding and SC is the major shareholder of Samart I-Mobile Plc. (SIM)	Samart I-Mobile Plc. (SIM) and its subsidiaries paid space rental, services charge for public utilities, parking fee, property tax and etc. to Vilailuck International Holding Co., Ltd. as follows: - Samart I-Mobile Plc. - Samart Multimedia Co., Ltd. (Subsidiary of SIM) - I-Mobile Plus Co., Ltd. (Subsidiary of SIM) - Brain Source Co., Ltd. (Subsidiary of SIM)	3.417 5.905 3.791 0.003	The rental and service charge for public utilities were reasonable compared to market price in nearby area and the same price compared with other renters. The Audit Committee in its meeting No. 1/2015 on February 24, 2015 resolved that such rental was the same rate charged to other customers.
<u>Related Directors</u> 1. Mr. Charoenrath Vilailuck 2. Mr. Watchai Vilailuck 3. Mr. Thananan Vilailuck			

Related Parties	Transaction Type	Value of Transaction (Million Baht)	Necessity of Transactions
	- I-Sport Co., Ltd. (Subsidiary of SIM)	0.015	
	- Samart Interactive Media Co., Ltd. (Subsidiary of SIM) (Total outstanding as at December 31, 2014 was Baht 977,371.68)	0.003	
	Samart I-Mobile Plc. (SIM) sold mobile phone and accessories to Vilailuck International Holding Co., Ltd. (Total outstanding as at December 31, 2014 was Baht 65,430)	0.061	The Audit Committee in its meeting No.1/2015 on February 24, 2015 resolved that it was a normal business transaction for sale and purchase of goods according to the general trade conditions.
	Samart Multimedia Co., Ltd. (Subsidiary of SIM) sold EDT Guide Book to Vilailuck International Holding Co., Ltd	0.041	The Audit Committee in its meeting No.1/2015 on February 24, 2015 resolved that it was a normal business transaction for sale and purchase of goods according to the general trade conditions.
	Samart Multimedia Co., Ltd. (Subsidiary of SIM) sold EDT Guide Book to Vilailuck International Holding Co., Ltd	0.041	The Audit Committee in its meeting No.1/2015 on February 24, 2015 resolved that it was a normal service business transaction according to the general trade conditions.
	Entertainment Tree Co., Ltd. (Subsidiary of SIM) provide advertising service “Reedicious” to Vilailuck International Holding Co., Ltd (Total outstanding as at December 31, 2014 was Baht 16,050)	0.015	The Audit Committee in its meeting No.1/2015 on February 24, 2015 resolved that it was a normal business transaction for sale and purchase of goods according to the general trade conditions.
3. Phupa Tara Co., Ltd. whose major shareholder of 99.99% is Vilailuck Development Co., Ltd. (VLX) and VIH is the major shareholder of VLX and SC, where SC is the major shareholder of Samart I-Mobile Plc. (SIM)	Samart Multimedia Co., Ltd. (Subsidiary of SIM) paid the seminar fees at the Marriott Rayong to Phupa Tara Rayong Co., Ltd.	0.075	The Audit Committee in its meeting No.1/2015 on February 24, 2015 resolved that it was a normal service business transaction according to the general trade conditions.
<u>Related Directors</u>			
1. Mr. Charoenrath Vilailuck			
2. Mr. Watchai Vilailuck			
3. Mr. Thananan Vilailuck			

Related Parties	Transaction Type	Value of Transaction (Million Baht)	Necessity of Transactions
4. Phupa Tara Khao Yai Co., Ltd. whose major shareholder of 49.99% is Vilailuck Development Co., Ltd. (VLX) and VIH is the major shareholder of VLX and SC, where SC is the major shareholder of Samart I-Mobile Plc. (SIM) <u>Related Directors</u> 1. Mr. Watchai Vilailuck	Samart I-Mobile Plc. (SIM) sold mobile phones and accessories to Phupa Tara Khao Yai Co., Ltd.	0.026	The Audit Committee in its meeting No.1/2015 on February 24, 2015 resolved that it was a normal business transaction for sale and purchase of goods according to the general trade conditions.
	Samart Multimedia Co., Ltd. provided the advertisement service in EDT magazine to Phupa Tara Khao Yai Co., Ltd.	0.112	The Audit Committee in its meeting No.1/2015 on February 24, 2015 resolved that it was a normal service business transaction according to the general trade conditions.
	Samart Interactive Media Co., Ltd. provided the horoscope service to Phupa Tara Khao Yai Co., Ltd.	0.030	The Audit Committee in its meeting No.1/2015 on February 24, 2015 resolved that it was a normal service business transaction according to the general trade conditions.
	Samart Multimedia Co., Ltd. (Subsidiary of SIM) sold gift voucher to Phupa Tara Khao Yai Co., Ltd.	0.005	The Audit Committee in its meeting No.1/2015 on February 24, 2015 resolved that it was a normal business transaction for sale and purchase of goods according to the general trade conditions.
5. IQ Wine Co., Ltd., there is the Executive Director who is the related person. <u>Related Directors</u> 1. Mr. Thananan Vilailuck	Samart I-Mobile Plc. bought wines from IQ Wine Co., Ltd. (Total outstanding as at December 31, 2014 was Baht 262,300.01)	4.172	The Audit Committee in its meeting No.1/2015 on February 24, 2015 resolved that it was a normal business transaction for sale and purchase of goods according to the general trade conditions.

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

2.1 Necessity and Rationale of transactions

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

2.2 Measures and Steps of Approval for Connected Transactions

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

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

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

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

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

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

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

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

2.3 Policy and Trend in Future Connected Transactions

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



Management Discussion and Analysis

Financial Statements

Summary of Financial Positions and Operating Results of Samart I-Mobile Public Company Limited and Its Subsidiaries

(Unit: Million Baht)

Item	As at December 31		
	2012 ⁽¹⁾	2013	2014
Cash and cash equivalents	306	411	140
Account receivables - net	3,184	3,652	5,941
Inventories	682	1,670	2,516
Land, building and equipment - net	602	615	760
Total assets	5,488	7,283	10,638
Overdrafts and short-term loans	1,813	2,373	5,625
Account payables	805	1,342	1,173
Total liabilities	2,896	4,095	7,218
Paid up capital	430	437	440
Retained earnings	1,042	1,522	1,703
Non-controlling interests of the subsidiaries	36	40	92
Shareholders' equity	2,592	3,188	3,420
Revenues from sales and services	6,940	10,239	12,370
Selling support income	45	19	29
Total revenues	7,042	10,300	12,494
Cost of sales and services	5,622	7,693	9,743
Selling and Administrative expenses including other expenses	1,120	1,714	1,806
Finance Cost	124	78	142
Net profit	161	807	710
Earning per share (Baht)	0.037	0.185	0.162
Cash flow from (used in) operating activities	763	(90)	(2,586)
Cash flow used in investing activities	(194)	(162)	(324)
Cash flow from (used in) financing activities	(614)	350	2,631
Net increase (decrease) in cash and cash equivalents	(26)	105	(271)
Par value per share (Baht)	0.10	0.10	0.10
Ordinary shares outstanding ⁽²⁾ (Million shares)	4,303.94	4,373.47	4,400.25
Weighted average number of ordinary shares ⁽²⁾ (Million shares)	4,301.42	4,348.49	4,393.75
Book value per share (Baht)	0.60	0.73	0.78
Dividend per share (Baht)	0.025	0.110	0.090

Remarks: ⁽¹⁾ Restatement due to the impact of deferred tax, which effective from year 2013.

⁽²⁾ During the year 2012-2014, the Company's paid up capital was increased from the exercise of warrants offering to the Company's directors and employees of the Company and its subsidiaries.

Financial Ratios of Samart I-Mobile Public Co., Ltd. and its Subsidiaries

Financial Ratio		As at December 31		
		2012 ⁽¹⁾	2013	2014
LIQUIDITY RATIO				
Current ratio	(Times)	1.59	1.54	1.31
Quick ratio ⁽²⁾	(Times)	1.26	1.03	0.87
Cash turnover	(Times)	0.25	(0.03)	(0.46)
Receivable turnover ratio	(Times)	2.14	3.00	2.58
Average collection period	(Days)	169	121	140
Inventory turnover ratio	(Times)	8.01	6.54	4.65
Average sale period	Days	45	56	78
Payable turnover ratio	(Times)	7.80	7.17	7.75
Payment period	(Days)	47	51	47
Cash conversion cycle	(Days)	167	126	171
PROFITABILITY RATIO				
Gross profit ⁽³⁾	(%)	19.51	25.00	21.42
Operating profit margin ⁽⁴⁾	(%)	2.51	7.95	6.47
Other profit margin	(%)	0.81	0.42	0.76
Operating cash flow to profitability	(%)	434.74	(11.04)	(322.08)
Net profit margin	(%)	2.28	7.83	5.69
Return on equity	(%)	6.53	28.28	21.93
EFFICIENCY RATIO				
Return on assets	(%)	2.87	12.63	7.93
Return on fixed assets	(%)	60.90	160.54	128.66
Asset turnover	(Times)	1.26	1.61	1.39
FINANCIAL POLICY RATIO				
Debt to equity	(Times)	1.12	1.28	2.11
Interest coverage ⁽⁵⁾	(Times)	2.42	11.48	6.68
Debt serviceability ⁽⁵⁾	(Times)	1.24	1.81	0.98
Dividend payout ratio	(%)	67.68	59.31	55.56

Remarks: ⁽¹⁾ Restatement due to the impact of deferred tax, which effective from year 2013.

⁽²⁾ Quick ratio was calculated by including restricted cash deposits.

⁽³⁾ Gross profit was calculated by including sales support revenue.

⁽⁴⁾ Operating profit was defined as earnings before tax and non-controlling interests of the subsidiaries.

⁽⁵⁾ Earnings before interest and tax were used to calculate these ratios.

Operation Overview

In 2014, the Company and subsidiaries reported total revenues of Baht 12,494 million, an increase of Baht 2,194 million or 21.29% compared to 2013. This was primarily resulted from a growth of i-mobile handset sold via an expansion of distribution channels to fulfill more various customers and enhance competitiveness during a current slowdown of mobile market. In addition, the revenue of Service Provider Business grew through prepaid service as a successful bundling package with smart phone, both i-mobile and other brands, in corporate with “direct marketing” strategy to capture company’s target customers.

Operating profit of Baht 803 million, slightly decreased by Baht 12 million or 1.54% compared to 2013. Operating profit margin decreased 1.47% to 6.47% in 2014, as a declining in gross profit margin of Mobile Business due to stronger competition in smart phone domestic market during 2014. Net profit was Baht 710 million, a considerably decrease of Baht 97 million or 11.93% compared to the previous year, as because of a deferred tax benefit in 2013. Net profit margin and Return on Equity (ROE) were 5.69% and 21.93%, a decrease of 2.14% and 6.34% respectively, compared to the previous year.

Operating Results of the Company and Subsidiaries

Sales and service income including gross profit

Unit: Million Baht)

	Mobile Business		Multimedia Business		Service Provider		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
Sales and service income	11,321	9,098	749	947	300	194	12,370	10,239
Selling support income	29	19	-	-	-	-	29	19
Cost of sales and service	(9,038)	(6,899)	(518)	(651)	(187)	(143)	(9,743)	(7,693)
Gross profit	2,312	2,218	231	296	113	51	2,656	2,565
Selling and administrative expenses including other expenses							(1,806)	(1,714)
Other income							94	43
Finance cost							(142)	(78)
Corporate income tax							(83)	(5)
Non-controlling interests of the subsidiaries							(9)	(4)
Net income							710	807

Mobile Business

Revenue of Mobile Business, including selling support income, was Baht 11,350 million, considerably improved by Baht 2,233 million or 24.51% compared to 2013. The improvement was driven by the growth of i-mobile handset sold in the period. In addition, the portion of smart phone was accounted for 75% of total i-mobile handset sold in 2014. Gross profit improved by 94 million or 4.25%, while gross profit margin decreased from 24.33% in 2013 to 20.37% in 2014.

Multimedia Business

Revenue of Multimedia Business was Baht 749 million, a decrease of Baht 198 million or 20.93% compared to 2013, mainly from information and entertainment services (BUG1113, BUG1900, BUG2MOBILE). However, revenue from “EDT Guide” Eat/Drink/Travel information providing business persistently increased in 2014. Gross profit was Baht 231 million and gross profit margin was 30.82%, slightly dropped from 31.24% in 2013.

Service Provider Business

The revenue of Service Provider Business was Baht 300 million, considerably improved by Baht 106 million or 54.25% compared to 2013. This was mainly resulted from a growth of prepaid subscribers as the successful bundling package. Gross profit was Baht 113 million in 2014, significantly improved by Baht 62 million or 122.43% compared to the previous year. Gross profit margin rose from 26.12% in 2013 to 37.66% in 2014.

Other Income

Other income was Baht 95 million, an increase of Baht 52 million or 122.07%, representing 0.76% of total revenues in 2014. The increase was primarily by a higher gain on foreign exchange and compensation claimed from suppliers.

Selling and Administration Expenses including Other Expenses

Selling and administration expenses including other expenses were Baht 1,806 million, an increase of Baht 92 million or 5.36% compared to 2013. This was mainly from higher marketing expenses, and after sale service expenses in line with the growth of revenue in 2014.

Finance Cost

Finance cost was Baht 142 million, an increase of Baht 64 million or 81.77% compared to 2013, as an increase in loan outstanding during the period to facilitate higher working capital requirement in relative to the growth of revenue.

Income Tax

Income tax expenses were totally Baht 83 million, an increase from 2013 of Baht 78 million or 1,693.11%, as a result of the deferred tax benefit in 2013.

Financial Position

Assets

As at 31 December 2014, total assets were Baht 10,638 million, an increase of Baht 3,355 million or 46.08% compared to the end of 2013. This was driven mainly by an increase in trade account receivables and inventories in relative to higher sales of Mobile Business in 2014. The portion of trade account receivables and inventories were 55.84% and 23.65% of total assets respectively.

Total non-current assets were Baht 1,302 million, an increase of 251 million or 23.94% compared to the end of 2013, representing 12.24% of total assets, in which equipment was a major component with 7.14% of total assets. Return on Asset (ROA) declined from 12.63% in 2013 to 7.93% in 2014 as a declining in gross profit margin of Mobile Business as well as an increase in trade account receivables and inventories in relative to higher sales of Mobile Business.

Trade Receivables

As at 31 December 2014, trade receivables was Baht 5,941 million, an increase of Baht 2,289 million or 62.68% compared to the end of 2013. This was contributed by an increase in undue and overdue (less than 6 months) trade account receivables of Mobile Business. Accordingly, the average collection period increased to 140 days in 2014, compared with 121 days in 2013.

Allowance for doubtful accounts was provided through an estimation of uncollectible receivables, which based on company's collection experience, analysis of debtor aging, and current status of receivables outstanding at balance sheets date.



Inventories

As at 31 December 2014, net inventories was Baht 2,516 million, increased by Baht 846 million or 50.63% compared to the end of 2013. This was mainly contributed by an increase in finished goods of Mobile Business to support higher sales of Mobile Business. Accordingly, the average sale period rose from 56 days in 2013 to 78 days in 2014.

An allowance for obsolescence has complied with the Company's policy and there was no significant change during the year compared to 2013. The Company and subsidiaries recorded a decrease of 34 million for the allowance during 2014.

Other Current Assets

As at 31 December 2014, other current assets were Baht 570 million, an increase of Baht 284 million or 99.23% compared to the end of 2013, mainly from an increase in prepaid expenses, input tax refundable, and advance for purchase of inventories.

Non-Current Assets

As at 31 December 2014, non-current assets were Baht 1,302 million, increased by Baht 251 million or 23.94% from the end of 2013. This was mainly contributed by an increase in equipment, available-for-sale investments, and goodwill incurred from the purchase of 100% ordinary shares of Siam Sport Television Co., Ltd. (at 26 December 2014) by a subsidiary with 50% of indirect shares held by the Company.

Liquidity

As at 31 December 2014, cash and cash equivalents were Baht 140 million, a decrease of Baht 271 million or 66.04% compared to the end of 2013. Sources and uses of fund are detailed as follows:

- Net cash flows used in operating activities of Baht 2,586 million was mainly attributed to the higher trade receivables and inventories in relative to the higher revenue of Mobile Business in 2014.
- Net cash flows used in investing activities of Baht 324 million was mainly attributed to the purchase of equipment to support business, available-for-sale investments, and acquisition of investment in a new subsidiary for business expansion.
- Net cash flows from financing activities of Baht 2,631 million was mainly attributed to an increase in loans from financial institutions to facilitate higher working capital requirement in 2014.

Liquidity ratio decreased from 1.54 times to 1.31 times and quick ratio decreased from 1.03 times to 0.87 times, in addition to a decrease in cash ratio from (0.03) times to (0.46) times in 2013 and 2014 respectively.

Sources of Funds

As at 31 December 2014, total shareholders' equity was Baht 3,420 million, an increase of Baht 232 million or 7.28% compared to the end of 2013. Accordingly, net profit in 2014 was Baht 710 million, with Baht 528 million dividend payments during the year.

Total liabilities as at 31 December 2014 were Baht 7,218 million, increased Baht 3,123 million or 76.29% compared to the end of 2013. Total liabilities consist of current liabilities of Baht 7,146 million, and non-current liabilities of Baht 72 million, representing 67.17% and 0.68% of total assets respectively. Major components are detailed as follows:

- Bank overdrafts and loans from financial institutions were Baht 5,625 million, representing 77.92% of total liabilities or 52.87% of total assets, an increase of Baht 3,252 million or 137.01% from the end of 2013
- Trade payables and other payables were Baht 1,453 million, representing 20.12% of total liabilities or 13.65% of total assets, decreased Baht 156 million or 9.69% from the end of 2013.

Regarding above liabilities and shareholders' equity, the Company's debt to equity ratio increased to 2.11 times from 1.28 times in 2013.

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

Dear Shareholders

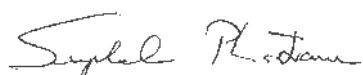
The Company's Board of Directors is responsible for the financial statements of Samart I-Mobile Public Company Limited and the consolidated financial statements of the Company and its subsidiaries as well as the information that appears in the annual report. The financial statements are prepared in accordance with Thai Financial Reporting Standards. Appropriate accounting policies are used and practiced regularly. Careful consideration and best estimates were made with sufficient disclosure of information in the notes to the financial statements. This was to ensure transparency and benefits to the shareholders and investors.

The Board of Directors has provided for and maintained appropriate and effective internal control system to obtain reasonable assurance that the accounting information is accurate, complete and sufficient to maintain the Company's assets and to prevent fraud or significant unusual transactions.

In this regard, the Board of Directors appointed the Audit Committee to examine the accounting policies and the quality of the financial reports as well as the internal control and internal audit systems. The opinions of the Audit Committee on these matters appear in the Report of the Audit Committee in this annual report.

The financial statements of Samart I-Mobile Public Company Limited and its consolidated financial statements were audited by EY Office Limited, the Company's auditor. During the audit, the Board of Directors supported the auditor with various information and documents so that the auditor could audit and express its opinions according to the accounting standards. The opinions of the auditor appear in the Report of Independent Auditor in this annual report.

The Board of Directors is of the opinion that the overall internal control system of the Company is at a satisfactory level and can create reasonable confidence that the financial statements of Samart I-Mobile Public Company Limited and its subsidiaries and of Samart I-Mobile Public Company Limited as at December 31, 2014 is creditable presentation in accordance with Thai Financial Reporting Standards and compliance with related laws and regulations.



Professor Suphachai Phisitvanich
Chairman

Samart I-Mobile Public Company Limited



Mr. Watchai Vilailuck
Executive Chairman

Samart I-Mobile Public Company Limited



Independent Auditor's Report

To the Shareholders of Samart I-Mobile Public Company Limited

I have audited the accompanying consolidated financial statements of Samart I-Mobile Public Company Limited and its subsidiaries, which comprise the consolidated statement of financial position as at 31 December 2014, 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 I-Mobile 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 I-Mobile Public Company Limited and its subsidiaries and of Samart I-Mobile Public Company Limited as at 31 December 2014, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

Emphasis of matter

I draw attention to Note 6 to the financial statements regarding the related party transactions. During the year, Samart I-Mobile Public Company Limited and its subsidiaries had significant business transactions with related parties, principally in respect of the purchase and sales of goods, purchase of fixed assets and intangible assets, and the provision of services and loans. Such transactions have been concluded on terms and bases agreed upon between Samart I-Mobile Public Company Limited and those related parties. My opinion is not qualified in respect of this matter.

Other matter

The consolidated financial statements of Samart I-Mobile Public Company Limited and its subsidiaries, and the separate financial statements of Samart I-Mobile Public Company Limited as at 31 December 2013, presented herein as comparative information, were audited by another auditor of our firm who expressed an unqualified opinion on those statements and drew attention to the change in accounting policy as the result of adoption of Thai Accounting Standard 12 Income Taxes and the related party transactions, under her report dated 24 February 2014.



Siriwan Suratepin

Certified Public Accountant (Thailand) No. 4604

EY Office Limited

Bangkok: 20 February 2015

Financial Statements

Samart I-Mobile Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2014

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
Assets					
Current assets					
Cash and cash equivalents	7	139,542,835	410,904,955	47,713,322	200,256,176
Temporary investments	8	11,847,099	9,344,983	11,847,099	9,344,983
Trade and other receivables	9	6,098,919,209	3,855,591,354	6,127,901,507	3,866,892,963
Short-term loans	10	160,337	-	379,376,320	252,756,780
Inventories	11	2,516,167,070	1,670,426,184	2,297,485,319	1,435,046,332
Other current assets	12	569,987,266	286,095,393	199,168,567	113,087,540
Total current assets		9,336,623,816	6,232,362,869	9,063,492,134	5,877,384,774
Non-current assets					
Restricted bank deposits	13	104,627,469	104,625,951	102,949,950	102,970,424
Available-for-sale investments	14	267,359,025	173,103,058	208,966,760	69,000,000
Investments in subsidiaries	15	-	-	463,781,787	549,440,773
Equipment	16	759,766,276	615,351,110	412,358,117	418,837,590
Goodwill		59,562,765	-	-	-
Intangible assets	17	22,141,044	43,083,468	-	-
Deferred tax assets	31	58,356,717	84,729,406	34,829,682	35,621,642
Other non-current assets		29,787,264	29,287,337	22,535,218	21,584,059
Total non-current assets		1,301,600,560	1,050,180,330	1,245,421,514	1,197,454,488
Total assets		10,638,224,376	7,282,543,199	10,308,913,648	7,074,839,262

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

Samart I-Mobile Public Company Limited and its subsidiaries
Statement of financial position (continued)
As at 31 December 2014

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans					
from financial institutions	18	5,537,706,461	2,359,194,258	5,480,180,941	2,177,132,781
Trade and other payables	19	1,452,576,559	1,608,429,133	1,956,196,721	2,271,830,177
Short-term loans	20	18,294,405	-	266,000,000	139,000,000
Current portion of long-term loans from financial institutions	21	35,434,794	1,162,868	-	1,162,868
Current portion of liabilities under finance lease agreements	22	11,062,132	1,518,243	997,314	1,310,644
Income tax payable		13,427,175	5,800,376	145,805	155,965
Other current liabilities	23	77,271,488	78,857,692	36,731,986	36,318,055
Total current liabilities		7,145,773,014	4,054,962,570	7,740,252,767	4,626,910,490
Non-current liabilities					
Long-term loans from financial institutions, net of current portion	21	25,288,999	6,502,198	-	6,502,198
Liabilities under finance lease agreements, net of current portion	22	15,230,951	4,838,154	1,725,904	4,148,274
Provision for long-term employee benefits	24	29,745,362	22,451,389	18,930,604	15,898,727
Deferred tax liabilities	31	-	4,197,625	-	-
Other non-current liabilities		2,138,098	1,618,824	1,481,848	1,618,824
Total non-current liabilities		72,403,410	39,608,190	22,138,356	28,168,023
Total liabilities		7,218,176,424	4,094,570,760	7,762,391,123	4,655,078,513

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

Samart I-Mobile Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2014

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
Liabilities and shareholders' equity (continued)					
Shareholders' equity					
Share capital					
Registered					
4,440,000,000 ordinary shares of Baht 0.1 each		444,000,000	444,000,000	444,000,000	444,000,000
Issued and fully paid-up					
4,400,250,000 ordinary shares of Baht 0.1 each (2013: 4,373,470,000 ordinary shares of Baht 0.1 each)		440,025,000	437,347,000	440,025,000	437,347,000
Share premium		1,230,452,034	1,187,604,034	1,230,452,034	1,187,604,034
Retained earnings					
Appropriated - statutory reserve	26	44,400,000	44,400,000	44,400,000	44,400,000
Unappropriated		1,658,304,653	1,477,405,626	883,417,558	780,409,715
Other components of shareholders' equity		(45,079,444)	1,617,387	(51,772,067)	(30,000,000)
Equity attributable to owners of the Company		3,328,102,243	3,148,374,047	2,546,522,525	2,419,760,749
Non-controlling interests of the subsidiaries		91,945,709	39,598,392	-	-
Total shareholders' equity		3,420,047,952	3,187,972,439	2,546,522,525	2,419,760,749
Total liabilities and shareholders' equity		10,638,224,376	7,282,543,199	10,308,913,648	7,074,839,262

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

Samart I-Mobile Public Company Limited and its subsidiaries

Income statement

For the year ended 31 December 2014

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
Revenues					
Sales		11,173,902,164	9,019,522,628	10,859,189,584	8,889,126,270
Service income		1,195,941,909	1,219,235,083	76,924,342	82,829,179
Other income	27	123,847,544	61,545,327	1,079,211,314	670,823,945
Total revenues		12,493,691,617	10,300,303,038	12,015,325,240	9,642,779,394
Expenses	28				
Cost of sales		8,939,996,466	6,834,337,216	9,569,573,988	7,523,470,099
Cost of services		803,623,362	858,779,115	44,023,168	62,017,334
Selling expenses		1,319,835,106	1,209,006,206	1,185,457,963	1,126,110,638
Administrative expenses		481,269,640	452,620,641	287,480,986	266,674,767
Other expenses	29	4,730,752	52,357,513	141,240,548	4,867,652
Total expenses		11,549,455,326	9,407,100,691	11,227,776,653	8,983,140,490
Profit before finance cost and income tax expenses		944,236,291	893,202,347	787,548,587	659,638,904
Finance cost	30	(141,438,320)	(77,810,708)	(126,917,558)	(68,472,552)
Profit before income tax expenses		802,797,971	815,391,639	660,631,029	591,166,352
Income tax expenses	31	(83,120,761)	(4,635,557)	(28,274,540)	(19,955,148)
Profit for the year		719,677,210	810,756,082	632,356,489	571,211,204
Profit attributable to:					
Equity holders of the Company		710,289,893	806,518,975	632,356,489	571,211,204
Non-controlling interests of the subsidiaries		9,387,317	4,237,107		
		719,677,210	810,756,082		
Earnings per share (Baht)	32				
Basic earnings per share					
Profit attributable to equity holders of the Company		0.162	0.185	0.144	0.131
Diluted earnings per share					
Profit attributable to equity holders of the Company		0.162	0.184	0.144	0.131

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

Samart I-Mobile Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2014

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
Profit for the year		719,677,210	810,756,082	632,356,489	571,211,204
Other comprehensive income (loss):					
Actuarial losses	24	(2,142,607)	-	(2,089,832)	-
Income tax effect	31	428,521	-	417,966	-
		(1,714,086)	-	(1,671,866)	-
Exchange differences on translation of financial statements in foreign currencies		11,643,871	4,435,774	-	-
Income tax effect		-	-	-	-
		11,643,871	4,435,774	-	-
Loss on changes in value of available-for-sale investments	14	(72,925,877)	(12,356,080)	(27,215,084)	(37,500,000)
Income tax effect	31	14,585,175	2,471,216	5,443,017	7,500,000
		(58,340,702)	(9,884,864)	(21,772,067)	(30,000,000)
Other comprehensive loss for the year, net of tax		(48,410,917)	(5,449,090)	(23,443,933)	(30,000,000)
Total comprehensive income for the year		671,266,293	805,306,992	608,912,556	541,211,204
Total comprehensive income attributable to:					
Equity holders of the Company		661,878,976	801,056,394	608,912,556	541,211,204
Non-controlling interests of the subsidiaries		9,387,317	4,250,598		
		671,266,293	805,306,992		

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

Samart I-Mobile Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity
For the year ended 31 December 2014

(Unit: Baht)

Consolidated financial statements												
Equity attributable to owners of the Company												
Other components of shareholders' equity												
Issued and fully paid-up share capital	Share premium	Retained earnings		Other comprehensive income (loss)		Lower of investment in subsidiary companies arising as a result of acquisition additional shares at a price lower than net book value at the acquisition date				Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
		Appropriated - statutory reserve	Unappropriated	Exchange differences on translation of financial statements in foreign currencies	Deficit on changes in value of available-for-sale investments	Total other components of shareholders' equity						
Balance as at 31 December 2012	430,393,500	1,076,348,034	44,400,000	997,783,026	6,900,850	(390,466)	681,422	7,191,806	2,556,116,366	35,708,294	2,591,824,660	
Profit for the year	-	-	-	806,518,975	-	-	-	-	806,518,975	4,237,107	810,756,082	
Other comprehensive income (loss) for the year	-	-	-	-	4,422,283	(9,884,864)	-	(5,462,581)	(5,462,581)	13,491	(5,449,090)	
Total comprehensive income (loss) for the year	-	-	-	806,518,975	4,422,283	(9,884,864)	-	(5,462,581)	801,056,394	4,250,598	805,306,992	
Issue of shares due to warrants exercised (Note 25)	6,953,500	111,256,000	-	-	-	-	-	-	118,209,500	-	118,209,500	
Dividend paid (Note 33)	-	-	-	(326,896,375)	-	-	-	-	(326,896,375)	-	(326,896,375)	
Change in shareholding percentage in subsidiary	-	-	-	-	-	-	(111,838)	(111,838)	(111,838)	-	(111,838)	
Decrease in non-controlling interests of the subsidiaries from dividend payment of subsidiary	-	-	-	-	-	-	-	-	-	-	-	
Balance as at 31 December 2013	437,347,000	1,187,604,034	44,400,000	1,477,405,626	11,323,133	(10,275,330)	569,584	1,617,387	3,148,374,047	(360,500)	3,187,972,439	

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

Samart I-Mobile Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity (continued)
For the year ended 31 December 2014

(Unit: Baht)

Consolidated financial statements												
	Equity attributable to owners of the Company											
	Issued and fully paid-up share capital	Share premium	Retained earnings		Other components of shareholders' equity				Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity	
					Appropriated statutory reserve	Unappropriated	Other comprehensive income (loss)	Lower of investment in subsidiary companies arising as a result of acquisition additional shares at a price lower than net book value at the acquisition date				Total other components of shareholders' equity
Balance as at 31 December 2013	437,347,000	1,187,604,034	44,400,000	1,477,405,626	11,323,133	(10,275,330)	569,584	1,617,387	3,148,374,047	39,598,392	3,187,972,439	
Profit for the year	-	-	-	710,289,893	-	-	-	-	710,289,893	9,387,317	719,677,210	
Other comprehensive income (loss) for the year	-	-	-	(1,714,086)	11,643,871	(58,340,702)	-	(46,696,831)	(48,410,917)	-	(48,410,917)	
Total comprehensive income for the year	-	-	-	708,575,807	11,643,871	(58,340,702)	-	(46,696,831)	661,878,976	9,387,317	671,266,293	
Issue of shares due to warrants exercised (Note 25)	2,678,000	42,848,000	-	-	-	-	-	-	45,526,000	-	45,526,000	
Dividend paid (Note 33)	-	-	-	(527,676,780)	-	-	-	-	(527,676,780)	-	(527,676,780)	
Increase in non-controlling interests of subsidiaries from increase in subsidiary's share capital	-	-	-	-	-	-	-	-	-	45,000,000	45,000,000	
Decrease in non-controlling interests of the subsidiaries from dividend payment of subsidiary	-	-	-	-	-	-	-	-	-	(2,040,000)	(2,040,000)	
Balance as at 31 December 2014	440,025,000	1,230,452,034	44,400,000	1,658,304,653	22,967,004	(68,616,032)	569,584	(45,079,444)	3,328,102,243	91,945,709	3,420,047,952	

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

Samart I-Mobile Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity (continued)
For the year ended 31 December 2014

(Unit: Baht)

	Separate financial statements						
	Issued and fully paid-up share capital	Share premium	Retained earnings		Other components of shareholders' equity		
					Other comprehensive income (loss)	Total other components of shareholders' equity	Total shareholders' equity
			Appropriated - statutory reserve	Unappropriated	Deficit on changes in value of available-for-sale investments		
Balance as at 31 December 2012	430,393,500	1,076,348,034	44,400,000	536,094,886	-	-	2,087,236,420
Profit for the year	-	-	-	571,211,204	-	-	571,211,204
Other comprehensive loss for the year	-	-	-	-	(30,000,000)	(30,000,000)	(30,000,000)
Total comprehensive income for the year	-	-	-	571,211,204	(30,000,000)	(30,000,000)	541,211,204
Issue of shares due to warrants exercised (Note 25)	6,953,500	111,256,000	-	-	-	-	118,209,500
Dividend paid (Note 33)	-	-	-	(326,896,375)	-	-	(326,896,375)
Balance as at 31 December 2013	437,347,000	1,187,604,034	44,400,000	780,409,715	(30,000,000)	(30,000,000)	2,419,760,749
Balance as at 31 December 2013	437,347,000	1,187,604,034	44,400,000	780,409,715	(30,000,000)	(30,000,000)	2,419,760,749
Profit for the year	-	-	-	632,356,489	-	-	632,356,489
Other comprehensive loss for the year	-	-	-	(1,671,866)	(21,772,067)	(21,772,067)	(23,443,933)
Total comprehensive income for the year	-	-	-	630,684,623	(21,772,067)	(21,772,067)	608,912,556
Issue of shares due to warrants exercised (Note 25)	2,678,000	42,848,000	-	-	-	-	45,526,000
Dividend paid (Note 33)	-	-	-	(527,676,780)	-	-	(527,676,780)
Balance as at 31 December 2014	440,025,000	1,230,452,034	44,400,000	883,417,558	(51,772,067)	(51,772,067)	2,546,522,525

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



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Samart I-Mobile Public Company Limited and its subsidiaries

Statement of cash flows

For the year ended 31 December 2014

(Unit: Baht)

Note	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Cash flows from operating activities				
Profit before tax	802,797,971	815,391,639	660,631,029	591,166,352
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Unrealised (gain) loss on exchange	531,855	(1,377,320)	(1,333,965)	(17,952,070)
Gain on disposal of temporary investments in trading securities	8 (530,938)	(1,238,927)	(530,938)	(1,238,927)
(Gain) loss on change in value of temporary investments in trading securities	8 (35,052)	1,744,146	(35,052)	1,744,146
Gain on change in fair value of forward exchange contracts	(10,584,697)	(18,671,226)	(10,584,697)	(18,671,226)
Decrease in allowance for doubtful accounts - trade accounts receivable	(5,462,192)	(9,496,957)	(68,421)	(12,862)
Write-off bad debts	9,376,883	8,297,171	-	-
Increase (decrease) in allowance for diminution in value of other receivables and sales promotion receivables	35,925	(3,148,258)	35,925	(1,098,483)
Reduction of inventories to net realisable value (reversal)	(32,984,592)	15,537,921	(32,853,926)	16,059,562
Increase (decrease) in allowance for diminution in value of advance for purchase of inventories	374,302	9,490,501	374,302	(342,291)
Gain on compensation from insurance policy	-	(4,125,032)	-	(4,125,032)
Write-off advance for purchase of inventories	-	908,044	-	-
Write-off other current assets	12 -	36,252,251	-	-
Write-off withholding tax deducted at sources	3,900,239	840,058	-	-
Dividend income from subsidiary	6, 15 -	-	(674,637,467)	(514,639,500)
Increase in allowance in diminution of investments in subsidiaries	15 -	-	140,898,743	-
Transfer equipment to expense	1,105,066	1,762,618	419,850	171,650
Gain on disposal of equipment	27 (4,192,264)	(7,454,924)	(2,037,713)	(5,303,684)
Depreciation	16 174,315,631	170,640,760	78,410,001	65,359,891
Amortisation of intangible assets	17 31,215,960	27,072,617	-	-
Increase in allowance for diminution in value of deposit	-	3,319,987	-	3,319,987
Gain on debt forgiven	-	(295,000)	-	-
Amortisation of deferred interests under finance lease agreements	272,720	339,766	235,402	289,041
Increase (decrease) in allowance for warranty	(977,000)	12,701,000	(977,000)	12,701,000
Provision for long-term employee benefits	24 1,998,433	2,559,442	942,045	1,719,466
Interest income	27 (3,381,166)	(3,678,515)	(14,992,696)	(17,380,533)
Interest expenses	30 119,279,355	55,120,078	121,775,715	60,326,076
Profit from operating activities before changes in operating assets and liabilities	1,087,056,439	1,112,491,840	265,671,137	172,092,563

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

Samart I-Mobile Public Company Limited and its subsidiaries

Statement of cash flows (continued)

For the year ended 31 December 2014

(Unit: Baht)

Note	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Cash flows from operating activities (continued)				
Operating assets (increase) decrease				
Trade and other receivables	(2,175,146,368)	(531,120,957)	(2,250,190,317)	(410,137,860)
Inventories	(821,350,843)	(1,007,130,103)	(837,698,938)	(767,784,152)
Other current assets	(289,028,918)	(94,899,321)	(86,582,112)	(54,484,488)
Other non-current assets	(1,068,984)	3,595,822	(951,159)	3,439,093
Operating liabilities increase (decrease)				
Trade and other payables	(235,646,111)	644,744,257	(345,448,903)	655,036,721
Other current liabilities	(28,206,510)	18,974,247	11,975,628	10,686,607
Other non-current liabilities	(131,073)	(388,477)	(136,976)	(388,477)
Cash flows from (used in) operating activities	(2,463,522,368)	146,267,308	(3,243,361,640)	(391,539,993)
Cash paid for purchases of temporary investments in trading securities	8 (8,018,899)	(117,884,006)	(8,018,899)	(117,884,006)
Proceeds from sales of temporary investments in trading securities	8 6,082,773	10,283,904	6,082,773	10,283,904
Cash paid for interest expenses	(117,171,824)	(84,059,458)	(119,728,062)	(61,258,072)
Cash received from withholding tax refundable	12.1 49,192,806	18,118,794	-	14,913,665
Cash paid for income tax	(52,178,666)	(62,746,802)	(21,504,975)	(22,561,254)
Net cash flows used in operating activities	(2,585,616,178)	(90,020,260)	(3,386,530,803)	(568,045,756)
Cash flows from investing activities				
Cash paid to provide short-term loans to related parties	6 -	-	(436,088,834)	(546,891,580)
Cash received from repayment of short-term loans to related parties	6 -	-	309,371,834	838,410,000
Cash received for interest income	3,381,166	11,696,027	8,742,407	17,269,666
Cash paid to provide short-term loans to employees	(62,433)	-	-	-
Cash received from repayment of short-term loans to employees	-	64,842	-	38,652
(Increase) decrease in restricted bank deposits	(1,518)	44,560	20,474	72,100
Cash paid to purchase available-for-sale investments	14 (167,181,844)	-	(167,181,844)	-
Dividend income from subsidiaries	6, 15 -	-	674,637,467	514,639,500
Cash paid to acquisition of investment in a new subsidiary	15.3 (60,000,000)	(500,000)	-	-
Cash paid for additionally call-up share capital of subsidiary	15.6 -	-	-	(59,999,982)
Cash paid for acquisition of investments in subsidiaries	15.7 -	-	(55,239,757)	-
Cash paid for acquisition of equipment	(100,327,747)	(181,098,115)	(40,494,990)	(235,255,035)
Proceeds from disposal of equipment	6,924,489	7,624,613	2,959,980	5,450,440
Cash paid for acquisition of intangible assets	(7,200,000)	-	-	-
Net cash flows from (used in) investing activities	(324,467,887)	(162,168,073)	296,726,737	533,733,761

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

Samart I-Mobile Public Company Limited and its subsidiaries

Statement of cash flows (continued)

For the year ended 31 December 2014

(Unit: Baht)

Note	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Cash flows from financing activities				
Increase (decrease) in bank overdrafts	(33,312,409)	17,691,286	20,216,128	(13,498,476)
Proceeds from short-term loans from banks	2,407,738,701	-	2,467,738,701	-
Cash paid to settle short-term loans from banks	(525,988,320)	(471,000,000)	(585,988,320)	(471,000,000)
Increase in trust receipts	1,316,438,846	1,016,112,733	1,401,081,651	891,135,527
Proceeds from short-term loans from related parties 6	-	-	421,000,000	308,825,000
Repayment of short-term loans from related parties 6	-	-	(294,000,000)	(409,825,000)
Proceeds from short-term loans from unrelated parties	13,500,000	-	-	-
Repayment of short-term loans from unrelated parties	(96,740,000)	(200,000)	-	-
Cash paid to settle long-term loan from financial institute 21	(8,677,669)	(1,091,242)	(7,665,066)	(1,091,242)
Cash paid to settle liabilities under finance lease agreements	(3,216,018)	(2,026,643)	(2,971,102)	(1,506,706)
Cash received for share issued due to warrant exercised 25	45,526,000	118,209,500	45,526,000	118,209,500
Dividend paid 33	(527,676,780)	(326,896,375)	(527,676,780)	(326,896,375)
Cash received from non-controlling interests of the subsidiaries from additionally call-up share capital of subsidiary	45,000,000	-	-	-
Decrease in non-controlling interests of the subsidiaries from dividend payment of subsidiary	(2,040,000)	(360,500)	-	-
Net cash flows from financing activities	2,630,552,352	350,438,759	2,937,261,212	94,352,228
Translation adjustments	8,169,593	6,558,576	-	-
Net increase (decrease) in cash and cash equivalents	(271,362,120)	104,809,002	(152,542,854)	60,040,233
Cash and cash equivalents at beginning of year	410,904,955	306,095,953	200,256,176	140,215,943
Cash and cash equivalents at end of year	139,542,835	410,904,955	47,713,322	200,256,176
Supplemental disclosures of cash flows information				
Non-cash items for investing activities				
Transfer inventories to equipment	9,302,956	2,598,281	8,113,877	2,598,281
Increase in accounts payable for purchase of equipment	39,594,619	1,809,460	24,663,778	1,809,460
Transfer temporary investment to other long-term investment	-	106,500,000	-	106,500,000

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

1. General information

Samart I-Mobile 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 distribution of communications and electronic equipment. The registered office of the Company is at 99/3 Moo 4 Software Park Building, 33rd Floor, Chaengwattana Road, Klong Gluar, Pak-kred, Nonthaburi.

2. Basis of preparation

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

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

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

2.2 Basis of consolidation

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

Subsidiaries directly held by the Company

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2014 Percent	2013 Percent
Samart Mobile Services Co., Ltd.	Distribution of information technology devices	Thailand	97.4	97.4
Samart Multimedia Co., Ltd.	Provision content services via audiotext and call center	Thailand	100	100
I-Mobile International Co., Ltd.	Invest in distribution of mobile phones bundled with content business in overseas territories	Thailand	100	100
Brain Source Co., Ltd.	Research and development of mobile phone applications	Thailand	100	100
I-Mobile Plus Co., Ltd.	Provision of wireless telecommunication business	Thailand	100	100
Samart I-Mobile (Malaysia) Sdn. Bhd.	Distributor of mobile phones and provider of entertainment content	Malaysia	100	-
Teleconnext Co., Ltd.	Distributor of mobile phones and accessories	Hong Kong	100	-
I-Mobile Inter trade Co., Ltd.	Temporarily ceased its business (2013: Provision of mobile phone development services)	Thailand	100	-

Indirect subsidiaries held by the Company's subsidiaries

Company's name	Nature of business	Country of incorporation	Percentage of indirect shareholding	
			2014 Percent	2013 Percent
Investments through Samart Multimedia Co., Ltd.				
Samart Interactive Media Co., Ltd.	Distribution of goods and provision of services related to horoscopes and astrology	Thailand	100	100
I-Sport Co., Ltd.	Provision of information of sports via full option interactive multimedia	Thailand	50	50
Entertainment Tree Co., Ltd. (The Company has control and sets policies for operation and financial management over this company.)	Production, sale and provision of all kinds of entertainment-related content through multiple channels	Thailand	45	45
Take A Look Co., Ltd.	Dissolution (2013: Provision of consulting services related to smart phone product design and development)	Thailand	-	100
Investments through I-Mobile International Co., Ltd.				
Pt. Samart I-Mobile Indonesia	Distributor of mobile phones and accessories	Indonesia	100	100
I-Mobile (Cambodia) Co., Ltd.	Ceased business in 2006, currently is in process of liquidation	Cambodia	-	-
Samart I-Mobile (Malaysia) Sdn. Bhd.	Distributor of mobile phones and provider of entertainment content	Malaysia	-	100
Teleconnext Co., Ltd.	Distributor of mobile phones and accessories	Hong Kong	-	100
I-Mobile Inter trade Co., Ltd.	Temporarily ceased its business (2013: Provision of mobile phone development services)	Thailand	-	100
Investment through Samart I-Mobile (Malaysia) Sdn. Bhd.				
Pemata Benar Sdn. Bhd.	Not yet operational	Malaysia	100	100
Investment through I-Mobile Inter trade Co., Ltd.				
I-Mobile Direct Co., Ltd.	Distributor of mobile phones (2013: Temporarily ceased its business)	Thailand	100	100
Investments through I-Sport Co., Ltd.				
Siam Sport Television Co., Ltd.	Television media, sport license and sport-related business	Thailand	50	-
I-Sport Media Co., Ltd.	Temporarily ceased its business	Thailand	50	50

- b) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- c) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- d) The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of "Exchange differences on translation of financial statements in foreign currencies" in the statement of changes in shareholders' equity.

- e) Material balances and transactions between the Company and its subsidiary companies have been eliminated from the consolidated financial statements.
 - f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.
 - g) In recording the acquisition of additional shares of subsidiaries (repurchase of shares from non-controlling interests) when the fair value of the net assets acquired is lower than the cost of the investment the difference has been presented in shareholders' equity under the caption of "Surplus on investment in subsidiary companies arising as a result of acquisition of additional shares at a price higher than net book value at the acquisition date". When the fair value of the net assets acquired is higher than the cost of the investment the difference has been presented in shareholders' equity under the caption of "Lower of investment in subsidiary companies arising as a result of acquisition of additional shares at a price lower than net book value at the acquisition date".
- 2.3 The separate financial statements, which present investments in subsidiaries under the cost method, have been prepared solely for the benefit of the public.

3. New 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 accounting year

Conceptual Framework for Financial Reporting (revised 2014)

Accounting Standards:

TAS 1 (revised 2012)	Presentation of Financial Statements
TAS 7 (revised 2012)	Statement of Cash Flows
TAS 12 (revised 2012)	Income Taxes
TAS 17 (revised 2012)	Leases
TAS 18 (revised 2012)	Revenue
TAS 19 (revised 2012)	Employee Benefits
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates
TAS 24 (revised 2012)	Related Party Disclosures
TAS 28 (revised 2012)	Investments in Associates
TAS 31 (revised 2012)	Interests in Joint Ventures
TAS 34 (revised 2012)	Interim Financial Reporting
TAS 36 (revised 2012)	Impairment of Assets
TAS 38 (revised 2012)	Intangible Assets

Financial Reporting Standards:

TFRS 2 (revised 2012)	Share-based Payment
TFRS 3 (revised 2012)	Business Combinations
TFRS 5 (revised 2012)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (revised 2012)	Operating Segments

Accounting Standard Interpretations:

TSIC 15	Operating Leases - Incentives
TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29	Service Concession Arrangements: Disclosures
TSIC 32	Intangible Assets - Web Site Costs

Financial Reporting Standard Interpretations:

TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4	Determining whether an Arrangement contains a Lease
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7	Applying the Restatement Approach under TAS 29 <i>Financial Reporting in Hyperinflationary Economies</i>
TFRIC 10	Interim Financial Reporting and Impairment
TFRIC 12	Service Concession Arrangements
TFRIC 13	Customer Loyalty Programmes
TFRIC 17	Distributions of Non-cash Assets to Owners
TFRIC 18	Transfers of Assets from Customers

Accounting Treatment Guidance for Stock Dividend

These financial reporting standards were amended primarily to align their content with the corresponding International Financial Reporting Standards. Most of the changes were directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of the accounting standards. These financial reporting standards do not have any significant impact on the financial statements.

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

The Federation of Accounting Professions has issued a number of revised and new financial reporting standards that 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 accounting standards. The management of the Company believes they will not have any significant impact on the financial statements in the year in which they are adopted. However, some of these financial reporting standards involve changes to key principles, as discussed below.

TAS 19 (revised 2014) Employee Benefits

This revised standard requires that the entity recognises actuarial gains and losses immediately in other comprehensive income while the existing standard allows the entity to recognise such gains and losses immediately in profit or loss, or in 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 recognised 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 part dealing with consolidated financial statements as included in TAS 27 *Consolidated and Separate 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 the investees and determine which entities have to be included for preparation of the consolidated financial statements.

The management of the Company and its subsidiaries believes that this standard will not have any significant impact on the Company and its subsidiaries' financial statements.

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 to 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 measurements. 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 effect of the change from the adoption of this standard is to be recognised prospectively.

Based on the preliminary analysis, the management of the Company and its subsidiaries believes that this standard will not have any significant impact on the Company's and its subsidiaries' financial statements.

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.

Unearned revenue from telephone service of prepaid phone cards

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

Revenue from telephone services

Revenue from telephone services is recognised when the telephone services have been rendered.

Revenue from sales of telephone sets and starter kits

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

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

Selling support income

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

Advertising income

Advertising income is recognised upon the broadcasting of such programs.

Entrance fee on franchise agreement

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

Royalty and technical assistance fee

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

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.

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

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

4.5 Investments

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

The fair value of marketable securities is based on the latest bid price of the last working day of the year as quoted on the Stock Exchange. If the last bid price of the last working day of the year as quoted on the Stock Exchange is not available, the basis used by the Company 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 as the type of investment that is reclassified.

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

4.6 Equipment/Depreciation

Condominium and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

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

Condominium	-	20	years
Network equipment and network improvement	-	5	years
Transmission equipment	-	7 - 10	years
Furniture, fixture and office equipment	-	5 and 7	years
Furniture of sound recording room	-	5 - 10	years
Motor vehicles	-	5 and 7	years
Equipment for rent	-	5	years

Depreciation is included in determining income.

No depreciation is provided on assets under installation.

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

4.7 Intangible assets

Intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

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

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

	<u>Useful lives</u>
Computer software	- Agreement term
Right under license agreement for audio-visual of football match	- 3 years
Airtime	- 5 years

4.8 Business combinations and goodwill

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

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

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

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

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Company and its subsidiaries' cash generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Company and its subsidiaries estimate the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

4.9 Related party transactions

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

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

4.10 Long-term leases

Finance leases

Leases of 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 are depreciated over the useful life of the assets.

Operating leases

Leases of equipment which do not transfer substantially all the risks and rewards of ownership to the lessee 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.

4.11 Foreign currencies

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

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

4.12 Impairment of assets

At the end of each reporting period, the Company and its subsidiaries perform impairment reviews in respect of the condominium 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.

4.13 Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

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

Defined benefit plans

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

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

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

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

Provision for vacation

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

4.14 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.

4.15 Income tax

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

Current income tax

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

Deferred tax

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

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

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

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

4.16 Derivatives

Forward exchange contracts

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

5. Significant accounting judgements and estimates

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

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.

Reducing cost to net realisable value of inventories

Determining the reduce cost to net realisable value of inventories requires management to exercise judgement in term of estimating losses on outstanding inventories, based on the selling price expected in the ordinary course of business less the estimated additional costs to be incurred in preparing the inventory for sale; and reduce cost of inventories for obsolete, slow-moving and deteriorated inventories, and taking into account the approximate useful life of each type of inventory and current changes in technology.

Allowance for diminution in value of withholding tax deducted at sources

The Company and its subsidiaries regard withholding tax deducted at sources as an asset since they have the right to claim a refund of it. The net realisable value of withholding tax deducted at sources depends on the exercise of the right to claim it, and the results of any tax audit by the Revenue officials. However, the management has used judgement to assess the outcome of the refund claim and believes that no loss will result. Therefore, no allowance for diminution in value of withholding tax deducted at sources is recorded as at the end of reporting period.

Impairment of equity investments

The Company and its subsidiary company treat available-for-sale investments as impaired when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires judgement of the management.

Condominium and equipment/Depreciation

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

In addition, the management is required to review condominium 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 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.

6. Related party transactions

During the years, the Company and its subsidiaries had significant business transactions with related parties, principally in respect of the purchase and sales of goods, purchase of fixed assets and intangible assets, and the provision of services and loans. The pricing policies for these related party transactions are summarised as follows:

1. Sales prices are determining at market price, if there is unknown market price, sales price will be determined at cost plus a margin not over 15 percent. However, the pricing policy is subject to change depending on the type of business and market competition at the time being.
2. Management fees and rental expenses are charged at the amount stated in the agreement.
3. Other service income and expenses are charged at a mutually agreed price.
4. Interest on loans to the subsidiary companies are charged at cost of fund plus 0.25 percent per annum.
5. Interest on loans from subsidiary companies are charged at 12-month fixed deposit rate of commercial banks that the subsidiary companies frequently use and at cost of fund plus 0.25 percent per annum (2013: average saving deposit rate of the big five commercial banks plus 0.25 percent per annum and at cost of fund plus 0.25 percent per annum).
6. 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 not over five percent.
7. Fixed assets and intangible assets are sold and purchased at their net book value plus a margin, depending on the condition of assets.
8. Consulting fee is charged at a rate of 0.75 percent of sales and according to the conditions stipulated in the agreements.
9. Guarantee fee is charged between the parties at a rate of 0.3 percent per annum.
10. Directors and management's benefit expenses are charged as approved by the shareholders' meeting or contractually agreed price.
11. Dividend income is recognised when declared and the right to receive the dividends is established.

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

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Transactions with parent company				
Sales	1	3	1	2
IT service fee expense	25	25	16	16
Management fee expense	12	12	12	12
Rental and other expenses	29	28	20	19
Transactions with subsidiary companies (eliminated from the consolidated financial statements)				
Sales	-	-	1,362	34
Purchases of goods	-	-	9,708	6,990
Purchases of services	-	-	1	14
Management fee income	-	-	72	77
Interest income	-	-	13	15
Interest expenses	-	-	4	6
Advertising income	-	-	64	126
Marketing support income	-	-	151	-
Consulting income	-	-	69	-
Other income	-	-	-	4
Acquisition of equipment	-	-	-	92
Product design expenses	-	-	35	122
Other expenses	-	-	35	2
Guarantee fee income	-	-	10	9
Consulting fee	-	-	-	54
Dividend income (Note 15)	-	-	675	515
Transactions with related companies				
Sales	13	5	11	4
Service income	9	14	-	-
Purchase of goods	183	-	183	-
Purchases of services	43	50	-	-
Other income	1	-	1	-
Acquisition of equipment	45	1	23	1
Acquisition of intangible asset	7	-	-	-
Other expenses	14	16	10	11

As at 31 December 2014 and 2013, the balances of the accounts between the Company and those related parties were as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Trade accounts receivable - related parties (Note 9)				
Parent company	737	1,250	166	569
Subsidiary companies	-	-	1,360,947	6,643
Related companies (related by shareholder)	5,251	8,694	2,650	2,209
Total trade accounts receivable - related parties	5,988	9,944	1,363,763	9,421
Amounts due from and advance to related parties (Note 9)				
Subsidiary companies	-	-	441,768	315,824
Related companies (related by shareholder)	14	36	-	35
Total amounts due from and advance to related parties	14	36	441,768	315,859
Trade accounts payable - related parties (Note 19)				
Subsidiary companies	-	-	1,444,024	1,684,419
Related companies (related by shareholder)	134,425	218	134,425	22
Total trade accounts payable - related parties	134,425	218	1,578,449	1,684,441
Amounts due to and advance from related parties (Note 19)				
Parent company	1,839	1,492	611	514
Subsidiary companies	-	-	158,189	386,471
Related companies (related by shareholder)	41,788	3,932	24,354	1,249
Total amounts due to and advance from related parties	43,627	5,424	183,154	388,234

Short-term loans to related parties and short-term loans from related parties

As at 31 December 2014 and 2013, the balances of short-term loans between the Company and those related parties and the movement were as follows:

(Unit: Thousand Baht)

		Separate financial statements				
		Balance as at 31 December 2013	During the year		Gain on exchange differences on translation of financial statements in foreign currencies	Balance as at 31 December 2014
			Increase	Decrease		
Short-term loans to related parties	Related by					
I-Mobile Plus Co., Ltd.	Subsidiary	46,000	306,000	(117,000)	-	235,000
Samart I-Mobile (Malaysia) Sdn. Bhd	Subsidiary	166,657	-	(22,183)	(98)	144,376
I-Mobile International Co., Ltd.	Subsidiary	35,800	-	(35,800)	-	-
I-Mobile Inter trade Co., Ltd.	Subsidiary	4,300	-	(4,300)	-	-
Teleconnex Co., Ltd. Subsidiary	Subsidiary	-	130,089	(130,089)	-	-
Total		252,757	436,089	(309,372)	(98)	379,376

(Unit: Thousand Baht)

		Separate financial statements			
		Balance as at 31 December 2013	During the year		Balance as at 31 December 2014
			Increase	Decrease	
Short-term loans from related parties	Related by				
Samart Mobile Services Co., Ltd.	Subsidiary	125,000	158,000	(155,000)	128,000
Samart Multimedia Co., Ltd.	Subsidiary	14,000	235,000	(134,000)	115,000
I-Mobile International Co., Ltd.	Subsidiary	-	28,000	(5,000)	23,000
Total		139,000	421,000	(294,000)	266,000

Directors and management's benefits

During the years ended 31 December 2014 and 2013, 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	
	2014	2013	2014	2013
Short-term employee benefits	22.9	18.7	22.9	18.5
Post-employment benefits	0.2	0.1	0.1	0.1
Total	23.1	18.8	23.0	18.6

Agreements with related parties

Long-term rental agreements

The Company and its subsidiary companies entered into a three-year sub-office space rental agreements with Samart Corporation Public Co., Ltd., its parent company, for use in their operations. The Company and its subsidiary companies have to pay monthly rental fees approximately Baht 0.5 million (Separate financial statements: Baht 0.3 million).

The commitment under the operating lease agreements with the related party is disclosed in Note 37.1 to the financial statements.

Service and management agreement

- In January 2014, the Company entered into a one-year management agreement with Samart Corporation Public Co., Ltd., the parent company, under which the Company has to pay a monthly service fee of Baht 1 million.
- In February 2011, I-Mobile Plus Co., Ltd., a subsidiary company, entered into a service agreement with a term of one-year or until cancelled in writing by both parties, with One to One Contacts Public Co., Ltd., a related company, who is to provide data preparation services and information on goods and services. The subsidiary company has to pay a monthly service fee at the rate stipulated in the agreement.
- In May 2011, the Company and four subsidiary companies (Samart Multimedia Co., Ltd., I-Mobile International Co., Ltd., Samart Mobile Services Co., Ltd. and I-Mobile Plus Co., Ltd.) entered into five-year information technology management agreements with Samart Corporation Public Co., Ltd., the parent company. The Company and its subsidiary companies have to pay a monthly service fees totally approximately Baht 2.1 million (Separate financial statements: Baht 1.4 million).
- In May 2014, the Company and its subsidiary companies entered into the three-year facility service agreements with Samart Corporation Public Co., Ltd., the parent company, under which they have to pay monthly facility service fees at the rates stipulated in the agreements.

Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its related parties, as described in Note 37.2.2 to the financial statements.

7. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Cash	704	627	421	392
Bank deposits	243,466	514,904	150,242	302,834
Total cash and bank deposits	244,170	515,531	150,663	303,226
Less: Restricted bank deposits	(104,627)	(104,626)	(102,950)	(102,970)
Cash and cash equivalents	139,543	410,905	47,713	200,256

As at 31 December 2014, bank deposits carried interests between 0.13 and 0.50 percent per annum (2013: between 0.13 and 0.60 percent per annum).

8. Temporary investments

As at 31 December 2014 and 2013, the Company had temporary investments in trading securities as follows:

(Unit: Thousand Baht)

Common stock/Warrant	Consolidated financial statements/Separate financial statements					
	2014			2013		
	No. of shares (Thousand Shares)	Cost	Fair value	No. of shares (Thousand Shares)	Cost	Fair value
DNA 2002 Plc.	250	3,735	3,725	-	-	-
Warrant of DNA 2002 Plc.	200	1,954	1,430	-	-	-
Thaicom Plc.	100	3,471	3,450	150	5,208	5,925
T.C.J. Asia Plc.	100	1,473	1,140	-	-	-
EMC Plc.	1,200	1,705	948	1,200	2,036	648
Warrant of EMC Plc.	600	330	348	-	-	-
Siam Inter Multimedia Plc.	373	852	706	373	852	485
Wattana Capital Plc.	2,010	2,089	100	2,010	2,089	121
Warrants of Wattana Capital Plc.	-	-	-	335	348	10
Ascon Construction Plc.	5,323	34,458	-	5,323	34,458	-
S.E.C. Auto Sales and Services Plc.	1,000	3,146	-	1,000	3,146	-
Capital Engineering Network Plc.	-	-	-	700	2,902	2,156
Total		53,213	11,847		51,039	9,345
Less: Change in value		(41,366)			(41,694)	
Total temporary investments in trading securities		11,847			9,345	

Movements of the temporary investments in trading securities account for the year ended 31 December 2014 and 2013 were summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements/ Separate financial statements	
	2014	2013
Balance as at beginning of the year	9,345	8,750
Purchases during the year	8,018	117,884
Disposals during the year:		
Proceed from sales	(6,082)	(10,284)
Gain on disposals (Note 27)	531	1,239
Total	(5,551)	(9,045)
Gain (loss) on change in value (Note 27, 29)	35	(1,744)
Reclassification of investment (Note 14)	-	(106,500)
Balance as at end of the year	11,847	9,345

9. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Trade accounts receivable - related parties (Note 6)				
<i>Aged on the basis of due dates</i>				
Not yet due	5,433	9,523	784,911	7,202
Past due				
Up to 3 months	516	382	423,276	2,180
3 - 6 months	-	-	133,036	-
6 - 12 months	-	-	22,500	-
Over 12 months	39	39	40	39
Total trade accounts receivable - related parties	5,988	9,944	1,363,763	9,421
Trade accounts receivable - unrelated parties				
<i>Aged on the basis of due dates</i>				
Not yet due	3,604,754	1,905,245	2,601,870	1,797,381
Past due				
Up to 3 months	1,558,434	1,539,942	1,042,620	1,486,721
3 - 6 months	771,745	200,153	594,304	188,006
6 - 12 months	4,416	2,235	-	12
Over 12 months	14,292	18,764	67	130
Total	5,953,641	3,666,339	4,238,861	3,472,250
Less: Allowance for doubtful debts	(18,890)	(24,567)	(67)	(136)
Total trade accounts receivable - unrelated parties, net	5,934,751	3,641,772	4,238,794	3,472,114
Total trade accounts receivable - net	5,940,739	3,651,716	5,602,557	3,481,535
Other receivables				
Amounts due from and advance to related parties (Note 6)	14	36	441,768	315,859
Accrued service income	65,088	109,543	-	-
Other receivables - unrelated parties	84,087	95,051	74,786	70,254
Sales promotion receivables	9,782	-	9,582	-
Less: Allowance for diminution in value of other receivables and sales promotion receivables	(791)	(755)	(791)	(755)
Total other receivables - net	158,180	203,875	525,345	385,358
Trade and other receivables - net	6,098,919	3,855,591	6,127,902	3,866,893

The Company has transferred its collection rights of trade accounts receivable to a bank as collateral for its credit facilities. As at 31 December 2014, the balance of the above accounts receivable included the receivables that were placed as collateral for such credit facilities totaling approximately Baht 35 million (2013: Nil).

10. Short-term loans

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Short-term loans to related parties (Note 6)	-	-	379,376	252,757
Short-term loans to employees	160	-	-	-
Total short-term loans	160	-	379,376	252,757

11. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories-net	
	2014	2013	2014	2013	2014	2013
Finished goods	1,868,758	947,138	(22,974)	(47,932)	1,845,784	899,206
Supplies	499,642	489,246	(6,849)	(15,584)	492,793	473,662
Goods in transit	177,590	297,558	-	-	177,590	297,558
Total	2,545,990	1,733,942	(29,823)	(63,516)	2,516,167	1,670,426

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories-net	
	2014	2013	2014	2013	2014	2013
Finished goods	1,816,211	921,159	(19,366)	(43,485)	1,796,845	877,674
Supplies	329,906	275,859	(6,849)	(15,584)	323,057	260,275
Goods in transit	177,583	297,097	-	-	177,583	297,097
Total	2,323,700	1,494,115	(26,215)	(59,069)	2,297,485	1,435,046

During the current year, the Company and its subsidiary companies reversed the write-down of cost of inventories by Baht 34 million (Separate financial statements: Baht 33 million), and reduced the amount of inventories recognised as expenses during the year. In 2013, the Company and its subsidiary companies reduced cost of inventories by Baht 15 million (Separate financial statements: Baht 16 million), to reflect the net realisable value. This was included in cost of sales.

In November 2013, a vessel transportation foundered, resulting in damage to the Company's inventories which were loaded in that vessel. The Company surveyed the damage and wrote off inventories of Baht 39 million.

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

12. Other current assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Prepaid expenses	195,247	66,028	5,280	6,454
Input tax refundable	124,671	37,871	106,181	27,046
Advance for purchase of inventories	115,552	50,538	31,150	10,759
Withholding tax deducted at sources (Note 12.1)	80,073	95,208	10,262	10,262
Undue input tax	17,992	12,138	20,672	30,255
Others	48,356	39,392	30,337	32,651
Less: Allowance for diminution in value of advance for purchase of inventories	(11,904)	(15,080)	(4,713)	(4,339)
Total other current assets - net	569,987	286,095	199,169	113,088

During the year ended 31 December 2013, Teleconnext Company Limited, a subsidiary company, wrote down appropriately Baht 36 million of other current assets as it cancelled purchase orders of the former manufacturer and ordered from a new manufacturer instead. This expense was included in other expenses in the income statement for the year ended 31 December 2013.

12.1 Withholding tax deducted at sources

The balances of withholding tax deducted at sources as at 31 December 2014 and 2013, aged on years, were summarised below.

(Unit: Thousand Baht)

Year	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
2009	1	1	-	-
2010	-	376	-	-
2011	1,426	22,254	-	-
2012	11,460	43,321	10,262	10,262
2013	29,226	29,256	-	-
2014	37,960	-	-	-
Total	80,073	95,208	10,262	10,262

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 2014, the subsidiary companies received the refund of the withholding tax of 2011 and 2012 totaling approximately Baht 49 million (2013: the Company and its subsidiary companies received the refund of the withholding tax of 2010 and 2011 totaling approximately Baht 18 million (Separate financial statements: approximately Baht 15 million). However, the management has used judgement to assess the outcome of the refund claims and believes that no loss will result. Therefore, no allowance for diminution in value of withholding tax deducted at sources is recorded as at the end of reporting period.

13. Restricted bank deposits

These represent fixed deposits pledged with the banks to secure credit facilities.

14. Available-for-sale investments

As at 31 December 2014 and 2013, the Company and its subsidiary have available-for-sale investments as the followings:

(Unit: Thousand Baht)

Common stock/Warrant	Consolidated financial statements					
	2014			2013		
	No. of shares (Thousand)	Fair value as at the purchase/ reclassification date	Fair value	No. of shares (Thousand)	Fair value as at the purchase/ reclassification date	Fair value
Q Technology (Group) Co., Ltd. (A listed company in Hong Kong Stock Exchange)	14,000	167,182	129,967	-	-	-
M-Link Asia Corporation Public Co., Ltd.	25,000	106,500	79,000	25,000	106,500	69,000
Siam Sport Syndicate Public Co., Ltd.	27,213	77,829	57,691	27,213	77,829	99,600
Warrants No. 3 of Siam sport Syndicate Public Co., Ltd.	1,668	1,618	701	1,668	1,618	4,503
Total		353,129	267,359		185,947	173,103
Less: Change in value		(85,770)			(12,844)	
Total available-for-sale investments		267,359			173,103	

(Unit: Thousand Baht)

Common stock	Separate financial statements					
	2014			2013		
	No. of shares (Thousand)	Fair value as at the purchase/ reclassification date	Fair value	No. of shares (Thousand)	Fair value as at the purchase/ reclassification date	Fair value
Q Technology (Group) Co., Ltd. (A listed company in Hong Kong Stock Exchange)	14,000	167,182	129,967	-	-	-
M-Link Asia Corporation Public Co., Ltd.	25,000	106,500	79,000	25,000	106,500	69,000
Total		273,682	208,967		106,500	69,000
Less: Change in value		(64,715)			(37,500)	
Total available-for-sale investments		208,967			69,000	

On 14 November 2013, a meeting of the Company's Board of Executive Directors passed a resolution approving the reclassification of investment in M-Link Asia Corporation Public Co., Ltd. from temporary investment to available-for-sale investment. The reclassification was made because the Company intends to invest for the long-term as business partnership and for commercial benefit. Therefore, the Company recorded the value of available-for-sale investments of fair value as at the reclassification date.

Movements of available-for-sale investments account during the year ended 31 December 2014 and 2013 were summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Net book value at beginning of the year	173,103	78,959	69,000	-
Purchase during the year	167,182	-	167,182	-
Reclassification of investments (fair value as reclassification date) (Note 8)	-	106,500	-	106,500
Loss on changes in value	(72,926)	(12,356)	(27,215)	(37,500)
Net book value at end of the year	267,359	173,103	208,967	69,000

15. Investments in subsidiaries

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

(Unit: Thousand Baht)

Company's name	Paid-up capital		Shareholding percentage		Cost		Dividend received during the year	
	2014	2013	2014 Percent	2013 Percent	2014	2013	2014	2013
Samart Mobile Services Co., Ltd.	490,000	490,000	97.4	97.4	43,917	43,917	-	-
Samart Multimedia Co., Ltd.	200,000	200,000	100	100	219,525	219,525	-	-
I-Mobile International Co., Ltd.	185,000	185,000	100	100	185,000	185,000	-	-
Brain Source Co., Ltd.	1,000	1,000	100	100	999	999	675,000	514,640
I-Mobile Plus Co., Ltd.	100,000	100,000	100	100	100,000	100,000	-	-
I-Mobile Inter trade Co., Ltd.	5,000	-	100	-	100	-	-	-
Teleconnext Co., Ltd.	HKD 5 million	-	100	-	54,142	-	-	-
Samart I-Mobile (Malaysia) Sdn. Bhd.	Ringgit 2 million	-	100	-	997	-	-	-
Less: Allowance for diminution in value of investments in subsidiaries					(140,899)	-	-	-
Net					463,781	549,441	675,000	514,640

During the current year, the Company recorded allowance for diminution in value of investment in I-Mobile International Co., Ltd. of Baht 141 million as other expenses in the separate financial statements since its net book value is lower than investment.

15.1 Establishment of new company

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

15.2 Purchase of additional ordinary shares of a subsidiary

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

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

15.3 Purchase of investments

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

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

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

(Unit: Thousand Baht)

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

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

(Unit: Thousand Baht)

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

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

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

Subsequently, on 13 November 2013, the subsidiary company entered into a share purchase and sale of share agreement of this company. As a result of the purchase of investment in the subsidiary, under the acquisition method, the subsidiary company recorded the excess of the cost of acquisition of the ordinary shares in the subsidiary over the fair value, amounting to approximately Baht 0.5 million as goodwill in non-current asset in the consolidated financial statements.

Their fair value of liabilities were summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements
Other payables	14
Total liabilities from acquisition of subsidiary company	14
Cash used in purchase of investment in subsidiary company	500
Goodwill	514

15.4 Change of name of subsidiary companies

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

15.5 Changes in share capital of subsidiary companies

Reduction of share capital

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

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

Increment of registered share capital

- a) On 3 December 2014, an Extraordinary Meeting of the shareholders of I-Sport Co., Ltd., a subsidiary company, passed the following resolution:
 - 1) Approving to call-up a further Baht 10 million of the uncalled portion of its capital, or equivalent to 25% of its registered share capital. The subsidiary received payment on 26 December 2014 as a result its paid-up share capital amounts to Baht 40 million, or 100% of the registered share capital.
 - 2) Approving the increment of its registered share capital from Baht 40 million (4 million ordinary shares of Baht 10 each) to Baht 120 million (12 million ordinary shares of Baht 10 each) by issuing 80 million ordinary shares with a par value of Baht 10 each. The subsidiary company registered the increase of share capital on 11 December 2014 with the Ministry of Commerce.
- b) On 11 July 2013, a meeting of the shareholders of Pt. Samart I-Mobile Indonesia, a subsidiary company, passed a resolution approving the increment of its registered share capital from 0.50 million US dollars (0.5 million ordinary shares of 1 US dollar each) to 6.42 million US dollars (6.42 million ordinary shares of 1 US dollar each) by issuing 5.92 million ordinary shares with a par value of 1 US dollar each. The subsidiary company registered the increase of share capital on 2 August 2013 with Capital Investment Coordination Board and is waiting for the approval from Minister of Law and Human Rights of the Republic of Indonesia.

15.6 Additionally call-up share capital of subsidiary

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

15.7 Disposal of investments in subsidiaries and restructuring of overseas business

On 13 August 2013, the Board of Directors of the Company passed the following resolutions:

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

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



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

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

As at 31 December 2014, the Company is currently in the process of disposal of investment in I-Mobile International Co., Ltd. and I-Mobile International Co., Ltd., a subsidiary company, is currently in the process of disposal of investment in Pt. Samart I-Mobile Indonesia.

15.8 Liquidation of subsidiaries

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

16. Equipment

(Unit: Thousand Baht)

	Consolidated financial statements								
	Condominium	Network equipment and network improvement	Transmission Equipment	Furniture, fixture and office equipment	Furniture of sound recording room	Motor vehicles	Equipment for rent	Assets under installation	Total
Cost	11,512	777,091	-	928,432	-	56,677	22,011	171,530	1,967,253
	-	33,238	-	16,107	-	7,878	-	134,907	192,130
	-	(76)	-	(12,257)	-	(16,908)	-	(6,393)	(35,634)
	-	-	-	218	-	-	-	-	218
31 December 2013	11,512	810,253	-	932,500	-	47,647	22,011	300,044	2,123,967
	-	26,746	-	303,044	-	12,571	-	1,327	343,688
	-	(160,459)	-	(8,869)	-	(18,140)	(22,011)	(194,463)	(403,942)
	-	-	151,881	52,153	47,110	18,346	-	-	269,490
Acquisition of subsidiary during the year	-	-	-	(1,425)	-	-	-	-	(1,425)
Exchange differences	-	-	-	-	-	-	-	-	-
31 December 2014	11,512	676,540	151,881	1,277,403	47,110	60,424	-	106,908	2,331,778



(Unit: Thousand Baht)

	Consolidated financial statements								
	Condominium	Network equipment and network improvement	Transmission Equipment	Furniture, fixture and office equipment	Furniture of sound recording room	Motor vehicles	Equipment for rent	Assets under installation	Total
Accumulated depreciation									
	1,576	512,802	-	723,164	-	37,992	17,510	-	1,293,044
	572	80,260	-	82,725	-	7,084	-	-	170,641
	-	(76)	-	(10,564)	-	(16,908)	-	-	(27,548)
	-	-	-	242	-	-	-	-	242
Depreciation for the year	2,148	592,986	-	795,567	-	28,168	17,510	-	1,436,379
	572	68,735	-	98,066	-	6,943	-	-	174,316
	-	(93,010)	-	(7,763)	-	(15,409)	(17,510)	-	(133,692)
	-	-	39,009	30,627	16,176	10,146	-	-	95,958
	-	-	-	(1,236)	-	-	-	-	(1,236)
Allowance for impairment loss	2,720	568,711	39,009	915,261	16,176	29,848	-	-	1,571,725
	-	67,640	-	96	-	-	4,501	-	72,237
	-	67,640	-	96	-	-	4,501	-	72,237
	-	(67,449)	-	-	-	-	(4,501)	-	(71,950)
	-	191	-	96	-	-	-	-	287
Net book value	9,364	149,627	-	136,837	-	19,479	-	300,044	615,351
	8,792	107,638	112,872	362,046	30,934	30,576	-	106,908	759,766
	Depreciation for the year								
2013 (Baht 80 million included in cost of services, and the balance in selling expenses and administrative expenses)									
2014 (Baht 69 million included in cost of services, and the balance in selling expenses and administrative expenses)									

	Separate financial statements				
	Condominium	Furniture, fixture and office equipment	Motor vehicles	Assets under installation	Total
Cost					
31 December 2012	11,512	746,136	39,020	82,375	879,043
Additions/Transfer in	-	9,907	7,879	224,258	242,044
Disposals/Transfer out	-	(6,735)	(10,267)	(3,208)	(20,210)
31 December 2013	11,512	749,308	36,632	303,425	1,100,877
Additions/Transfer in	-	216,018	5,069	1,227	267,314
Disposals/Transfer out	-	(3,362)	(11,404)	(194,462)	(209,228)
31 December 2014	11,512	1,006,964	30,297	110,190	1,158,963
Accumulated depreciation					
31 December 2012	1,576	606,487	25,525	-	633,588
Depreciation for the year	572	59,207	5,581	-	65,360
Accumulated depreciation of assets disposed and transferred out	-	(6,642)	(10,267)	-	(16,909)
31 December 2013	2,148	659,052	20,839	-	682,039
Depreciation for the year	571	73,214	4,625	-	78,410
Accumulated depreciation of assets disposed and transferred out	-	(3,361)	(10,483)	-	(13,844)
31 December 2014	2,719	728,905	14,981	-	746,605
Net book value					
31 December 2013	9,364	90,256	15,793	303,425	418,838
31 December 2014	8,793	278,059	15,316	110,190	412,358
Depreciation for the year					
2013 (All depreciation included in selling expenses and administrative expenses)					65,360
2014 (All depreciation included in selling expenses and administrative expenses)					78,410

Siam Sport Television Co., Ltd., a subsidiary company, has mortgaged its equipment amounting to approximately Baht 59 million as collateral against credit facilities received from a bank (2013: the Company mortgaged asset with total net book value amounting to approximately Baht 9 million as collateral against long-term loan facilities received from a bank. In August 2014, the Company redeemed asset thereon, which was collateral for the Company's long-term loans obtained from bank since the Company repaid the above loan in full).

As at 31 December 2014, certain equipment items of the Company and its subsidiary companies have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation and allowance for impairment loss of those assets amounted to approximately Baht 1,124 million (2013: Baht 945 million) (Separate financial statements: Baht 456 million, 2013: Baht 468 million).

As at 31 December 2014, the Company and its subsidiary companies have equipment and vehicles under finance lease agreements with net book values amounting to approximately Baht 36 million (2013: Baht 5 million) (Separate financial statements: Baht 2 million, 2013: Baht 5 million).

17. Intangible assets

(Unit: Thousand Baht)

	Consolidated financial statements					
	Computer software	Right under license agreement for audio-visual of football match	Air time	Right under advertising agreement	Right under distribution agreement	Total
Cost						
31 December 2012	88,098	8,587	-	27,500	4,531	128,716
Write-off	-	-	-	(27,500)	(4,531)	(32,031)
31 December 2013	88,098	8,587	-	-	-	96,685
Purchase	7,200	-	-	-	-	7,200
Acquisition through business combination	312	-	3,534	-	-	3,846
Write-off	-	(8,587)	-	-	-	(8,587)
31 December 2014	95,610	-	3,534	-	-	99,144
Accumulated amortisation						
31 December 2012	19,955	5,724	-	27,500	4,531	57,710
Amortisation	24,210	2,863	-	-	-	27,073
Accumulated amortisation of assets written-off	-	-	-	(27,500)	(4,531)	(32,031)
Exchange differences	850	-	-	-	-	850
31 December 2013	45,015	8,587	-	-	-	53,602
Amortisation	31,216	-	-	-	-	31,216
Accumulated amortisation of assets written-off	-	(8,587)	-	-	-	(8,587)
Exchange differences	772	-	-	-	-	772
31 December 2014	77,003	-	-	-	-	77,003
Net book value						
31 December 2013	43,083	-	-	-	-	43,083
31 December 2014	18,607	-	3,534	-	-	22,141

Right under license agreement for audio-visual of football match

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

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

(Unit: Thousand Baht)

	Interest rate (percent per annum)		Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013	2014	2013
Bank overdrafts	7.40 - 7.78	7.78	27,452	47,129	20,216	-
Short-term loans from banks	3.30 - 4.00	-	1,881,750	-	1,881,750	-
Trust receipts						
Baht	3.33 - 3.50	3.45 - 3.70	3,578,214	2,177,133	3,578,215	2,177,133
US dollars	1.53 - 1.55	1.49 - 1.64	50,290	134,932	-	-
Total			5,537,706	2,359,194	5,480,181	2,177,133

Bank overdrafts and short-term loans from banks of the Company are secured by the pledge of some bank deposits. Bank overdrafts of subsidiary companies are secured by the Company. Bank overdrafts of Siam Sport Television Co., Ltd., a subsidiary company, secured by Siam Sport Syndicate Public Co., Ltd. (the former shareholder), one director of Siam Sport Television Co., Ltd., and one natural person (former director of Siam Sport Television Co., Ltd.).

Some trust receipts of the Company are secured by the pledge of some bank deposits (2013: Some trust receipts of the Company were secured by the pledge of some bank deposits and cross-guaranteed by the Company and subsidiary companies).

Trust receipts of the subsidiary companies are secured by the Company, and the pledge of some bank deposits of the Company (2013: Trust receipts of the subsidiary companies were secured by the Company, the pledge of some bank deposits of the Company and cross-guaranteed by the Company and subsidiary companies).

19. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Trade accounts payable				
Trade accounts payable - related parties (Note 6)	134,425	218	1,578,449	1,684,441
Trade accounts payable - unrelated parties	1,038,530	1,341,373	45,504	27,703
Total trade accounts payable	1,172,955	1,341,591	1,623,953	1,712,144
Other payables				
Amount due to and advance from related parties (Note 6)	43,627	5,424	183,154	388,234
Other payables - unrelated parties	223,694	259,708	145,280	169,746
Accrued expenses	12,301	1,706	3,810	1,706
Total other payables	279,622	266,838	332,244	559,686
Total trade and other payables	1,452,577	1,608,429	1,956,197	2,271,830

20. Short-term loan

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Short-term loans from related parties (Note 6)	-	-	266,000	139,000
Short-term loans from unrelated party	18,294	-	-	-
Total short-term loans	18,294	-	266,000	139,000

Short-term loans from unrelated party

This represents short-term loan from Siam Sport Syndicate Public Co., Ltd. which carries interest at a rate of 5% per annum.

21. Long-term loan from financial institutions

Company		Significant terms and conditions of loan agreements			Consolidated financial statements		Separate financial statements	
		Repayment schedule	Collateral	Interest rate (Percent per annum)	2014	2013	2014	2013
The Company	Credit facilities							
	12,420	Repayable in 120 monthly installments, with the first of these due in April 2010 and is to be repaid in full within March 2020.	Mortgage of a condominium unit and the transfer of the beneficiary rights under insurance policy for a condominium unit to the bank. Subsequently, in August 2014, the Company fully repaid the principal and interest, and redeemed the mortgage asset security.	Minimum Loan Rate (MLR) minus 1.25 percent per annum	-	7,665	-	7,665
Subsidiary								
	Siam Sport Television Co., Ltd.	- The 1st to the 3rd periods payment interest of loans withdrawn with the installment at the end of month. - From the 4th period, the principal and interest payment not less than Baht 1.14 million per month, which have to be paid within 5 years.	1. Siam Sport Syndicate Public Company Limited (the former shareholder) 2. Two individual persons (former directors of Siam Sport Television Co., Ltd.) 3. Motor vehicles with transmission tools and equipment	- MLR-0.50% per annum for the first year - MLR-0.25% per annum for the 2nd year until the last payment date	18,662	-	-	-

(Unit: Thousand Baht)

(Unit: Thousand Baht)

Company	Credit facilities	Significant terms and conditions of loan agreements			Consolidated financial statements		Separate financial statements	
		Repayment schedule	Collateral	Interest rate (Percent per annum)	2014	2013	2014	2013
Siam Sport Television Co., Ltd.	30,000	The principal and interest will be monthly repaid at minimum Baht 0.55 million with the first installment on 20 August 2012, which have to be paid within 5 years.	1. Siam Sport Syndicate Public Company Limited (the former shareholder) 2. Two individual persons (former directors of Siam Sport Television Co., Ltd.) 3. Motor vehicles with transmission tools and equipment	3% per annum	15,632	-	-	-
	30,000	- The 1st to the 3rd periods payment interest of loans withdrawn at 25 th of each month. - From the 4th period, the principal and interest payment not less than Baht 1.35 million per month with the first installment on 25 October 2014, which have to be paid within 2 years.	1. Siam Sport Syndicate Public Company Limited 2. Two individual persons (former directors of Siam Sport Television Co., Ltd.)	MLR-0.50% per annum	26,430	-	-	-
Total loans from financial institutions					60,724	7,665	-	7,665
Less: current portion					35,435	1,163	-	1,163
Long-term loans - net of current portion					25,289	6,502	-	6,502

Movements in the long-term loans account during the years ended 31 December 2014 and 2013 were summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Balance at beginning of the year	7,665	8,756	7,665	8,756
Add: Acquisition of subsidiary during the year	61,737	-	-	-
Less: Repayment	(8,678)	(1,091)	(7,665)	(1,091)
Balance at end of the year	60,724	7,665	-	7,665

22. Liabilities under finance lease agreements

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Liabilities under finance lease agreements	28,465	6,752	2,804	5,775
Less: Deferred interest expenses	(2,172)	(396)	(81)	(316)
Total	26,293	6,356	2,723	5,459
Less: Portion due within one year	(11,062)	(1,518)	(997)	(1,311)
Liabilities under finance lease agreements - net of current portion	15,231	4,838	1,726	4,148

The Company and its subsidiaries have entered into the finance lease agreements with leasing companies for rental of motor vehicles and equipment for use in their operations, whereby they are committed to pay rental on a monthly basis. The terms of the agreements are generally between 3 and 5 years.

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

(Unit: Thousand Baht)

	Consolidated financial statements					
	Less than 1 year		1 - 5 years		Total	
	2014	2013	2014	2013	2014	2013
Future minimum lease payments	12,461	1,751	16,004	5,001	28,465	6,752
Deferred interest expenses	(1,399)	(233)	(773)	(163)	(2,172)	(396)
Present value of future minimum lease payments	11,062	1,518	15,231	4,838	26,293	6,356

(Unit: Thousand Baht)

	Separate financial statements					
	Less than 1 year		1 - 5 years		Total	
	2014	2013	2014	2013	2014	2013
Future minimum lease payments	1,067	1,507	1,737	4,268	2,804	5,775
Deferred interest expenses	(70)	(196)	(11)	(120)	(81)	(316)
Present value of future minimum lease payments	997	1,311	1,726	4,148	2,723	5,459

23. Other current liabilities

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Advance received from customers	12,391	1,081	-	-
Unearned revenue from telephone service	10,715	25,787	-	-
Undue output tax	9,832	9,134	12,710	12,138
Valued added tax payable	7,214	749	-	-
Others	37,119	42,107	24,022	24,180
Total other current liabilities	77,271	78,858	36,732	36,318

24. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire from the Company and its subsidiaries, was as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Defined benefit obligation at beginning of the year	22,451	19,891	15,899	14,179
Current service cost	2,165	1,742	1,393	1,128
Interest cost	925	818	641	592
Benefits paid during the year	(1,092)	-	(1,091)	-
Acquisition of subsidiary during the year	3,153	-	-	-
Actuarial losses	2,143	-	2,089	-
Defined benefit obligation at end of the year	29,745	22,451	18,931	15,899

Long-term employee benefit expenses included in the profit or loss consist of the following:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Current service cost	2,165	1,742	1,393	1,128
Interest cost	925	818	641	592
Total expenses recognised in profit or loss	3,090	2,560	2,034	1,720
Line items in profit or loss under which such expenses are included				
Cost of services	-	109	-	-
Selling expenses	1,962	1,350	1,399	1,138
Administrative expenses	1,128	1,101	635	582

As at 31 December 2014, cumulative actuarial loss, which were recognised in other comprehensive income of the Company and its subsidiaries, amounted to Baht 3 million (2013: Baht 1 million) (Separate financial statements: Baht 2 million and 2013: Baht 1 million).

Key actuarial assumptions used for the valuation are as follows:

	Consolidated financial statements		Separate financial statements	
	2014 (% per annum)	2013 (% per annum)	2014 (% per annum)	2013 (% per annum)
Discount rate	4.3	4.1	4.3	4.1
Future salary increase rate	2.5 - 7.0	4.0 - 6.0	4.0 - 7.0	4.0 - 6.0
Employee staff turnover rate (depending on age of employees)	0 - 24	0 - 20	0 - 24	0 - 20

The amounts of defined benefit obligations and experience adjustments for the current year and the past four years are as follows:

(Unit: Thousand Baht)

	Defined benefit obligations		Experience adjustments on the obligations	
	Consolidated financial statements	Separate financial statements	Consolidated financial statements	Separate financial statements
Year 2014	25,289	18,931	1,433	1,622
Year 2013	22,451	15,899	-	-
Year 2012	19,891	14,179	-	-
Year 2011	16,618	11,874	-	-
Year 2010	14,505	11,641	-	-

25. Warrants

On 24 April 2008, the Annual General Meeting of the Company's shareholders passed a resolution to issue 140 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 2 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 allocated warrants which is entitled to exercise since the first day of the exercise period until the expired date of warrants.
- Certificate No. 2 will represent 15% of total number of warrants allocated which is entitled to exercise after the end of the first year that the warrants are issued until the expired date of warrants.
- Certificate No. 3 will represent 20% of total number of warrants allocated which is entitled to exercise after the end of the second year that the warrants are issued until the expired date of warrants.
- Certificate No. 4 will represent 25% of total number of warrants allocated which is entitled to exercise after the end of the third year that the warrants are issued until the expired date of warrants.
- Certificate No. 5 will represent 30% of total number of warrants allocated which is entitled to exercise after the end of the fourth year that the warrants are issued until the expired date of warrants.

On 27 April 2009, the Annual General Meeting of the Company's shareholders 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 2 per share to be Baht 1.7 per share.

On 29 May 2009, the Company issued 100,250,000 warrants to the Company's directors and employees of the Company and its subsidiaries at Baht 0 per unit, with 39,750,000 warrants being cancelled as a condition of the warrant issue. The warrants have an exercise ratio is 1:1, are exercisable at a price of Baht 1.7 per share, and have an exercise period of five years period from the issue date, expiring on 28 May 2014. The warrants are exercisable on the 15th of the last month of each quarter throughout their terms, from 15 June 2009 to 28 May 2014.

Movement of warrants were summarised below.

(Number of unit: Thousand units)

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

(Number of unit: Thousand units)

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

26. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside 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 present, the statutory reserve has fully been set aside.

27. Other income

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Selling support income	29,421	18,630	29,421	18,237
Gain on exchange	24,287	-	33,011	3,946
Gain on sales of equipment	4,192	7,455	2,038	5,304
Interest income	3,381	3,679	14,993	17,380
Gain on disposal of temporary investments in trading securities (Note 8)	531	1,239	531	1,239
Gain on change in value of temporary investments in trading securities (Note 8)	35	-	35	-
Dividend income from subsidiaries (Note 15)	-	-	674,528	514,640
Advertising and management fee income	-	-	158,998	88,669
Others	62,001	30,542	165,656	21,409
Total other income	123,848	61,545	1,079,211	670,824



28. Expenses by nature

Significant expenses classified by nature were as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Marketing expenses	934,172	994,771	662,799	565,383
Salaries and wages and other employee benefits	423,575	399,757	251,076	231,155
Depreciation and amortisation	205,531	170,641	78,410	65,360
Rental expenses from operating lease agreements	92,530	83,133	71,470	62,554
Loss on change in value of temporary investments in trading securities (Note 8)	-	1,744	-	1,744
Changes in inventories	(845,741)	(673,326)	(949,099)	(539,967)
Purchase finished goods for sales	9,515,940	11,651,818	10,035,021	7,997,507

29. Other expenses

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Reserve for doubtful accounts	4,325	10,547	342	3,124
Write off other current asset	-	36,252	-	-
Loss on exchange	-	3,814	-	-
Loss on change in value of temporary investments in trading securities (Note 8)	-	1,744	-	1,744
Loss on impairment of investment in subsidiary	-	-	140,899	-
Others	406	-	-	-
Total other expenses	4,731	52,357	141,241	4,868

30. Finance cost

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Interest expenses on:				
Bank loans, overdrafts and trust receipts	118,946	54,660	117,039	53,536
Loans from related parties	-	-	4,477	6,247
Liabilities under finance lease agreements and others	334	460	260	543
Total interest expenses	119,280	55,120	121,776	60,326
Bank charges	22,158	22,691	5,142	8,147
Total finance cost	141,438	77,811	126,918	68,473

31. Income tax

Income tax expenses for the years ended 31 December 2014 and 2013 were made up as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Current income tax				
Current income tax charge	35,393	37,425	21,495	22,717
Deferred tax				
Relating to origination and reversal of temporary differences	47,728	(32,789)	6,780	(2,762)
Income tax expenses reported in the income statement	83,121	4,636	28,275	19,955

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2014 and 2013 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Deferred tax relating to loss on changes in value of available-for-sale investments	14,585	2,471	5,443	7,500
Deferred tax relating to loss on actuarial losses	429	-	418	-
Income tax expense charged to other comprehensive income	15,014	2,471	5,861	7,500

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Accounting profit before tax	802,798	815,392	660,631	591,166
Applicable tax rate	16.5% - 25%	16.5% - 25%	20%	20%
Accounting profit before tax multiplied by income tax rate	157,790	156,326	132,126	118,233
Effects of:				
Promotional privileges	(92,656)	(121,989)	-	-
Utilisation of tax loss carry forward	520	(8,061)	-	-
Income not subject to tax	(1,300)	(804)	(134,927)	(102,940)
Non-deductible expenses	10,020	12,859	31,130	4,687
Additional expense deductions allowed	(48)	(25)	(54)	(25)
Total	(83,464)	(118,020)	(103,851)	(98,278)
Income tax on loss carry forwards from acquisition of subsidiary company during the year	-	(41,469)	-	-
Deferred tax assets not recognised	8,795	7,799	-	-
Income tax expense reported in the income statements	83,121	4,636	28,275	19,955

The components of deferred tax assets and deferred tax liabilities are as follows:

(Unit: Thousand Baht)

	Statements of financial position			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Deferred tax assets				
Allowance for doubtful accounts	3,371	4,433	13	27
Allowance for diminution in value of inventories	5,666	12,263	5,243	11,813
Allowance for asset impairment	1,765	1,683	1,765	1,683
Gain on change in value of temporary investments	8,273	8,338	8,273	8,338
Loss on changes in value of available-for-sale investments	17,154	7,500	12,944	7,500
Provision for long-term employee benefits	5,559	4,490	3,786	3,180
Unused tax loss	21,599	42,753	-	-
Others	2,025	4,002	2,806	3,081
Total	65,412	85,462	34,830	35,622
Deferred tax liabilities				
Gain on changes in value of available-for-sale investments	-	(4,931)	-	-
Depreciation difference from tax rate	(7,055)	-	-	-
Total	(7,055)	(4,931)	-	-
Deferred tax, net	58,357	80,531	34,830	35,622

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	
	2014	2013	2014	2013
Deferred tax assets	58,357	84,729	34,830	35,622
Deferred tax liabilities	-	(4,198)	-	-
Deferred tax, net	58,357	80,531	34,830	35,622

As at 31 December 2014 the subsidiary companies have deductible temporary differences and unused tax losses totaling Indonesian Rupiah 3,512 million (2013: Indonesian Rupiah 4,352 million). No deferred tax assets have not been recognised on these amounts as the subsidiary companies believe that the future taxable profits may be sufficient to allow utilisation of the temporary differences and unused tax losses.

32. Earnings per share

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

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

32.1 Weighted average number of ordinary shares

As at 31 December 2014 and 2013, the weighted average number of ordinary shares in the consolidated and separate financial statements were calculated as follows:

(Unit: Thousand shares)

	Consolidated / Separate financial statements	
	2014	2013
Balance brought forward	4,373,470	4,303,935
Add: Weighted average number of ordinary shares in issue during the year	20,282	44,557
Weighted average number of ordinary shares	4,393,752	4,348,492

32.2 Reconciliation of basic and diluted earnings per share

The following table sets forth the computation of basic and diluted earnings per share:

	Consolidated financial statements					
	Profit for the year		Weighted average number of ordinary shares		Earnings per share	
	2014	2013	2014	2013	2014	2013
	(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
Basic earnings per share						
Profit attributable to equity holders of the Company	710,290	806,519	4,393,752	4,348,492	0.162	0.185
Effect of dilutive potential ordinary shares						
Warrants offering to the Company's directors and the employees of the Company and its subsidiaries: Nil (2013: 26,780,000 warrants)			3,010	24,517		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of warrants to ordinary shares	710,290	806,519	4,396,762	4,373,009	0.162	0.184

	Separate financial statements					
	Profit for the year		Weighted average number of ordinary shares		Earnings per share	
	2014	2013	2014	2013	2014	2013
	(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
Basic earnings per share						
Profit attributable to equity holders of the Company	632,356	571,211	4,393,752	4,348,492	0.144	0.131
Effect of dilutive potential ordinary shares						
Warrants offering to the Company's directors and the employees of the Company and its subsidiaries: Nil (2013: 26,780,000 warrants)			3,010	24,517		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of warrants to ordinary shares	632,356	571,211	4,396,762	4,373,009	0.144	0.131

33. Dividends

Dividends	Approved by	Total dividends (Thousand Baht)	Dividend per share (Baht)	Paid on
Final dividends for 2012	Annual General Meeting of the shareholders on 25 April 2013	108,471.9	0.025	7 May 2013
Dividends from income for the six-month period ended 30 June 2013	Board of Directors' meeting on 13 August 2013	218,424.5	0.050	9 September 2013
Total for 2013		326,896.4	0.075	
Final dividends for 2013	Annual General Meeting of the shareholders on 29 April 2014	482,087.7	0.110	
Less: Dividends from income for the six-month period ended 30 June 2013	A meeting of Board of Directors on 13 August 2013	(218,424.5)	(0.050)	9 September 2013
Total dividends payment for 2013 paid in 2014		263,663.2	0.060	15 May 2014
Add: Dividends from income for the six-month period ended 30 June 2014	A meeting of Board of Directors on 7 August 2014	264,013.6	0.060	3 September 2014
Total for 2014		527,676.8	0.120	

34. Promotional privileges

Brain Source Co., Ltd., a subsidiary company, has been granted promotional privileges approved by the Board of Investment under the Thai Investment Promotion Act B.E. 2520, for research and development of software, under certificate No. 1690(7)/2550 dated 20 July 2007. Subject to certain imposed conditions, the main privileges include the followings:

- 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 (commencing from 1 August 2007 until 31 July 2015). Furthermore, accumulated losses incurred during the corporate income tax exemption period, the subsidiary is allowed to utilise the losses as a deduction against net income for a period of 5 years after the expiry of the tax exemption period, whether from any one year or from several years.
- 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.
- Exemption from import duty on imported machinery for use in production as approved by the Board until 20 January 2010.

The subsidiary has to comply with certain conditions and restrictions specified under the promotion certificate.

Service income of the subsidiary amounting to approximately Baht 485 million for the year ended 31 December 2014 (2013: Baht 611 million) was revenues from promoted operations.

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 units based on their geographical (i.e., domestic and foreign) and their products and services. The Company and its subsidiaries have three business segments as follows:

1. Mobile segment
Distribution of mobile phones and provision of mobile phones bundled with content
2. Multimedia segment
 - 2.1 Provision of voice services, audiovisual or multimedia services and infotainment services through mobile phones
 - 2.2 Content provider through multimedia channels
 - 2.3 Producer of television and radio programs, printed media and billboards
 - 2.4 Provision of multimedia and interactive media services
 - 2.5 Provision of website services
 - 2.6 Provision of entertainment services as part of intelligent marketing strategy
3. Service provider segment
Provider retail and wholesale 3G services (Mobile Virtual Network Operator)

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 total assets and on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements.

The basis of accounting for any transactions between reportable segments is set out in Note 6 to the financial statements.

The following tables present revenue and profit and total assets/total liabilities information regarding the Company and its subsidiaries' operating segments for the years ended 31 December 2014 and 2013, respectively.

(Unit: Million Baht)

	Foreign		Domestic						Adjustments and eliminations		Consolidated	
	Mobile		Mobile		Multimedia		Service provider					
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Sales and service income												
Sales and service income from third parties												
- Local sales and service income	-	-				933		192	-	-		9,806
- Overseas sales and service income	175	196	10,743	8,681	739	-	297	-	-	-	11,779	410
Sales and service income from related parties	9,190	6,432	1,892	795	16	17	5	13	(11,079)	(7,234)	24	23
Total sales and service income	9,365	6,628	13,027	9,690	755	950	302	205	(11,079)	(7,234)	12,370	10,239
Cost of sales and service	9,165	6,391	11,042	7,629	583	783	191	151	(11,237)	(7,261)	9,744	7,693
Gross profit	200	237	1,985	2,061	172	167	111	54	158	27	2,626	2,546
Unallocated income (expenses):												
Other income											123	62
Selling expenses											(1,320)	(1,209)
Administrative expenses											(481)	(453)
Other expenses											(5)	(52)
Finance cost											(141)	(78)
Income tax expenses											(83)	(5)
Non-controlling interests of the subsidiaries											(9)	(4)
Profit for the year											710	807

(Unit: Million Baht)

	Foreign		Domestic						Adjustments and eliminations		Consolidated	
	Mobile		Mobile		Multimedia		Service provider					
			2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Assets												
	1,101	1,350	7,648	4,223	122	118	32	38	(2,962)	(2,077)	5,941	3,652
	170	214	2,297	1,435	1	1	59	23	(11)	(3)	2,516	1,670
	3	4	414	422	290	158	57	35	(4)	(4)	760	615
	-	-	35	78	16	1	6	6	1	1	58	86
	136	135	2,941	2,808	451	471	214	93	(2,379)	(2,247)	1,363	1,260
Segment total assets	1,410	1,703	13,335	8,966	880	749	368	195	(5,355)	(4,330)	10,638	7,283
Segment total liabilities	1,442	1,736	9,108	4,731	440	337	307	127	(4,079)	(2,836)	7,218	4,095
Additions to non-current assets other than financial instruments and deferred tax assets												
	-	1	268	242	303	35	42	6	(4)	(92)	609	192



Geographic information

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

(Unit: Million Baht)

	2014	2013
<i>Revenue from external customers</i>		
Thailand	11,800	9,828
Laos	307	208
Malaysia	80	109
Others	183	94
Total	12,370	10,239

Non-current assets (other than financial instruments and deferred tax assets)

(Unit: Million Baht)

	2014	2013
Thailand	767	611
Malaysia	15	47
Total	782	658

Major customers

For the year 2014, the Company and its subsidiaries had revenue from two major customers in amount of Baht 1,953 million and Baht 1,208 million, arising from sales by mobile segment (2013: Baht 1,077 million, Baht 1,066 million and Baht 1,013 million derived from three major customers, arising from sales by mobile segment).

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 contribute to the fund monthly at the rate of 3 - 10 percent of basic salary. The fund, which is managed by Bangkok Bank Public Company Limited and Bank of Ayudhya Public Company Limited, will be paid to employees upon termination in accordance with the fund rules. During the year 2014, the Company and its subsidiary companies contributed Baht 12 million (Separate financial statements: Baht 7 million) (2013: Baht 11 million, Separate financial statements: Baht 6 million) to the fund.

37. Commitments and contingent liabilities

The Company and its subsidiaries had commitments and contingent liabilities other than those disclosed in other notes to financial statements as follows:

37.1 Operating lease commitments

The Company and its subsidiaries have entered into several lease agreements in respect of the lease of office building space and motor vehicles. The terms of the agreements are generally between 1 and 5 years.

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

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Payable:				
In up to 1 year	31	27	22	22
In over 1 and up to 5 years	25	14	19	12

As at 31 December 2014, future minimum sublease payments expected to be received under non-cancellable subleases totaled approximately Baht 12 Million (2013: Baht 14 million). During the year 2014, the Company recognised rental expenses of Baht 5 million (2013: Baht 5 million) and subleasing revenue of Baht 5 million (2013: Baht 5 million).

37.2 Guarantees

37.2.1 Bank guarantees

As at 31 December 2014, there were outstanding bank guarantees issued by banks on behalf of the Company and its subsidiaries of approximately Baht 15.60 million (2013: Baht 14.14 million) (Separate financial statements: Baht 0.25 million; 2013: Baht 0.25 million), in respect of certain performance bonds as required in the normal course of business. The details of bank guarantees are as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Performance guarantees	15.05	13.46	-	-
Guarantee electricity use, among others	0.55	0.68	0.25	0.25
	15.60	14.14	0.25	0.25

37.2.2 Guarantees to related parties

- The Company has contingent liabilities in respect of the guarantees of subsidiaries' credit facilities provided to banks as follows:

(Unit: Million Baht)

	Guaranteed facilities	
	2014	2013
Samart I-Mobile (Malaysia) Sdn. Bhd.	96	101
Samart Mobile Services Co., Ltd.	55	55
Samart Multimedia Co., Ltd.	116	116
I-Mobile Inter trade Co., Ltd.	10	20
Pt. Samart I-Mobile Indonesia	166	165
Samart Multimedia Co., Ltd. and Samart Interactive Media Co., Ltd. (joint use the same facilities with the Company)	-	10
Samart Mobile Services Co., Ltd., I-Mobile International Co., Ltd., I-Mobile Inter trade Co., Ltd. and Teleconnex Co., Ltd. (joint use the same facilities with the Company)	1,798	1,794

(Unit: Million Baht)

	Guaranteed facilities	
	2014	2013
Teleconnex Co., Ltd. (joint use the same facilities with the Company)	-	2,985
Teleconnex Co., Ltd. and I-Mobile Plus Co., Ltd. (joint use the same facilities with the Company which the Company guarantees credit facilities to I-Mobile Plus Co., Ltd. of Baht 200 million)	700	700
I-Mobile International Co., Ltd. (joint use the same facilities with the Company)	200	200
Brain Source Co., Ltd. (joint use the same facilities with the Company)	-	150
Samart Multimedia Co., Ltd. (joint use the same facilities with the Company)	-	140
I-Mobile Plus Co., Ltd.	20	20
I-Sport Co., Ltd.	5	5
I-Mobile Plus Co., Ltd. (joint use the same facilities with the Company)	105	105
Samart Multimedia Co., Ltd., Teleconnex Co., Ltd., I-Mobile International Co., Ltd., I-Mobile Plus Co., Ltd. and I-Mobile Direct Co., Ltd. (joint use the same facilities with the Company)	1,500	1,000

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

- The Company and its subsidiaries have cross-guaranteed credit facilities granted by the commercial banks to the Company and its subsidiaries as follows:

(Unit: Million Baht)

	Cross - guaranteed credit facilities		Facilities used	
	2014	2013	2014	2013
The Company, I-Mobile International Co., Ltd. and Samart Mobile Services Co., Ltd.	-	2,985	-	1,106
The Company and I-Mobile Inter trade Co., Ltd. (This is part of the credit facilities of Baht 2,985 million)	-	2,000	-	-
The Company, I-Mobile International Co., Ltd., Samart Mobile Services Co., Ltd. and Teleconnex Co., Ltd.	-	1,000	-	500
The Company and I-Mobile Plus Co., Ltd.	-	6	-	6

For the year 2013, the credit facility of Baht 2,985 million mentioned above in 1, which the Company has guaranteed for its subsidiaries, is part of the credit facilities of Baht 2,985 million, jointly used by the Company and subsidiaries.

- Siam Sport Television Co., Ltd., a subsidiary company, had guaranteed facilities with Siam Sport Syndicate Public Co., Ltd., Siam Sport Books Co., Ltd. and Siam Sport Syndicate Public Co., Ltd.'s director relating to bank guarantee for cash management of the credit facilities of Baht 25 million.

37.3 Commitments in uncalled portions of investments

The Company and its subsidiaries had outstanding commitment totaling in respect of uncalled portions of investments in their subsidiaries as follows:

	Currency	Amount (Million)	
		2014	2013
The local subsidiary companies	Baht	15	20
The overseas subsidiary company	Malaysian ringgit	3	3

37.4 Other commitments

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

During the year 2011, the Company transferred the right and duties under a memorandum of understanding to I-Mobile Plus Co., Ltd., a subsidiary company. The subsidiary company is obliged to comply with certain conditions and pay fees for the testing project as stated in the memorandum of understanding.

In addition, the subsidiary receiving the licenses from the National Broadcasting and Telecommunications Commission (NBTC) has obligations to comply with certain conditions as stated in the licenses, and to pay annual license fees, together with a fee for the Universal Service Obligation (USO) in accordance with conditions and requirements stipulated by the NBTC.

37.4.2 On 4 May 2012, Samart I-Mobile Public Co., Ltd. entered into an agreement with TOT Public Co. Ltd. to together provide International Roaming service on TOT's 3G network for a period of 2 years and 10 months, with the term of the agreement to begin on the date that the service is ready to be launched (at present, the service has yet to be launched). The Company is obliged to comply with certain conditions as stated in the agreement and to pay fees at the rates stated in the agreement.

37.4.3 The Company and its subsidiary companies have entered into the service agreements with various companies between 1 and 5 years. The Company and its subsidiary companies have to pay a monthly facility service fee at the rate stipulated in the agreements.

38. Financial instruments

38.1 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 and other receivables, loans, investments; and short-term and long-term loans. The financial risks associated with these financial instruments and how they are managed are described below.

Credit risk

The Company and its subsidiaries are exposed to credit risk primarily with respect to trade and other receivables and loans. The Company and its subsidiaries manage the risk by adopting appropriate credit control policies and procedures and therefore do not expect to incur material financial losses. In addition, the Company and its subsidiaries do not have high concentration of credit risk since they have a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of trade and other receivables and loans as stated in the statement of financial position.

Interest rate risk

The Company and its subsidiaries' exposure to interest rate risk relates primarily to their cash at banks, bank overdrafts, short-term and long-term borrowings. 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.

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.

(Unit: Million Baht)

	Consolidated financial statements									
	Fixed interest rates			Floating interest rate		Non-interest bearing		Total		
	Within 1 year		1-5 years	2014	2013	2014	2013	2014	2013	
	2014	2013	2014							
Financial assets										
Cash and cash equivalents	-	-	-	101	402	39	9	140	411	
Temporary investments	-	-	-	-	-	12	9	12	9	
Trade and other receivables	-	-	-	-	-	6,099	3,856	6,099	3,856	
Restricted bank deposits	105	105	-	-	-	-	-	105	105	
Available-for-sale investments	-	-	-	-	-	267	173	267	173	
	105	105	-	101	402	6,417	4,047	6,623	4,554	
Financial liabilities										
Bank overdrafts	-	-	-	27	47	-	-	27	47	
Short-term loans from banks	1,882	-	-	-	-	-	-	1,882	-	
Trust receipts										
- Baht	3,578	2,177	-	-	-	-	-	3,578	2,177	
- US Dollars	50	135	-	-	-	-	-	50	135	
Trade and other payables	-	-	-	-	-	1,453	1,608	1,453	1,608	
Short-term loans from unrelated parties	18	-	-	-	-	-	-	18	-	
Long-term loans from financial institutions	-	-	-	61	8	-	-	61	8	
Liabilities under finance lease agreements	-	-	26	-	-	-	-	26	6	
	5,528	2,312	26	88	55	1,453	1,608	7,095	3,981	

Effective interest rates of financial assets and liabilities were separately shown in related notes to financial statements.



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(Unit: Million Baht)

	Separate financial statements									
	Fixed interest rates			Floating interest rate		Non-interest bearing		Total		
	Within 1 year		1-5 years							
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Financial assets										
Cash and cash equivalents	-	-	-	-	41	194	7	6	48	200
Temporary investments	-	-	-	-	-	-	12	9	12	9
Trade and other receivables	-	-	-	-	-	-	6,128	3,867	6,128	3,867
Short-term loans to related parties	-	-	-	-	379	253	-	-	379	253
Restricted bank deposits	103	103	-	-	-	-	-	-	103	103
Available-for-sale investments	-	-	-	-	-	-	209	69	209	69
	103	103	-	-	420	447	6,356	3,951	6,879	4,501
Financial liabilities										
Bank overdrafts	-	-	-	-	20	-	-	-	20	-
Loans from banks	1,882	-	-	-	-	-	-	-	1,882	-
Trust receipts										
- Baht	3,578	2,177	-	-	-	-	-	-	3,578	2,177
Trade and other payables	-	-	-	-	-	-	1,956	2,272	1,956	2,272
Short-term loans from related parties	-	-	-	-	266	139	-	-	266	139
Long-term loans from financial institutions	-	-	-	-	-	8	-	-	-	8
Liabilities under finance lease agreements	-	-	3	5	-	-	-	-	3	5
	5,460	2,177	3	5	286	147	1,956	2,272	7,705	4,601

Effective interest rates of financial assets and liabilities were separately shown in related notes to financial statements.

Foreign currency risk

The Company and its subsidiaries' exposure to foreign currency risk arise mainly from trading transactions and borrowings that are denominated in foreign currencies. The Company and its subsidiaries seek to reduce this risk by entering into forward exchange contracts when they consider appropriate. Generally, the forward contracts mature within one year.

The balances of financial assets and liabilities denominated in foreign currencies were summarised below.

Foreign currency	Consolidated financial statements		Separate financial statements		Exchange rate as at 31 December	
	2014	2013	2014	2013	2014	2013
	(Million)		(Million)		(Baht per 1 foreign currency unit)	
Financial assets						
US dollar	16.57	11.89	16.47	11.41	32.8128	32.6778
Financial liabilities						
US dollar	37.51	45.64	32.75	40.27	33.1132	32.9494

The Company and its subsidiaries had the following outstanding forward exchange contracts:

Foreign currency	Consolidated financial statements/Separate financial statements (Million)	Contractual exchange rate (Baht per 1 foreign currency unit)	Contractual maturity date
<u>As at 31 December 2014</u>			
Bought amount			
US dollar	28.39	32.0627 - 33.3175	January - July 2015
Sold amount			
US dollar	8.16	32.4325 - 33.2875	January - July 2015
<u>As at 31 December 2013</u>			
Bought amount			
US dollar	34.63	31.3096 - 33.1552	March - July 2014
Sold amount			
US dollar	3.08	31.7550 - 33.0725	March - June 2014

38.2 Fair values of financial instruments

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

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instrument or by using an appropriate valuation technique, depending on the nature of the instrument.



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39. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2014, the Group's debt-to-equity ratio was 2.1:1 (2013: 1.3:1) and the Company's was 3.0:1 (2013: 1.9:1).

40. Events after the reporting period

In January 2015, the Company entered into a one-year management agreement with Samart Corporation Public Co., Ltd., the parent company, under which the Company has to pay a monthly service fee of Baht 1 million.

41. Approval of financial statements

These financial statements were authorised for issue by the Company's authorised directors on 20 February 2015.

Audit Fee

1. Audit Fee

In 2014, the Company and subsidiaries paid audit fee to the Company's auditor, EY Office Limited, amounting to Baht 1,400,000 and 2,875,000 respectively, and out of pocket expenses relating to audit work such as traveling expenses, photo copy expenses and others totaling Baht 428,579. In addition, the Company's subsidiaries in other countries paid audit fees to auditors EY Office Limited, in their countries.

2. Non-Audit Fee

Brain Source Co., Ltd., a 99.97% stake hold by the Company, paid professional fee to EY Office Limited for review of the compliance with conditions stipulated in the investment promotion certificate for the period ended December 31, 2014 submitted to BOI totaling Baht 120,000.



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Directors, Management, Company Secretary and Head of Internal Audit

as at December 31, 2014

Name-Surname/Position/ Appointing Date	Age	Education/Training	Share- holding in Company* (%)	Relationship	Working Experience last 5 years		
					During	Position	Company/Department
1. Professor Suphachai Phistvanich • Chairman of the Board • Independent Director • Audit Committee Member	74	- Ph.D. honorary in Accounting, Thammasat University - Master Degree in MBA, Ohio State University, U.S.A - Bachelor degrees in Accounting and Commerce, Thammasat University - National Defence course (Class 32), National Defence College of Thailand - Training courses from Thai Institute of Directors Association (IOD): 2003 Director Accreditation Program (DAP) 2003 Director Certification Program (DCP) 2004 Board Performance Evaluation	0.13	None	2005 - Present	Chairman of the Board of Directors and Independent Director	Samart I-Mobile Plc.
					2009 - Present	Audit Committee Member	Samart I-Mobile Plc.
					2009 - Present	Position in other listed companies Independent Director	CP All Plc.
					2007 - Present	Chairman of the Board of Directors	Aira Securities Plc.
					1994 - Present	Director, Chairman of the Audit Committee, Chairman of the Corporate Governance Committee and Risk Management Committee	Bangkok Expressway Plc.
					2003 - May 2010	Chairman of the Board of Directors and Chairman of the Audit Committee	Matching Studio Plc.
- Date of Appointment: May 11, 2005					2006 - Present	Position in non-listed companies Chairman of the Board of Directors	Sena Golden Sand Co., Ltd.
					2010 - Present	Chairman of the Board of Directors	Aira Capital Co., Ltd.
2. Dr. Chotivud Chayavadhanangkur • Independent Director • Chairman of the Audit Committee • Chairman of the Corporate Governance Committee • Nominating and Compensation Committee Member	67	- Doctorate of Ph.D. in Electrical Engineering, University of Minnesota, USA - Master Degree in M.S. Electrical Engineering, University of Minnesota, USA - Bachelor Degree in Engineering (1st Class Honour), Chulalongkorn University - Training courses from Thai Institute of Directors Association (IOD): 2004 Director Accreditation Program (DAP)	0.07	None	2009 - Present	Chairman of the Audit Committee	Samart I-Mobile Plc.
					2003 - 2009	The Audit Committee Member	Samart I-Mobile Plc.
					2003 - Present	Independent Director	Samart I-Mobile Plc.
					2008 - Present	Chairman of the Corporate Governance Committee	Samart I-Mobile Plc.
					2005 - Present	Nominating and Compensation Committee Member	Samart I-Mobile Plc.
						Position in other listed companies	
- Date of Appointment : September 30, 2003					2005 - Present	Position in non-listed companies Director	Greens Spot Co., Ltd.
					2005 - Present	Director	BITIC Co., Ltd.
					2002 - Present	Chairman of the Board of Directors	Bangkok Servex Co., Ltd.

Remarks: * Includes holding by spouse and minor children (See the securities holding information in the section "Corporate Governance" under the topic "4. Disclosure and Transparency")

Name-Surname/Position/ Appointing Date	Age	Education/Training	Share- holding in Company* (%)	Relationship	Working Experience last 5 years		
					During	Position	Company/Department
3. Mr. Kunthit Arunyananda • Independent Director • Audit Committee Member • Chairman of the Nominating and Compensation Committee • Corporate Governance Committee Member	48	- Mini MBA, Business Administration, Thammasat University - Bachelor Degree in Accounting, The Rajamongkol Institute of Technology - Training courses from Thai Institute of Directors Association (IOD): 2004 Director Certification Program (DCP)	0.02	None	2009 - Present	Chairman of the Nominating and Compensation Committee	Samart I-Mobile Plc.
					2008 - 2009	Nominating and Compensation Committee Member	Samart I-Mobile Plc.
					2003 - Present	Independent Director and Audit Committee Member	Samart I-Mobile Plc.
					2008 - Present	Corporate Governance Committee Member	Samart I-Mobile Plc.
					2005 - 2008	Chairman of the Corporate Governance Committee	Samart I-Mobile Plc.
- Date of Appointment : September 30, 2003					Position in other listed companies		
					Position in non-listed companies		
4. Mr. Charoenrath Vilailuck • Authorized Director	55	- Bachelor Degree in Engineering (Electrical Engineering), The University of Newcastle, Australia - Chief Executive Course for Urban Development Management (Class 1), Urban Green Development Institute Bangkok. - National Defence course for the joint State-Private Sectors (Class 18), National Defence College of Thailand - Training courses from Thai Institute of Directors Association (IOD): 2004 Director Certification Program (DCP) 2004 Director Accreditation Program (DAP)	None	Mr. Watchai's and Mr. Thananan's elder brother	2001 - Present	Director	Sam Nak - Ngan A.M.C. Co., Ltd.
					2003 - Present	Director	Samart I-Mobile Plc.
					Position in other listed companies		
					1993 - Present	Director	Samart Corporation Plc.
					2008 - Present	Chairman of the Risk Management Committee	Samart Corporation Plc.
- Date of Appointment : September 30, 2003					1995 - Present	Executive Chairman & CEO	Samart Corporation Plc.
					1996 - Present	Director	Samart Telecoms Plc.
					Apr. 2013 - Present	Director and Executive Director	One to One Contacts Plc.
					Position in non-listed companies		
					1993 - Present	Director	Vilailuck International Holding Co., Ltd.
- Date of Appointment : September 30, 2003					Subsidiaries and Related Companies (as shown in The Position of Directors of the Company in Subsidiaries and Related Companies)		
					Present	Director	One to One Contacts Co., Ltd.
- Date of Appointment : September 30, 2003					2000 - 2013	Director	One to One Contacts Co., Ltd.

Remarks: * Includes holding by spouse and minor children (See the securities holding information in the section "Corporate Governance" under the topic "4. Disclosure and Transparency")

Name-Surname/Position/ Appointing Date	Age	Education/Training	Share- holding in Company*	Relationship	Working Experience last 5 years		
					During	Position	Company/Department
5. Mr.Watchai Vilailuck • Authorized Director • Executive Chairman • Chief Executive Officer • Chairman of the Risk Management Committee • Acting Managing Director- Service Provider Business	52	- Bachelor Degree in Accounting, Thammasat University - Certificate of Strategic Planning & Implementation Program, University of Michigan Business School (Executive Education Center), Singapore - Certificate of Management Program from United Kingdom - National Defence course for the joint State-Private Sectors (Class 21), National Defence College of Thailand - Certificate - 2010 Leadership Program (Class 11), Capital Market Academy (CMA) - 2011 - 2012 The Programme for Senior Executive on Justice Administration Batch 15, National Justice Academy - 2013 ASEAN Executive Management Programme (Class 2), The Secretariat of the Prime Minister, Office of the Civil Service Commission (OCSO), Office of the National Economic and Social Development Board, Ministry of Foreign Affairs and Sasin Graduate Institute of Business Administration, Chulalongkorn University - 2013-2014 - The 5th Training Course on Administrative Justice for Executives, Institute of Administrative Justice, The Office of the Administrative Courts of Thailand - Training courses from Thai Institute of Directors Association (IOD): - 2004 Director Accreditation Program (DAP)	0.18	Mr. Charoenrath's younger brother and Mr.Thananan's elder brother	2003 - Present	Director and CEO	Samart I-Mobile Plc.
					2005 - Present	Chairman of the Risk Management Committee	Samart I-Mobile Plc.
					2012 - Present	Acting Managing Director - Service Provider Business	Samart I-Mobile Plc.
					Position in other listed companies		
					1993 - Present	Director	Samart Corporation Plc.
					2004 - Present	Chief Operating Member of Risk Management Committee	Samart Corporation Plc.
					2000 - Present	President	Samart Corporation Plc.
					2013 - Present	Chairman of the Sustainable Development Committee	Samart Corporation Plc.
					May 2014 - Present	Acting Chief Operating Officer of Call Center LOB	Samart Corporation Plc.
					Present	Acting Chief Operating Officer of Technology Related Services LOB and Utilities and Transportation LOB	Samart Corporation Plc.
					2000 - Present	Executive Chairman	Samart Telcoms Plc.
					1996 - Present	Director	Samart Telcoms Plc.
					Apr. 2013 - Present	Director	One to One Contracts Plc.
					May 2013 - Present	Executive Chairman and Chairman of the Risk Management Committee	One to One Contracts Plc.
					Position in non-listed companies		
					1993 - Present	Director	Vilailuck Internationa Holding Co., Ltd.
					Present	Director	Subsidiaries and Related Companies (as shown in The Position of Directors of the Company in Subsidiaries and Related Companies)
					2000 - Mar. 2013	Director	One to One Contracts Co., Ltd..
- Date of Appointment : September 30, 2003							

Remarks: * Includes holding by spouse and minor children (See the securities holding information in the section "Corporate Governance" under the topic "4. Disclosure and Tranparency")

Remarks: * Includes holding by spouse and minor children (See the securities holding information in the section "Corporate Governance" under the topic "4. Disclosure and Transparency")

Name-Surname/Position/ Appointing Date	Age	Education/Training	Share- holding in Company" (%)	Relationship	Working Experience last 5 years		
					During	Position	Company/Department
7. Mr. Jong Diloksombat • Authorized Director • Executive Director • Corporate Governance Committee Member • Risk Management Committee Member	55	- Master Degree in System Science, University of Louisville, USA - Bachelor Degree in Engineering (Electrical Engineering), Chulalongkorn University - Certificate of Strategic Planning & Implementation Program, University of Michigan Business School, Singapore - Certificate of Crisis Management Master Class Program, Premier Provider of Business Intelligence, VMAC Business Group (M) Sdn Bhd - Certificate of Executive Development Program, Faculty of Commerce and Accountancy, Thammasat University - Capital Market Leader Program by The Securities and Exchange Commission (SEC) and Sasin Graduate Institute of Business Administration of Chulalongkorn University - Training courses from Thai Institute of Directors Association (IOD): 2004 Director Accreditation Program (DAP)	0.02	None	2003 - Present	Director and Executive Director	Samart I-Mobile Plc.
					2003 - Jan. 2012	Chief Operating Officer	Samart I-Mobile Plc.
					2006 - 2008	Nominating and Compensation Committee Member	Samart I-Mobile Plc.
					2005 - Present	Corporate Governance Committee Member and Risk Management Committee Member	Samart I-Mobile Plc.
					2012 - Present	Position in other listed companies Director, Executive Director and President	Samart Telcoms Plc.
					2012 - Present	Chairman of the Risk Management Committee and Corporate Governance Committee Member	Samart Telcoms Plc.
					2013 - Present	Chairman of the Sustainable Development Committee	Samart Telcoms Plc.
					2012 - Present	Executive Director	Samart Corporation Plc.
					2009 - Present	Risk Management Committee Member	Samart Corporation Plc.
					2013 - Present	Sustainable Development Committee Member	Samart Corporation Plc.
- Date of Appointment : September 30, 2003					2012 - Present	President of ICT Solution and Services LOB	Samart Corporation Plc.
					Present	Position in non-listed companies Director	Subsidiaries and Related Companies (as shown in The Position of Directors of the Company in Subsidiaries and Related Companies)

Remarks: * Includes holding by spouse and minor children (See the securities holding information in the section "Corporate Governance" under the topic "4. Disclosure and Transparency")

Name-Surname/Position/ Appointing Date	Age	Education/Training	Share- holding in Company* (%)	Relationship	Working Experience last 5 years		
					During	Position	Company/Department
8. Mr. Sirichai Rasameechan • Authorized Director • Risk Management Committee Member • Nominating and Compensation Committee Member	64	- Master of Accounting, Thammasat University - Bachelor Degree in Accounting, Thammasat University - Training courses from Thai Institute of Directors Association (IOD) : 2000 Director Certification Program (DCP) 2000 Finance for Non-Finance Director Program	None	None	Aug. 2014 - Present	Director	Samart I-Mobile Plc.
					2005 - Present	Risk Management Committee Member	Samart I-Mobile Plc.
					2008 - Present	Nominating & Compensation Committee Member	Samart I-Mobile Plc.
					Position in other listed companies		
					2000 - Present	Executive Vice Chairman	Samart Corporation Plc.
					1996 - Present	Director	Samart Corporation Plc.
					2005 - Present	Corporate Governance Committee Member	Samart Corporation Plc.
					2004 - Present	Risk Management Committee Member	Samart Corporation Plc.
					2013 - Present	Vice Chairman of the Sustainable Development Committee	Samart Corporation Plc.
					1998 - Present	Director, Executive Director	Samart Telecoms Plc.
					Apr. 2013 - Present	Director	One to One Contacts Plc.
					May 2013 - Present	Executive Director,	One to One Contacts Plc.
						Risk Management Committee Member, Corporate Governance Committee Member	
					Position in non-listed companies		
					Present	Director	Subsidiaries and Related Companies (as shown in The Position of Directors of the Company in Subsidiaries and Related Companies)
					Present	Speaker	Thai Institute of Directors Association (IOD)
					2000 - 2013	Director	One to One Contacts Co., Ltd.
- Date of Appointment : August 7, 2014							

Remarks: * Includes holding by spouse and minor children (See the securities holding information in the section "Corporate Governance" under the topic "4. Disclosure and Transparency")

Name-Surname/Position/ Appointing Date	Age	Education/Training	Share- holding in Company* (%)	Relationship	Working Experience last 5 years		
					During	Position	Company/Department
9. Mr. Pracha Phattayakorn • Executive Vice President • Executive Director • Risk Management Committee Member • Sustainable Development Committee Member	51	- Master Degree in Business Administration, Sasin Graduate Institute of Business Administration of Chulalongkorn University - Bachelor Degree in Accounting, Chulalongkorn University - Investment Banking License - Association of Securities Companies - Training courses from Thai Institute of Directors Association (IOD) : 2005 Director Accreditation Program (DAP), 2006 Audit Committee Program (ACP), 2007 Monitoring the Quality of Financial Reporting (MFR) 2008 Monitoring the System of Internal Control and Risk Management (MIR) 2008 Monitoring the Internal Audit Function (MIA) 2009 Director 2010 Certification Program (DCP)	None	None	2012 - Present	Executive Vice President	Samart I-Mobile Plc.
					Nov. 2013 - Present	Sustainable Development Committee Member	Samart I-Mobile Plc.
					May 2014 - Present	Executive Director and Risk Management Committee Member	Samart I-Mobile Plc.
					May 2012 - Present	Position in other listed companies Risk Management Committee Member	Samart Corporation Plc.
					2011 - Present	Executive Vice President (Finance and Accounting)	Samart Corporation Plc.
					2013 - Present	Sustainable Development Committee Member	Samart Corporation Plc.
					Apr. 2013 - Present	Director	One to One Contracts Plc.
					May 2013 - Present	Executive Director/ Risk Management Committee Member	One to One Contracts Plc.
					2005 - 2011	Independent Director and Audit Committee	Eternity Grand Logistic Plc.
					Present	Position in non-listed companies Director	Subsidiaries and Related Companies (as shown in The Position of Directors of the Company in Subsidiaries and Related Companies)
- Date of Appointment : January 11, 2012					2005 - 2011	President	Paresa Corporation Co., Ltd.

Remarks: * Includes holding by spouse and minor children (See the securities holding information in the section "Corporate Governance" under the topic "4. Disclosure and Transparency")

Name-Surname/Position/ Appointing Date	Age	Education/Training	Share- holding in Company* (%)	Relationship	Working Experience last 5 years		
					During	Position	Company/Department
10. Mr. Subhasiddhi Rakkasikorn • Managing Director - Multimedia Business, Seconded to be Managing Director, Samart Multimedia Co., Ltd. • Risk Management Committee Member • Sustainable Development Committee Member - Date of Appointment : January 1, 2010	45	- Bachelor degrees in Business Administration (Marketing), Assumption University of Thailand (ABAC) - Certificate • Young Executive Development Program, Faculty of Commerce and Accountancy, Thammasat University • Accounting Management, Faculty of Commerce and Accountancy, Chulalongkorn University	0.0002	None	Nov. 2013 - Present	Sustainable Development Committee Member	Samart I-Mobile Plc.
					May 2014 - Present	Risk Management Committee Member	Samart I-Mobile Plc.
						Position in other listed companies -	
					2010 - Present Present	Position in non-listed companies Managing Director Director	Samart Multimedia Co., Ltd. Subsidiaries and Related Companies (as shown in The Position of Directors of the Company in Subsidiaries and Related Companies)
11. Mrs. Sumonthip Srimek • Vice President - Account - Date of Appointment : September 30, 2003	55	- Master Degree, Business Administration, Kasetsart University - Bachelor Degree in Accounting, Chiang Mai University	None	None	2003 - Present	Vice President - Account	Samart I-Mobile Plc.
						Position in other listed companies -	
						Position in non-listed companies -	

Remarks: * Includes holding by spouse and minor children (See the securities holding information in the section "Corporate Governance" under the topic "4. Disclosure and Transparency")

Name-Surname/Position/ Appointing Date	Age	Education/Training	Share- holding in Company* (%)	Relationship	Working Experience last 5 years		
					During	Position	Company/Department
12. Miss Kusuma Kerdpol • Vice President - Finance • Risk Management Committee Member	44	- Master of Science (Economics), Major in Monetary & Public Finance and International Economics, Kasetsart University - Bachelor of Arts (Economics), Major in Monetary & Banking and International Economics, Thammasat University	None	None	Mar. 2014 - Present 2006 -2013	Vice President - Finance Assistant Vice President - Financial Planning and Corporate Treasury	Samart I-Mobile Plc. Samart I-Mobile Plc.
- Date of Appointment : March 1, 2014					2013 - Feb. 2014	Position in other listed companies Assistant Vice President - Financial Planning and Corporate Secretary	One to One Contracts Plc.
					Nov. 2013 - Present	Position in non-listed companies Director	Samart I-Mobile (Malaysia) Sdn.Bhd
13. Miss Boonrut Mongkolratanakorn • Assistant Vice President-Company Secretary • Secretary to Sub-Committees • The Sustainable Development Committee Member	52	- Mini MBA, Business Administration, Thammasat University - Bachelor Degree in Accounting, Thammasat University - Training: 1986 Graduation certificate in Advanced Accounting, Thammasat University 2003 Law and regulations for Corporate Secretary, Chulalongkorn University 2003 Internal Auditing Certificate Program, Federation of Accounting Professions (Please see details of training courses in 2014 in "Management Structure" under topic "Company Secretary")	0.0016	None	Nov. 2013 - Present Aug. 2013 - Present 2003 - July 2013 2003 - Present	Sustainable Development Committee Member Assistant Vice President - Company Secretary Assistant Vice President - Internal Audit and company secretary Secretary to Sub-Committees	Samart I-Mobile Plc. Samart I-Mobile Plc. Samart I-Mobile Plc. Samart I-Mobile Plc.
- Date of Appointment : October 31, 2003					Nov. 2013 - Present	Position in other listed companies Director	Samart I-Mobile (Malaysia) Sdn.Bhd

Remarks: * Includes holding by spouse and minor children (See the securities holding information in the section "Corporate Governance" under the topic "4. Disclosure and Transparency")

Name-Surname/Position/ Appointing Date	Age	Education/Training	Share- holding in Company* (%)	Relationship	Working Experience last 5 years		
					During	Position	Company/Department
14. Mrs. Duangsamorn Nutprasarn • Senior Internal Audit Manager • Audit Committee Secretary	42	- Master Degree in Business Administration, Ramkhamhaeng University. - Bachelor degree in Business Administration, Bangkok University - Training: - Course from The Institute of Internal Auditors of Thailand 2014 Internal Audit Department Management 2014 Auditing method to achieve the Audit Plan 2014 Fraud Auditing for the Internal Auditor 2014 COSO 2013 and Implementation 2014 CAE Forum 2014: Internal Audit's Role in Anti-Corruption 2014 Emerging Identity of Internal Audit 2014 The Challenging of Audit Committee 2014 Go Through the Change 2010 Tools and Techniques for the Audit Manager 2008 Audit Report Writing 2004 Adding Value Using Risk Based Auditing 2003 Evaluating Internal Control : A COSO Based Approach 2002 Negotiation Technique for Auditor 2002 Tools and Techniques for The Beginning Auditors - Course from Federation of Accounting Professions 2013 COSO Internal Control - Integrated Framework Update 2013 2003 Internal Audit Operation Session I & II	0.0001	None	Aug. 2013 - Present	Senior Internal Audit Manager	Samart I-Mobile Plc.
					2012 - 2013	Position in other listed companies Enterprise Risk Management Manager	PTG Energy Plc.
					2007 - 2012	Position in non-listed companies Internal Audit Manager	TCC Capital Land Limited
- Date of Appointment : August 13, 2013							

Remarks: * Includes holding by spouse and minor children (See the securities holding information in the section "Corporate Governance" under the topic "4. Disclosure and Transparency")

The Position of Directors and Management of the Company in Subsidiaries and Related Companies as at December 31, 2014

[illegible]

Remarks 1. x = Chairman / = Director // = Executive Director /// = Audit Committee/Independent Director # = Management ## = Corporate Secretary

2. Consist of:

- | | | | | | | | | | | | | | | | |
|-----|------|---|--|-----|-----------|---|---|-----|------|---|--|-----|------|---|---|
| 1. | SIM | = | Samart I-Mobile Pcl. | 2. | SMS | = | Samart Mobile Services Co., Ltd. | 3. | BUG | = | Samart Multimedia Co., Ltd. | 4. | IMI | = | I-Mobile International Co., Ltd. |
| 5. | IMIT | = | I-Mobile Inter trade Co., Ltd. | 6. | SIMM | = | Samart I-Mobile (Malaysia) Sdn. Bhd. | 7. | SIMI | = | PT. Samart I-Mobile Indonesia | 8. | TCN | = | Teleconnect Company Limited |
| 9. | SIAM | = | Samart Interactive Media Co., Ltd. | 10. | I-SPORT | = | I-Sport Co., Ltd. | 11. | BS | = | Brain Source Co., Ltd. | 12. | ENT | = | Entertainment Tree Co., Ltd. |
| 13. | IMP | = | I-Mobile Plus Co., Ltd. | 14. | I-SPORT M | = | I-Sport Media Co., Ltd. | 15. | IMD | = | I-Mobile Direct Co., Ltd. | 16. | SSTV | = | Siam Sport Television Co., Ltd. |
| 17. | SC | = | Samart Corporation Pcl. | 18. | STC | = | Samart Telcoms Pcl. | 19. | SCT | = | Samart Comtech Co., Ltd. | 20. | SBS | = | Samart Broadband Services Co., Ltd. |
| 21. | OTO | = | One to One Contacts Pcl. | 22. | SE | = | Samart Engineering Co., Ltd. | 23. | PN | = | Posnet Co., Ltd. | 24. | SCS | = | Samart Communication Service Co., Ltd. |
| 24. | SIF | = | Samart Infonet Co., Ltd. | 26. | SAET | = | Samart Ed-Tech Co., Ltd. | 27. | SUT | = | Samart U-Trans Co., Ltd. | 28. | SEC | = | Suvarabhumi Environment Care Co., Ltd. |
| 29. | CATS | = | Cambodia Air Traffic Service Co., Ltd. | 30. | KPP | = | Kampot Power Plant Co., Ltd. | 31. | CS | = | Cambodia Samart Co., Ltd. | 32. | CIO | = | Contact-In-One Co., Ltd. |
| 33. | TTN | = | Thai Trade Net Co., Ltd. | 34. | STW | = | Smartware Co., Ltd. | 35. | SIH | = | Samart Inter Holding Co., Ltd. | 36. | SRT | = | Samart Raditech Co., Ltd. |
| 37. | OTP | = | One To One Professional Co., Ltd. | 38. | PTN | = | Portal net Co., Ltd. | 39. | SDT | = | Samart Digital TV Co., Ltd. | 40. | VIH | = | Vialiluck International Holding Co., Ltd. |
| 41. | VSS | = | Vision and Security System Co., Ltd. | 42. | OTOC | = | One To One (Cambodia) Co., Ltd. | 43. | TEDA | = | Teda Co., Ltd. | 44. | TDC | = | Teda Construction Co., Ltd. |
| 45. | TS | = | Transec Power Services Co., Ltd. | 46. | SUM | = | Samart U-Trans (Myanmar) Co., Ltd. | 47. | SUL | = | Samart U-Trans (Lao) Co., Ltd. | 48. | SW2P | = | Samart Waste2Power Co., Ltd. |
| 49. | SLA | = | SLA Asia Co., Ltd. | 50. | NST | = | (in process of the establishment)
Net Service (Thailand) Co., Ltd. | 51. | NMD | = | (in process of the establishment)
Net Media Co., Ltd. | 52. | ITAB | = | IT Absolute Co., Ltd. |
3. ⁽¹⁾ Direct held by Samart Multimedia Co., Ltd.
⁽²⁾ Direct held by I-Mobile International Co., Ltd.
⁽³⁾ Direct held by I-Sport Co., Ltd.
⁽⁴⁾ Direct held by I-Mobile Inter Trade Co., Ltd.

The Board of Directors and Committees as at December 31, 2014

Directors / Committees' Members	Board of Directors	Executive Committee	Audit Committee	Risk Management Committee	Corporate Governance Committee	Nominating and Compensation Committee	Sustainable Development Committee
1. Prof. Suphachai Phisitvanich	X		/				
2. Dr. Chotivud Chayavadhanangkur	/		X		X	/	
3. Mr. Kunthit Arunyanananda	/		/		/	X	
4. Mr. Charoenrath Vilailuck	/						
5. Mr. Watchai Vilailuck	/	X		X			
6. Mr. Thananan Vilailuck	/	/		/			X
7. Mr. Jong Diloksombat	/	/		/	/		
8. Mr. Sirichai Rasameechan	/			/		/	
9. Mr. Pracha Phatthayakorn		/		/			/
10. Mr. Subhasiddhi Rakkasikorn				/			/
11. Miss Chullada Sapsarasin				/			/
12. Mr. Teerapon Asavatitanonta				/			/
13. Mr. Nipon Sudkaew							/
14. Miss Boonrut Mongkolratanakorn							/
15. Miss Kusuma Kerdpol				/			

Remarks : X = Chairman / = Director



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General and Other Information

Samart I-Mobile Public Company Limited

Company	: Samart I-Mobile Public Company Limited
Head Office	: 99/3 Moo 4, Software Park, 33 rd Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Thailand
Registration No.	: 0107546000318
Home Page	: http://www.i-mobilephone.com
Telephone	: 0-2502-6000
Fax.	: 0-2502-6870
Registered Capital	: Baht 444,000,000 divided into 4,440,000,000 ordinary shares
Issued and paid up Capital	: Baht 440,025,000 divided into 4,400,250,000 ordinary shares
Par Value	: Baht 0.10 per share

Other References

Company Registrar	: Thailand Securities Depository Co., Ltd.
Head Office	: 62, The Stock Exchange of Thailand Building, Rachadapisek Road, Klongtoey, Bangkok 10110, Thailand
Telephone	: 0-2229-2888
Fax.	: 0-2359-1259
Auditor	: Ms. Kamontip Lertwitworatep
	Certified Public Accountant (C.P.A.) License No.4377
Head Office	: Ernst & Young Office Limited. 33 rd Floor, Lake Rajada Office Complex 193/136-137 Rajadapisek Road, Klongtoey, Bangkok 10110
Telephone	: 0-2264-0777
Fax.	: 0-2264-0789-90

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



i-mobile Enhancing the Capability to Connect the World with a Finger-away

Moving forward with
advanced technologies

- High **Chipset** Performance
- First **Digital TV** on Smart Phone
- **Water Proof**
- Super **Camera** Performance

The world is moving a fast path with the help of high-technology. We developed mobile under Thai brand "i-mobile" in both hardware and software technology along with various applications for smart phone. It is complied with international standard thus affirmed that its quality is nothing less than those of other global.





SAMART I-MOBILE PUBLIC COMPANY LIMITED

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Nonthaburi 11120 Thailand

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