

A man with curly hair and glasses is looking down at a smartphone in his right hand. He is wearing a denim jacket over a white shirt. The background is a city skyline at night, with lights from buildings and streets visible. The overall image has a warm, golden-yellow tint.

FIT for the **Future**

ANNUAL REPORT 2015

SMART
i-mobile



An energetic mobile leader

with remarkable innovative technology
to drive long term success

MOBILE BUSINESS

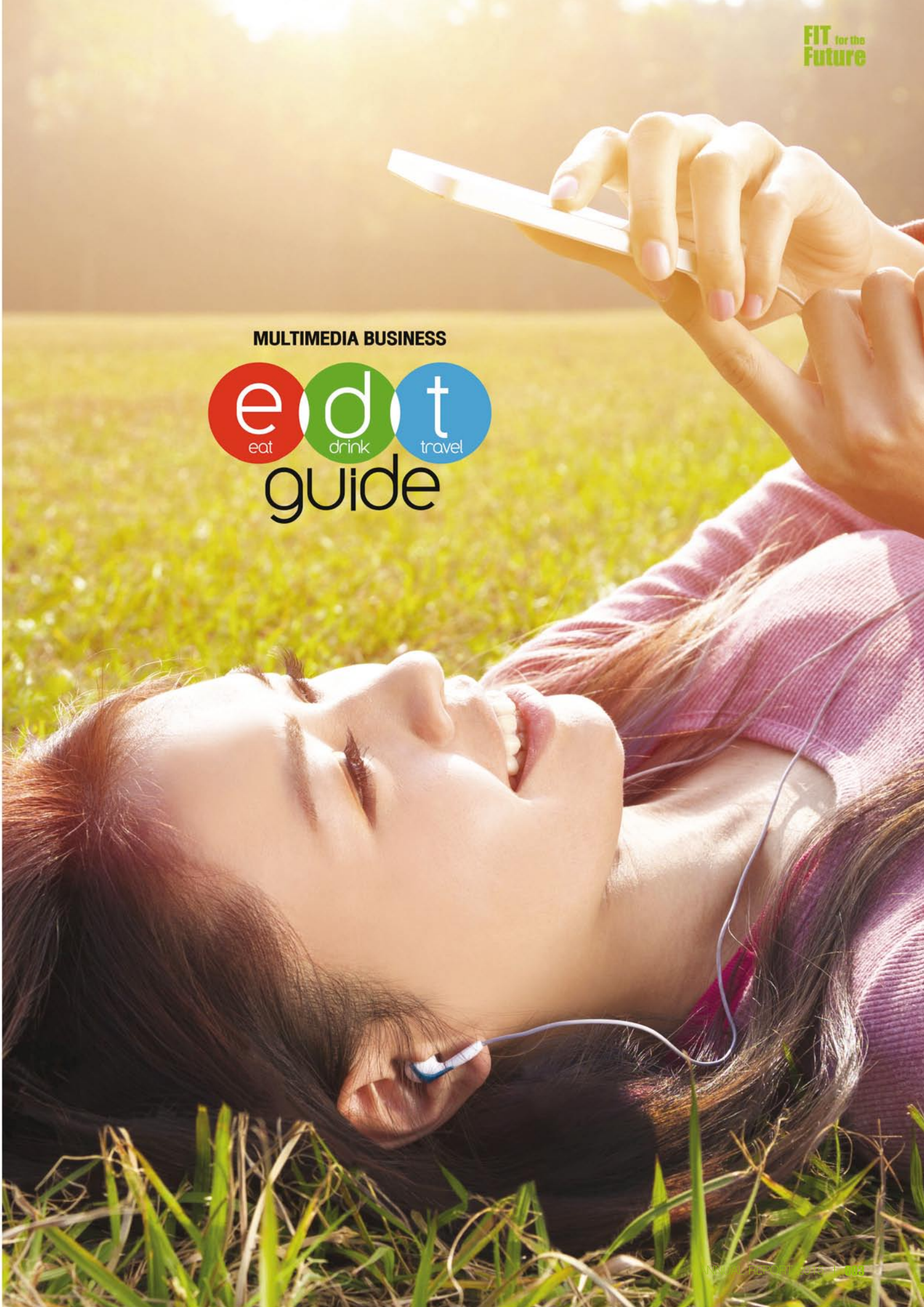
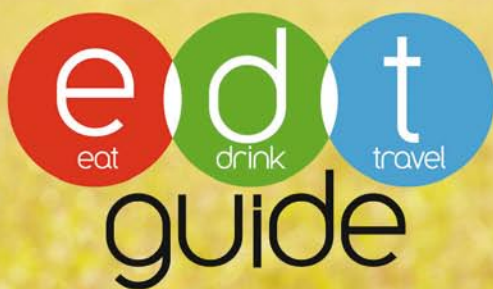
i-mobile





Number 1 Thailand's
Editorial Traveling Website
and constant reputation from national to global

MULTIMEDIA BUSINESS







SERVICE PROVIDER BUSINESS

To be customer's top choice
of cellular network provider (MVNO)

with dynamic potential
for sustainable future development



Moving forward for

“Today’s Better Future”

by service variety for life’s simplicity.



Entertainment Tree







Messages from the Board of Directors

The year of 2015 was another challenging year in business operation due to the economic deceleration throughout the regions. This was because of the continuous decrease of crude oil prices in the world market, the fluctuation in both currency exchanges and stock market on a global scale. These factors led to the decelerated growth of public consumption. Besides those mentioned factors, a drastic competition in mobile phone markets from foreign companies has still continuously existed. In addition, the auction for 4G licenses also affected the market directions in the future. Under such circumstances, the Company could keep managing in sales, and generating revenues totaling Baht 7,799 million from over 3.3 million mobile handsets sold. Simultaneously, the Company could earn revenues from multimedia business, business expansion to foreign countries, MVNO services and other value added services.

Furthermore, the Company has improved the organizational administration and strategies to expand the business for supporting the changes on consumers' behaviors by focusing on e-commerce investment, which is the combination of the expertise in the mobile multimedia and contents. This combination was derived from the experiences and strength of the Company of which targeted to the sustainable growth of the business. The Company has planned for the business development as follows.

- **Mobile Business**

The Company has modernized its own shops and expanded to cover the core location as well as provided various kinds of digital products and accessories concerning for everyday life.

- **E-Commerce**

From the expansion of e-commerce, the Company has expanded its business into the development of e-commerce to support more commercial transactions together with existing information systems which add value to the Company's business. In addition, e-commerce can be used as sales channel for new products of the Company or SME products of partners.

Mr. Chakkrit Charuchinda
Director

Samart I-Mobile Public Company Limited

- **Sport and Health Contents**

The Company realizes on trend of modern society that focusing on health care and sport to conform to the new generation's behaviors that need a good quality of life. Therefore, the Company has developed relating services that adjacent to the everyday life i.e. health care and traveling.

- **MVNO Services**

In addition to providing MVNO services on the 3G network of TOT Public Company Limited in the name of i-mobile 3GX, the Company has also extended its services to MVNO services on the 3G network of CAT Telecom Public Company limited, which covers the nationwide service areas. It is expected to launch this service in early 2016. These services will be part of new era business of which allows electronic equipments or devices to be sensed and controlled remotely across network connectivity called "Internet of Thing". It will be enormous market value in the future.

All kinds of the above businesses would gradually become the stability for long-term business. Moreover, the Company has attempted to manage the organization effectively together with servicing to the society and community by developing the employees of the Company for knowledge, competence, professional expertise, and fostering them to take parts in developing the society, community, and environment through the various action plans. As the thoroughly long success in business operation, the Company is proud that we have the effective administrative system which is nationally acceptable and trustworthy. On behalf of Samart I-Mobile Public Company Limited, the Board of Directors would like to express my gratitude to the stockholders, customers, business partners, executives, employees, and all stakeholders for consistent support and trust. These encourage the Company to be successful in operating business continuously. The Company has an intention of developing the telecommunication technologies and innovations that enhance a good quality of life for the society and the country and will be the Company that is sustainable growth along with the Thai society forever.



Mrs. Sukanya Vanichjakvong

Director

Samart I-Mobile Public Company Limited





The Board of Directors

as of March 1, 2016

1. Mr. Piyapan Champasut

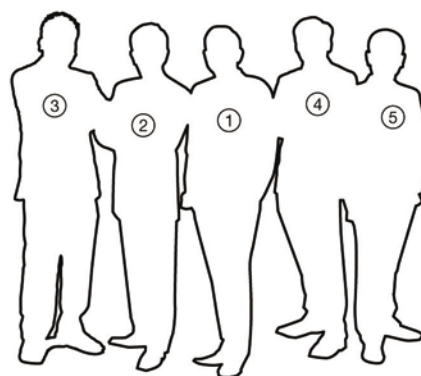
- Chairman of the Board of Directors
- Independent Director
- Audit Committee Member

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

- Authorized Director

5. Mr. Pracha Phathayakorn

- Authorized Director
- Executive Director
- Risk Management Committee Member
- Sustainable Development Committee Member



The Board of Directors

as of March 1, 2016

6. Mr. Watchai Vilailuck

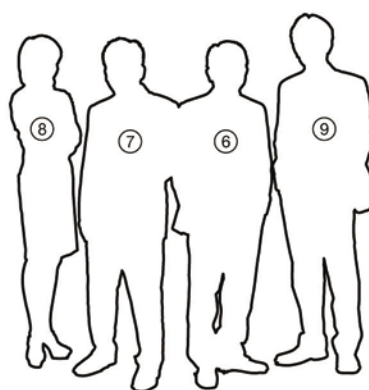
- Authorized Director

7. Mr. Thananan Vilailuck

- Director

8. Mrs. Sukanya Vanichjakvong

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



9. Mr. Chakkrit Charuchinda

- Authorized Director
- Chief Executive Officer
- Executive Chairman
- Chairman of the Risk Management Committee

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

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Business Direction

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

Content

Messages from the Board of Directors	008
The Board of Directors	010
Vision, Mission and Business Direction	012
Report of the Executive Committee	014
Report of the Audit Committee	015
Report of the Corporate Governance Committee	017
Report of the Sustainable Development Committee	018
Report of the Risk Management Committee	019
Report of the Nominating and Compensation Committee	020
Corporate Social Responsibility	021
Financial Highlights	032
Policy and Overview of Business	033
Nature of Business	035
Business Structure	036
Revenue Structure	037
Information of Subsidiary Companies	038
Changes during the Year	041
Industry and Competitive Analysis	043
Risk Factors	045
Shareholders	048
Dividend Payment Policy	049
Management Structure	050
Corporate Governance	064
Internal Control and Risk Management	096
Anti-Corruption	101
Connected Transactions	103
Management Discussion and Analysis	111
Report of the Board of Directors' Responsibilities for the Financial Reports	116
Independent Auditor's Report	117
Financial Statements	118
Audit Fee	178
Directors, Management, Company Secretary and Head of Internal Audit	179
General and Other Information	191

Report of the Executive Committee

Dear Shareholders

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 2015, 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 strategy and plan of the Company and its subsidiaries including 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.
- Review and monitor business operations of the Company and its subsidiaries and provided advices for any problems may have to achieve business target.
- Analyze and assess 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.
- Analyze and appraise 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

Report of the Audit Committee

Dear Shareholders

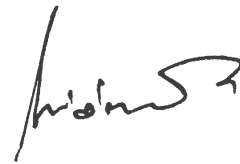
The Audit Committee of Samart I-Mobile Public Company Limited consists of three independent directors with combined experience in finance, accounting, and business administration named Dr. Chotivid Chayavadhanangkur as Chairman of the Audit Committee, Professor Suphachai Phisitvanich and Mr. Kunthit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

The Audit Committee operates independently and performs its duties and responsibilities as assigned by the Board of Directors in overseeing the corporate governance and the internal control systems to ensure that the Company's business operations are carried out for the interests of its shareholders and other stakeholders and that the Management execute their duties with integrity, accountability, and in accordance with the Company's policies. The Audit Committee conducted 6 meetings in 2015, to discuss and share opinions with management, internal auditors and external auditor on matters related to the meeting agenda 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 activities by considering the independent of Internal Audit Department, the sufficiency of manpower and also evaluate the performance of the Internal Audit Head and internal audit function in addition to provide recommendation to support the internal audit activities perform independently effectively and efficiency.
- The Audit Committee 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 2015. 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 2015.
- 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 results. In addition, the Audit Committee also held one formal meeting with the head of internal audit and auditors to give suggestion according to the annual internal audit plan, risk management and internal audit.
- The Audit Committee reviewed the connected transactions or the transactions which might have conflicts of interest 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.

Based on the activities mentioned above, the Audit Committee was of the opinion that the financial statements of the Company were prepared in accordance with the generally accepted accounting principles, with all information sufficiently disclosed. The Company has maintained an effective and adequate internal control system and internal audit system; no material weakness was found. All businesses have been undertaken in compliance with the laws and regulations concerning the business operation of the Company.



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

Report of the Corporate Governance Committee

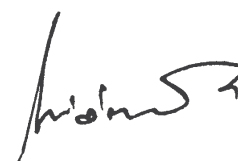
Dear Shareholders

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 2015, the Corporate Governance Committee conducted 3 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 had 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 were 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 should 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 the SET.

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 2015 Corporate Governance Report and was ranked in Top Quartile of the group of companies with market capitalization of more than Baht 10,000 million surveyed by Thai Institute of Directors Association (IOD). In addition, the Company scored "Very Good" from the jointly survey on quality in convening the 2015 Annual General Meeting of Shareholders surveyed by Thai Investors 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 recognition of social and environmental responsibility as well as corporate governance. Thus, the Board of Directors has appointed the Sustainable Development Committee to concretely define policy framework and operational guideline on social and environmental responsibility of the Company.

In 2015, 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 to participate in the evaluation of Sustainability Awards conducted by the SET of which the result would be applied for an improvement and development of the Company's sustainability.
- Consider the assessment of sustainable development in Anti-Corruption aspect of 2015 Thai listed companies from Thaipat Institute. The Company has been assessed at Level 3 indicates that the Company has set policy to prevent the involvement of corruption.
- 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 could 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 2015
- Conduct self-assessment of the Sustainable Development Committee and reported to the Board of Directors for development.
- Report performance to the Board of Directors and provided 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.



(Mrs. Sukanya Vanichjakvong)

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

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 perform duty and take responsibility on consideration of risk management policies and practical 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 Risk Management Committee every quarter, so that the Committee can acknowledge the existing risks and their preventive measures.

In 2015, the Risk Management Committee conducted 3 meetings to carry out duties and responsibilities as assigned by the Board of Directors, and ensured 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, consequently 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 2015, the Nominating and Compensation Committee conducted 5 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.
- Conduct self-assessment of the Nominating and Compensation Committee for 2015 and reported to the Board of Directors for development.
- Report performance to the Board of Directors and provided 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 is 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 Arunyakanda)

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. 6/2013 on November 12, 2013 resolved to approve the establishment of the Sustainable Development Committee (SD Committee). The quorum consists of director, management and/or any qualified candidates to concretely define policy framework and operational guideline on social and environmental responsibility of the Company in order to be used as guidelines on monitoring progress and assessment of CSR operations and report to the Board of Directors. The SD Committee shall convene the meeting at least twice a year. The CSR Policies are as follows:

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.

As target to sustainable growth, 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
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 on the section of “Corporate Governance” under the topic of “Business Ethics”.

The Company prioritizes stakeholders in order to allocate resources as the defined priority for the highest efficiency and effectiveness to the sustainable growth of business. Stakeholders that are directly affected from 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:

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.

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 were shown in “5. Fair Labor Practices”, as well as setting up the policy on Human Management and Development as shown on the section of “Management Structure” under the topic of “Human 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 are disclosed on the section of “Corporate Governance” under the 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 Securities and Exchange Commission (“SEC”) and the Public Company Limited Act including other relevant laws. More details on Corporate Governance initiatives undertaken by the Company in 2015 were shown in “Corporate Governance”.

Due to the continual monitor and development of the Company’s Corporate Governance Practices, in 2015, the Company scored “Excellent” or “5 Stars” in the 2015 Corporate Governance Report, which was the highest score and there were only 55 companies from 588 companies or 9% of listed companies, and was ranked in Top Quartile of the group of companies with market capitalization of more than Baht 10,000 million surveyed by Thai Institute of Directors Association (IOD). In addition, the Company scored “Very Good” from the survey on quality in convening the 2015 Annual General Meeting of Shareholders by Thai Investors Association.

2. Fair Operating Practices

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

The Company conducts business and manages 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 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 on the section of “Corporate Governance” under the topic of “Business Ethics”.

3. Anti-Corruption

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

The Company recognizes the importance of anti-corruption in all aspects. The Corporate Governance Committee’s Meeting 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 policies covered the following issues:

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

Furthermore, General Operating Guidelines were as follows:

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

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

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

The Company disclosed the policy in the Company's Business Ethics manual and posted on website at www.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 on the section of "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 treats 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 policies and practices”.
2. Specify to have “Compensation & Benefit Policy” regarding to employee motivation, internal impartiality, compensation standards, and job value to company. The 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. The Company certainly ensures that compensation, benefit and welfare policy aligned to legal regulation and other related law.

For welfare to the employees, the Company has group health insurance (in case of in-patient) for the Company’s employees as well as group life insurance which covers all kinds of death, annual medical check-up and provident fund to secure their working life security. The Company also has the social security fund and provision of loan in case of the accident or sickness to the employees as well, loan for employees, fitness center and special discount for Company’s products, grant in case of the employee or his/her family died, to arrange for the fitness center and to encourage for the sport competition, both inside and outside the Company to promote health of the employees. Details regarding welfare of employees were disclosed on the section of “Corporate Governance” under the 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 performs all necessary measures to ensure the safety of life and health of employees. Furthermore, the Company also has the practical guidelines concretely by appointment of the safety officers, training and cultivate consciousness of safety, occupational health and working environment for the employees, the annual evacuation drill in case of fire, the fingerprint scanning system, medical examination, provide basic medical services as well as serving modern medicine and an annual health check. More details were disclosed on the section of “Corporate Governance” under the 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 applies 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 on the section of "Management Structure" under the topic of "Human Resources" in "Human Resources Management and Development Policy"

Creation of quality people

- **SAMART INNOVATION for SAMART PEOPLE:** This project is a contest stage of creativity, marketing and business plans, which held its first year to motivate the creativity, relevant knowledge skills and also bring benefits in terms of business for employees within the organization. Its award amount of Baht 1.06 million consisting of Top Award Baht 760,000, the Inspiration Award Baht 150,000 and 3 Recognition Awards of Baht 50,000 each, totaling Baht 150,000.
- **SMART TALK:** The project is the activities for fill up many knowledge skills that has held continued annually since 2011 to encouraged the creativity and reinforce skills in various fields to employees within the organization.
 - > SMART TALK #1: Personality WOW!: Enhance the image with a great personality to executives and employees over 300 persons.
 - > SMART TALK #2: Let's speak English clearly: To reinforce the skills of spoken English to executives and employees over 300 persons.



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 customers. Since their trusts are critical to our business, the Company promotes the following policies:

1. Determine to provide and produce commodities and services that are trendy to satiate customers' needs;
2. Provide high-quality products and services at reasonable price;
3. Provide accurate information without any exaggeration that may cause misunderstandings on product's quality and quantity, or special conditions for each product and service;

4. Formulate procedures that permit customers to inform about drawbacks of the products or improper services, because those complaints are valuable for the Company to come up with immediate remedy and improvement for problematic products and services;
5. Provide effective after-sale services for customer's convenience;
6. Guard all customers' information as top secret and refuse to use them for personal benefits;
7. Support all activities that will strengthen, as well as maintain, lasting and healthy relationship between company and customer.

Details are provided under "Corporate Governance" in the topic of "Business Ethics" in the item of "Treatment of Customers".

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. The regularly 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;
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".

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;

3. The Company has policies to foster the guideline of responsibility to environment for understanding the importance of environment by training the employee continuously for efficient environment system.

In 2015, the activities arranged by the Company included:

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

We have developed products and services in line with environmental conservation and environmental safety standards.

- **Inculcation of Green Mind**

The Company has promoted environmental care and efficient use of resources among its employees via both internal communications and the “Reduce and Reuse” project every year. In 2015, the Company organized the project under the concept “Lor Ling Plus, Minus, Multiplied, Divided” with aim to encourage the behavioral changing and realize the use of resources with the most benefits through the “Roadshow” events and internal media advertising for create the awareness about saving energy in their daily lives to internal staffs.



9. Innovation and Publication of Innovation from Social Responsibility

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

Samart Innovation Award Project is an important activity that Samart Group of Companies conduct continually for more than 13 years with aims to encourage the youth and the new generation entrepreneurs to develop their creativity and capability which can lead to technology innovation. After the end of the contest in each year, the Company has disseminated qualified and winning projects to the public via activities and public relations media constantly. This project cannot only be used as commercial promotion to the contestants but it can also motivate the Thai new innovative developers. For the past year, there were 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 2015, the Company and its subsidiaries have not been audited or investigated by the competent authority or any law in any way. In addition, 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

In 2015, Samart Group 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:

- **Samart Innovation Awards 2015:** The annual contest was in its 13th year in 2015, Samart Group joined force with National Science and Technology Development Agency (NSTDA) in organizing “**The Young Technopreneurs Project**” which benefits to the program participants as follows:
 - Taiwan field trip to visit and see advanced technologies at the leading of electronics and technology organization and Development Technology Research Institute of Taiwan for top 3 winners.
 - The winner of Samart Innovation Awards 2015 or the “Outstanding Inventor of Innovative Prototype” received Baht 200,000 while the first and second runners-up got Baht 100,000 and Baht 50,000 respectively.
 - Commercial opportunity: During the past four years, we had the new developer for technology business sector over 800 persons which created more than 400 proposals and has expanded to the business more than 20 workings. In addition, we are committed to identifying and developing more such Young Technopreneur.
- **Samart Innovation FUND** has awarded scholarships and research grants to telecommunications students in their last year of study at five universities so as to further their knowledge, to develop their final study projects, and 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. The project provides 3 scholarships or each institutes with Baht 20,000 per scholarship, totaling Baht 300,000.
- **Samart Innovation CAMP** has offered training on necessary telecommunication-technology knowledge and work skills. Conducted under the theme of “*Get Ready to be a Professional*”, the training took place at King Mongkut’s University of Technology Thonburi, King Mongkut’s Institute of Technology Ladkrabang, Kasetsart University, Rangsit University, University of the Thai Chamber of Commerce, Bangkok University, Rajamangala University of Technology, Rajamangala University of Technology Krungthep and Rajamangala University of Technology Thanyaburi.

SAMART SCHOLARSHIPS:

- **Scholarships for 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 5 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:** *Samart Foundation* granted 60 scholarships with supplies to cash-strapped students at Nikhom Thab Kwang Songkherah 2 school Saraburi Province amount 20 scholarships and schools in Suphan Buri Province, Kanchanaburi Province, Phetchaburi Province, and Samut Songkhram Province amount 40 scholarships, totaling Baht 145,000.

Sponsorship for SPORTS CAPABILITIES

- **Football Club:** SAMART Group has been a sponsor of various football clubs such as Buriram United Football Club, Muangthong United Football Club, Songkhla United Football Club, Chonburi Football Club, Phrae United Football Club and Angthong Football Club.
- **Football Match:** SAMART Multimedia Co., Ltd. and I-Sport Co., Ltd. in sponsorship to Singha Corporation Co., Ltd. and the Football Association of Thailand support to establish “The Singha Chelsea FC Celebration Match”.



Other Forms of Support for EDUCATIONAL OPPORTUNITIES

- Support for Children's Day Activities: SAMART Group has donated supplied such as learning materials to various organizations for the activities at Bann Mon Pakkad, Prasan Kamukkee Wittaya school (Bang Bua Thong District), Talad Bang Kulad (Bang Yai District), Nation Library of Thailand Lat Krabang District and Che tu phon bath temple.
- Support for improvement of school building: SAMART Foundation donated for improvement the school building Baht 700,000 to Baan Kan Thong School at Khwao Sinarin District, Surin Province.
- Support for Scholarship: SAMART Foundation granted 60 scholarships, 40 bicycles and suppliers to Bann Kan Thong School amount 30 scholarships, Bann Wan School amount 15 scholarships, Ammarin School amount 10 scholarships, and Bann Sanaun amount 5 scholarships, totaling Baht 120,000.
- Support for Library Improvement: SAMART Foundation granted Baht 25,300. for improvement by offering tables and chairs for using in the library under the project "Living Library" at Baan Klong Song, Chumphon province.

Promotion of the Moral Society

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

- **Samart Mind Power** for the promotion of morality, Dhamma, and conscience
 - **Dhamma Activities:** titled "Mindfulness Meditation Intelligence" including prayer, meditation and Dhamma discussion have been held every Thursday evening for interested employees.
 - **Dhamma Radio Program:** titled "Voice of Dhama": for bringing Dhamma doctrinal open on the internal radio every Monday morning.



- **Fund for "Doing Good" Project:** Volunteers from the "Samart D Club" received 5 grants from Samart Group for doing humanitarian activities and also contribute to social development. Each grant was worth Baht 50,000.
- **Merit Knitting Project:** titled "Do good deeds for The King". The project was established with the integration of the volunteer within the Company by knitting wool hats dedicated to the priests and nuns in the various temples, giving to cancer patients in the hospitals, including Siriraj Hospital, Ramathibodi Hospital and donated to victims of the cold.



- **Blood Donation:** In collaboration with the Thai Red Cross Society institutes to staff and people in neighboring communities to contribute the blood donation. The event held three times annually.



- **Donation Necessaries:** SAMART Foundation donated 400 bags of rice and consumption goods to the Earthquake Victims at Nepal.
- **Support for providing a ventilator:** SAMART Foundation contributed the money to buy a ventilator for the HRH Princess Maha Chakri Sirindhorn Medical Center which is amount of Baht 650,000.

Prevention and protection of corruption

The Company has established policies and general practices of anti-corruption channel to express their opinions and suggestions including channel to report concerns and procedures to protect employees who report such abuse. Anti-corruption policy and practical guidelines including procedures are disclosed in Business Ethics and post on the Company's website at www.i-mobilephone.com.

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

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

Financial Highlights

	2013	2014	2015
Result of Operation (Million Baht)			
Sales and Service Revenue	10,239	12,370	7,730
Sales Support Revenue	19	29	28
Total Revenues	10,300	12,494	7,799
Gross Profit ⁽¹⁾	2,565	2,656	1,575
Net Profit	807	710	.37
Financial Position (Million Baht)			
Total Assets	7,283	10,638	9,994
Total Liabilities	4,095	7,218	6,764
Total Shareholders' Equity	3,188	3,420	3,230
Financial Ratio			
Net Profit Margin (%)	7.83	5.69	0.48
Return on Equity (%)	28.28	21.93	1.15
Return on Assets (%)	12.63	7.93	0.36
Debt to Equity Ratio (Time)	1.28	2.11	2.09
Earnings per Share (Baht)	0.185	0.162	0.008
Dividend per Share (Baht)	0.110	0.090	0.015
Dividend Payout Ratio (%)	59.31	55.56	177.61
Book Value per Share (Baht)	0.73	0.78	0.73
Par Value per Share (Baht)	0.10	0.10	0.10
Number of issued and paid up shares ⁽²⁾ (Million Shares)	4,373.47	4,400.25	4,400.25

Remarks ⁽¹⁾ Gross profit was calculated by including sales support revenue.

⁽²⁾ During the year 2013-2014, 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.

Results of Customer Satisfaction Survey

The Company has given precedence to ultimately meet the needs of customers to achieve customer satisfaction in after-sales services. The Company engaged One to One Contacts Plc. to design and survey on customer satisfaction. In the survey, satisfaction of the respondents were indicated in 5 levels: Very satisfied (5), Satisfied (4), Medium (3), Not Satisfied (2), Very dissatisfied (1). The data analysis will use the following indicators:

- Negative attitude, by considering only answer "Not Satisfied" and "Very Dissatisfied"
- Positive attitude, by considering only answer "Satisfied" and "Very satisfied"

The Company has designed and conducted customer satisfaction surveys to bring the results into analysis and to improve or rectify known defects as well as maintain and enhance positive aspects that customers perceive about the Company. The Company targets 80% minimum satisfied customers from all customers surveyed.

The 2015 satisfaction survey indicated that overall customer satisfaction in after-sales services was at the high level with the customer's positive attitude equivalent to 81% of all customers surveyed. The Company acknowledged the customer's flaws and suggestions and brought it into the process of improvement to prevent those recurring flaws and to further enhance the quality of services to customers.

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. Line of business of the Company divided into 3 main lines of 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 and 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 SMART. 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 SMART.

Change and development during the past 3 years

2013

- On March 12, 2013, the shareholder of Samart I-Mobile (Hong Kong) Limited, a subsidiary company, passed a written special resolution to change its name to “Teleconnex Company Limited”. The subsidiary company registered the change of its name with the Companies Registry on March 21, 2013.
- On July 24, 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 August 8, 2013.

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 50% indirect holding by Samart Multimedia Co., Ltd., has proportionally increased its registered capital of Baht 80 million from Baht 40 million to new registered capital of Baht 120 million. Purpose of capital increase is to support business expansion to sports-related and sport content businesses. I-Sport Co., Ltd. has acquired 6 million ordinary shares with a par value of Baht 10, representing 100% of the issued and paid-up shares of Siam Sport Television Co., Ltd. from Siam Sport Syndicate Public Company Limited, another shareholder of I-Sport Co., Ltd., at the total amount of Baht 60 million. This investment will ensure that the Company is able to gain more competitiveness and revenues in TV media, sport license and sports-related businesses. In addition, the Company has more complete range of services in order to strengthen its revenue and profit in the future.

2015

- On July 29, 2015, the Extraordinary General Meeting of shareholders of I-Sport Co., Ltd., a subsidiary company, passed a resolution to approve the plan to list it on the Market for Alternative Investment (MAI) with the following details.
 1. To transform the company into a public limited company for the issuance and the initial public offering (IPO) of its shares and to list on the MAI Stock Exchange.
 2. To increase the registered share capital from Baht 120 million (12 million ordinary shares of Baht 10 each) to Baht 160 million (16 million ordinary shares of Baht 10 each) through an issuance of additional 4 million ordinary shares of Baht 10 each to offer 3 million shares to the initial public offering (IPO) and offer 1 million shares to the existing shareholders which are the Company and Siam Sport Syndicate Public Co., Ltd. In addition, Siam Sport Syndicate Public Co., Ltd. intends to offer 1 million shares to the initial public offering (IPO).
 3. To change the par value of ordinary shares from Baht 10 per share to Baht 0.25 per share. However, the changing of the par value does not affect to the portion of the issuance of its shares.
- On October 22, 2015, the Company entered into wholesale agreement to provide mobile phone services with CAT Telecom Public Co., Ltd., whereby the Company will resell mobile phone services to end-users. CAT Telecom Public Co., Ltd. is to commence providing service within 90 days after the agreement has been signed and until August 3, 2025. Under the terms of the agreement, the Company is obliged to pay minimum wholesale service fees at a stipulated rate.

Nature of Business

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

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.

Multimedia Business

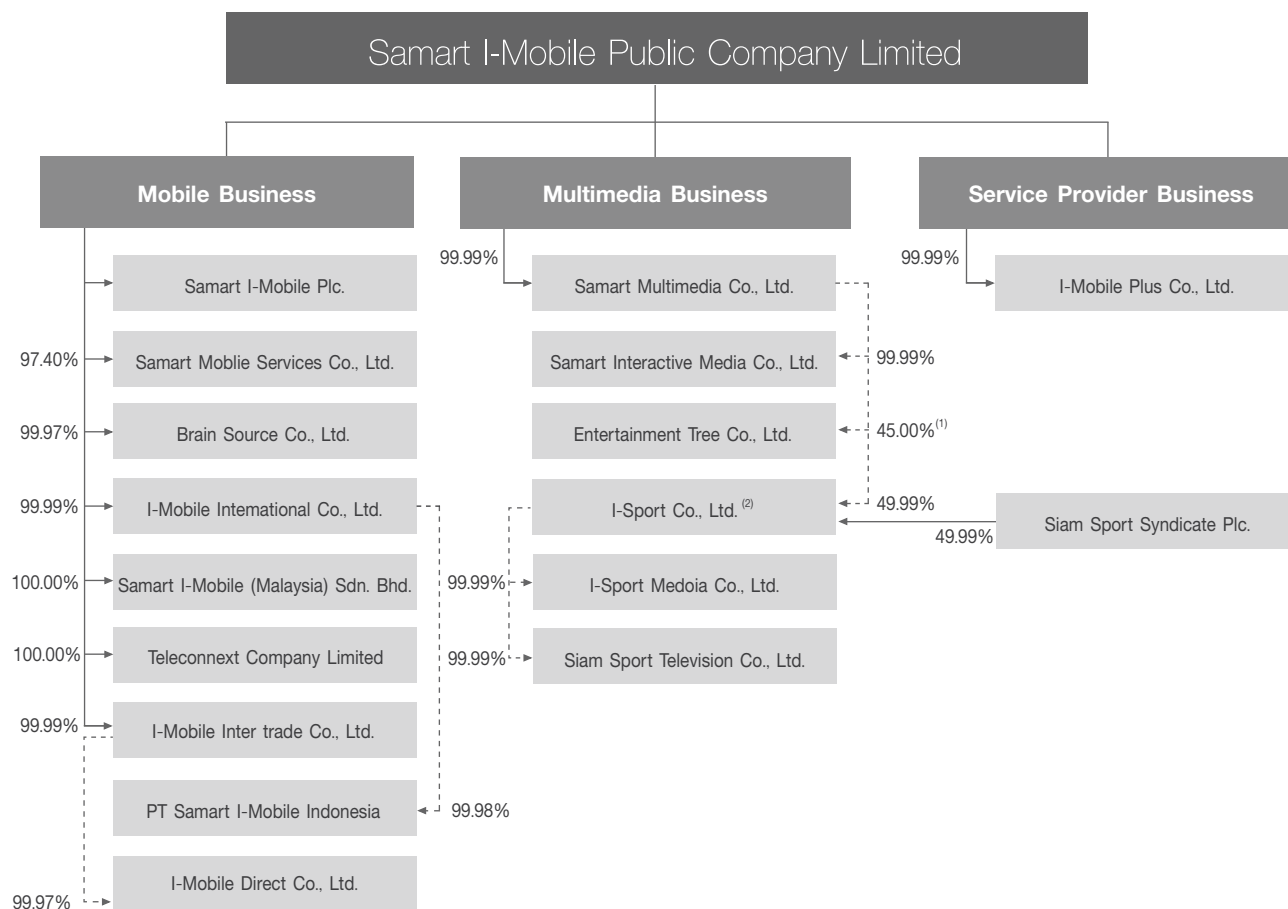
Provision of varieties of most updated information, news and edutainment contents which address to everyone’s need and fit with their lifestyles in the form of voice and non-voice or multimedia services via multi-devices, for example, sports update reporting, www.Horoworld.com - the center of the fortune 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.

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 signed MVNO contract with CAT Telecom Public Company Limited, the service providers of 3G on the 850 MHz frequency, in October 22, 2015. CAT network covers the service areas nationwide with more than 14,000 base stations in line with the Company’s main target group. It is expected to launch this service in early 2016.

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

Revenue Structure

The revenue structure of the Company and subsidiaries as of December 31, 2013 - 2015 is as follows:

(Unit: Million Baht)

Revenue	Operated by	% of shareholding	2013		2014		2015	
			Revenue	%	Revenue	%	Revenue	%
Mobile Business	SIM, SIMM, TCN	100.00	9,098	88.34	11,321	90.61	6,723	86.20
	SMS	97.40						
	BS, IMD	99.97						
	IMI, IMIT	99.99						
	SIMI	99.98						
Multimedia Business	BUG, SIAM	99.99	947	9.19	749	6.00	865	11.10
	I-SPORT	49.99						
	I-SPORTM	49.99 *						
	SSTV	49.99 *						
	ENT	45.00						
Service Provider Business	IMP	99.99	194	1.88	300	2.40	142	1.82
Total Revenues from Operations			10,239	99.41	12,370	99.01	7,730	99.12
Selling support income			19	0.18	29	0.24	28	0.36
Interest income			4	0.04	4	0.03	2	0.03
Gain on exchange			0	0.00	24	0.19	0	0.00
Gain on change in value and disposal of short-term investments			1	0.01	1	0.00	2	0.02
Gain on disposal of investment in subsidiary company			0	0.00	0	0.00	5	0.06
Other income			37	0.36	66	0.53	32	0.41
Total Revenues			10,300	10,000	12,494	100.00	7,799	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.	TAL	= Take A Look Co., Ltd.
SIMI	= PT Samart I-Mobile Indonesia	IMP	= I-Mobile Plus Co., Ltd.
I-SPORT	= I-Sport Co., Ltd.	TCN	= Teleconnex Company Limited
IMIT	= I-Mobile Inter trade Co., Ltd.	IMD	= I-Mobile Direct Co., Ltd.
ENT	= Entertainment Tree Co., Ltd.	I-SPORTM	= 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

as of December 31, 2015

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. 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
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

Name of Company	Type of Business	Shareholder	Registered Capital	Total of Ordinary Share	Company's shareholding	
					Number of share	Percentage
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 year 2015 presented the Company with a host of challenges and changes, internally and externally. The slowdown in Thailand's and China's economies, high household debts and domestic and international-scaled social instability were some of the major issues that persisted since mid-2014 until the end of 2015. Confidence in private sector fell as a result, causing reduction in consumption and investments. The government's slow-paced budget allocation also did not help to boost the country's economy. In 2015, the Company and subsidiaries generated Baht 7,799 million of revenues and Baht 37 million of net profit which is less than last year due to the intense competition. All mobile service providers have joined competition in the market.

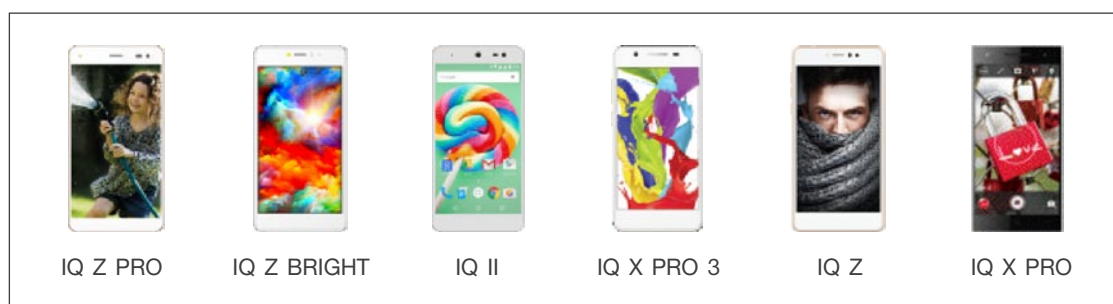
Mobile Business

The Company's main strategy is still to offer the best to the existing and prospect customers. In 2015, the Company launched over ten models which were all smart phones and five of these were DTV integrated. Moreover, the Company maintained the excellence standard of quality and also further improved and developed products and services to ensure customer satisfaction is always maximized. Significant changes in the past year concern was summarized below :

1. Product

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

Examples of Mobile Phones launched in 2015



2. Distribution channels

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

3. Public Relations and Building Positive Brand Image

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

Multimedia Business

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

Service Provider Business

The Company is dedicated to keeping existing customers and expanding the current customer base through strategies including i-mobile product bundling, sales promotion tactics alongside data usage stimulation. Enticing deals were offered such as getting free calling credits, free internet data and free applications upon a phone purchase. The use of sales promoters and roadshows also helped to gain greater exposure among potential customers. In addition, the Company signed MVNO contract with CAT Telecom Public Company Limited, the service providers of 3G on the 850 MHz frequency, in October 2015. CAT network covers the service areas nationwide with more than 14,000 base stations in line with the Company's main target group. It is expected to launch this service in early 2016.

Industry and Competitive Analysis

The overall conditions of the global economy in the first half of 2015 remained fragile. The vulnerable circumstances in Eurozone further shaken by Greece's inability to pay up its debt to the IMF stirred international concerns towards the country's position in the union. Moreover, China's plummeting stock market sent an alarming possibility of an Economic Bubble, thereby affecting the stock market on a global scale. The continuously falling oil prices also presented another threatening uncertainty. Nevertheless, Japanese economy managed to take a leap thanks to expanding domestic consumption alongside the recovery of US economy that showed improved performances in consumption, real estate and labor markets. The second half of the year saw a slight bounce back of international economies in response to the recovery of major players, especially the US whose interest rates rose for the first time in almost ten years, reinforcing FED's confidence towards the country's economy. Eurozone, at the same time, was moving on the roads to recovery although inflation rates still hovering far lower from the target, urging the ECB to relax the finance policy even further. Meanwhile, China was showing brighter prospects in certain sectors despite the slowdown in import and export which continued to upset its trading partners. At the same time, crude oil price fell to the 7-year lowest record due to oversupply. The all year Global GDP of 2015 was pulled down from 3.3 to 3.1 given the downturn in the first half of the year (Source: IMF World Economic Outlook, October 2015). The expansions were experienced by Developed Markets whose economies picked up slightly while Emerging Markets and Developing Economies continued to show sluggish growth for the fifth year in a row. The continual slow-moving development was a result of falling prices of consumer goods coupled with reduction in foreign investment among Emerging Markets which weaken the currency of respective countries, causing significant fluctuations in financial markets.

Thailand's economy during the first six months of 2015 was measured by the Bank of Thailand to grow by 3.0 percent, while the expected rate previously set at the end of 2014 was at 4.0 percent. The failure to meet the target growth resulted from the weakening export sector and consumer spending, which were unable to be offset by ongoing investments by the government and constantly expanding tourism sector. Thailand showed a slow recovery in economy during the later six months of 2015, in response to the push by the government to stimulate consumption in private sector. A budget was set aside to distribute to low-income citizens and SME owners through Village Funds, Sub district Development Funds and countrywide small-scaled investment projects. Also, 5 PPP projects were granted approval at a total investment worth Baht 300 billion. However, the export side remained sluggish along the slowdown in global demands, especially in China and ASEAN. Moreover, agricultural produce continued to fall in supply following the drought in 2015 and unattractive prices of latex.

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

According to a study conducted by National Statistical Office in 2015 involving 62.6 million citizens aged 6 and above, the number of mobile phone users has increased from 48.1 million (77.2 percent) in the previous year to 49.6 million (79.3 percent). Municipal areas were found to have 84.77 percent of total population using mobile phones while regions outside municipal areas 74.86 percent. Further to that, the number of people using two or more mobile phones is on a constant rise. Among existing mobile phone users, an increasing portion is on smart phone for its various benefits in everyday life. Functions such as social media, online shopping, internet banking, stock trading, for example, are contributing to the significant sales growth in the recent years. The mobile phone market was faced with a more intense competition in the year 2015. Mobile phone service providers adopted price cutting to entice buyers and expanded the non-voice services.

Some operator offered discounts on 3G supported mobile phones to customers in the middle and lower tiers to hasten the process of conversion from 2G concessions to 3G licenses, thereby pulling down the total revenue from mobile phone sales.

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

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

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

Risk Factors

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

1. Business Risks

1.1 Risks from Mobile Business

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, social networking and overseas markets including the Middle Eastern countries and neighbouring ones such as Myanmar, Laos and Cambodia.

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

Due to a drastic competition which focused on taking users from other operators now acquiring new users, the Company has developed sale channels to be more varied and differentiated from competitor in form of speed. The Company develops 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 and foreign workers. 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 and 4G services and price of smart phone dropped from high competition. This enabled three main operators launching many promotion packages bundling with smart phone for 2G users to switch to 3G and 4G networks. 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 from import and export of products from / to oversea markets as well as trust receipts in foreign currencies. However, the transactions have been hedged through forward contracts and the Company and subsidiaries have also considered using other appropriate financial instruments apart from monitoring financial market and foreign exchange closely. In 2015, the Company and subsidiaries had revenues and costs in foreign currencies at 1.9% of total revenues and 86.4% of total cost of goods sold respectively. As of December 31, 2015, the Company and subsidiaries have foreign currency assets and liabilities of USD 16.0 million (separated financial statement presented USD 25.5 million), and the exposure from open Letter of Credit (L/C) amount of USD 34.0 million, while there were the outstanding forward contracts of USD 45.0 million.

2.2 Interest Rate Risk

The fluctuation of interest rate in the market can affect cost of funds through the Company and subsidiaries 'short term and long term loans from financial institutions. As of December 31, 2015, the Company and subsidiaries had total loans from financial institutions of Baht 5,660.7 million, in which 99.3% is in short term. However, the Company and subsidiaries have been monitoring the interest rate in financial market closely to select appropriate borrowing terms and 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

The Company and subsidiaries may have risk associated with unpaid trade receivables. As of December 31, 2015, the Company and subsidiaries enclosed trade receivable (unrelated parties) of Baht 7,063.8 million, representing 70.7% of total assets, in which Baht 11.5 million were outstanding more than 12 months, reduced by Baht 2.8 million, compared with the end of 2014. In fact, the Company and subsidiaries have reserved the allowance for doubtful debts amount of Baht 13.8 million, moderately decreased from 2014 by Baht 5.1 million. Complying with the Company's policy through a 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. Accordingly, the Company may expose to risk associate with default on the guaranteed loans. However, as a regular business monitoring especially on financial position of subsidiaries, the management is confident that there will be no any event of defaults. As of December 31, 2015, subsidiaries' outstanding loans guaranteed by the Company were Baht 684.1 million.

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

As of December 31, 2015, Vilailuck Group including Samart Corporation Public Company Limited and its subsidiaries hold 3,207,435,500 shares or 72.89% 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 of December 30, 2015, the top ten shareholders were as follows:

No.	Shareholder's Name	Number of Shareholding	%
1.	Vilailuck Group ⁽¹⁾	3,207,435,500	72.89
	- Samart Corporation Public Company Limited ⁽²⁾	3,121,579,000	70.94
	- Vilailuck International Holding Co., Ltd.	30,535,100	0.69
	- Samart Telcom Public Company Limited	28,620,400	0.65
	- Mrs. Sukanya Vanichjakvong ⁽³⁾	14,900,000	0.34
	- Mr. Watchai Vilailuck ⁽³⁾	7,781,000	0.18
	- Samart U-Trans Co., Ltd.	2,620,000	0.06
	- One to One Contacts Public Company Limited	1,000,000	0.02
	- Ms. Srintip Vilailuck	400,000	0.01
2.	Bualuang Long-Term Equity Fund (B-LTF)	52,198,700	1.19
3.	Bualuang Siriphol Corporate Governance (BSIRICG)	42,520,400	0.97
4.	Mr. Natthapon Jularnkoon	39,443,100	0.90
5.	Bualuang Siriphol Corporate Governance RMF (BSIRIRMF)	36,973,500	0.84
6.	Bualuang Infrastructure Retirement Mutual Fund	32,702,400	0.74
7.	Provident Fund of Electricity Generating Authority of Thailand	25,218,800	0.57
8.	Mr. Taweecat Jularnkoon	20,000,000	0.45
9.	Ms. Chomkamon Poompunmoung	19,001,800	0.43
10.	Bualuang Infrastructure	17,666,100	0.40
Total shares of top ten shareholders		3,493,160,300	79.39
Total shares of the minority shareholders		907,089,700	20.61
Grand total		4,400,250,000	100.00

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

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

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

⁽³⁾ Includes holding by spouse and minor children.

Dividend Payment Policy

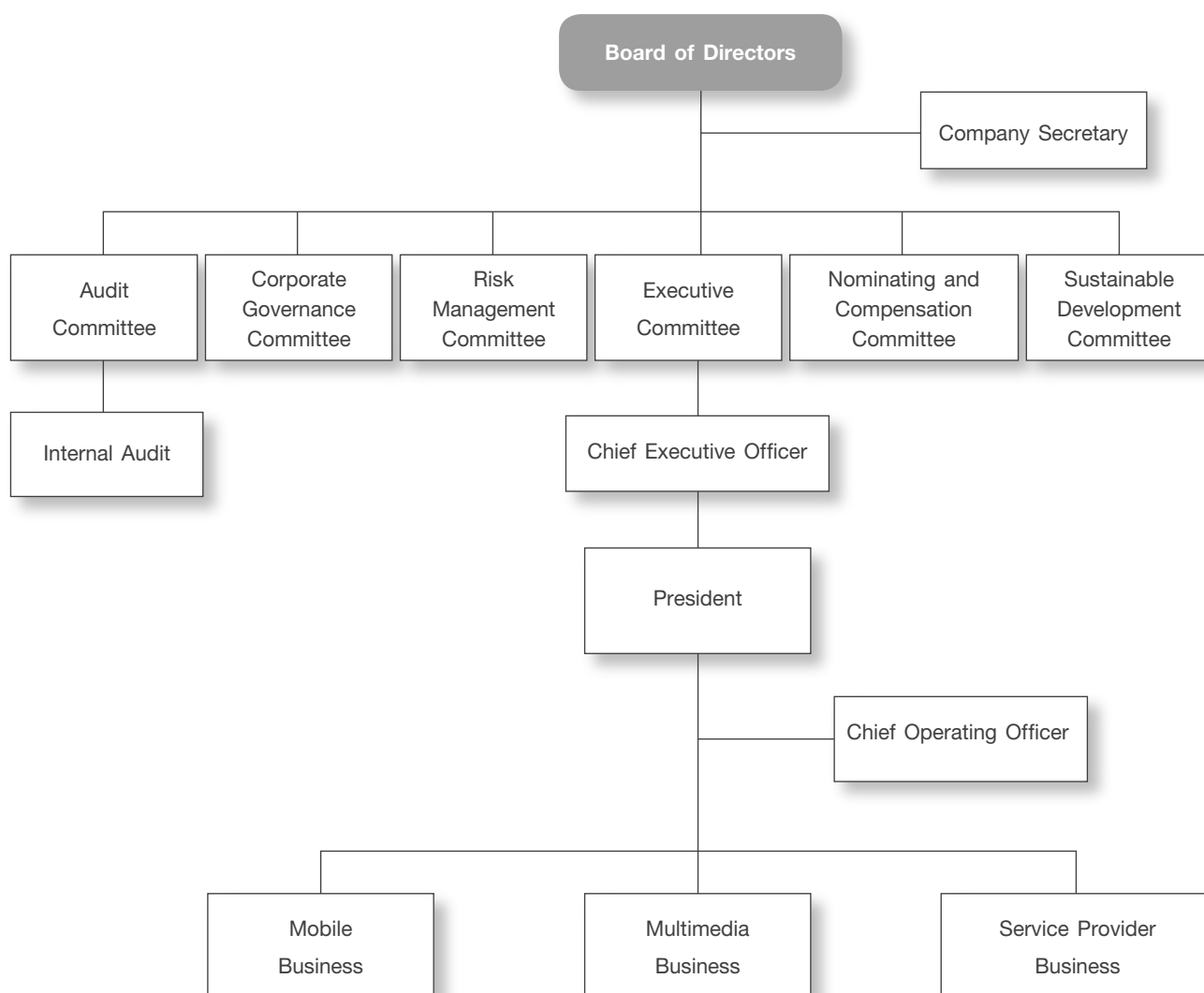
The Company has policy to pay dividend no less than 50% of its consolidated net profit after deduction of all reserves as stated in the Company's Articles of Association and related laws, subject to need for future investment and business plan. The Company's subsidiary and associated companies have policy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

Detail of dividend payment

Financial Ratio		2013	2014	2015
Earnings per Share	(Baht)	0.185	0.162	0.008
Dividend per Share	(Baht)	0.110	0.090	0.015
Dividend Payout Ratio	(%)	59.31	55.56	177.61

Management Structure

The management structure of the Company as of December 31, 2015 consisted of the Board of Directors and 6 Sub-Committees; Audit Committee, Corporate Governance Committee, Risk Management Committee, Executive Committee, Nominating and Compensation Committee and Sustainable Development Committee, to oversee management and internal control systems to be comply with the Company's policy. Organization chart is presented below:



Remark: Vice President - Accounting and Vice President - Finance are under Chief Operating Officer.

1. Board of Directors

Board of Directors as of December 31, 2015:

Name	Position
1. Professor Suphachai Phisitvanich ⁽¹⁾	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 ⁽²⁾	Director
5. Mr. Watchai Vilailuck ^{(2), (3)}	Director / Chief Executive Officer / Chairman of the Risk Management Committee
6. Mr. Thananan Vilailuck ⁽²⁾	Director
7. Mrs. Sukanya Vanichjakvong ^{(2), (4)}	Director / President / Chairman of the Sustainable Development Committee / Risk Management Committee Member / Executive Committee Member
8. Mr. Sirichai Rasameechan ^{(2), (5)}	Director / Nominating and Compensation Committee Member / Risk Management Committee Member
9. Mr. Pracha Phathayakorn ^{(2), (6)}	Director / Chief Operating Officer / Executive Committee Member / Risk Management Committee Member / Sustainable Development Committee Member

Remarks: ⁽¹⁾ Passed away on January 19, 2016. The Board of Directors' Meeting No. 2/2016 on February 29, 2016 approved the appointment of Mr. Piyapan Champasut as chairman of the Board of Directors and Audit Committee member as his replacement effective from March 1, 2016.

⁽²⁾ Representative directors from Samart Corporation Plc., a major shareholder, with 70.94% stake holding.

⁽³⁾ Resigned from Chief Executive Officer on December 31, 2015. However, he still remains Director and Authorized Director. The Board of Directors' Meeting approved the appointment of Mr. Chakkrit Charuchinda as Chief Executive Officer in replacement of Mr. Watchai Vilailuck effective from January 1, 2016.

⁽⁴⁾ To be appointed as director on November 12, 2015.

⁽⁵⁾ Resigned from director on December 31, 2015. However, he still remains the member of Nominating and Compensation Committee. The Board of Directors' Meeting approved the appointment of Mr. Chakkrit Charuchinda as Director in replacement of Mr. Sirichai Rasameechan effective from January 1, 2016.

⁽⁶⁾ To be appointed as director on August 13, 2015.

The number of directors is in line with the Company's Articles of Associations that the Board of Directors should have at least 7 members. 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 of December 31, 2015 were shown on the section of "Directors, Management, Company Secretary and Head of Internal Audit". Details of Sub-Committee were shown on the section of "Corporate Governance" under the topic of "Sub-Committees".

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

Authorized Directors as of December 31, 2015:

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 Mrs. Sukanya Vanichjakvong or one director from Mr. Charoenrath Vilailuck, Mr. Watchai Vilailuck, Mrs. Sukanya Vanichjakvong co-sign with Mr. Sirichai Rasameechan or Mr. Pracha Phathayakorn with the Company's seal affixed.

Due to the resolution from the Board of Directors' Meeting on November 11, 2015 approved the appointment of Mr. Chakkrit Charuchinda as a director in replacement of Mr. Sirichai Rasameechan and Chief Executive Officer in replacement of Mr. Watchai Vilailuck effective from January 1, 2016. The Board of Directors also approved the change in the Company's authorized directors effective from January 1, 2016 as the following detail:

"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 Mrs. Sukanya Vanichjakvong or one director from Mr. Charoenrath Vilailuck, Mr. Watchai Vilailuck, Mrs. Sukanya Vanichjakvong co-sign with Mr. Chakkrit Charuchinda or Mr. Pracha Phathayakorn 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 Company's shareholders.

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 and strategies 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.

2. The Management

The Management as of December 31, 2015:

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

Remarks: ⁽¹⁾ Resigned from Chief Executive Officer on December 31, 2015. However, he still remains Director and Authorized Director. The Board of Directors' Meeting approved the appointment of Mr. Chakkrit Charuchinda as Chief Executive Officer in his replacement effective from January 1, 2016.

⁽²⁾ To be appointed as director on November 12, 2015.

⁽³⁾ Change his name from "Mr. Subhasiddhi Rakkasikorn" to "Mr. Kitanun Rakkasikorn" on July 27, 2015.

Details of Education, working experience including and position in subsidiaries and related company as of December 31, 2015 were shown on the section of "The Board of Directors, Management, Company Secretary and Head of Internal Audit".

3. Company Secretary

The Nominating and Compensation Committers considers and appoints 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 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 Chairman 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 and Compensation Committee shall select a new Company Secretary to propose for consideration and approval of the Board of Directors to appoint the new Company Secretary within 90 days from the date on which the Company Secretary has vacated her position or has been incapable of performing her duty. In this regards, the Board of Directors shall be empowered to assign any director to perform the duty as the substitutes during such period.

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 attended the training courses and seminars to strengthen knowledge as follows:

- Preparatory activities before a competition for 2016 Sustainability Award
- Improving in SET index performance
- Roles of the Board of Directors and Management in the Company's Internal Control System
- Risk Oversight : High Priority Roles Of the Board
- Samart Repositioning Workshop
- Changes to the index occurred in Emerging Markets, Impact on investment in the ASIAN stock market, ESG and investment direction of Asian institutional investors
- Social Investment Market: Beyond CSR & Philanthropy
- How Does ESG Disclosure Add Value to Business?
- Professional Company Secretary: Key Assistant to good corporate governance
- Innovative Alliance for Your Business
- Criteria on writing CG report of listed companies
- Preparation for participate with Collective Action Coalition (CACT)
- Role of top management to activate the organization's anti-corruption policies
- Governance as a driving force for business sustainability
- ESG: The Factors of Sustainability
- Building Better Board through Effective Independent Director

4. 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 2015 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 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 2015, the Company paid remuneration to directors and the managements as follows:

1. Monetary and other remunerations of the Board of Directors and Sub-Committees are as follows:

Directors	Monetary (Baht)						
	Meeting Allowance				Bonus	Total	Other
	Board of Directors	Audit Committee	Corporate Governance Committee	Nominating and Compensation Committee			
1. Professor Suphachai Phisitvanich ⁽¹⁾ Chairman of the Board of Directors / Independent director	180,000	60,000	-	-	350,000	590,000	-
2. Dr. Chotivid Chayavadhanangkur Director / Independent director	120,000	180,000	60,000	75,000	300,000	735,000	-
3. Mr. Kunthit Arunyananda Director / Independent director	120,000	90,000	45,000	100,000	300,000	655,000	-
4. Mr. Charoenrath Vilailuck Director	120,000	-	-	-	300,000	420,000	-
5. Mr. Watchai Vilailuck Director	120,000	-	-	-	300,000	420,000	-
6. Mr. Thananan Vilailuck Director	105,000	-	-	-	300,000	405,000	-
7. Mr. Jong Diloksombat ⁽²⁾ Director	105,000	-	30,000	-	300,000	435,000	-
8. Mr. Sirichai Rasameechan ⁽³⁾ Director	120,000	-	-	75,000	300,000	495,000	-
9. Mr. Pracha Phathayakorn ⁽⁴⁾ Director	30,000	-	-	-	-	30,000	-
10. Mrs. Sukanya Vanichjakvong ⁽⁵⁾ Director	15,000	-	-	-	-	15,000	-
Total	1,035,000	330,000	135,000	250,000	2,450,000	4,200,000	-

- Remarks:**
- ⁽¹⁾ Passed away on January 19, 2015.
 - ⁽²⁾ Resigned from director on November 12, 2015.
 - ⁽³⁾ Resigned from director on December 31, 2015.
 - ⁽⁴⁾ To be appointed as director on August 13, 2015.
 - ⁽⁵⁾ To be appointed as director on November 12, 2015.

Details of number of meeting attendance of directors in the Board of Directors and Sub-Committees were shown on the section of “Corporate Governance” under the topic of “Meeting of the Board of Directors and Sub-Committees.”

2. Monetary Remuneration of 4 managements is as follows:

Type	Amount (Baht)
Salary	14,646,000
Bonus	1,482,375
Provident Fund ⁽¹⁾	1,174,020

- 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.

5. 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)		
	2013	2014	2015
1. Mobile Business	548	586	427
2. Multimedia Business	217	193	165
3. Service Provider Business	81	57	43
4. Support Business	110	87	100
Total	956	923	735

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)		
	2013	2014	2015
Salary	251.03	259.48	250.28
Bonus	31.60	22.31	9.60
Provident Fund	10.52	10.54	11.76
Others	76.13	47.08	29.70

Human Resources Management and Development Policy

Human Resources Management and Development Policy

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

1. Human Resources Management Policy

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

- **Manpower planning Policy**

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

- **Recruitment & Selection Policy**

The Company continuously applies proactive approaches in recruiting capable people at all levels including of sourcing and attracting all levels of candidates by launching Campus Tour and Activities Programs in leading universities, coordinating with business recruitment agency and allied business network to build SAMART group's branding to all external candidates. In Selection Policy, the

Company places importance on the selection process, focusing on the most appropriate knowledge, ability and attribute by which their virtues recruitment & selection combines cooperation among original affiliation, specialists in various careers and human resources to ensure that the process of recruitment & selection on good corporate governance. Furthermore, the Company has relevantly applied new technology connection and social media to support this process. These would be capable people at all levels and lead them to success their owned career at SMART leading to be the Company's sustainable success.

- **Performance Development Policy:**

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

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

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

- **Compensation & Benefit Policy:**

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

- **Employee Relation & Engagement Policy:**

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

Furthermore, the Company concentrates on the employee relation and engagement at all levels of employees throughout SMART and also implants them into corporate value along with corporate culture by building synergy working-style. Hence, these initiate the best cooperation among individual level through corporate level. In the past year, there were many programs and activities to build synergy among employees, executives and organization i.e., SMART athletic activities, Open-mind activities, Synergy program, Employee Engagement activities and D-Club.

- **Employee Innovation Recognition Policy :**

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

2. Human Resources Development Policy

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

- **Career Development Policy:**

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

- **Employee Training & Development Policy:**

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

- **In-house Training**

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

For top and management executives:

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

For operational staffs:

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

For all employees:

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

External Training

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

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

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

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

Summary of training to management and employees in 2015

Training	Frequency	Number of Participants
In-House Training		
Management	41	373
Employees	48	639
Total	89	1,012
External Training		
Management	29	53
Employees	21	45
Total	50	98
Grand Total	139	1,110

The Cost of training for 2015

The cost of training for In-House and External Training of the Company and subsidiaries were totaling Baht 1,811,246.37. Total training hours were 7,521.30 hours per year. Average training per person per year was 6.78 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 2015 were as follows:

In-House Training in 2015

- Enterprise Risk Management
- ASEAN Economic Community
- The Standard Contract
- Implementation & Compliance for Legal Practitioner
- Legal and Mortgage Guarantee, as amended by the Act
- Happy Brain Happy Relax
- 60th Years Just a Beginning Empower the Future
- Personal Wow!
- Performance Management SAP Success Factor Competency Assessment
- CIT Revolution Teamwork
- Admin to Professional
- Project Management
- Continuous Improvement
- Knowledge Sharing for HR
- Project Modern Supervisory Skill 2 days (12 hours)
- Orientation Samart Group
- TOEIC Test 2015
- ISMS Awareness Training
- Applications for SAP Module - Project System (2 training course)
- Applications for technical program Lotus Notes (4 training courses)
- Applications for technical program Open Office (3 training course)
- Applications for technical program SPEED
- Applications for technical program PR Workflow
- True Move H Register Process
- True Move H Register Process and What Android One ?
- CAT Register Process
- Sales Growth to Goal Workshop
- Product Knowledge IQ II (Android ONE)
- Power to WIN
- Business Planning Training

External Training in 2015

- The 6th Training Course on Energy Literacy for Executive
- Thai 4D Workshop 2015
- Organization Improvement To VUCA WORLD
- Professional Coach Certification Program
- The 9D Solution Day : Next Generation Data Center
- Smart Disclosure Program
- Big Data and Analytics
- CPD's TA and Accountant Annual 2015
- Roles of the Board of Directors and Management in the Company's Internal Control System
- AWS Workshop Series
- Internet of thing, Internet of threats
- CSR Report
- Risk Management
- Data Cooking
- Clustered Data ONTOP Administration
- TAX Update 2558
- Withholding Tax
- Risk Oversight : High Priority Roles of board
- Communication Skill for Internal PR
- Internal Audit Self assessment
- Internal Audit Procedure
- XBRL- Financial Report
- TAX case study
- Financial Statement Update
- Purchasing Start up
- Boost-up Corporate Purchasing Performance by "Lean Concept"
- Documentation Receive - Payment Update
- Supervisory skill
- Digital Marketing Certification Program
- Software Testing in Practice
- Coaching for Supervisory
- Financial Statement
- Preparation to be a listed company and role of internal control
- COSO2013 for Internal Auditors
- Strategic CFO in Capital Markets Program
- Microsoft Access 2010 for Developer
- Innovation-Marketing & Opportunity Capture
- Sale Negotiation to Win More
- Management Right
- Big Data Essential : Hands-on

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 comply 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.

1. Corporate Governance Policy and Business Ethics

Corporate Governance Policy

The Board of Directors realize 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 the 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 by the Board of Directors of the Company on February 29, 2016. The Policy covered 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 2015 were as follows:

- **Rights to get share certificate, sell, purchase or transfer the Company's shares**
Thailand Securities Depository Co., Ltd. ("TSD") has been appointed as the Company's registrar to provide all services for all transactions related to registration of the Company's shares.
- **Rights to propose agenda and 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 agenda of the shareholders' meeting and submit the enquiries concerning the Company's operation prior to the meeting date provided that they must comply with criteria on proposing of meeting agenda for shareholders' meeting as per specified by the Company's Board of Directors.

In the 2016 Annual General Meeting of Shareholders, the Company allowed shareholders to propose agenda or submit the enquiries at least 3 months in advance prior to the end of the fiscal year from September 30, 2015. The period time for proposing agenda ended January 31, 2016. Any questions

can send to the Company prior to the date of the 2016 General Meeting of Shareholders. The Company notified and disclosed contact channels and period for proposing agenda and enquiries via the SET on September 30, 2015 and also provide details of the procedures on the Company's website (www.i-mobilephone.com), under "Investor Relation" on the topic of "Proposal question and additional agenda concerning the Company's operation in advance of the AGM".

- **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 2015, the 2015 Annual General Meeting of Shareholders held on April 29, 2015 at Miracle Grand Convention Hotel, Vibhavadee-Rangsit Road, Laksi, Donmuang, Bangkok, where is convenience for transportation and capability to cover with number of shareholders. The rights of shareholder to participate in the meeting are as follows:

Before the Meeting Date

The 2015 Annual General Meeting of Shareholders, the shareholders would be informed on the date and agenda of the shareholders' meeting via the SET's communication system 57 days prior to the meeting date. At the same time, the Company also disclosed 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) on the section of "Investor Relations" under the topic of "Shareholder Information" 40 days prior to the meeting date for the shareholders to have sufficient time for consideration. Same documents were directly delivered to the shareholders by TSD, the Company's registrar, 30 days prior to the meeting date of which better than what required by laws. The notice of shareholders meeting 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 was published on the newspaper 3 consecutive days and 20 days prior to the meeting date to be in line with law.

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

On the Meeting Date

Meeting procedures has been set to conform to laws and considering on shareholders' convenience. The Company is aware of the equitable of shareholders' right and their comfort to participate in the shareholders' meeting. Appropriated technology and equipments are sufficient for registration to review on required documents more than 1 hour prior to commencement of the meeting. There were 8 directors attended in the 2015 Annual General Meeting of Shareholders. Moreover, Chairman of all committees, the Company's management and external auditors were also present in the meeting in order that the shareholders could ask questions during the meeting. Chairman of the Board of Directors was Chairman of the meeting introduced all Board members and management, total shareholders attending in the meeting and total shares that entitled to vote to the shareholders for acknowledgement. In the 2015 Annual General Meeting of Shareholders, there were 267 shareholders attending the meeting either in person or in proxy. In addition, the Company invited the representative from Thai Investors Association to inspect the vote casting transparently as well as requested for additional volunteers from shareholders to inspect the vote casting. The Chairman declared vote

casting, counting procedures and other related matters for shareholder's acknowledgement 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, the shareholders were requested to return the voting cards to keep as evidence

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 same day of 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 the 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 2015 Annual General Meeting of Shareholders, the Meeting approved dividend payment for 2014 to shareholders at Baht 0.09 per share or equivalent to 55.56% 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' No. 6/2015 on August 13, 2015, approved the interim dividend payment for the first six months of 2015 at Baht 0.015 per share, totaling Baht 66 Million or equivalent to 34.78% of consolidated net profit after deduction of all reserves.

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

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

2. **Equitable Treatment of Shareholders**

The Company realizes to protect and due care for the interests of all major and minor shareholders as fairly basis. In addition, the Company sets policy for equitably treatment to all shareholders for attending and vote in the shareholders' 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 and requiring documents are 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, has been prepared in Thai and English for convenience of the shareholders.

In the 2015 Annual General Meeting of Shareholders, there were 20 shareholders assigned the Company's independent directors to be their proxy to attend and vote in the meeting. 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 is shown on the section of "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).

The latest edition of the Business Ethics, which was approved from the resolution of the Board of Directors on February 29, 2016, has revised and added more clearly contents in Treatment of Trade Partners Policy regarding non-violation of human rights or intellectual property. Details regarding Attention to Stakeholders are shown on the section of "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 shareholders and stakeholders can access information conveniently and speedily as follows:

- To submit the financial report and Management Discussion and Analysis (MD&A) to the Stock Exchange of Thailand ("SET") and the Securities and Exchange Commission Thailand ("SEC") within the specified timeframe. The financial report did not have any transactions where the auditor opinioned with qualified, the financial statement has also never been revised under the order of the SET and the 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 and post it on the Company's website and the SET's communication system.
- Criteria on provision of remuneration to directors and executives have been clearly disclosed. More details are shown in "Management Structure" under the topic of "Remuneration of Directors and Management".
- Details on connected transactions have been clearly disclosed to prevent a conflict of interest. More details are shown in "Connected Transactions".
- Shareholding information of directors and executives has been disclosed in the Annual Report and the Annual Disclosure information. In addition, the Company has a policy requiring directors and executives to report the 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 the SET and the SEC. Moreover, it is also specified that any change of such securities holding of directors and executives shall be reported to the Board of Directors' meeting every time. The 2015 securities holding information of the directors and the executives were shown below:

Securities holding information of the directors and the executives as of December 31, 2015

Director / Executive	Ordinary Share (shares)					
	31/12/2014 or appointment date	Acquisition during the year		Disposal during the year	31/12/2015	Increase (Decrease)
		Warrant	Buy in SET			
1. Professor Suphachai Phisitvanich Spouse and minor children	5,500,000 -	- -	- -	- -	5,500,000 -	- -
2. Dr. Chotivid Chayavadhanangkur Spouse and minor children	3,000,000 -	- -	- -	- -	3,000,000 -	- -
3. Mr. Kunthit Arunyananda Spouse and minor children	800,000 -	- -	- -	- -	800,000 -	- -
4. Mr. Charoenrath Vilailuck Spouse and minor children	- -	- -	- -	- -	- -	- -
5. Mr. Watchai Vilailuck Spouse and minor children	7,781,000 -	- -	- -	- -	7,781,000 -	- -
6. Mr. Thananan Vilailuck Spouse and minor children	- -	- -	- -	- -	- -	- -
7. Mr. Sirichai Rasameechan Spouse and minor children	- -	- -	- -	- -	- -	- -
8. Mr. Pracha Phathayakorn ⁽¹⁾ Spouse and minor children	- -	- -	- -	- -	- -	- -
9. Mrs. Sukanya Vanichjakvong ⁽²⁾ Spouse and minor children	13,400,000 1,500,000	- -	- -	- -	13,400,000 1,500,000	- -
10. Mr. Kitanun Rakkasikorn ⁽³⁾ Spouse and minor children	10,000 -	- -	- -	(10,000) -	- -	(10,000) -
11. Mrs. Sumonthip Srimek Spouse and minor children	- -	- -	- -	- -	- -	- -
12. Miss Kusuma Kerdpol Spouse and minor children	- -	- -	- -	- -	- -	- -

Remarks : ⁽¹⁾ To be appointed as director on August 13, 2015.

⁽²⁾ To be appointed as director on November 12, 2015.

⁽³⁾ Change his name from “Mr. Subhasiddhi Rakkasikorn” to “Mr. Kitanun Rakkasikorn” on July 27, 2015.

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 the 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 the SEC or the SET on such matter. The Board has major concerned on transparency and disclosure in the following areas:

- **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 Show, 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 the 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 2015 were summarized below:

- Analyst Meeting	60	Times
- Road Show	4	Times
- Announcement of Company's Performance	14	Times

- **Disclosure of Information of the Board of Directors and Committees**

- Structure, Roles and Responsibilities of the Board as well as performance of the Board and each Committee, 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 on the Company's Annual Report and Form 56-1 in "Management Structure" under the topic of "Remuneration of directors and management".

- **Accountability to the Financial Statement**

The Board of Directors is responsible for the Company's consolidated financial statements and any financial information which been disclosed in the Company's Annual Report. Such financial statements were prepared in accordance with the general 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 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. 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 key success 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 9 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 attendant in the meeting were shown in “Meeting of the Board of Directors and Sub-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 as of December 31, 2015 comprised of 9 members with various qualifications, skills, experience and expertise. Composition of the members is as follows:

- 3 Independent Directors (equal to one-third of the Board of Directors)
- 3 Executive Directors (representatives from major shareholders)
- 3 Non-Executive Directors (representatives from major shareholders)

The 3 Independent Directors 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 9 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 are 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 vision, mission, 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, mission, business direction, 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.

5.5.2 Monitoring on Business Ethics

The Company conveyed business ethics practices via various channels and 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 on the section of "Opinion and Suggestion".

5.5.3 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 under "Sub-Committees". In addition, Committees' Charters have also been set and disclosed on the Company's website (www.i-mobilephone.com).

5.5.4 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 to 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 the meeting.

The average length of the meeting is approximately 2 hours. In 2015, there were 8 meetings as follows:

Directors	Position	Date of appointment	Term of position (year/ month)	Number of attendance / total number of meeting
1. Professor Suphachai hisitvanich ⁽¹⁾	Chairman of the Board of Directors / Independent Director / Audit Committee Member	May 11, 2005	10/7	6/8
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	12/3	8/8
3. Mr. Kunthit Arunyananda	Independent Director / Audit Committee member / Chairman of the Nominating and Compensation Committee / Corporate Governance Committee Member	September 30, 2003	12/3	8/8
4. Mr. Charoenrath Vilailuck ⁽²⁾	Director	September 30, 2003	12/3	8/8
5. Mr. Watchai Vilailuck ^{(2), (4)}	Director / Executive Chairman/Chief Executive Officer / Chairman of the Risk Management Committee	September 30, 2003	12/3	8/8
6. Mr. Thananan Vilailuck ⁽²⁾	Director	September 30, 2003	12/3	7/8 ⁽³⁾
7. Mr. Jong Diloksombat ⁽²⁾	Corporate Governance Committee Member	September 30, 2003	12/3	7/7
8. Mr. Sirichai Rasameechan ^{(2), (5)}	Director / Nominating and Compensation Committee Member / Risk Management Committee Member	August 7, 2014	1/4	8/8

Directors	Position	Date of appointment	Term of position (year/ month)	Number of attendance / total number of meeting
9. Mr. Pracha Phathayakorn ⁽²⁾	Director / Executive Director / Risk Management Committee Member / Sustainable Development Committee Member	August 13, 2015	0/4	2/2
10. Mrs. Sukanya Vanichjakvong ⁽²⁾	Director / President / Chairman of the Sustainable Development / Committee / Executive Director / Risk Management Committee Member	November 12, 2015	0/1	1/1

- Remarks:**
- ⁽¹⁾ Passed away on January 19, 2016 and requested for sick leave from 2 meetings in 2015.
 - ⁽²⁾ Representative directors from Samart Corporation Plc., a major shareholder, with 70.94% stake holding.
 - ⁽³⁾ Absence due to important business in overseas.
 - ⁽⁴⁾ Resigned from Chief Executive Officer on December 31, 2015. However, he still remains Director and Authorized Director. The Board of Directors' Meeting approved the appointment of Mr. Chakkrit Charuchinda as Chief Executive Officer in replacement of Mr. Watchai Vilailuck effective from January 1, 2016.
 - ⁽⁵⁾ Resigned from director on December 31, 2015. However, he still remains the member of Nominating and Compensation Committee. The Board of Directors' Meeting approved the appointment of Mr. Chakkrit Charuchinda as Director in replacement of Mr. Sirichai Rasameechan effective from January 1, 2016.

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

- Acknowledged the change in Securities holding of directors and executives from the last meeting
- Considered and approved the Company's financial statement for 2014 and quarterly financial statements of 2015
- Considered dividend payment for the year 2014 and the interim dividend payment for the first half of the year 2015
- To approve 2014 MD&A and quarterly MD&A of 2015
- To approve annual bonus for directors and committee members
- To approve the appointment of director to replace the vacant position and replace of those who will retire by rotation
- 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 performances of Sub-Committees
- Acknowledged the result of assessment of the Board of Directors, Sub-Committees, CEO and Company Secretary
- Acknowledged the result of proposing agenda from minority shareholders and sending question relating to the Company prior to the date of the 2016 AGM
- Considered and approved the remuneration of the Board of Directors and Committees for 2015
- Considered and approved the appointment of the Company's auditor and fixing audit fee for 2015
- Considered the Directors' and Officers' Liability Insurance
- Considered subjects relating to the 2015 Annual General Meeting of Shareholders prior to the shareholders' meeting
- Considered the connected transactions

- Considered and approved the 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 of those who retire by rotation
- Acknowledged survey result of the 2014-2015 ASEAN CG Scorecard
- Acknowledged CGR of Listed Companies for 2015
- Acknowledged survey results of the 2015 SD assessments of listed companies in aspect of Anti-Corruption
- Acknowledged the results of the 2015 SD Awards
- Acknowledged survey results of the 2015 AGM performance assessments
- Approved the change in the Company's authorized signatories
- Considered Strategic & Implementation Plan for 2015
- Considered and approved salary increment rate for 2016 and set the annual bonus policy for 2015-2016
- Considered results of Board Self-Assessment for 2015
- Approved criteria of the self-assessment of Board Sub-Committee for 2015
- Approved criteria of CEO Assessment and Company Secretary Assessment in 2015
- Approved meeting schedule of the Board of Directors, Sub-Committees and Shareholders for 2016
- Approved the change in the authorized signatories and condition to sign in 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 2015, numbers of each meeting and time attendance of each member were summarized below:

Directors	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 ⁽¹⁾	4/6					
2. Dr. Chotivid Chayavadhanangkur	6/6		3/3	5/5		
3. Mr. Kunthit Arunyananda	6/6		3/3	5/5		
4. Mr. Charoenrath Vilailuck						
5. Mr. Watchai Vilailuck		12/12			3/3	
6. Mr. Thananan Vilailuck ⁽²⁾		10/10			2/2	1/1
7. Mrs. Sukanya Vanichjakvong ⁽³⁾		2/2			1/1	1/1
8. Mr. Jong Diloksombat ⁽⁴⁾		11/11	2/3 ⁽⁵⁾		2/2	
9. Mr. Sirichai Rasameechan				5/5	3/3	
10. Mr. Pracha Phathayakorn		12/12			3/3	2/2

Directors	Number of Attendance / Total Number of Meeting					
	Audit Committee	Executive Committee	Corporate Governance Committee	Nominating and Compensation Committee	Risk Management Committee	Sustainable Development Committee
11. Mr. Kitanun Rakkasikorn					3/3	2/2
12. Miss Chullada Sapsarasin					3/3	2/2
13. Mr. Teerapon Asavatitanonta ⁽⁶⁾					3/3	1/1
14. Miss Supanee Thawinwung						2/2
15. Miss Boonrut Mongkolratanakorn						2/2
16. Miss Kusuma Kerdpol					3/3	

Remarks

- ⁽¹⁾ Passed away on January 19, 2016 and requested for sick leave from 2 meetings in 2015.
- ⁽²⁾ Resigned from member of sub-committees on November 12, 2015.
- ⁽³⁾ To be appointed on November 12, 2015.
- ⁽⁴⁾ Resigned from director, Executive Committee member and Risk Management Committee member on November 12, 2015.
- ⁽⁵⁾ Absence due to importance business.
- ⁽⁶⁾ Resigned on December 1, 2015.

3) Meeting among members of non-executive directors

During the year, non-executive directors convened non-executive directors' meeting without any participation of management in order to discuss any management issue freely.

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, Internal Audit and Risk Management

Please see details in "Internal Control and Risk Management" and "Anti-Corruption".

5.8 The assessment of the Board of Directors, Sub-Committees, CEO, Company Secretary and Head of Internal Audit**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 2015 as a whole. The assessment form, approved by the Board of Directors in its meeting No. 8/2015 on December 17, 2015, was submitted to all directors for assessment. The questionnaire covered the following areas:

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

The 2015 Board Self-Assessment, evaluated by 8 directors in the above areas, has an excellent evaluation by obtaining average score of 96.64%.

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, approved by the Board of Directors in its No. 8/2015 on December 17, 2015, was submitted to all directors for assessment. The questionnaire covered the following areas:

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

The 2015 Director Self-Assessment, evaluated by 8 directors in the above areas, has an excellent evaluation by obtaining average score of 95.56%.

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, approved by the Board of Directors in its meeting No. 8/2015 on December 17, 2015, 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 covered 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 areas:

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 are shown below:

		Result	Average Score (%)
1.	Executive Committee	Excellent	92.22
2.	Risk Management Committee	Excellent	93.14
3.	Nominating and Compensation Committee	Excellent	95.45
4.	Corporate Governance Committee	Excellent	93.70
5.	Audit Committee	Excellent	99.12
6.	Sustainable Development Committee	Very Good	83.87

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. 8/2015 on December 17, 2015 and was submitted to all directors for assessment. Assessment result would be considered for remuneration adjustment. The questionnaire covered the following areas:

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 2015 CEO Assessment, evaluated by the Company's 7 directors in the above areas, has an excellent evaluation by obtaining average score of 95.64%.

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 2015, the Board of Directors considered the criteria of Company Secretary Assessment in its meeting no. 8/2015 on December 17, 2015. The form of Assessment was submitted to each director for assessment in the following areas:

1. Knowledge
2. Compliance
3. Communication and Coordination
4. Documentation
5. Meeting
6. Corporate Governance

The 2015 Company Secretary Assessment, evaluated by 8 directors in the above areas, has an excellent evaluation by obtaining average score of 95.57%.

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, risk management and other control. The form has been approved by the Audit Committee in its meeting No. 6/2015 on December 17, 2015 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 2015 Head of Internal Audit Assessment, evaluated by 2 Audit Committee members in the above areas, has an excellent evaluation by obtaining average score of 98.50%.

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 the 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 2015, the Board of Directors approved the appointment of 2 new directors named Mr. Pracha Phathayakorn and Mrs. Sukanya Vanichjakvong and the Company 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). As of December 31, 2015, 3 directors had joined DCP program, 3 directors had joined DAP program and 3 directors had joined both DCP and DAP program. IOD training course of each director is 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 2015, the following 2 directors attended the training courses as shown below:

1. Mr. Watchai Vilailuck
 - Top Executive Program in Energy Literacy for a Sustainable Future (Class 6), Thailand Energy Academy (TEA)
 - Top Executive Program in Industrial development and Investment (Class 2), Institute of Business and Industrial Development (IBID)

2. Mr. Jong Diloksombat
 - National Defence Course, Class 57, The National Defence College,
The National Defence Institute

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 for 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 on the Company's website for employees and the outsider's acknowledgement. The Company reviews Business Ethics annually of which the latest issue was approved by the Board of Directors on February 29, 2015 including Money Laundering Policy, Tax Policy and revision of Treatment of Trade partners Policy in part of do not violate human rights or intellectual property. The Company's Business Ethics covered 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, Company's future plans and others.

On any conflict of interest transaction, before entering into the transaction, the Company specified that the Board of directors, Managements, Employees and relevant parties must disclose the transactions with interest to the Audit Committee to consider the appropriateness of such transactions. The Audit Committee will carefully review prior to submit with opinion either on such conflict or connection to the Board of Directors for further review and to ensure that the transaction has to be complied with the SET's regulations, information of the transaction i.e. value of transaction, party involved and necessity etc., has been disclosed in the Company's Annual Report, Form 56-1 and the auditor's note in the financial statements. Any consideration of the connected transaction, the directors who may have conflict of interest will neither participate nor vote in such meeting both in the Board of Director's and the Shareholders' Meeting. Details of the transactions which may have any conflict of interest are provided under "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 are shown under the topic of "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 2015, total amount of medical treatment fee reimbursed by the employees of the Company and its subsidiaries amounted to Baht 916,278.41. 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 on the section of "Management Structure" under the topic of "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.

Record on the 2015 accident at work of the Company and its subsidiaries

Line of business	Lost Time Accident
1. Mobile Business	-None-
2. Multimedia Business	-None-
3. Service Provider Business	-None-
4. Support Business	-None-

The Company trained and informed the prudent operating guidelines standards with regards to good manner and ethics of the employees via the orientation of the new employees, Employee Manual and HR website 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 2015, 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. 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 sets 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, spare unit while repairing, free upgrade software through its useful life and special promotions. 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 center is set in many areas to facilitate dealers and gain understanding of the Company's products and services. Dealer Conference is organized to express gratitude to the dealers and meet with the Company's management as well as update new products, acknowledge the Company's operating results and set target in the next year.

- **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 products and/or services from partner who violates human rights or infringe intellectual property and follow up information whether the partner infringes human right or intellectual property or not. If found such behavior, the Company will avoid purchase products and/or services from the partner who has such illegal behavior.

Moreover, the Company has strictly complied with the business partner treatment policy by selecting the qualified business partner to enter into the Approved Vendor List and prices have been compared before the purchase order has been made. The business partner has been evaluated by using the auditable standard criteria pursuant to the international standards of ISO 9001 and CMMI as the policy of SAMART Group. 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.

- **Anti-corruption policies**

The Company operates business by adhering to good corporate governance principle. Anti-corruption policy has been specified as fraudulent act might occur from operation and transaction with the stakeholders, where directors, executives and employees of the Company, subsidiaries and affiliated companies shall strictly comply with. 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 are shown on the section of "Anti-Corruption".

- **Money Laundering Policy**

The Company recognizes the importance and compliances to the related rules and laws relating to money laundering. The Company will adhere to the law and regulation regarding the provisions of the Anti-Money Laundering Act B.E. 2542 and its amendment.

- **Tax policy**

The Company has clearly defined tax practices to be in line with law as follows:

1. Manage tax planning to comply with laws.
2. Submit tax within the time frame as prescribed by laws.
3. Provide risk assessment that may have an impact on tax exposure.

- **Responsibility to societies and communities**

The Company recognizes that it can survive and grow in a society that is vigorous and prosperous. Therefore, to bring about societal progress, the Company participated in societal improvements with financial support to all activities that aim to maintain beneficial cultures, customs and rituals. Moreover, the Company will involve in religious activities regularly. The Company also participated in many activities for development of social, education, vocation, athletic ability as well as sanction for outreach people and victims. In addition, the Company has strengthened the closed relationship with the surrounding and nearby communities by building up good relationship with the private and public organizations as well as the community leaders in many levels, so that the cooperation from all parties can be smoothly coordinated for sustainable and concreted development of the communities.

In 2015, SMART 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 are shown in “Corporate Social Responsibility”

- **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, Project “Lor Ling Plus, Minus, Multiplied, Divided” with aim to encourage the behavioral changing and realize the use of resources with the most benefits. In addition, the Company educates employees on environmental awareness as details shown on the section of “Corporate Social Responsibility” under “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 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
99/13 Moo 4, Software Park, 23rd 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.

2. Sub-committees

Composition

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

1) Audit Committee as of December 31, 2015:

1.	Dr.Chotivid Chayadhanangkur	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 of December 31, 2015:

- | | | |
|----|---|-----------|
| 1. | Mr. Watchai Vilailuck ⁽¹⁾ | Chairman |
| 2. | Mrs. Sukanya Vanichjakvong ⁽²⁾ | Member |
| 3. | Mr. Pracha Phatthayakorn | Member |
| | Mrs. Duangsamorn Nutprasasn | Secretary |

Remarks: ⁽¹⁾ Resigned from Chief Executive Officer on December 31, 2015. However, he still remains Director and Authorized Director. The Board of Directors' Meeting has approved the appointment of Mr. Chakkrit Charuchinda as Chief Executive Officer in replacement of Mr. Watchai Vilailuck effective from January 1, 2016.

⁽²⁾ To be appointed on November 12, 2015.

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 of December 31, 2015:

- | | | | |
|----|--------------------------------|-----------|------------------------|
| 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 & Compensation Committee as of December 31, 2015:

- | | | | |
|----|--------------------------------|-----------|------------------------|
| 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 ⁽¹⁾ as of December 31, 2015:

- | | | |
|----|---|-----------|
| 1. | Mr. Watchai Vilailuck ⁽²⁾ | Chairman |
| 2. | Mrs. Sukanya Vanichjakvong ⁽³⁾ | Member |
| 3. | Mr. Sirichai Rasameechan | Member |
| 4. | Mr. Pracha Phathayakorn | Member |
| 5. | Mr. Kitanun Rakkasikorn ⁽⁴⁾ | Member |
| 6. | Miss Chullada Sapsarasin | Member |
| 7. | Miss Kusuma Kerdpol | Member |
| | Miss Boonrut Mongkolratanakorn | Secretary |

Remarks ⁽¹⁾ The Board of Directors No. 2/2016 on February 29, 2016, approved to revise Charter of the Risk Management Committee in the part of Composition and Terms of position that member of the Risk Management Committee are selected from the members of the Board of Directors. This revision will be effective on May 2016.

⁽²⁾ Resigned from Chief Executive Officer on December 31, 2015. However, he still remains Director and Authorized Director. The Board of Directors' Meeting has approved the appointment of Mr. Chakkrit Charuchinda as Chief Executive Officer in replacement of Mr. Watchai Vilailuck effective from January 1, 2016.

⁽³⁾ To be appointed on November 12, 2015.

⁽⁴⁾ Change his name from "Mr. Subhasiddhi Rakkasikorn" to "Mr. Kitanun Rakkasikorn" on July 27, 2015.

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 of December 31, 2015:

- | | | |
|----|---|-----------|
| 1. | Mrs. Sukanya Vanichjakvong ⁽¹⁾ | Chairman |
| 2. | Mr. Pracha Phathayakorn | Member |
| 3. | Mr. Kitanun Rakkasikorn ⁽²⁾ | Member |
| 4. | Miss Chullada Sapsarasin | Member |
| 5. | Miss Supanee | Member |
| 6. | Miss Supanee Thawinwung ⁽³⁾ | Member |
| 7. | Miss Kusuma Kerdpol | Member |
| | Miss Boonrut Mongkolratanakorn | Secretary |

Remarks: ⁽¹⁾ To be appointed on November 12, 2015.

⁽²⁾ Change his name from “Mr. Subhasiddhi Rakkasikorn” to “Mr. Kitanun Rakkasikorn” on July 27, 2015.

⁽³⁾ To be appointed on May 12, 2016.

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” on the topic of “Meeting of the Board of Directors and Sub-Committee”.

3. 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.

4. Supervision on Operation of the Subsidiary and the Associated Company

Before establishment of any new company, the responsible managing department shall propose such matter to the meeting of the Board of Directors for consideration and approval before the registration of the new company is arranged. The Board of Directors shall consider on appointment of the executives who shall hold positions of director and management of such subsidiary and the associated company including scope of authority and responsibility of the directors and the management who shall be the Company's representatives in such company. The management of the subsidiary and the associated company shall report business performance of the Company they are responsible to the Executive Committee every month. Any investments or substantial operations as per specified in the delegation of authorities must be performed pursuant to the policies specified and they must be presented to the meeting of the Executive Committee as well. The management of the subsidiary and the associated company must present the annual business plan to the meeting of Executive Committee and the Board of Directors for consideration and approval every year. If performance of any company has not achieved as per the targeted plan, the management must clarify to the meeting of Executive Committee. In case business operation encountered a lot of problems, the management is required to clarify to the Executive Committee as the watch list so that precaution and corrective measures can be closely monitored and taken.

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

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

5. Inside Information Control

The Company will inspect to ensure no inside information of which is material, undisclosed and confidential leak to public or be used from unauthorized for personal benefit. IT system has been implemented for a secure access for all users inside and outside the firewall in conjunction with the Company's own user authentication and security system. In addition, the Company sets as policy that all employees shall acknowledge and sign the agreement of non-disclosure confidential information, non-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 2015, 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 the topic of "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.

6. 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 shown below:

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 Directors / 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 Associations 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 are responsible to consider and nominate the candidate who is knowledge, capability and has sufficient time to perform his duty.
2. There is no independent woman director in the Company's Board of Directors. However, during 2015, the Board of Directors' Meeting approved the appointment of Mrs. Sukanya Vanichjakvong, who has all qualifications, knowledge, capability and experience in accordance with applicable laws, Articles of Associations, Corporate Governance Policy and without any prohibitions under Section 68 of the Public Company Act B.E. 2535, to be a director and President. This shows that no sexual discrimination at all.
3. As of December 31, 2015, portion of independent directors and non-executive directors in the Board of Directors are equivalent to 33.33% and 66.67% of total directors which are less than 50% and slightly higher than 66% as stipulated by the principles of good corporate governance.
4. The Company has not yet participated with anti-corruption project; Collective Action Coalition (CAC). However, during the year 2015, the Company considered to apply for a member of Partnership Corruption for Thailand (PACT) Network in order to attend the training course and get any instructions and procedures for anti-corruption. In addition, the Company's representatives are regularly sent to join in the Network meeting for preparation to participate with Collective Action Coalition (CAC). The Company will further consider the suitability and availability to join CAC.

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 2015, the Board of Directors evaluated the Company's internal control system as guideline from the Securities and Exchange Commission and found no significant error on the Company's internal control system. The 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 and 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 may 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 responsible person has to report the progress of corrective action to the Board of Directors and Audit Committee periodically.

Conclusion

Based on the above assessment, the Board of Directors' Meeting No. 2/2016 on February 29, 2016, in which 2 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. Siriwan Suratepin, an auditor license no. 4604, audited the financial statements of the Company and subsidiaries for the year ended December 31, 2015 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 approved the appointment of Mrs. Duangsamorn Nutprasasn as head of Internal Audit. However, she resigned from her the position effective on January 15, 2016. The Audit Committee's Meeting No. 1/2016 on February 23, 2016 has proposed the appointment of Mr. Wichai Rongkawilit who had adequate education, working experience and training courses as the Company's Head of Internal Audit. The Board of Directors' Meeting No. 2/2016 on February 29, 2016 considered and approved the appointment of Mr. Wichai Rongkawilit as head of Internal Audit as proposed by the Audit Committee.

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 are shown on the section of "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 2015, 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 levels 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 adhere and regularly reviewed. 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. During the year 2015, management considered to apply for a member of PACT Network of which Thaipat Institution co-operated with its alliances. Partnership against Corruption for Thailand ("PACT") will provide platform for private sector or its member to support anti-corruption in practice referring to the international anti-corruption principles. 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. The process of risk assessment and risk management

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

2. 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 2015 caused the following matters:

- No case of misconduct on corruption or breach of the ethics. It was found only fault that not complied with the company's regulation and it was amended and clarified the correct procedures to the employees.
- No director and 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.

Simultaneously, the Company is also aware on anti-corruption factor, hence, the representatives are sent to join in various meetings regarding the prevention and detection of fraud in organizations such as Preparing to participate with Collective Action Coalition (CAC) and Role of top management to boost up anti-corruption policy in the organizations set by Thai Listed Companies Association.

Connected Transactions

1. Related transactions which might have conflicts of interest for the year ended December 31, 2015 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% stake owner.	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) - Samart Interactive Media Co., Ltd. (Subsidiary of SIM) - Entertainment Tree Co., Ltd. (Subsidiary of SIM) - I-Sport Co., Ltd. (Subsidiary of SIM) - Brain Source Co., Ltd. (Subsidiary of SIM) (Total outstanding as of December 31, 2015 was Baht 4,906,763.92)	21.133 7.801 0.334 0.100 0.418 1.046	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.
<u>Related Director and Management</u> 1. Mr. Charoenrath Vilailuck 2. Mr. Watchai Vilailuck 3. Mr. Sirichai Rasameechan	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) - 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)	0.212 0.056 0.088 0.032 0.012 0.093 0.177 0.002 17.166	The Audit Committee in its meeting No. 1/2016 on February 23, 2016 resolved that rental has the same rate charged to other customers. The Audit Committee in its meeting No. 1/2016 on February 23, 2016 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
	<ul style="list-style-type: none"> - Samart Communication Services Co., Ltd. (Subsidiary of STC) - Samart Comtech Co., Ltd. (Subsidiary of STC) - Portalnet Co., Ltd. (Subsidiary of STC) - Samart Ed Tech Co., Ltd. (Subsidiary of STC) - Net Service (Thailand) Co., Ltd. (Subsidiary of STC) <p>(Total outstanding as of December 31, 2015 was Baht 1,375,374)</p>	<p>0.188</p> <p>0.432</p> <p>0.002</p> <p>0.010</p> <p>0.004</p>	
	Samart I-Mobile Plc. paid for Management fee to Samart Corporation Plc.	12.000	<p>Provide services on Management and Administration, the fee was calculated by Estimated times usage.</p> <p>The Audit Committee in its meeting No. 1/2016 on February 23, 2016 resolved that the price was reasonable.</p>
	<p>Samart I-Mobile Plc. and its subsidiaries paid Information Technology fee to Samart Corporation Plc. as follows;</p> <ul style="list-style-type: none"> - 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-Sport Co., Ltd. (Subsidiary of SIM) - I-Mobile International Co., Ltd. (Subsidiary of SIM) 	<p>16.440</p> <p>7.884</p> <p>0.024</p> <p>0.012</p> <p>0.372</p> <p>0.324</p>	<p>The Audit Committee in its meeting No. 1/2016 on February 23, 2016 resolved that it was a normal business transaction for sale and purchase of services according to the general trade conditions.</p>
	<p>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;</p> <ul style="list-style-type: none"> - Samart I-Mobile Plc. - Samart Multimedia Co., Ltd. (Subsidiary of SIM) - I-Mobile Plus Co., Ltd. (Subsidiary of SIM) 	<p>0.037</p> <p>0.034</p> <p>0.002</p>	<p>The Audit Committee in its meeting No. 1/2016 on February 23, 2016 resolved that it was a normal business transaction for sale and purchase of services according to the general trade conditions.</p>

Related Parties	Transaction Type	Value of Transaction (Million Baht)	Necessity of Transactions
	Samart I-Mobile Plc. to charged service fee of Digital TV to Samart Engineering Co., Ltd.	0.082	The Audit Committee in its meeting No. 1/2016 on February 23, 2016 resolved that it was a normal business transaction for sale and purchase of services according to the general trade conditions.
	Samart I-Mobile Plc. bought CCTV from Vision and Security System Co., Ltd.	0.029	The Audit Committee in its meeting No. 1/2016 on February 23, 2016 resolved that it was a normal business transaction for sale and purchase of goods according to the general trade conditions.
	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 of December 31, 2015 was Baht 705,308.69)	7.784 21.041 7.205	The Audit Committee in its meeting No. 1/2016 on February 23, 2016 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 of December 31, 2015 was Baht 34,434,504.22)		The Audit Committee in its meeting No. 1/2016 on February 23, 2016 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 internet services to Samart Infonet Co., Ltd. - 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) (Total outstanding as of December 31, 2015 was Baht 363,541.06)	2.595 3.607 1.244 0.013	The Audit Committee in its meeting No. 1/2016 on February 23, 2016 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
	Samart I-Mobile Plc. bought office equipment from Samart Engineering Co., Ltd.	0.003	This asset was traded in market price for office use. The Audit Committee in its meeting No. 1/2016 on February 23, 2016 resolved that it was a normal business transaction for sale and purchase of used asset at the market price.
	Samart Multimedia Co., Ltd. provided messaging services to One To One Contacts Plc. (SC is a major shareholder.) (Total outstanding as of December 31, 2015 was Baht 1,428,158.40)	2.950	The Audit Committee in its meeting No. 1/2016 on February 23, 2016 resolved that it was a normal business transaction for sale and purchase of services according to the general trade conditions.
	Samart Multimedia Co., Ltd. sold EDT Guide Book to Samart Corporation Plc. and its subsidiaries as follows; - Samart Corporation Plc. (SC) - Samart Engineering Co., Ltd. (Subsidiary of SC) - Samart U-Trans Co., Ltd. (Subsidiary of SC) - Samart Comtech Co., Ltd. (Subsidiary of STC) (Total outstanding as of December 31, 2015 was Baht 145,850)	0.179 0.037 0.022 0.029	The Audit Committee in its meeting No. 1/2016 on February 23, 2016 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 spot recording service for Samart Corporation Plc.	0.003	The Audit Committee in its meeting No. 1/2016 on February 23, 2016 resolved that it was a normal business transaction for sale and purchase of goods according to the general trade conditions.
	Samart Interactive Media Co., Ltd. sold sacred objects to Samart Corporation Plc. and its subsidiaries as follows; - Samart Corporation Plc. (SC) - Samart Telcoms Plc. (STC) (SC is a major shareholder.)	0.003 0.006	The Audit Committee in its meeting No. 1/2016 on February 23, 2016 resolved that it was a normal business transaction for sale and purchase of goods according to the general trade conditions.
	I-Mobile Plus Co., Ltd. sold mobile phone package to Samart Communication Services Co., Ltd. (Subsidiary of STC) (Total outstanding as of December 31, 2015 was Baht 96,282.55)	0.158	The Audit Committee in its meeting No. 1/2016 on February 23, 2016 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
	<p>I-Mobile Plus Co., Ltd. sold sim card and 3G mobile phone services to Samart Corporation Plc. and its subsidiaries as follows;</p> <ul style="list-style-type: none"> - Samart Corporation Plc. (SC) 0.441 - Samart Engineering Co., Ltd. (Subsidiary of SC) 0.119 - One To One Contacts Plc. (SC is a major shareholder) 0.095 - Suvarnabhumi Environment Care Co., Ltd. (Subsidiary of SC) 0.006 - Samart U-Trans Co., Ltd. (Subsidiary of SC) 0.056 - Teda Co., Ltd. (Subsidiary of SC) 0.113 - Transec Power Plant Co., Ltd. (Subsidiary of SC) 0.136 - Vision and Security System Co., Ltd. (Subsidiary of SC) 0.082 - Samart Telcoms Plc. (STC) 0.286 - Samart Communication Services Co., Ltd. (Subsidiary of STC) 0.693 - Posnet Co., Ltd. (Subsidiary of STC) 0.007 - Thai Trade Net Co., Ltd. (Subsidiary of STC) 0.086 - Samart Comtech Co., Ltd. (Subsidiary of STC) 0.103 - Samart Infonet Co., Ltd. (Subsidiary of STC) 0.075 - Smarterware Co., Ltd. (Subsidiary of STC) 0.014 - Portalnet Co., Ltd. (Subsidiary of STC) 0.012 <p>(Total outstanding as of December 31, 2015 was Baht 142,181.10)</p>		<p>The Audit Committee in its meeting No. 1/2016 on February 23, 2016 resolved that it was a normal business transaction for sale and purchase of goods and services according to the general trade conditions.</p>
	<p>I-Sport Co., Ltd. charged supporting fee of Thai-Chelsea football for Samart Corporation Plc. (SC)</p>	1.500	<p>The Audit Committee in its meeting No. 1/2016 on February 23, 2016 resolved that it was a normal business transaction for sport sponsorship according to the general trade conditions.</p>

Related Parties	Transaction Type	Value of Transaction (Million Baht)	Necessity of Transactions
	I-Sport Co., Ltd. sold football tickets of Thai-Chelsea for Samart Telcoms Plc. (STC)	0.012	The Audit Committee in its meeting No. 1/2016 on February 23, 2016 resolved that it was a normal business transaction for sale and purchase of services according to the general trade conditions.
2. Vilailuck International Holding Co., Ltd. (VIH). The major shareholder of Samart Corporation Plc. (SC) with 18.42% stake owner 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 were reasonable compared 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) - I-Sport Co., Ltd. (Subsidiary of SIM) (Total outstanding as of December 31, 2015 was Baht 717,837.16)	2.943 1.832 3.243 0.272	The rental and service charge for public utilities, parking fee, property tax and etc. to market price in nearby area and the same price compared with other renters. The Audit Committee in its meeting No. 1/2016 on February 23, 2016 resolved that such rental was the same rate charged to other customers.
<u>Related Director</u> 1. Mr. Charoenrath Vilailuck 2. Mr. Watchai Vilailuck 3. Mr. Thananan Vilailuck	Samart I-Mobile Plc. (SIM) sold mobile phone and accessories to Vilailuck International Holding Co., Ltd. (Total outstanding as of December 31, 2015 was Baht 67,350)	0.143	The Audit Committee in its meeting No. 1/2016 on February 23, 2016 resolved that it was a normal business transaction for sale and purchase of goods according to the general trade conditions.
	Samart Multimedia Co., Ltd. sold EDT Guide Book to Vilailuck International Holding Co., Ltd. (Total outstanding as of December 31, 2015 was Baht 19,544)	0.020	The Audit Committee in its meeting No. 1/2016 on February 23, 2016 resolved that it was a normal business transaction for sale and purchase of goods according to the general trade conditions.
3. Vilailuck Development Co., Ltd. (VLX) whose major shareholder of 42.38% stake owner is Vilailuck International Holding Co., Ltd. (VIH) and VIH is the major shareholder of SC and SC is the major shareholder of Samart I-Mobile PCL. (SIM)	Samart I-Mobile Plc. (SIM) sold mobile phone and accessories to Vilailuck Development Co., Ltd. (Total outstanding as of December 31, 2015 was Baht 9,600)	0.009	The Audit Committee in its meeting No.1/2016 on February 23, 2016 resolved that it was a normal business transaction for sale and purchase of goods according to the general trade conditions.
<u>Related Director</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
<p>4. Phupa Tara Co., Ltd. whose major shareholder of 99.99% stake owner 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)</p> <p><u>Related Director</u></p> <p>1. Mr. Charoenrath Vilailuck 2. Mr. Watchai Vilailuck 3. Mr. Thananan Vilailuck</p>	<p>Samart I-Mobile Plc. (SIM) (SC is the major shareholder of SIM) sold mobile phones and accessories to Phupa Tara Co., Ltd.</p>	0.006	<p>The Audit Committee in its meeting No. 1/2016 on February 23, 2016 resolved that it was a normal business transaction for sale and purchase of goods according to the general trade conditions.</p>
<p>5. IQ Wine Co., Ltd., which has the Executive Director as the related person.</p> <p><u>Related Director</u></p> <p>1. Mr. Thananan Vilailuck</p>	<p>Samart I-Mobile Plc. bought wines from IQ Wine Co., Ltd.</p>	3.102	<p>The Audit Committee in its meeting No. 1/2016 on February 23, 2016 resolved that it was a normal business transaction for sale and purchase of goods according to the general trade conditions.</p>
	<p>Samart I-Mobile Plc. sold mobile phones and accessories to IQ Wine Co., Ltd. (Total outstanding as of December 31, 2015 was Baht 464,000)</p>	0.434	<p>The Audit Committee in its meeting No. 1/2016 on February 23, 2016 resolved that it was a normal business transaction for sale and purchase of goods according to the general trade conditions.</p>

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 the 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 noted 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 of December 31		
	2013	2014	2015
Cash and cash equivalents	411	140	149
Account receivables - net	3,652	5,941	7,066
Inventories	1,670	2,516	863
Land, building and equipment - net	615	760	780
Total assets	7,283	10,638	9,994
Overdrafts and short-term loans	2,373	5,625	5,661
Account payables	1,342	1,173	497
Total liabilities	4,095	7,218	6,764
Paid up capital	437	440	440
Retained earnings	1,522	1,703	1,535
Non-controlling interests of the subsidiaries	40	92	111
Shareholders' equity	3,188	3,420	3,230
Revenues from sales and services	10,239	12,370	7,730
Selling support income	19	29	28
Total revenues	10,300	12,494	7,799
Cost of sales and services	7,693	9,743	6,183
Selling and Administrative expenses including other expenses	1,714	1,806	1,360
Finance Cost	78	142	206
Net profit	807	710	37
Earning per share (Baht)	0.185	0.162	0.008
Cash flow from (used in) operating activities	(90)	(2,586)	239
Cash flow used in investing activities	(162)	(324)	(88)
Cash flow from (used in) financing activities	350	2,631	(160)
Net increase (decrease) in cash and cash equivalents	105	(271)	10
Par value per share (Baht)	0.10	0.10	0.10
Ordinary shares outstanding ⁽¹⁾ (Million shares)	4,373.47	4,400.25	4,400.25
Weighed average number of ordinary shares ⁽¹⁾ (Million shares)	4,348.49	4,393.75	4,400.25
Book value per share (Baht)	0.73	0.78	0.73
Dividend per share (Baht)	0.110	0.090	0.015

Remarks: ⁽¹⁾ During the year 2013-2014, 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 Company Limited and its Subsidiaries

Financial Ratio		As of December 31		
		2013	2014	2015
LIQUIDITY RATIO				
Current ratio	(Times)	1.54	1.31	1.30
Quick ratio ⁽¹⁾	(Times)	1.03	0.87	1.09
Cash turnover	(Times)	(0.03)	(0.46)	0.03
Receivable turnover ratio	(Times)	3.00	2.58	1.19
Average collection period	(Days)	121	140	303
Inventory turnover ratio	(Times)	6.54	4.65	3.66
Average sale period	Days	56	78	99
Payable turnover ratio	(Times)	7.17	7.75	7.41
Payment period	(Days)	51	47	49
Cash conversion cycle	(Days)	126	171	353
PROFITABILITY RATIO				
Gross profit ⁽²⁾	(%)	25.00%	21.42%	20.30%
Operating profit margin ⁽³⁾	(%)	7.95%	6.47%	0.64%
Other profit margin	(%)	0.42%	0.76%	0.52%
Operating cash flow to profitability	(%)	(11.04%)	(322.08%)	479.24%
Net profit margin	(%)	7.83%	5.69%	0.48%
Return on equity	(%)	28.28%	21.93%	1.15%
EFFICIENCY RATIO				
Return on assets	(%)	12.63%	7.93%	0.36%
Return on fixed assets	(%)	160.54%	128.66%	31.87%
Asset turnover	(Times)	1.61	1.39	0.76
FINANCIAL POLICY RATIO				
Debt to equity	(Times)	1.28	2.11	2.09
Interest coverage ⁽⁴⁾	(Times)	11.48	6.68	1.30
Debt serviceability ⁽⁴⁾	(Times)	1.81	0.98	0.71
Dividend payout ratio	(%)	59.31%	55.56%	177.61%

Remarks ⁽¹⁾ Quick ratio was calculated by including restricted cash deposits.

⁽²⁾ Gross profit was calculated by including selling support income.

⁽³⁾ Operating profit was defined as earnings before tax and non-controlling interests of the subsidiaries.

⁽⁴⁾ Earnings before interest and tax were used to calculate these ratios.

Operation Overview

In 2015, the Company and subsidiaries reported total revenues of Baht 7,799 million, a decrease of Baht 4,695 million or 37.58% compared to 2014. This was primarily resulted from the decline in i-mobile handset sold in relative to the domestic economic slowdown, which affects the handset market directly, the strong competition in smart phone market, and trade-in campaign of mobile operators to maintain their subscribers during Y15. However, there was an increase in revenue of Multimedia Business through the company's new business (i.e. Television Business) and revenue from Chelsea Celebration Football Match in 2Q15.

Operating profit of Baht 50 million, decreased by Baht 753 million or 93.80% compared to 2014. Operating profit margin decreased by 5.83% to 0.64% in 2015, as the decline in gross profit margin together with higher selling and administration expenses including other expenses and finance costs in a proportion of revenue compared to the previous year. As a result, net profit was Baht 37 million, a decrease of Baht 673 million or 94.77%, and net profit margin and return on equity (ROE) were 0.48% and 1.15%, a decrease of 5.21% and 20.78% respectively, compared to 2014.

Results of Operation of the Company and Subsidiaries

Sales and service income including gross profit

(Unit: Million Baht)

	Mobile Business		Multimedia Business		Service Provider Business		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
Sales and service income	6,723	11,321	865	749	142	300	7,730	12,370
Selling support income	28	29	-	-	-	-	28	29
Cost of sales and service	(5,426)	(9,038)	(633)	(518)	(124)	(187)	(6,183)	(9,743)
Gross profit	1,325	2,312	232	231	18	113	1,575	2,656
Selling and Administrative expenses and other expenses							(1,360)	(1,806)
Other income							41	94
Finance cost							(206)	(142)
Corporate income tax							8	(83)
Non-controlling interests of the subsidiaries							(21)	(9)
Net income							37	710

Mobile Business

Revenue of Mobile Business, including selling support income, was Baht 6,751 million, reduced by Baht 4,599 million or 40.52% compared to 2014. This was mainly resulted from the decline in both unit and average selling price of i-mobile handset sold in the period. The portion of smart phone sold was accounted for 75% of total i-mobile handset sold in 2015. In addition, gross profit dropped by 987 million or 42.68%, and gross profit margin slightly decreased from 20.37% to 19.63% in 2015.

Multimedia Business

Revenue of Multimedia Business was Baht 865 million, an increase of Baht 116 million or 15.52% compared to 2014, mainly from the company's new business (i.e. Television Business) apart from revenue of Chelsea Celebration Football Match in 2Q15. Gross profit remained constant at Baht 232 million and gross profit margin was 26.77%, dropped from 30.82% in 2014 as the larger revenue portion of new business, in which contributed lower gross profit margin.

Service Provider Business

Revenue of Service Provider Business was Baht 142 million, decreased by Baht 158 million or 52.59% compared to 2014, mainly resulted from the decline in prepaid active subscribers. In 2015, gross profit was Baht 18 million, a considerable decrease by Baht 95 million or 83.84% compared to the previous year. Gross profit margin dropped from 37.66% in 2014 to 12.84%, as a result of the strong competition in telecommunication market. In fact, the Company has been being on the process of business restructuring in service provider segment.

Other Income

Other income was Baht 41 million, representing 0.52% of total revenues in 2015, a decrease of Baht 53 million or 57.03% compared to the previous year, since there were a compensation claimed from suppliers and gain on foreign exchange in 2014.

Selling and Administration Expenses including Other Expenses

Selling and administration expenses including other expenses were Baht 1,360 million, a decrease of Baht 446 million or 24.69% compared to 2014. This was primarily from lower sale related expenses, including marketing and after sale service expenses in relative to the decline in total revenues in 2015.

Finance Cost

Finance cost was Baht 206 million, an increase of Baht 64 million or 45.61% compared to 2014, as an increase in S-T loans from banks during the period to facilitate higher working capital requirement.

Income Tax

Income tax expenses were totally Baht (8) million, a decrease from 2014 of Baht 91 million or 109.84%, corresponding to the decline in operating profit together with deferred tax benefit the Company had gain in 2015.

Financial Position**Assets**

As of December 31, 2015, total assets were Baht 9,994 million, a decrease of Baht 644 million or 6.06% compared to the end of 2014. This was contributed primarily by the decline in inventories due to the lower new purchase order of i-mobile handset corresponding to the slowdown of handset sold in 2015. The portion of trade account receivables and inventories were 70.70% and 8.64% of total assets respectively.

Total non-current assets were Baht 1,258 million, a decrease of 44 million or 3.38% compared to the end of 2014, representing 12.58% of total assets, in which equipment was a major component with 7.81% of total assets. Return on Asset (ROA) declined from 7.93% in 2014 to 0.36% as a considerable decrease of net profit in 2015.

Trade Receivables

As of December 31, 2015, trade receivables were Baht 7,066 million, an increase of Baht 1,125 million or 18.94% compared to the end of 2014. This was driven by an increase in overdue (less than 12 months) trade account receivables of Mobile Business. Accordingly, the average collection period increased to 303 days, compared with 140 days in 2014.

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

Inventories

As of December 31, 2015, net inventories were Baht 863 million, a significant decreased by Baht 1,653 million or 65.68% compared to the end of 2014. This was mainly contributed by the decline in finished goods and supplies of Mobile Business as the lower new purchase orders of i-mobile handset corresponding to the slowdown of handset sold in 2015. However, the average sale period increased from 78 days in 2014 to 99 days.

An allowance for obsolescence has complied with the company's policy and there was no significant change during the year compared to 2014. The Company and subsidiaries recorded a decrease of 9 million for the allowance during 2015.

Other Current Assets

As of December 31, 2015, other current assets were Baht 327 million, a decrease of Baht 243 million or 42.71% compared to the end of 2014, mainly from a decrease in prepaid expenses, input tax refundable, and advance for purchase of inventories.

Non-Current Assets

As of December 31, 2015, non-current assets were Baht 1,258 million, decreased by Baht 44 million or 3.38% from the end of 2014. This was mainly contributed by a decrease in available-for-sale investments.

Liquidity

As of December 31, 2015, cash and cash equivalents were Baht 149 million, a slight increase of Baht 9 million or 6.95% compared to the end of 2014. Sources and uses of fund are detailed as follows:

- Net cash flows from operating activities of Baht 239 million was mainly attributed to the lower inventories as the decline in new purchase orders of i-mobile handset corresponding to the slowdown of handset sold in 2015.
- Net cash flows used in investing activities of Baht 88 million was mainly attributed to the purchase of equipment to support the Company's business expansion.
- Net cash flows used in financing activities of Baht 160 million was mainly attributed to dividend payments during 2015.

Compared to 2014, the Company's liquidity ratio slightly decreased from 1.31 times to 1.30 times, while quick ratio and cash ratio improved from 0.87 times to 1.09 times and from (0.46) times to 0.03 times respectively.

Sources of Funds

As of December 31, 2015, total shareholders' equity was Baht 3,230 million, a decrease of Baht 190 million or 5.55% compared to the end of 2014. Accordingly, net profit in 2015 was Baht 37 million, with Baht 198 million dividend payments during the year.

Total liabilities as of December 31, 2015 were Baht 6,764 million, decreased Baht 454 million or 6.30% compared to the end of 2014. Total liabilities consist of current liabilities of Baht 6,712 million, and non-current liabilities of Baht 52 million, representing 67.16% and 0.52% of total assets respectively. Major components are detailed as follows:

- Bank overdrafts and loans from financial institutions were Baht 5,661 million, representing 83.69% of total liabilities or 56.64% of total assets, a little increase of Baht 36 million or 0.64% from the end of 2014.
- Trade payables and other payables were Baht 977 million, representing 14.45% of total liabilities or 9.78% of total assets, decreased Baht 475 million or 32.71% from the end of 2014.

Regarding above liabilities and shareholders' equity, the Company's debt to equity ratio slightly decreased from 2.11 times to 2.09 times in 2015.

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 are made with sufficient disclosure of information in the notes to the financial statements. This is 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 appoints 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 was of the opinion that the overall internal control system of the Company was 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 of December 31, 2015 was creditable presentation in accordance with Thai Financial Reporting Standards and compliance with related laws and regulations.



(Mr. Watchai Vilailuck)

Director

Samart I-Mobile Public Company Limited



(Mrs. Sukanya Vanichjakvong)

Director

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 2015, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statements of Samart 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 2015, 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, 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.



Siriwan Suratepin

Certified Public Accountant (Thailand) No. 4604

EY Office Limited

Bangkok: 19 February 2016

Financial Statements

Samart I-Mobile Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2015

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
Assets					
Current assets					
Cash and cash equivalents	7	149,241,668	139,542,835	75,483,332	47,713,322
Temporary investments	8	2,350,049	11,847,099	2,350,049	11,847,099
Trade and other receivables	9	7,394,645,638	6,098,919,209	7,021,387,602	6,127,901,507
Short-term loans	10	70,611	160,337	368,574,315	379,376,320
Inventories	11	863,448,924	2,516,167,070	705,811,922	2,297,485,319
Other current assets	12	326,570,781	569,987,266	81,817,223	199,168,567
Total current assets		8,736,327,671	9,336,623,816	8,255,424,443	9,063,492,134
Non-current assets					
Restricted bank deposits	7, 13	104,027,769	104,627,469	104,027,769	102,949,950
Available-for-sale investments	14	175,718,886	267,359,025	116,835,120	208,966,760
Investments in subsidiaries	15	-	-	462,785,078	463,781,787
Equipment	16	780,384,541	759,766,276	487,687,757	412,358,117
Goodwill		59,836,500	59,562,765	-	-
Intangible assets	17	8,488,366	22,141,044	-	-
Deferred tax assets	31	99,150,061	58,356,717	73,638,280	34,829,682
Other non-current assets		29,978,694	29,787,264	22,718,390	22,535,218
Total non-current assets		1,257,584,817	1,301,600,560	1,267,692,394	1,245,421,514
Total assets		9,993,912,488	10,638,224,376	9,523,116,837	10,308,913,648

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 2015

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans					
from financial institutions	18	5,618,624,162	5,537,706,461	5,535,179,101	5,480,180,941
Trade and other payables	19	977,374,397	1,452,576,559	1,167,398,357	1,956,196,721
Short-term loans	20	22,153,500	18,294,405	291,885,000	266,000,000
Current portion of long-term loans from financial institutions	21	23,887,216	35,434,794	-	-
Current portion of liabilities under finance lease agreements	22	11,914,906	11,062,132	1,725,739	997,314
Income tax payable		4,891,003	13,427,175	-	145,805
Other current liabilities	23	53,133,181	77,271,488	26,445,293	36,731,986
Total current liabilities		6,711,978,365	7,145,773,014	7,022,633,490	7,740,252,767
Non-current liabilities					
Long-term loans from financial institutions, net of current portion	21	2,946,066	25,288,999	-	-
Liabilities under finance lease agreements, net of current portion	22	3,315,879	15,230,951	-	1,725,904
Provision for long-term employee benefits	24	43,325,269	29,745,362	26,226,183	18,930,604
Other non-current liabilities		2,109,704	2,138,098	901,705	1,481,848
Total non-current liabilities		51,696,918	72,403,410	27,127,888	22,138,356
Total liabilities		6,763,675,283	7,218,176,424	7,049,761,378	7,762,391,123

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 2015

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
Liabilities and shareholders' equity (continued)					
Shareholders' equity					
Share capital					
Registered					
4,400,250,000 ordinary shares of Baht 0.1 each (2014: 4,440,000,000 ordinary shares of Baht 0.1 each)	25	440,025,000	444,000,000	440,025,000	444,000,000
Issued and fully paid-up					
4,400,250,000 ordinary shares of Baht 0.1 each		440,025,000	440,025,000	440,025,000	440,025,000
Share premium		1,230,452,034	1,230,452,034	1,230,452,034	1,230,452,034
Retained earnings					
Appropriated - statutory reserve	26	44,400,000	44,400,000	44,400,000	44,400,000
Unappropriated		1,490,900,215	1,658,304,653	866,409,307	883,417,558
Other components of shareholders' equity		(86,484,219)	(45,079,444)	(107,930,882)	(51,772,067)
Equity attributable to owners of the Company		3,119,293,030	3,328,102,243	2,473,355,459	2,546,522,525
Non-controlling interests of the subsidiaries		110,944,175	91,945,709	-	-
Total shareholders' equity		3,230,237,205	3,420,047,952	2,473,355,459	2,546,522,525
Total liabilities and shareholders' equity		9,993,912,488	10,638,224,376	9,523,116,837	10,308,913,648

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 2015

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
Revenues					
Sales		6,587,390,824	11,173,902,164	6,296,851,148	10,859,189,584
Service income		1,142,613,334	1,195,941,909	56,384,983	76,924,342
Other income	27	68,730,904	123,847,544	489,949,435	1,079,211,314
Total revenues		7,798,735,062	12,493,691,617	6,843,185,566	12,015,325,240
Expenses	28				
Cost of sales		5,338,613,760	8,939,996,466	5,353,150,741	9,569,573,988
Cost of services		844,499,237	803,623,362	29,730,774	44,023,168
Selling expenses		924,503,231	1,319,835,106	827,263,430	1,185,457,963
Administrative expenses		420,512,872	481,269,640	265,553,507	287,480,986
Other expenses	29	14,869,321	4,730,752	8,281,362	141,240,548
Total expenses		7,542,998,421	11,549,455,326	6,483,979,814	11,227,776,653
Profit before finance cost and income tax income (expenses)		255,736,641	944,236,291	359,205,752	787,548,587
Finance cost	30	(205,944,319)	(141,438,320)	(197,216,696)	(126,917,558)
Profit before income tax income (expenses)		49,792,322	802,797,971	161,989,056	660,631,029
Income tax income (expenses)	31	8,175,690	(83,120,761)	23,617,703	(28,274,540)
Profit for the year		57,968,012	719,677,210	185,606,759	632,356,489
Profit attributable to:					
Equity holders of the Company		37,163,363	710,289,893	185,606,759	632,356,489
Non-controlling interests of the subsidiaries		20,804,649	9,387,317		
		57,968,012	719,677,210		
Basic earnings per share	32				
Profit attributable to equity holders of the Company		0.008	0.162	0.042	0.144

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 2015

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
Profit for the year		57,968,012	719,677,210	185,606,759	632,356,489
Other comprehensive income (loss):					
<i>Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods:</i>					
Exchange differences on translation of financial statements in foreign currencies		16,963,127	11,643,871	-	-
Income tax effect		-	-	-	-
		16,963,127	11,643,871	-	-
Loss on changes in value of available-for-sale investments	14	(72,959,878)	(72,925,877)	(70,198,519)	(27,215,084)
Income tax effect	31	14,591,976	14,585,175	14,039,704	5,443,017
		(58,367,902)	(58,340,702)	(56,158,815)	(21,772,067)
Other comprehensive loss to be reclassified to profit or loss in subsequent periods - net of income tax		(41,404,775)	(46,696,831)	(56,158,815)	(21,772,067)
<i>Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods:</i>					
Actuarial loss	24	(10,345,924)	(2,142,607)	(5,755,957)	(2,089,832)
Income tax effect	31	2,069,185	428,521	1,151,192	417,966
		(8,276,739)	(1,714,086)	(4,604,765)	(1,671,866)
Other comprehensive loss not to be reclassified to profit or loss in subsequent periods - net of income tax		(8,276,739)	(1,714,086)	(4,604,765)	(1,671,866)
Other comprehensive loss for the year		(49,681,514)	(48,410,917)	(60,763,580)	(23,443,933)
Total comprehensive income (loss) for the year		8,286,498	671,266,293	124,843,179	608,912,556
Total comprehensive income (loss) attributable to:					
Equity holders of the Company		(10,798,968)	661,878,976	124,843,179	608,912,556
Non-controlling interests of the subsidiaries		19,085,466	9,387,317		
		8,286,498	671,266,293		

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 2015

(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 other components of shareholders' equity	Total equity attributable to owners of the Company
			Appropriated - statutory reserve	Unappropriated	Exchange differences on translation of financial statements in foreign currencies	Deficit on changes in value of available-for-sale investments				
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	3,187,972,439
Profit for the year	-	-	-	710,289,893	-	-	-	-	710,289,893	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 (loss) for the year	-	-	-	708,575,807	11,643,871	(58,340,702)	-	(46,696,831)	661,878,976	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	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 2015

(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 other components of shareholders' equity	Total equity attributable to owners of the Company
			Appropriated - statutory reserve	Unappropriated	Exchange differences on translation of financial statements in foreign currencies	Deficit on changes in value of available-for-sale investments				
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	3,420,047,952
Profit for the year	-	-	-	37,163,363	-	-	-	-	37,163,363	57,968,012
Other comprehensive income (loss) for the year	-	-	-	(6,557,556)	16,963,127	(58,367,902)	-	(41,404,775)	(47,962,331)	(49,681,514)
Total comprehensive income (loss) for the year	-	-	-	-	16,963,127	(58,367,902)	-	(41,404,775)	(10,798,968)	8,286,498
Dividend paid (Note 33)	-	-	-	(198,010,245)	-	-	-	-	(198,010,245)	(198,010,245)
Decrease in non-controlling interests of the subsidiaries from dividend payment of subsidiary	-	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2015	440,025,000	1,230,452,034	44,400,000	1,490,900,215	39,930,131	(126,983,934)	569,584	(86,484,219)	3,119,293,030	3,230,237,205

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 2015

(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			
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 (loss) 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
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
Profit for the year	-	-	-	185,606,759	-	-	185,606,759
Other comprehensive loss for the year	-	-	-	(4,604,765)	(56,158,815)	(56,158,815)	(60,763,580)
Total comprehensive income (loss) for the year	-	-	-	181,001,994	(56,158,815)	(56,158,815)	124,843,179
Dividend paid (Note 33)	-	-	-	(198,010,245)	-	-	(198,010,245)
Balance as at 31 December 2015	440,025,000	1,230,452,034	44,400,000	866,409,307	(107,930,882)	(107,930,882)	2,473,355,459

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

Samart I-Mobile Public Company Limited and its subsidiaries

Statement of cash flows

For the year ended 31 December 2015

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2015	2014	2015	2014
Cash flows from operating activities					
Profit before tax		49,792,322	802,797,971	161,989,056	660,631,029
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:					
Unrealised (gain) loss on exchange		(11,667,623)	531,855	(24,785,890)	(1,333,965)
Gain on disposal of temporary investments in trading securities	8	(1,539,140)	(530,938)	(1,539,140)	(530,938)
(Gain) loss on change in value of temporary investments in trading securities	8	2,497,516	(35,052)	2,497,516	(35,052)
(Gain) loss on change in fair value of forward exchange contracts		6,370,587	(10,584,697)	6,370,587	(10,584,697)
Increase (decrease) in allowance for doubtful accounts - trade accounts receivable		(5,030,170)	(5,462,192)	596,249	(68,421)
Write-off bad debts		7,977	9,376,883	7,977	-
Increase in allowance for diminution in value of other receivables and sales promotion receivables		592,175	35,925	-	35,925
Reduction of inventory to net realisable value (reversal)		(8,437,372)	(32,984,592)	(8,265,178)	(32,853,926)
Increase in allowance for diminution in value of advance for purchase of inventories		4,182,910	374,302	4,182,910	374,302
Write-off withholding tax deducted at sources		201,445	3,900,239	71,530	-
Gain on disposals of available-for-sale investments	14	(4,889,745)	-	(4,889,745)	-
Dividend income from subsidiary	6, 15	-	-	(289,913,000)	(674,527,500)
Dividend income from other companies		(3,201,710)	(109,967)	(3,201,710)	(109,967)
Increase in allowance for diminution of investments in subsidiaries		-	-	996,709	140,898,743
Gain on disposal of equipment	27	(1,602,213)	(4,192,264)	(786,709)	(2,037,713)
Transfer equipment to expense		2,336,301	1,105,066	-	419,850
Depreciation	16	208,284,183	174,315,631	95,512,558	78,410,001
Amortisation of intangible assets	17	12,517,489	31,215,960	-	-
Amortisation of deferred interests under finance lease agreements		1,398,562	272,720	69,397	235,402
Decrease in allowance for warranty		(10,208,000)	(977,000)	(10,208,000)	(977,000)
Provision for long-term employee benefits	24	3,233,983	1,998,433	1,539,623	942,045
Interest income	27	(2,277,909)	(3,381,166)	(15,444,569)	(14,992,696)
Interest expenses	30	196,457,472	119,279,355	192,884,853	121,775,715
Profit from operating activities before changes in operating assets and liabilities		439,019,040	1,086,946,472	107,685,024	265,671,137

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 2015

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2015	2014	2015	2014
Cash flows from operating activities (continued)					
Operating assets (increase) decrease					
Trade and other receivables		(1,278,980,136)	(2,175,146,368)	(882,467,313)	(2,250,190,317)
Inventories		1,660,031,279	(821,350,843)	1,598,857,260	(837,698,938)
Other current assets		222,010,665	(289,028,918)	112,251,494	(86,582,112)
Other non-current assets		(191,430)	(1,068,984)	(183,172)	(951,159)
Operating liabilities increase (decrease)					
Trade and other payables		(577,917,027)	(235,646,111)	(871,762,889)	(345,448,903)
Other current liabilities		(20,300,894)	(28,206,510)	(6,449,280)	11,975,628
Other non-current liabilities		(28,394)	(131,073)	(580,143)	(136,976)
Cash flows from (used in) operating activities					
Cash paid for purchases of temporary investments in trading securities	8	(5,384,813)	(8,018,899)	(5,384,813)	(8,018,899)
Proceeds from sales of temporary investments in trading securities	8	13,923,487	6,082,773	13,923,487	6,082,773
Dividend received from temporary investments in trading securities		70,000	109,967	70,000	109,967
Cash paid for interest expenses		(206,063,302)	(117,171,824)	(194,180,750)	(119,728,062)
Cash received from withholding tax refundable	12.1	53,375,092	49,192,806	10,190,342	-
Cash paid for income tax		(60,940,375)	(52,178,666)	(9,490,737)	(21,504,975)
Net cash flows from (used in) operating activities					
Cash flows from investing activities					
Cash paid to provide short-term loans to related parties	6	-	-	(97,602,425)	(436,088,834)
Cash received from repayment of short-term loans to related parties	6	-	-	121,176,000	309,371,834
Cash received for interest income		2,277,909	3,381,166	16,977,332	8,742,407
Cash paid to provide short-term loans to employees		-	(62,433)	-	-
Cash received from repayment of short-term loans to employees		89,726	-	-	-
(Increase) decrease in restricted bank deposits		599,700	(1,518)	(1,077,819)	20,474
Cash paid to purchase of available-for-sale investments	14	(8,252,860)	(167,181,844)	(5,000,000)	(167,181,844)
Cash received from sales of available-for-sale investments	14	31,822,866	-	31,822,866	-
Dividend received from available-for-sale investment		3,131,710	-	3,131,710	-
Cash paid to acquisition of investment in a new subsidiary	15.4	-	(60,000,000)	-	-
Cash paid for acquisition of investments in subsidiaries	15.6	-	-	-	(55,239,757)
Cash paid for acquisition of equipment		(119,854,296)	(100,327,747)	(86,768,918)	(40,494,990)
Proceeds from disposal of equipment		1,820,844	6,924,489	913,715	2,959,980
Cash paid for acquisition of intangible assets		-	(7,200,000)	-	-
Dividend income from subsidiaries	6, 15	-	-	289,913,000	674,527,500
Net cash flows from (used in) investing activities					

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 2015

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
Cash flows from financing activities					
Increase (decrease) in bank overdrafts		(27,341,943)	(33,312,408)	(20,216,075)	20,216,128
Proceeds from short-term loans from banks		4,989,000,000	2,407,738,701	4,969,000,000	2,467,738,701
Cash paid to settle short-term loans from banks		(2,522,750,382)	(525,988,320)	(2,522,750,382)	(585,988,320)
Increase (decrease) in trust receipts		(2,357,989,974)	1,316,438,846	(2,371,035,383)	1,401,081,651
Proceeds from short-term loans from related parties	6	-	-	319,500,000	421,000,000
Repayment of short-term loans from related parties	6	-	-	(293,615,000)	(294,000,000)
Proceeds from short-term loans from unrelated parties		30,675,000	13,500,000	-	-
Repayment of short-term loans from unrelated parties		(26,815,905)	(96,740,000)	-	-
Cash paid to settle long-term loans from financial institutions	21	(33,890,511)	(8,677,669)	-	(7,665,066)
Cash paid to settle liabilities under finance lease agreements		(12,460,860)	(3,216,018)	(1,066,876)	(2,971,102)
Cash received for share issued due to warrants exercised	25	-	45,526,000	-	45,526,000
Dividend paid	33	(198,010,245)	(527,676,780)	(198,010,245)	(527,676,780)
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		(87,000)	(2,040,000)	-	-
Net cash flows from (used in) financing activities		(159,671,820)	2,630,552,352	(118,193,961)	2,937,261,212
Translation adjustments		19,111,862	8,169,593	-	-
Net increase (decrease) in cash and cash equivalents		9,698,833	(271,362,120)	27,770,010	(152,542,854)
Cash and cash equivalents at beginning of year		139,542,835	410,904,955	47,713,322	200,256,176
Cash and cash equivalents at end of year		149,241,668	139,542,835	75,483,332	47,713,322
Supplemental disclosures of cash flows information					
Non-cash items for investing activities					
Transfer inventories to equipment		1,081,315	9,302,956	1,081,315	8,113,877
Increase in accounts payable for purchase of equipment		111,697,895	39,594,619	83,118,971	24,663,778

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

Samart I-Mobile Public Company Limited and its subsidiaries
Notes to consolidated financial statements
For the year ended 31 December 2015

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	
			2015 Percent	2014 Percent
Samart Multimedia Co., Ltd.	Provision content services via audiotext and call center	Thailand	100	100
I-Mobile International Co., Ltd.	Provision the general management business including business planning and business coordination	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	100
Teleconnex Co., Ltd.	Distributor of mobile phones and accessories	Hong Kong	100	100
I-Mobile Inter trade Co., Ltd.	Temporarily ceased its business	Thailand	100	100
Samart Mobile Services Co., Ltd.	Temporarily ceased its business	Thailand	97.4	97.4

Indirect subsidiaries held by the Company's subsidiaries

Company's name	Nature of business	Country of incorporation	Percentage of indirect shareholding	
			2015 Percent	2014 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
Investments through I-Mobile International Co., Ltd.				
Pt. Samart I-Mobile Indonesia	Temporarily ceased its business	Indonesia	100	100
I-Mobile (Cambodia) Co., Ltd.	Ceased business in 2006, currently is in process of liquidation	Cambodia	-	-
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.	Temporarily ceased its business (2014: Distributor of mobile phones)	Thailand	100	100
Investments through I-Sport Co., Ltd.				
Siam Sport Television Co., Ltd.	Television media, sport license and sport-related business	Thailand	50	50
I-Sport Media Co., Ltd.	Temporarily ceased its business	Thailand	50	50

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of "Exchange differences on translation of financial statements in foreign currencies" in the statement of changes in shareholders' equity.
- f) Material balances and transactions between the Company and its subsidiary companies have been eliminated from the consolidated financial statements.

- g) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.
- h) In recording the acquisition of additional shares of subsidiaries (repurchase of shares from non-controlling interests) when the fair value of the net assets acquired is lower than the cost of the investment the difference has been presented in 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 present investments in subsidiaries under the cost method.

3. New financial reporting standards

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

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

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

TAS 19 (revised 2014) Employee Benefits

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

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

TFRS 10 Consolidated Financial Statements

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

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

TFRS 12 Disclosure of Interests in Other Entities

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

TFRS 13 Fair Value Measurement

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

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

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

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

4. Significant accounting policies

4.1 Revenue recognition*Sales of goods*

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

Rendering of services

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

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 and its subsidiaries to determine the fair value of marketable securities is the amount for which an asset can be exchanged or liability settled between knowledgeable, willing parties in an arm's length transaction.

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

In the event the Company and its subsidiaries reclassify investments from one type to another, such investments will be readjusted to their fair value as at the reclassification date. The difference between the

carrying amount of the investments and the fair value on the date of reclassification are recorded in profit or loss or recorded as other components of shareholders' equity, depending as the type of investment that is reclassified.

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

4.6 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
Right for air time	- 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's and its subsidiaries' cash generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Company and its subsidiaries estimate the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

4.9 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's and its subsidiaries' contributions are recognised as expenses when incurred.

Defined benefit plans

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

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

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

Provision for vacation

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

4.14 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.

4.17 Fair value measurement

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

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

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

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

5. Significant accounting judgements and estimates

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

Consolidation of subsidiary is held less than half of shares

The management of Samart Multimedia Co., Ltd., a subsidiary company, determined that it has control over Entertainment Tree Co., Ltd., even though it holds 45% of shares and voting rights that is less than half of shares

and voting rights. This is because it has the ability to direct the significant activities. As a result, Entertainment Tree Co., Ltd., is deemed to be a subsidiary of Samart Multimedia Co., Ltd. and has to be included in the consolidated financial statements from the date on which Samart Multimedia Co., Ltd. assumed control.

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.

Fair value of financial instruments

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

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.
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	
	2015	2014	2015	2014
Transactions with parent company				
Sales	-	1	-	1
Service income	2	-	-	-
IT service fee expense	25	25	16	16
Management fee expense	12	12	12	12
Rental and other expenses	31	29	21	20
Transactions with subsidiary companies (eliminated from the consolidated financial statements)				
Sales	-	-	2	1,362
Purchases of goods	-	-	3,421	9,708
Purchases of services	-	-	1	1
Management fee income	-	-	53	72
Interest income	-	-	14	13
Interest expenses	-	-	4	4
Advertising income	-	-	27	64
Marketing support income	-	-	8	151
Consulting income	-	-	21	69
Other income	-	-	6	-
Product design expenses	-	-	37	35
Other expenses	-	-	1	35
Guarantee fee income	-	-	4	10
Dividend income (Note 15)	-	-	290	675
Transactions with related companies				
Sales	19	13	18	11
Service income	5	9	-	-
Purchase of goods	5	183	5	183
Purchases of services	29	43	-	-
Other income	-	1	-	1
Acquisition of equipment	-	45	-	23
Acquisition of intangible asset	-	7	-	-
Other expenses	14	14	10	10

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Trade accounts receivable - related parties (Note 9)				
Parent company	226	737	65	166
Subsidiary companies	-	-	493,244	1,360,947
Related companies (related by shareholder)	1,667	5,251	1,426	2,650
Total trade accounts receivable - related parties	1,893	5,988	494,735	1,363,763
Amounts due from and advance to related parties (Note 9)				
Subsidiary companies	-	-	141,593	441,768
Related companies (related by shareholder)	1,430	14	-	-
Total amounts due from and advance to related parties	1,430	14	141,593	441,768
Trade accounts payable - related parties (Note 19)				
Subsidiary companies	-	-	674,017	1,444,024
Related companies (related by shareholder)	272	134,425	272	134,425
Total trade accounts payable - related parties	272	134,425	674,289	1,578,449
Amounts due to and advance from related parties (Note 19)				
Parent company	4,907	1,839	3,932	611
Subsidiary companies	-	-	678	158,189
Related companies (related by shareholder)	36,221	41,788	25,192	24,354
Total amounts due to and advance from related parties	41,128	43,627	29,802	183,154

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

As at 31 December 2015 and 2014, 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 2014	During the year		Gain on exchange differences on translation of financial statements in foreign currencies	Balance as at 31 December 2015
			Increase	Decrease		
Short-term loans to related parties	Related by					
I-Mobile Plus Co., Ltd.	Subsidiary	235,000	41,000	(108,000)	-	168,000
Samart I-Mobile (Malaysia) Sdn. Bhd.	Subsidiary	144,376	-	(12,676)	11,993	143,693
Teleconnex Co., Ltd.	Subsidiary	-	54,902	-	779	55,681
I-Mobile Inter trade Co., Ltd.	Subsidiary	-	1,700	(500)	-	1,200
Total		379,376	97,602	(121,176)	12,772	368,574

(Unit: Thousand Baht)

Short-term loans from related parties	Related by	Separate financial statements			
		Balance as at 31 December 2014	During the year		Balance as at 31 December 2015
			Increase	Decrease	
Samart Mobile Services Co., Ltd.	Subsidiary	128,000	168,000	(165,000)	131,000
I-Mobile International Co., Ltd.	Subsidiary	23,000	8,000	(6,000)	25,000
Samart Multimedia Co., Ltd.	Subsidiary	115,000	85,000	(103,115)	96,885
I-Mobile Inter trade Co., Ltd.	Subsidiary	-	19,500	(19,500)	-
Brain Source Co., Ltd.	Subsidiary	-	39,000	-	39,000
Total		266,000	319,500	(293,615)	291,885

Directors and management's benefits

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

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Short-term employee benefits	22.2	22.9	22.2	22.9
Post-employment benefits	0.2	0.2	0.1	0.1
Total	22.4	23.1	22.3	23.0

Significant 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 agreements

- 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.
- 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	
	2015	2014	2015	2014
Cash	893	704	369	421
Bank deposits	252,376	243,466	179,142	150,242
Total cash and bank deposits	253,269	244,170	179,511	150,663
Less: Restricted bank deposits	(104,028)	(104,627)	(104,028)	(102,950)
Total cash and cash equivalents	149,241	139,543	75,483	47,713

As at 31 December 2015, bank deposits carried interests between 0.10 and 0.50 percent per annum (2014: between 0.13 and 0.50 percent per annum).

8. Temporary investments

As at 31 December 2015 and 2014, the Company had temporary investments in trading securities as follows:

(Unit: Thousand Baht)

	Consolidated financial statements/ Separate financial statements			
	2015		2014	
	Cost	Fair value	Cost	Fair value
Common stocks/Warrants	45,604	2,350	53,213	11,847
Less: Change in value	(43,254)		(41,366)	
Total temporary investments in trading securities	2,350		11,847	

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

(Unit: Thousand Baht)

	Consolidated financial statements/ Separate financial statements	
	2015	2014
Balance as at beginning of the year	11,847	9,345
Purchases during the year	5,385	8,018
Disposals during the year:		
Proceed from sales	(13,923)	(6,082)
Gain on disposals (Note 27)	1,539	531
Total	(12,384)	(5,551)
Gain (loss) on change in value (Note 27, 29)	(2,498)	35
Balance as at end of the year	2,350	11,847

9. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Trade accounts receivable - related parties (Note 6)				
<i>Aged on the basis of due dates</i>				
Not yet due	1,843	5,433	1,639	784,911
Past due				
Up to 3 months	11	516	62	423,276
3 - 6 months	-	-	6	133,036
6 - 12 months	-	-	492,989	22,500
Over 12 months	39	39	39	40
Total trade accounts receivable - related parties	1,893	5,988	494,735	1,363,763
Trade accounts receivable - unrelated parties				
<i>Aged on the basis of due dates</i>				
Not yet due	2,750,235	3,604,754	2,627,958	2,601,870
Past due				
Up to 3 months	2,085,596	1,558,434	1,898,868	1,042,620
3 - 6 months	2,061,397	771,745	1,432,830	594,304
6 - 12 months	168,969	4,416	166,050	-
Over 12 months	11,468	14,292	30	67
Total	7,077,665	5,953,641	6,125,736	4,238,861
Less: Allowance for doubtful debts	(13,835)	(18,890)	(71)	(67)
Total trade accounts receivable - unrelated parties, net	7,063,830	5,934,751	6,125,665	4,238,794
Total trade accounts receivable - net	7,065,723	5,940,739	6,620,400	5,602,557
Other receivables				
Amounts due from and advance to related parties (Note 6)	1,430	14	141,593	441,768
Accrued service income	48,240	65,088	-	-
Other receivables - unrelated parties	277,347	84,087	257,489	74,786
Sales promotion receivables	3,289	9,782	3,289	9,582
Less: Allowance for diminution in value of other receivables and sales promotion receivables	(1,383)	(791)	(1,383)	(791)
Total other receivables - net	328,923	158,180	400,988	525,345
Trade and other receivables - net	7,394,646	6,098,919	7,021,388	6,127,902

The Company had 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 (2015: Nil).

10. Short-term loans

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Short-term loans to related parties (Note 6)	-	-	368,574	379,376
Short-term loans to employees	71	160	-	-
Total short-term loans	71	160	368,574	379,376

11. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories-net	
	2015	2014	2015	2014	2015	2014
Finished goods	434,580	1,868,758	(20,177)	(22,974)	414,403	1,845,784
Supplies	406,767	499,642	(1,166)	(6,849)	405,601	492,793
Goods in transit	43,445	177,590	-	-	43,445	177,590
Total	884,792	2,545,990	(21,343)	(29,823)	863,449	2,516,167

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories-net	
	2015	2014	2015	2014	2015	2014
Finished goods	384,543	1,816,211	(16,783)	(19,366)	367,760	1,796,845
Supplies	295,780	329,906	(1,166)	(6,849)	294,614	323,057
Goods in transit	43,438	177,583	-	-	43,438	177,583
Total	723,761	2,323,700	(17,949)	(26,215)	705,812	2,297,485

During the current year, the Company and its subsidiary companies reversed the write-down of cost of inventories by Baht 8 million (2014: 34 million) (Separate financial statements: Baht 8 million (2014: 33 million)), and reduced the amount of inventories recognised as expenses during the year.

12. Other current assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Prepaid expenses	115,392	195,247	5,846	5,280
Advance for purchase of inventories	74,934	115,552	9,809	31,150
Withholding tax deducted at sources (Note 12.1)	62,040	80,073	9,345	10,262
Input tax refundable	48,347	124,671	43,097	106,181
Undue input tax	12,763	17,992	8,478	20,672
Others	29,077	48,356	14,138	30,337
Less: Allowance for diminution in value of advance for purchase of inventories	(15,982)	(11,904)	(8,896)	(4,713)
Total other current assets - net	326,571	569,987	81,817	199,169

12.1 Withholding tax deducted at sources

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

(Unit: Thousand Baht)

Year	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
2009	1	1	-	-
2011	1,426	1,426	-	-
2012	4,933	11,460	-	10,262
2013	9,918	29,226	-	-
2014	9,716	37,960	-	-
2015	36,046	-	9,345	-
Total	62,040	80,073	9,345	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 2015, the Company and subsidiary companies received the refund of the withholding tax of 2012 and 2013 totaling approximately Baht 53 million (Separate financial statements: Baht 10 million) (2014: the subsidiary companies received the refund of the withholding tax of 2011 and 2012 totaling approximately Baht 49 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 2015 and 2014, the Company and its subsidiary had available-for-sale investments as follows:

(Unit: Thousand Baht)

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

(Unit: Thousand Baht)

Common stock	Separate financial statements					
	2015			2014		
	No. of shares (Thousand shares)	Fair value as at the purchase/ reclassification date	Fair value	No. of shares (Thousand shares)	Fair value as at the purchase/ reclassification date	Fair value
Q Technology (Group) Co., Ltd. (A listed company in Hong Kong Stock Exchange)	12,000	143,299	88,035	14,000	167,182	129,967
Ferrum Public Co., Ltd. (formerly known as "M-Link Asia Corporation Public Co., Ltd.")	30,000	108,450	28,800	25,000	106,500	79,000
Total		251,749	116,835		273,682	208,967
Less: Change in value		(134,914)			(64,715)	
Total available-for-sale investments		116,835			208,967	

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Net book value at beginning of the year	267,359	173,103	208,967	69,000
Purchase during the year	8,253	167,182	5,000	167,182
Disposals during the year				
Proceed from sales	(31,823)	-	(31,823)	-
Less: Gain on disposals (Note 27)	4,890	-	4,890	-
Total	(26,933)	-	(26,933)	-
Loss on changes in value	(72,960)	(72,926)	(70,199)	(27,215)
Net book value at end of the year	175,719	267,359	116,835	208,967

15. Investments in subsidiaries

15.1 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	
	2015	2014	2015 Percent	2014 Percent	2015	2014	2015	2014
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	289,913	674,528
I-Mobile Plus Co., Ltd.	100,000	100,000	100	100	100,000	100,000	-	-
Samart I-Mobile (Malaysia) Sdn. Bhd.	Ringgit 2 million	Ringgit 2 million	100	100	997	997	-	-
Teleconnext Co., Ltd.	HKD 5 million	HKD 5 million	100	100	54,142	54,142	-	-
I-Mobile Inter trade Co., Ltd.	5,000	5,000	100	100	100	100	-	-
Samart Mobile Services Co., Ltd.	490,000	490,000	97.4	97.4	43,917	43,917	-	-
Less: Allowance for diminution in value of investments in subsidiaries					(141,895)	(140,899)	-	-
Net					462,785	463,781	289,913	674,528

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

(Unit: Million Baht)

Company's name	Proportion of equity interest held by non-controlling interests		Accumulated balance of non-controlling interests		Profit/loss allocated to non-controlling interests during the year	
	2015 (Percent)	2014 (Percent)	2015	2014	2015	2014
I-Sport Company Limited and its subsidiaries (Subsidiary companies of Samart Multimedia Co., Ltd.)	50	50	95	77	19	7

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

Summarised information about financial position

(Unit: Million Baht)

	I-Sport Company Limited and its subsidiaries	
	2015	2014
Current assets	140	112
Non-current assets	215	247
Current liabilities	150	163
Non-current liabilities	16	42

Summarised information about comprehensive income

(Unit: Million Baht)

	For the year ended 31 December	
	I-Sport Company Limited and its subsidiaries	
	2015	2014
Revenue	366	62
Profit	39	14
Other comprehensive loss	(3)	-
Total comprehensive income	36	14

Summarised information about cash flows

(Unit: Million Baht)

	For the year ended 31 December	
	I-Sport Company Limited and its subsidiaries	
	2015	2014
Cash flows from operating activities	13	25
Cash flows used in investing activities	(10)	(60)
Cash flows from (used in) financing activities	(19)	12
Net decrease in cash and cash equivalents	(16)	(23)

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

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

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

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

15.4 Purchase of investments

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 that company, under the acquisition method, the subsidiary company recorded the excess of the cost of acquisition of the ordinary shares over the fair value, amounting to approximately Baht 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).

15.5 Changes in share capital of subsidiary companies

Reduction of share capital

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

Increment of registered share capital

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

- 1) Approving to call-up a further Baht 10 million of the uncalled portion of its capital, or equivalent to 25% of its registered share capital. The subsidiary received payment on 26 December 2014 as a result its paid-up share capital amounts to Baht 40 million, or 100% of the registered share capital.

- 2) Approving the increment of its registered share capital from Baht 40 million (4 million ordinary shares of Baht 10 each) to Baht 120 million (12 million ordinary shares of Baht 10 each) by issuing 80 million ordinary shares with a par value of Baht 10 each. The subsidiary company registered the increase of share capital on 11 December 2014 with the Ministry of Commerce.

15.6 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 2015, 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.

15.7 Liquidation of subsidiaries

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

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									
31 December 2013	11,512	810,253	-	932,500	-	47,647	22,011	300,044	2,123,967
Additions/Transfer in	-	26,746	-	303,044	-	12,571	-	1,327	343,688
Disposals/Transfer out	-	(160,459)	-	(8,869)	-	(18,140)	(22,011)	(194,463)	(403,942)
Acquisition of subsidiary during the year	-	-	151,881	52,153	47,110	18,346	-	-	269,490
Exchange differences	-	-	-	(1,425)	-	-	-	-	(1,425)
31 December 2014	11,512	676,540	151,881	1,277,403	47,110	60,424	-	106,908	2,331,778
Additions/Transfer in	-	18,781	-	172,965	-	113	-	41,612	233,471
Disposals/Transfer out	-	(185,409)	-	(298,927)	-	(5,546)	-	(839)	(490,721)
Exchange differences	-	-	-	(2,644)	-	-	-	-	(2,644)
31 December 2015	11,512	509,912	151,881	1,148,797	47,110	54,991	-	147,681	2,071,884

(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									
31 December 2013	2,148	592,986	-	795,567	-	28,168	17,510	-	1,436,379
Depreciation for the year	572	68,735	-	98,066	-	6,943	-	-	174,316
Accumulated depreciation of assets disposed and transferred out	-	(93,010)	-	(7,763)	-	(15,409)	(17,510)	-	(133,692)
Acquisition of subsidiary during the year	-	-	39,009	30,627	16,176	10,146	-	-	95,958
Exchange differences	-	-	-	(1,236)	-	-	-	-	(1,236)
31 December 2014	2,720	568,711	39,009	915,261	16,176	29,848	-	-	1,571,725
Depreciation for the year	571	57,436	17,351	117,992	5,171	9,763	-	-	208,284
Accumulated depreciation of assets disposed and transferred out	-	(185,390)	-	(296,519)	-	(5,420)	-	-	(487,329)
Exchange differences	-	-	-	(1,468)	-	-	-	-	(1,468)
31 December 2015	3,291	440,757	56,360	735,266	21,347	34,191	-	-	1,291,212
Allowance for impairment loss									
31 December 2013	-	67,640	-	96	-	-	4,501	-	72,237
Decrease during the year	-	(67,449)	-	-	-	-	(4,501)	-	(71,950)
31 December 2014	-	191	-	96	-	-	-	-	287
31 December 2015	-	191	-	96	-	-	-	-	287
Net book value									
31 December 2014	8,792	107,638	112,872	362,046	30,934	30,576	-	106,908	759,766
31 December 2015	8,221	68,964	95,521	413,435	25,763	20,800	-	147,681	780,385
Depreciation for the year									
2014 (Baht 69 million included in cost of services, and the balance in selling expenses and administrative expenses)									174,316
2015 (Baht 87 million included in cost of services, and the balance in selling expenses and administrative expenses)									208,284

(Unit: Thousand Baht)

	Separate financial statements				
	Condominium	Furniture, fixture and office equipment	Motor vehicles	Assets under installation	Total
Cost					
31 December 2013	11,512	749,308	36,632	303,425	1,100,877
Additions/Transfer in	-	261,018	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
Additions/Transfer in	-	171,240	113	455	171,808
Disposals/Transfer out	-	(252,878)	(2,628)	(840)	(256,346)
31 December 2015	11,512	925,326	27,782	109,805	1,074,425
Accumulated depreciation					
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
Depreciation for the year	571	89,698	5,243	-	95,512
Accumulated depreciation of assets disposed and transferred out	-	(252,878)	(2,502)	-	(255,380)
31 December 2015	3,290	565,725	17,722	-	586,737
Net book value					
31 December 2014	8,793	278,059	15,316	110,190	412,358
31 December 2015	8,222	359,601	10,060	109,805	487,688
Depreciation for the year					
2014 (All depreciation included in selling expenses and administrative expenses)					78,410
2015 (All depreciation included in selling expenses and administrative expenses)					95,512

Siam Sport Television Co., Ltd., a subsidiary company, has mortgaged its equipment amounting to approximately Baht 50 million (2014: Baht 59 million) as collateral against credit facilities received from a bank.

As at 31 December 2015, 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 810 million (2014: Baht 1,124 million) (Separate financial statements: Baht 308 million, 2014: Baht 456 million).

As at 31 December 2015, the Company and its subsidiary companies have equipment and vehicles under finance lease agreements with net book values amounting to approximately Baht 28 million (2014: Baht 36 million) (Separate financial statements: Baht 1 million, 2014: Baht 2 million).

17. Intangible assets

(Unit: Thousand Baht)

	Consolidated financial statements			
	Computer software	Right under license agreement for audio-visual of football match	Right for air time	Total
Cost				
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
Decrease from further information on fair value of assets at the acquisition date	-	-	(343)	(343)
31 December 2015	95,610	-	3,191	98,801
Accumulated amortisation				
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
Amortisation	11,879	-	638	12,517
Exchange differences	792	-	-	792
31 December 2015	89,674	-	638	90,312
Net book value				
31 December 2014	18,607	-	3,534	22,141
31 December 2015	5,936	-	2,553	8,489

Right for air time

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

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

(Unit: Thousand Baht)

	Interest rate (percent per annum)		Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014	2015	2014
Bank overdrafts	7.37	7.40 - 7.78	110	27,452	-	20,216
Short-term loans from banks	2.47 - 3.75	3.30 - 4.00	4,348,000	1,881,750	4,328,000	1,881,750
Trust receipts						
Baht	3.05 - 3.30	3.33 - 3.50	1,207,179	3,578,215	1,207,179	3,578,215
US dollars	1.61 - 1.90	1.53 - 1.55	63,335	50,289	-	-
Total			5,618,624	5,537,706	5,535,179	5,480,181

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 I-Sport Co., Ltd., a subsidiary company, secured by the Company and Siam Sport Syndicate Public Co., Ltd. (another shareholder). Bank overdrafts of Siam Sport Television Co., Ltd., a subsidiary company, secured by Siam Sport Syndicate Public Co., Ltd. (the former shareholder), and two people (former directors of Siam Sport Television Co., Ltd.).

Short-term loans from banks of I-Sport Co., Ltd., a subsidiary company, are secured by the Company and Siam Sport Syndicate Public Co., Ltd. (another shareholder).

Some trust receipts of the Company are secured by the pledge of some bank deposits.

Trust receipts of the subsidiary companies are secured by the Company, and the pledge of some bank deposits of the Company.

19. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Trade accounts payable				
Trade accounts payable - related parties (Note 6)	272	134,425	674,289	1,578,449
Trade accounts payable - unrelated parties	496,420	1,038,530	175,542	45,504
Total trade accounts payable	496,692	1,172,955	849,831	1,623,953
Other payables				
Amount due to and advance from related parties (Note 6)	41,128	43,627	29,802	183,154
Other payables - unrelated parties	436,859	223,694	285,070	145,280
Accrued expenses	2,695	12,301	2,695	3,810
Total other payables	480,682	279,622	317,567	332,244
Total trade and other payables	977,374	1,452,577	1,167,398	1,956,197

20. Short-term loans

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Short-term loans from related parties (Note 6)	-	-	291,885	266,000
Short-term loan from unrelated party	22,154	18,294	-	-
Total short-term loans	22,154	18,294	291,885	266,000

Short-term loan from unrelated party

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

21. Long-term loans from financial institutions

(Unit: Thousand Baht)

Company	Credit facilities	Significant terms and conditions of loan agreements			Consolidated financial statements	
		Repayment schedule	Collateral	Interest rate (Percent per annum)	2015	2014
<u>Subsidiary</u> Siam Sport Television Co., Ltd.	57,000	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 1. Siam Sport Syndicate Public Company Limited (the former shareholder) 2. Two individual people (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 2 nd year until the last payment date	5,939	18,662
	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.	<ul style="list-style-type: none"> 1. Siam Sport Syndicate Public Company Limited (the former shareholder) 2. Two individual people (former directors of Siam Sport Television Co., Ltd.) 3. Motor vehicles with transmission tools and equipment 	3% per annum	9,383	15,632

(Unit: Thousand Baht)

Company	Credit facilities	Significant terms and conditions of loan agreements			Consolidated financial statements	
		Repayment schedule	Collateral	Interest rate (Percent per annum)	2015	2014
Siam Sport Television Co., Ltd.	30,000	<ul style="list-style-type: none"> - The 1st to the 3rd periods payment interest of loans withdrawn at 25th 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. 	<ul style="list-style-type: none"> 1. Siam Sport Syndicate Public Company Limited (the former shareholder) 2. Two individual people (former directors of Siam Sport Television Co., Ltd.) 	MLR-0.50% per annum	11,511	26,430
Total long-term loans from financial institutions					26,833	60,724
Less: Current portion					(23,887)	(35,435)
Long-term loans from financial institutions - net of current portion					2,946	25,289

Movements in the long-term loans account during the years ended 31 December 2015 and 2014 were summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Balance at beginning of the year	60,724	7,665	-	7,665
Add: Acquisition of subsidiary during the year	-	61,737	-	-
Less: Repayments	(33,891)	(8,678)	-	(7,665)
Balance at end of the year	26,833	60,724	-	-

22. Liabilities under finance lease agreements

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Liabilities under finance lease agreements	16,004	28,465	1,737	2,804
Less: Deferred interest expenses	(773)	(2,172)	(11)	(81)
Total	15,231	26,293	1,726	2,723
Less: Portion due within one year	(11,915)	(11,062)	(1,726)	(997)
Liabilities under finance lease agreements - net of current portion	3,316	15,231	-	1,726

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	
	2015	2014	2015	2014	2015	2014
Future minimum lease payments	12,565	12,461	3,439	16,004	16,004	28,465
Deferred interest expenses	(650)	(1,399)	(123)	(773)	(773)	(2,172)
Present value of future minimum lease payments	11,915	11,062	3,316	15,231	15,231	26,293

(Unit: Thousand Baht)

	Separate financial statements					
	Less than 1 year		1 - 5 years		Total	
	2015	2014	2015	2014	2015	2014
Future minimum lease payments	1,737	1,067	-	1,737	1,737	2,804
Deferred interest expenses	(11)	(70)	-	(11)	(11)	(81)
Present value of future minimum lease payments	1,726	997	-	1,726	1,726	2,723

23. Other current liabilities

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Undue output tax	11,971	9,832	7,240	12,710
Unearned revenue from telephone service	10,334	10,715	-	-
Valued added tax payable	4,300	7,214	-	-
Advance received from customers	248	12,391	-	-
Others	26,280	37,119	19,205	24,022
Total other current liabilities	53,133	77,271	26,445	36,732

24. Provision for long-term employee benefits

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Provision for long-term employee benefits at beginning of year	29,745	22,451	18,931	15,899
Included in profit or loss:				
Current service cost	2,790	2,165	1,574	1,393
Interest cost	1,207	925	728	641
Included in other comprehensive income:				
Actuarial (gain) loss arising from				
Demographic assumptions changes	(869)	1,197	1,667	913
Financial assumptions changes	7,870	334	3,714	189
Experience adjustments	3,345	612	375	987
Acquisition of subsidiary during the year	-	3,153	-	-
Benefits paid during the year	(763)	(1,092)	(763)	(1,091)
Provision for long-term employee benefits at end of year	43,325	29,745	26,226	18,931

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Selling expenses	3,345	1,962	1,927	1,399
Administrative expenses	652	1,128	375	635
Total expenses recognised in profit or loss	3,997	3,090	2,302	2,034

The Company and its subsidiaries expect to pay Baht 0.4 million of long-term employee benefits during the next year (Separate financial statements: Baht 0.2 million) (2014: Baht 1 million, separate financial statements: Baht 1 million).

As at 31 December 2015, the weighted average duration of the liabilities for long-term employee benefit is 17 - 20 years (Separate financial statements: 17 years) (2014: 17 years, separate financial statements: 17 years).

Significant actuarial assumptions are summarised below.

(Unit: Percent per annum)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Discount rate	3.1 and 3.2	4.3	3.1	4.3
Salary increase rate	4.0 - 7.0	2.5 - 7.0	4.0 - 7.0	4.0 - 7.0
Turnover rate	0 - 24	0 - 24	0 - 24	0 - 24

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

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	Liability increase (decrease)		Liability increase (decrease)	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(4.8)	5.6	(2.7)	3.0
Salary increase rate	5.4	(4.7)	2.9	(2.7)
	Increase 20%	Decrease 20%	Increase 20%	Decrease 20%
	(5.0)	6.3	(2.5)	3.0

25. Share capital

25.1 On 29 April 2015, the Annual General Meeting of the shareholders of the Company passed a resolution approving the decrease of the Company's registered capital of Baht 3,975,000 from Baht 444,000,000 to Baht 440,025,000 by reduction of 39,750,000 ordinary shares with a par value of Baht 0.1 which was reserved for conversion of the warrants that expired.

25.2 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)	-

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	
	2015	2014	2015	2014
Selling support income	28,152	29,421	28,152	29,421
Gain on disposal of available-for-sale investments (Note 14)	4,890	-	4,890	-
Interest income	2,278	3,381	15,445	14,993
Gain on sales of equipment	1,602	4,192	787	2,038
Gain on disposal of temporary investments in trading securities (Note 8)	1,539	531	1,539	531
Gain on change in value of temporary investments in trading securities (Note 8)	-	35	-	35
Gain on exchange	-	24,287	29,780	33,011
Dividend income from subsidiaries (Note 15)	-	-	289,913	674,528
Advertising and management fee income	-	-	61,594	158,998
Others	30,270	62,001	57,849	165,656
Total other income	68,731	123,848	489,949	1,079,211

28. Expenses by nature

Significant expenses classified by nature were as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Marketing expenses	538,659	934,172	448,626	662,799
Salaries and wages and other employee benefits	471,377	423,575	227,882	251,076
Depreciation and amortisation	232,619	205,531	95,513	78,410
Rental expenses from operating lease agreements	95,248	92,530	71,600	71,470
Loss on changes in value of temporary investments in trading securities (Note 8)	2,498	-	2,498	-
Changes in inventories	1,652,718	(845,741)	1,591,673	(949,099)
Purchase finished goods for sales	3,431,034	9,515,940	3,740,935	10,035,021

29. Other expenses

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Reserve for doubtful accounts	4,824	4,325	4,787	342
Loss on changes in value of temporary investments in trading securities (Note 8)	2,498	-	2,498	-
Loss on exchange	700	-	-	-
Loss on impairment of investment in subsidiary	-	-	996	140,899
Others	6,847	406	-	-
Total other expenses	14,869	4,731	8,281	141,241

30. Finance cost

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Interest expenses on:				
Bank loans, overdrafts and trust receipts	195,059	118,946	188,692	117,039
Loans from related parties	-	-	4,123	4,477
Liabilities under finance lease agreements and others	1,399	334	69	260
Total interest expenses	196,458	119,280	192,884	121,776
Bank charges	9,486	22,158	4,333	5,142
Total finance cost	205,944	141,438	197,217	126,918

31. Income tax

Income tax expenses for the years ended 31 December 2015 and 2014 were made up as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Current income tax				
Current income tax charge	16,254	35,393	-	21,495
Deferred tax				
Relating to origination and reversal of temporary differences	(24,430)	47,728	(23,618)	6,780
Income tax (income) expenses reported in the income statement	(8,176)	83,121	(23,618)	28,275

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2015 and 2014 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Deferred tax relating to loss on changes in value of available-for-sale investments	14,592	14,585	14,040	5,443
Deferred tax relating to actuarial loss	2,069	429	1,151	418
Income tax expense charged to other comprehensive income	16,661	15,014	15,191	5,861

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Accounting profit before tax	49,792	802,798	161,989	660,631
Applicable tax rate	16.5% - 25%	16.5% - 25%	20%	20%
Accounting profit before tax multiplied by income tax rate	9,406	157,790	32,398	132,126
Effects of:				
Promotional privileges	(32,230)	(92,656)	-	-
Utilisation of tax loss carry forward	-	520	-	-
Income not subject to tax	(14)	(1,300)	(57,997)	(134,927)
Non-deductible expenses	13,141	10,020	2,076	31,130
Additional expense deductions allowed	(95)	(48)	(95)	(54)
Total	(19,198)	(83,464)	(56,016)	(103,851)
Deferred tax assets not recognised	1,616	8,795	-	-
Income tax (income) expenses reported in the income statement	(8,176)	83,121	(23,618)	28,275

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

(Unit: Thousand Baht)

	Statement of financial position			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Deferred tax assets				
Allowance for doubtful accounts	2,378	3,371	14	13
Allowance for diminution in value of inventories	4,050	5,666	3,590	5,243
Allowance for asset impairment	2,720	1,765	2,720	1,765
Gain on change in value of temporary investments	8,650	8,273	8,650	8,273
Loss on changes in value of available-for-sale investments	31,746	17,154	26,983	12,944
Provision for long-term employee benefits	8,666	5,559	5,245	3,786
Unused tax loss	51,584	21,599	27,575	-
Others	2,408	2,025	1,527	2,806
Total	112,202	65,412	76,304	34,830
Deferred tax liabilities				
Depreciation difference from tax rate	(7,443)	(7,055)	-	-
Finance lease agreements	(2,432)	-	-	-
Others	(3,177)	-	(2,666)	-
Total	(13,052)	(7,055)	(2,666)	-
Deferred tax, net	99,150	58,357	73,638	34,830

Deferred tax assets and liabilities in statement of financial position were as follows:

(Unit: Thousand Baht)

	Statement of financial position			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Deferred tax assets	99,150	58,357	73,638	34,830
Deferred tax liabilities	-	-	-	-
Deferred tax, net	99,150	58,357	73,638	34,830

As at 31 December 2015, the subsidiary companies have deductible temporary differences and unused tax losses totaling Baht 3 million and Indonesian Rupiah 25,619 million (2014: Baht 1 million and Indonesian Rupiah 33,232 million), on which deferred tax assets have not been recognised as the subsidiary companies believe that the future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

Details of expiry date of unused tax losses are summarised as below.

(Unit: Million)

	Consolidated financial position			
	2015		2014	
	(Baht)	(Indonesia Rupiah)	(Baht)	(Indonesia Rupiah)
31 December 2015	-	-	-	8,334
31 December 2016	-	8,877	-	8,877
31 December 2017	-	11,765	-	11,765
31 December 2018	1	3,966	1	3,966
31 December 2019	-	290	-	290
31 December 2020	2	721	-	-
	3	25,619	1	33,232

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.

33. Dividends

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)	Paid on
Final dividends for 2014	Annual General Meeting of the shareholders on 29 April 2015	396	0.09	3 September 2014
Less: Dividends from income for the six-month period ended 30 June 2014	A meeting of Board of Directors on 7 August 2014	(264)	(0.06)	
Total dividends payment for 2014 paid in 2015		132	0.03	
Add: Dividends from income for the six-month period ended 30 June 2015	A meeting of Board of Directors on 13 August 2015	66	0.02	
Total for 2015		198	0.05	9 September 2015
Final dividends for 2013	Annual General Meeting of the shareholders on 29 April 2014	482	0.11	9 September 2013
Less: Dividends from income for the six-month period ended 30 June 2013	A meeting of Board of Directors on 13 August 2013	(218)	(0.05)	
Total dividends payment for 2013 paid in 2014		264	0.06	
Add: Dividends from income for the six-month period ended 30 June 2014	A meeting of Board of Directors on 7 August 2014	264	0.06	
Total for 2014		528	0.12	3 September 2014

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.

- c) 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 172 million for the year ended 31 December 2015 (2014: Baht 485 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's and its subsidiaries' operating segments for the years ended 31 December 2015 and 2014, respectively.

(Unit: Million Baht)

	Foreign		Domestic				Adjustments and eliminations		Consolidated	
	Mobile		Mobile		Multimedia		Service provider			
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Sales and service income										
Sales and service income from third parties										
- Local sales and service income	-	-	6,290	10,743	860	739	140	297	7,290	11,779
- Overseas sales and service income	249	175	165	392	-	-	-	-	414	567
Sales and service income from related parties	3,239	9,190	241	1,892	6	16	5	5	26	24
Total sales and service income	3,488	9,365	6,696	13,027	866	755	145	302	7,730	12,370
Cost of sales and service	3,399	9,165	5,497	11,042	662	583	126	191	6,183	9,744
Gross profit	89	200	1,199	1,985	204	172	19	111	1,547	2,626
Unallocated income (expenses):										
Other income									69	123
Selling expenses									(925)	(1,320)
Administrative expenses									(420)	(481)
Other expenses									(15)	(5)
Finance cost									(206)	(141)
Income tax expenses									8	(83)
Non-controlling interests of the subsidiaries									(21)	(9)
Profit for the year									37	710

(Unit: Million Baht)

	Foreign		Domestic						Adjustments and eliminations		Consolidated	
	Mobile		Mobile		Multimedia		Service provider					
			2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Assets	331	1,101	7,695	7,648	160	122	47	32	(1,168)	(2,962)	7,065	5,941
	111	170	706	2,297	1	1	56	59	(10)	(11)	864	2,516
	-	3	488	414	262	290	34	57	(4)	(4)	780	760
	-	-	74	35	13	16	12	6	-	1	99	58
	108	136	2,516	2,941	375	451	133	214	(1,946)	(2,379)	1,186	1,363
	550	1,410	11,479	13,335	811	880	282	368	(3,128)	(5,355)	9,994	10,638
Segment total liabilities	607	1,442	7,560	9,108	336	440	245	307	(1,984)	(4,079)	6,764	7,218
Additions to non-current assets other than financial instruments and deferred tax assets	-	-	172	268	61	303	-	42	(4)	(4)	229	609

Geographic information

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

(Unit: Million Baht)

	2015	2014
Revenue from external customers		
Thailand	7,313	11,800
Laos	140	307
Malaysia	82	80
Others	195	183
Total	7,730	12,370

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

(Unit: Million Baht)

	2015	2014
Thailand	789	767
Malaysia	-	15
Total	789	782

Major customers

For the year 2015, the Company and its subsidiaries had revenue from one major customer in amount of Baht 1,803 million, arising from sales by mobile segment (2014: Baht 1,953 million and Baht 1,208 million derived from two 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. The contributions for the year 2015 amounting to approximately Baht 15 million (Separate financial statements: Baht 8 million) (2014: Baht 12 million, Separate financial statements: Baht 7 million) were recognised as expenses.

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 operating leases contracts were as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Payable:				
In up to 1 year	73	68	58	49
In over 1 and up to 5 years	38	60	34	46

As at 31 December 2015, future minimum sublease payments expected to be received under non-cancellable subleases totaled approximately Baht 6 Million (2014: Baht 12 million). During the year 2015, the Company recognised rental expenses of Baht 5 million (2014: Baht 5 million) and subleasing revenue of Baht 5 million (2014: Baht 5 million).

37.2 Guarantees

37.2.1 Bank guarantees

As at 31 December 2015, there were outstanding bank guarantees issued by banks on behalf of the Company and its subsidiaries of approximately Baht 61.46 million (2014: Baht 15.60 million) (Separate financial statements: Baht 42.74 million; 2014: 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	
	2015	2014	2015	2014
Performance guarantees	60.81	15.05	42.48	-
Guarantee electricity use, among others	0.65	0.55	0.26	0.25
	61.46	15.60	42.74	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	
	2015	2014
Samart I-Mobile (Malaysia) Sdn. Bhd.	-	96
Samart Mobile Services Co., Ltd.	55	55
Samart Multimedia Co., Ltd.	113	116
I-Mobile Inter trade Co., Ltd.	10	10
Pt. Samart I-Mobile Indonesia	181	166
Samart Mobile Services Co., Ltd., I-Mobile International Co., Ltd., I-Mobile Inter trade Co., Ltd. and Teleconnext Co., Ltd. (joint use the same facilities with the Company)	1,876	1,798
Teleconnext 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
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)	111	105
Samart Multimedia Co., Ltd., Teleconnext Co., Ltd., I-Mobile International Co., Ltd., I-Mobile Plus Co., Ltd. and I-Mobile Direct Co., Ltd. (joint use the same facilities with the Company)	2,000	1,500
I-Sport Co., Ltd. and Siam Sport Television Co., Ltd.	35	-

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

2. Siam Sport Television Co., Ltd., a subsidiary company, had guaranteed facilities with Siam Sport Syndicate Public Co., Ltd., Siam Sport Books Co., Ltd. and Siam Sport Syndicate Public Co., Ltd.'s director relating to bank guarantee for cash management of the credit facilities of Baht 25 million (2014: Baht 25 million).

37.3 Commitments in uncalled portions of investments

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

	Currency	Amount (Million)	
		2015	2014
The local subsidiary companies	Baht	15	15
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.
- 37.4.4 On 22 October 2015, the Company entered into wholesale agreement to provide mobile phone services with CAT Telecom Public Co., Ltd., whereby the Company will resell mobile phone services to end-users. CAT Telecom Public Co., Ltd. is to commence providing service within 90 days after the agreement has been signed (currently, provision of service has not commenced) and until 3 August 2025. Under the terms of the agreement, the Company is obliged to pay minimum wholesale service fees at a stipulated rate.

However, due to a delay in the distribution of mobile phone numbers by the Office of The National Broadcasting and Telecommunications Commission and technical delays, the Company was unable to commence the service within the stipulated timeframe. The Company, therefore, submitted a letter informing CAT Telecom Public Co., Ltd. that it requested a postponement of the commencement date.

38. Fair value hierarchy

As at 31 December 2015, the Company and its subsidiaries had the assets and liabilities that were measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)

	Consolidated financial statements		
	Level 1	Level 2	Total
Assets measured at fair value			
Held for trade investments			
Equity instruments	2	-	2
Available-for-sale investments			
Equity instruments	176	-	176
Financial liabilities measured at fair value			
Derivatives			
Foreign currency forward contracts	-	6	6

(Unit: Million Baht)

	Separate financial statements		
	Level 1	Level 2	Total
Assets measured at fair value			
Held for trade investments			
Equity instruments	2	-	2
Available-for-sale investments			
Equity instruments	117	-	117
Financial liabilities measured at fair value			
Derivatives			
Foreign currency forward contracts	-	6	6

39. Financial instruments

39.1 Financial risk management

The Company's 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's 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		2015	2014	2015	2014	2015	2014
	2015	2014	2015	2014						
Financial assets										
Cash and cash equivalents	-	-	-	-	138	101	11	39	149	140
Temporary investments	-	-	-	-	-	-	2	12	2	12
Trade and other receivables	-	-	-	-	-	-	7,395	6,099	7,395	6,099
Restricted bank deposits	104	105	-	-	-	-	-	-	104	105
Available-for-sale investments	-	-	-	-	-	-	176	267	176	267
	104	105	-	-	138	101	7,584	6,417	7,826	6,623
Financial liabilities										
Bank overdrafts	-	-	-	-	-	27	-	-	-	27
Short-term loans from banks	4,348	1,882	-	-	-	-	-	-	4,348	1,882
Trust receipts										
- Baht	1,207	3,578	-	-	-	-	-	-	1,207	3,578
- US Dollars	63	50	-	-	-	-	-	-	63	50
Trade and other payables	-	-	-	-	-	-	935	1,453	935	1,453
Short-term loans from unrelated parties	22	18	-	-	-	-	-	-	22	18
Long-term loans from financial institutions	-	-	-	-	27	61	-	-	27	61
Liabilities under finance lease agreements	-	-	15	26	-	-	-	-	15	26
	5,640	5,528	15	26	27	88	935	1,453	6,617	7,095

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

(Unit: Million Baht)

	Separate financial statements									
	Fixed interest rates				Floating interest rate		Non-interest bearing		Total	
	Within 1 year		1-5 years							
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Financial assets										
Cash and cash equivalents	-	-	-	-	75	41	-	7	75	48
Temporary investments	-	-	-	-	-	-	2	12	2	12
Trade and other receivables	-	-	-	-	-	-	7,021	6,128	7,021	6,128
Short-term loans to related parties	-	-	-	-	-	-	-	-	-	-
Restricted bank deposits	104	103	-	-	369	379	-	-	369	379
Available-for-sale investments	-	-	-	-	-	-	-	-	104	103
	-	-	-	-	-	-	117	209	117	209
	104	103	-	-	444	420	7,140	6,356	7,688	6,879
Financial liabilities										
Bank overdrafts	-	-	-	-	-	20	-	-	-	20
Short-term loans from banks	4,328	1,882	-	-	-	-	-	-	4,328	1,882
Trust receipts										
- Baht	1,207	3,578	-	-	-	-	-	-	1,207	3,578
Trade and other payables	-	-	-	-	-	-	1,167	1,956	1,167	1,956
Short-term loans from related parties	-	-	-	-	-	266	292	-	292	266
Liabilities under finance lease agreements	2	-	2	3	-	-	-	-	4	3
	5,537	5,460	2	3	-	286	1,459	1,956	6,998	7,705

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

Foreign currency risk

The Company's 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	
	2015	2014	2015	2014	2015	2014
	(Million)		(Million)		(Baht per 1 foreign currency unit)	
Financial assets						
US dollar	8.23	3.39	13.37	16.47	35.9233	32.8128
Financial liabilities						
US dollar	7.76	4.96	12.12	32.75	36.2538	33.1132

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
As at 31 December 2015			
Bought amount			
US dollar	43.66	35.5546 - 36.8566	March 2016 - January 2017
Sold amount			
US dollar	1.34	33.8625 - 34.5050	January 2016
As at 31 December 2014			
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

39.2 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.

40. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2015, the Group's debt-to-equity ratio was 2.1:1 (2014: 2.1:1) and the Company's was 2.87:1 (2014: 3.1:1).

41. Events after the reporting period

On 5 February 2016, the Board of Directors of the Company approved a joint investment between the Company and People Media Group Co., Ltd. to set up a new company with a registered capital of Baht 60 million, with shareholdings of 51% and 49%, respectively. The purpose of the joint investment is to operate an e-commerce business, launching an online marketplace under the name Thailandmall.com of which the differentiating factor will be the sale of distinctive and identifiably Thai products worldwide through integrated online and offline channels. This will also build the brand image and boost sales of Thai products overseas.

42. Approval of financial statements

These financial statements were authorised for issue by the Company's authorised directors on 19 February 2016.

Audit Fee

1. Audit Fee

In 2015, the Company and subsidiaries paid audit fees to the auditors from EY Office Limited amounting to Baht 1,400,000 and 3,315,000 respectively, and out of pocket expenses relating to audit work such as traveling expenses, photo copy expenses and others totaling Baht 547,908.

In addition, the 2 subsidiaries in Indonesia and Hong Kong paid audit fees to the auditors from the group of Ernst & Young Global Limited while the another subsidiary in Malaysia paid audit fee to auditor from other firm, which was suitable for its size of business. All subsidiaries in foreign countries paid audit fees to their auditors totaling Baht 2,998,710 and out of pocket expenses relating to audit work totaling Baht 45,627.

2. Non-Audit Fee

In 2015, the Company's subsidiaries paid non-audit fees to auditors as the following details:

- 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, 2015 submitted to BOI totaling Baht 120,000.
- Siam Sport Television Co., Ltd., a 99.99% stake hold by I-Sport Co., Ltd., paid professional fee to EY Office Limited for review revenue from the licenses granted by the National Broadcasting and Telecommunications Commission (NBTC) totaling Baht 90,000.

Directors, Management, Company Secretary and Head of Internal Audit

as of December 31, 2015

Name-Surname/ Position/ Appointment Date	Age	Education/ Training	Share- holding in Company* (%)	Relationship	Working Experience last 5 years		
					During	Position	Company/ Department
1. Professor Suphachai Phisitvanich <ul style="list-style-type: none"> Chairman of the Board Independent Director Audit Committee Member 	75	<ul style="list-style-type: none"> Ph.D. honorary in Accounting, Thammasat University Master Degree in MBA, Ohio State University, USA 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): <ul style="list-style-type: none"> 2006 The Role of Chairman Program (RCP) 2004 Board Performance Evaluation 2003 Director Certification Program (DCP) 2003 Director Accreditation Program (DAP) 	0.13% (5,500,000)	None	2005 - Jan, 19, 2016	Chairman of the Board of Directors/ Independent Director	Samart I-Mobile Plc.
					2009 - Jan, 19, 2016	Audit Committee Member	Samart I-Mobile Plc.
					2009 - Jan, 19, 2016	Position in other listed companies Independent Director	CP All Plc.
					2007 - Jan, 19, 2016	Chairman of the Board of Directors	Aira Securities Plc.
					1994 - Jan, 19, 2016	Director/ Chairman of the Audit Committee/ Chairman of the Corporate Governance Committee/ Risk Management Committee	Bangkok Expressway Plc.
2. Dr. Chotivud Chayavadhanangkur <ul style="list-style-type: none"> Independent Director Chairman of the Audit Committee Chairman of the Corporate Governance Committee Nominating and Compensation Committee Member 	68	<ul style="list-style-type: none"> 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): <ul style="list-style-type: none"> 2004 Director Accreditation Program (DAP) 	0.07 (3,000,000)	None	2010 - Jan, 19, 2016	Independent Director/ Chairman of the Board of Directors	Aira Capital Plc.
					2009 - Jan, 19, 2016	Position in non-listed companies Chairman of the Board of Directors	Easy Golf Co., Ltd.
					2006 -2013	Chairman of the Board of Directors	Sena Golden Sand Co., Ltd.
					2009 - Present	Chairman of the Audit Committee	Samart I-Mobile Plc.
					2003 - 2008	Audit Committee Member	Samart I-Mobile Plc.
Remarks: * Includes holding by spouse and minor children. (See the securities holding information in the topic of "Corporate Governance" under the item of "4. Disclosure and Transparency")	Date of Appointment : September 30, 2003				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.
					2005 - Present	Position in other listed companies -	
					2002 - 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.

Name-Surname/ Position/ Appointment Date	Age	Education/ Training	Share- holding in Company* (%)	Relationship	Working Experience last 5 years		
					During	Position	Company/ Department
3. Mr. Kunthit Arunyananda <ul style="list-style-type: none">Independent DirectorAudit Committee MemberChairman of the Nominating and Compensation CommitteeCorporate Governance Committee Member	49	- 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% (800,000)	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/ 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					2001 - Present	Position in other listed companies Position in non-listed companies Director	Sam Nak - Ngan A.M.C. Co., Ltd.
4. Mr. Charoenrath Vilailuck <ul style="list-style-type: none">Authorized Director	55	- Bachelor Degree in Engineering (Electrical Engineering), The University of Newcastle, Australia - Leadership Program (class 19), Capital Market Academy (CMA) in 2014 - Chief Executive Course for Urban Development Management (Class 1), Urban Green Development Institute Bangkok in 2012 - National Defence course for the joint State-Private Sectors (Class 18), National Defence College of Thailand in 2005 - 2006 - Training courses from Thai Institute of Directors Association (IOD): 2004 Director Certification Program (DCP) 2004 Director Accreditation Program (DAP)	None	Mr. Watchai's and Mr. Sukanya's and Mr. Thananan's elder brother	2003 - Present	Director	Samart I-Mobile Plc.
					1993 - Present	Position in other listed companies Director	Samart Corporation Plc.
					1995 - Present	Executive Chairman & CEO	Samart Corporation Plc.
					2008 - Present	Chairman of the Risk Management Committee	Samart Corporation Plc.
					1996 - Present Apr. 2013 - Present	Director/ Executive Director Director/ Executive Director Risk Management Committee	Samart Telecoms Plc. One to One Contacts Plc.
Date of Appointment : September 30, 2003					1993 - Present Present	Position in non-listed companies Director Director (as shown in the Position of Directors of the Company in Subsidiaries and Related Companies) One to One Contacts Co., Ltd.	Vilailuck International Holding Co., Ltd. Subsidiaries and Related Companies Directors of the Company in Subsidiaries and Related Companies One to One Contacts Co., Ltd.

Remarks: * Includes holding by spouse and minor children. (See the securities holding information in the topic of "Corporate Governance" under the item of "4. Disclosure and Transparency")

Name-Surname/ Position/ Appointment Date	Age	Education/ Training	Share- holding in Company* (%)	Relationship	Working Experience last 5 years		
					During	Position	Company/ Department
5. Mr. Watchai Vilailuck <ul style="list-style-type: none"> • Authorized Director • Executive Chairman • Chief Executive Officer • Chairman of the Risk Management Committee • Acting Managing Director Service Provider Business 	53	<ul style="list-style-type: none"> - Bachelor Degree in Accounting, Thammasat University - Certificate of Strategic Planning & Implementation Program, University of Michigan Business School (Executive Education Center), Singapore in 2000 - Certificate of Management Program from United Kingdom in 1985 - National Defence course for the joint State- Private Sectors (Class 21), National Defence College of Thailand - Leadership Program (Class 11), Capital Market Academy (CMA) in 2010 - 2011 - The Programme for Senior Executive on Justice Administration Batch 15, National Justice Academy in 2011 - 2012 - 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 in 2013 - The 5th Training Course on Administrative Justice for Executives, Institute of Administrative Justice, The Office of the Administrative Courts of Thailand in 2013 - 2014 - Top Executive Program in Energy Literacy for a Sustainable Future (Class 6), Thailand Energy Academy (TEA) in 2015 - Top Executive Program in Industrial Development and Investment (Class 2), Institute of Business and Industrial Development (IBID) in 2015 - Training courses from Thai Institute of Directors Association (IOD): 2004 Director Accreditation Program (DAP) 	0.18% (7,781,000)	Mr. Charoenrath's younger brother and Mr. Sukanya's and Mr. Thananan's elder brother	2003 - Present 2012 - Present 2003 - Dec. 31, 2015 2005 - Dec. 31, 2015 1993 - Present 2000 - Present 2004 - Present 2013 - Present May 2014 - Present Present 2000 - Present 1996 - Present Apr. 2013 - Present May 2013 - Present 1993 - Present Present 2000 - Mar. 2013	Director Acting Managing Director - Service Provider Business Chief Executive Officer / Executive chairman Chairman of the Risk Management Committee Position in other listed companies Director President Chief Operating Member of Risk Management Committee Chairman of the Sustainable Development Committee Acting Chief Operating Officer of Call Center LOB Acting Chief Operating Officer of Technology Related Services LOB and Utilities and Transportation LOB Executive Chairman Director Director Executive Chairman/ Chairman of the Risk Management Committee Position in non-listed companies Director Director Director	Samart I-Mobile Plc. Samart I-Mobile Plc. Samart I-Mobile Plc. Samart I-Mobile Plc. Samart Corporation Plc. Samart Corporation Plc. Samart Corporation Plc. Samart Corporation Plc. Samart Corporation Plc. Samart Corporation Plc. Samart Corporation Plc. Samart Telcoms Plc. Samart Telcoms Plc. One to One Contracts Plc. One to One Contracts Plc. Vilailuck International Holding Co., Ltd. Subsidiaries and Related Companies (as shown in The Position of Directors of the Company in Subsidiaries and Related Companies) 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 topic of "Corporate Governance" under the item of "4. Disclosure and Transparency")

Name-Surname/ Position/ Appointment Date	Age	Education/ Training	Share- holding in Company* (%)	Relationship	Working Experience last 5 years		
					During	Position	Company/ Department
6. Mr. Thananan Vilailuck • Director	48	<ul style="list-style-type: none"> - Master Degree in Engineering, University of Florida, USA - Bachelor Degree in Engineering, Kasetsart University - Training courses from Thai Institute of Directors Association (IOD); 2004 Director Accreditation Program (DAP) 	None	Mr. Charoenrath's and Mr. Watchai's and Mrs. Sukanya's younger brother	2003 - Present	Director	Samart I-Mobile Plc.
					2003 - Nov. 12, 2015	Executive Director	Samart I-Mobile Plc.
					2005 - Nov. 12, 2015	Risk Management Committee Member	Samart I-Mobile Plc.
					2006 - Nov. 12, 2015	President	Samart I-Mobile Plc.
					2012 - Nov. 12, 2015	Acting Managing Director - Mobile Business	Samart I-Mobile Plc.
					Nov. 2013 - Nov. 12, 2015	Chairman of the Sustainable Development Committee	Samart I-Mobile Plc.
					Position in other listed companies		
					Dec. 2015 - Present	Vice Chairman - Corporate Strategy	Samart Corporation Plc.
					2013 - Present	Sustainable Development Committee Member	Samart Corporation Plc.
					2009 - Present	Risk Management Committee Member	Samart Corporation Plc.
Date of Appointment : September 30, 2003					2007 - Present	Executive Director	Samart Corporation Plc.
					Apr. 2013 - Present	Executive Director	One to One Contracts Plc.
					May 2013 - Present	Risk Management Committee Member	One to One Contracts Plc.
					2011 - Present	Director	Siam Sport Syndicate Plc.
					Position in non-listed companies		
					1993 - Present	Director	Vilailuck International Holding Co., Ltd.
					Present	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 topic of "Corporate Governance" under the item of "4. Disclosure and Transparency")

Name-Surname/ Position/ Appointment Date	Age	Education/ Training	Share- holding in Company* (%)	Relationship	Working Experience last 5 years		
					During	Position	Company/ Department
7. Mr. Sirichai Rasameechan <ul style="list-style-type: none">Authorized DirectorRisk Management Committee MemberNominating and Compensation Committee Member	65	- 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	2008 - Present	Nominating and Compensation Committee Member	Samart I-Mobile Plc.
					Aug. 2014 - Dec. 31, 2015	Director	Samart I-Mobile Plc.
					2005 - Dec.31, 2015	Risk Management Committee Member/	Samart I-Mobile Plc.
					Position in other listed companies		
					1996 - Present	Director	Samart Corporation Plc.
					2000 - Present	Executive Vice Chairman	Samart Corporation Plc.
					2004 - Present	Risk Management Committee Member	Samart Corporation Plc.
					2005 - Present	Corporate Governance 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.
Date of Appointment : August 7, 2014 Date of Resignation : December 31, 2015					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 - Mar. 2013	Director	One to One Contacts Co., Ltd.				

Remarks: * Includes holding by spouse and minor children. (See the securities holding information in the topic of "Corporate Governance" under the item of "4. Disclosure and Transparency")

Name-Surname/ Position/ Appointment Date	Age	Education/ Training	Share- holding in Company* (%)	Relationship	Working Experience last 5 years		
					During	Position	Company/ Department
8. Mr. Pracha Phathayakorn <ul style="list-style-type: none"> • Authorized Director • Chief Operating Officer • Executive Director • Risk Management Committee Member • Sustainable Development Committee Member 	52	- Master Degree in Business Administration with major in Finance and International Business. 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) : 2009 Director Certification Program (DCP) 2008 Monitoring the Internal Audit Function (MIA) 2008 Monitoring the System of Internal Control and Risk Management (MIR) 2007 Monitoring the Quality of Financial Reporting (MFR) 2006 Audit Committee Program (ACP), 2005 Director Accreditation Program (DAP),	None	None	Aug. 2015 - Present	Director/ Chief Operating Officer	Samart I-Mobile Plc.
					May. 2014 - Present	Executive Director/ Risk Management Committee Member	Samart I-Mobile Plc.
					Nov. 2013 - Present	Vice Chairman of the Sustainable Development Committee	Samart I-Mobile Plc.
					2012 - Aug. 2015	Executive Vice President	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/ Audit Committee	Eternity Grand Logistic Plc.
Date of Appointment : August 13, 2015					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)
					2015 - Present 2005 - 2011	Director Chief Operating Officer	Euromill Hotel Co., Ltd. Paresa Corporation Co., Ltd.

Remarks: * Includes holding by spouse and minor children. (See the securities holding information in the topic of "Corporate Governance" under the item of "4. Disclosure and Transparency")

Name-Surname/ Position/ Appointment Date	Age	Education/ Training	Share- holding In Company* (%)	Relationship	Working Experience last 5 years			
					During	Position	Company/ Department	
9. Mrs. Sukanya Vanichjakkong • Authorized Director • President • Chairman of the Sustainable Development Committee • Executive Director • Risk Management Committee Member	49	- Master Degree in International Marketing, Chuo University Tokyo, Japan - Bachelor Degree in Journalism and Mass Communication, Thammasat University - Training courses from Thai Institute of Directors Association (IOD): 2013 Director Certification Program (DCP)	0.34% (14,900,000)	Mr. Charoenrath's and Mr. Watchai's younger sister and Mr. Thananan's elder sister	Nov. 2015 - Present	Director/ President/ Chairman of the Sustainable Development Committee/ Executive Director/ Risk Management Committee Member	Samart I-Mobile Plc.	
					2013 - Present	Position in other listed companies Director/ Executive Director/ Risk Management Committee Member/ Chairman of the Sustainable Development Committee		One to One Contracts Plc.
					2013 - Nov.6, 2015 2009 - Present	Managing Director Risk Management Committee Member		One to One Contracts Plc. Samart Corporation Plc.
					Position in non-listed companies Chairman of the Board of Directors Director Director Director	One to One (Cambodia) Co., Ltd. The Memory Resort Co., Ltd. One to One Professional Co., Ltd. One to One Contacts Co., Ltd.		
Date of Appointment : November 12, 2015								
10. Mr. Kitanun Rakkasikorn • Managing Director - Multimedia Business, Seconded to be Managing Director, I-Sport Co., Ltd. • Risk Management Committee Member • Sustainable Development Committee Member	46	- Bachelor degrees in Business Administration (Marketing), Assumption University of Thailand (ABAC) - Certificate of Young Executive Development Program, Faculty of Commerce and Accountancy Thammasat University - Certificate of Accounting Management, Faculty of Commerce and Accountancy, Chulalongkorn University	None	None	2014 - Present 2013 - Present	Risk Management Committee Member Sustainable Development Committee Member	Samart I-Mobile Plc. Samart I-Mobile Plc.	
					Position in other listed companies	Position in non-listed companies Managing Director Managing Director Director		I-Sport Co., Ltd. Samart Multimedia Co., Ltd. Subsidiaries and Related Companies (as shown in The Position of Directors of the Company in Subsidiaries and Related Companies)
Date of Appointment : January 1, 2010								

Remarks: * Includes holding by spouse and minor children. (See the securities holding information in the topic of "4. Disclosure and Transparency")

Name-Surname/ Position/ Appointment Date	Age	Education/ Training	Share- holding in Company* (%)	Relationship	Working Experience last 5 years		
					During	Position	Company/ Department
11. Mrs. Sumonthip Srimek • Vice President - Account Date of Appointment : September 30, 2003	56	- Master Degree, Business Administration, Kasetsart University - Bachelor Degree in Accounting, Chiang Mai University	None	None	2004 - Present	Vice President - Account	Samart I-Mobile Plc.
						Position in other listed companies -	
						Position in non-listed companies -	
12. Miss Kusuma Kerdpol • Acting Vice President - Finance • Risk Management Committee Member Date of Appointment : March 1, 2014	45	- Master Degree in Economics, Kasetsart University - Bachelor Degree in Economics, Thammasat University	None	None	May, 2015 - Present Mar. 2014 - Apr. 2015 2006 -2013	Acting Vice President - Finance Vice President - Finance Assistant Vice President - Financial Planning and Corporate Treasury	Samart I-Mobile Plc. Samart I-Mobile Plc. Samart I-Mobile Plc.
					2013 - Feb. 2014	Position in other listed companies Assistant Vice President - Financial Planning and Corporate Secretary	One to One Contracts Plc.
					May, 2015 - Present Nov. 2013 - Present	Position in non-listed companies Executive Vice President Director	I-Sport Co., Ltd. Samart I-Mobile (Malaysia) Sdn.Bhd
13. Miss Boonut Mongkolratanaorn • Assistant Vice President- Company Secretary • Secretary to Sub-Committees • Sustainable Development Committee Member Date of Appointment : October 31, 2003	53	- Mini MBA, Business Administration, Thammasat University - Bachelor Degree in Accounting, Thammasat University - Training: 2003 Law and Regulations for Corporate Secretary, Chulalongkorn University 2003 Internal Auditing Certificate Program, Federation of Accounting Professions 1986 Graduation Certificate in Advanced Accounting, Thammasat University (Please see details of training courses in 2015 in "Management Structure" under topic "Company Secretary")	0.0016% (70,000)	None	Nov. 2013 - Present	Sustainable Development Committee Member	Samart I-Mobile Plc.
					Aug. 2013 - Present	Assistant Vice President - Company Secretary	Samart I-Mobile Plc.
					2003 - July 2013 2003 - Present	Assistant Vice President - Internal Audit and Company Secretary Secretary to Sub-Committees	Samart I-Mobile Plc. Samart I-Mobile Plc.
						Position in other listed companies -	
					Nov. 2013 - Present	Position in non-listed companies Director	Samart I-Mobile (Malaysia) Sdn.Bhd

Remarks: * Includes holding by spouse and minor children. (See the securities holding information in the topic of "Corporate Governance" under the item of "4. Disclosure and Transparency")

Name-Surname/ Position/ Appointment Date	Age	Education/ Training	Share- holding in Company" (%)	Relationship	Working Experience last 5 years		
					During	Position	Company/ Department
14. Mrs. Duangsamorn Nutprasasn • Senior Internal Audit Manager • Audit Committee Secretary	42	- Master Degree in Business Administration, Ramkhamhaeng University. - Bachelor degree in Business Administration, Bangkok University	None	None	Aug. 2013 - Jan.15, 2016	Senior Internal Audit Manager	Samart I-Mobile Plc.
		Course from The Institute of Internal Auditors of Thailand 2015 Clinic IA "IT Governance and Business Impact" 2015 CAE Forum 2015 "Reshaping Internal Audit Function to Sustainability" 2015 The Special Qualification of Internal Auditor which required by Audit Committee 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			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
		Course from Federation of Accounting Professions 2013 COSO Internal Control - Integrated Framework Update 2013 2003 Internal Audit Operation Session I & II					
Date of Appointment : August 13, 2013 Date of Resignation : January 15, 2016							

Remarks: * Includes holding by spouse and minor children. (See the securities holding information in the topic of "Corporate Governance" under the item of "4. Disclosure and Transparency")

New Directors during January 1-March 1, 2016

Name-Surname/ Position/ Appointment Date	Age	Education/ Training	Share- holding in Company* (%)	Relationship	Working Experience last 5 years		
					During	Position	Company/ Department
1. Mr. Chakkrit Charuchinda <ul style="list-style-type: none">Authorized DirectorChief Executive OfficerChairman of the Risk Management CommitteeExecutive Chairman	57	<ul style="list-style-type: none">Master of Public Administration and Business Administration, Webster University, USABachelor of Laws, Ramkhamhaeng UniversityExecutive Development Program (EDP 4), Thai Listed Companies AssociationLeadership Development Program (LDP III), PTT Leadership and Learn InstituteLeadership, Innovation and Strategy Program (LIS), General Electric Company, USATraining courses from Thai Institute of Directors Association (IOD): 2013 Director Certification Program (DCP)	0.11% (4657700)	None	Jan. 2016 - Present	Director / Chief Executive Officer / Chairman of the Risk Management Committee / Executive Chairman	Samart I-Mobile Plc.
Date of Appointment : January 1, 2016					Jan. 2016 - Present	Position in other listed companies Head of Mobile Multimedia LOB	Samart Corporation Plc
					2011 - Dec. 31, 2015	Position in non-listed companies Managing Director	PTT Retail Management Co., Ltd.
2. Mr. Piyapan Champasut <ul style="list-style-type: none">Chairman of the BoardIndependent DirectorAudit Committee Member	67	<ul style="list-style-type: none">Honorary Doctorate of Philosophy, Ramkhamhaeng UniversityHonorary Master of Laws, Ramkhamhaeng UniversityHonorary Master of Arts (Public Administration), the National Institute of Development Administration (NIDA)Bachelor of Laws, Chulalongkorn UniversityTraining courses from Thai Institute of Directors Association (IOD): 2008 Director Certification Program (DCP)	None	None	Mar. 1 2016 - Present	Chairman of the Board of Directors / Independent Director / Audit Committee Member	Samart I-Mobile Plc.
Date of Appointment : March 1, 2016					2009 - 2011	Position in other listed companies Chairman of the Board of Directors	Airports of Thailand Public Company Limited (AOT)
					2012 - present	Position in non-listed companies Chairman of the Board of Directors	Terabyte Net Solution Public Company Limited
					1996 - present	Chairman of the Board of Directors	P S Member Co., Ltd.
					2008 - 2011	Chairman of the Board of Directors	Bangkok Mass Transit Authority
					2006 - 2011	Chairman of the Board of Directors	The Transport Co., Ltd.

Remarks: * Includes holding by spouse and minor children as at the date of appointment.

[illegible]

Remarks	1. X = Chairman	/ = Director	// = Executive Director	/// = Audit Committee/ Independent Director	//// = Management
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2. Consist of:

- | | | | |
|-----|------|---|--|
| 1. | SIM | = | Samart I-Mobile Plc. |
| 5. | IMIT | = | I-Mobile Inter trade Co., Ltd. |
| 9. | SIAM | = | Samart Interactive Media Co., Ltd. |
| 13. | IMP | = | I-Mobile Plus Co., Ltd. |
| 17. | SC | = | Samart Corporation Plc. |
| 21. | OTO | = | One to One Contacts Plc. |
| 25. | SIF | = | Samart Infonet Co., Ltd. |
| 29. | CATS | = | Cambodia Air Traffic Service Co., Ltd. |
| 33. | TTN | = | Thal Trade Net Co., Ltd. |
| 37. | OTP | = | One To One Professional Co., Ltd. |
| 41. | OTOC | = | One To One (Cambodia) Co., Ltd. |
| 45. | SW2P | = | Samart Waste2Power Co., Ltd. |
| 49. | ITAB | = | IT Absolute Co., Ltd. |
| 53. | (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 of December 31, 2015

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 ⁽¹⁾	X		/				
2. Dr. Chotivud Chayavadhanangkur	/		X		X	/	
3. Mr. Kunthit Arunyananda	/		/		/	x	
4. Mr. Charoenrath Vilailuck ⁽²⁾	/						
5. Mr. Watchai Vilailuck ⁽²⁾	/	X		X			
6. Mr. Thananan Vilailuck	/						
7. Mrs. Sukanya Vanichjakkong	/	/		/			X
8. Mr. Jong Diloksombat					/		
9. Mr. Sirichai Rasameechan ⁽³⁾	/			/		/	
10. Mr. Pracha Phathayakorn	/	/		/			/
11. Mr. Kitanun Rakkasikorn				/			/
12. Miss Chullada Sapsarasin				/			/
13. Miss Supanee Thawinwung							/
14. Miss Boonrut Mongkolratanakorn							/
15. Miss Kusuma Kerdpol				/			

The Board of Directors and Committees as of March 1, 2016

Directors/ Committees' Members	Board of Directors	Executive Committee	Audit Committee	Risk Management Committee	Corporate Governance Committee	Nominating and Compensation Committee	Sustainable Development Committee
1. Mr. Piyan Chamrasut	X		/				
2. Dr. Chotivud Chayavadhanangkur	/		X		X	/	
3. Mr. Kunthit Arunyananda	/		/		/	X	
4. Mr. Charoenrath Vilailuck	/						
5. Mr. Watchai Vilailuck ⁽²⁾	/						
6. Mr. Thananan Vilailuck	/						
7. Mrs. Sukanya Vanichjakkong	/	/		/			X
8. Mr. Chakkrit Charuchinda	/	X		X			
9. Mr. Jong Diloksombat					/		
10. Mr. Sirichai Rasameechan ⁽³⁾						/	
11. Mr. Pracha Phathayakorn	/	/		/			/
12. Mr. Kitanun Rakkasikorn				/			/
13. Miss Chullada Sapsarasin				/			/
14. Miss Supanee Thawinwung							/
15. Miss Boonrut Mongkolratanakorn							/
16. Miss Kusuma Kerdpol				/			

Remarks : X = Chairman / = Director

⁽¹⁾ Passed away on January 19, 2016. The Board of Directors' Meeting No. 2/2016 on February 29, 2016 approved the appointment of Mr. Piyan Chamrasut as chairman of the Board of Directors and Audit Committee member in his replacement effective from March 1, 2016.

⁽²⁾ Resigned from Chief Executive Officer on December 31, 2015. However, he still remains Director and Authorized Director. The Board of Directors' Meeting approved the appointment of Mr. Chakkrit Charuchinda as Chief Executive Officer in his replacement effective from January 1, 2016.

⁽³⁾ Resigned from director on December 31, 2015. However, he still remains the member of Nominating and Compensation Committee. The Board of Directors' Meeting approved the appointment of Mr. Chakkrit Charuchinda as Director in his replacement effective from January 1, 2016.

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 440,025,000
Number of shares sold	: 4,400,250,000 shares
Par Value	: Baht 0.10 per share

Other References

Company Registrar	: Thailand Securities Depository Co., Ltd.
Head Office	: 93, Rachadapisek Road, Klongtoey, Klongtoey, Bangkok 10400, Thailand
Telephone	: 0-2009-9000
Fax.	: 0-2009-9991
Auditor	: Ms. Siriwan Suratepin Certified Public Accountant (Thailand) No. 4604
Head Office	: Ernst & Young Office Limited. 33 rd Floor, Lake Rajada Office Complex 193/136-137 Rajadapisek Road, Klongtoey, Bangkok 10110
Telephone	: 0-2264-9090
Fax.	: 0-2264-0789-90

More information, please see the Annual Information Disclosure of the Company (Form 56-1) on the Company's website (www.i-mobilephone.com), the SEC's website (www.sec.or.th) and the SET's website (www.set.or.th).

