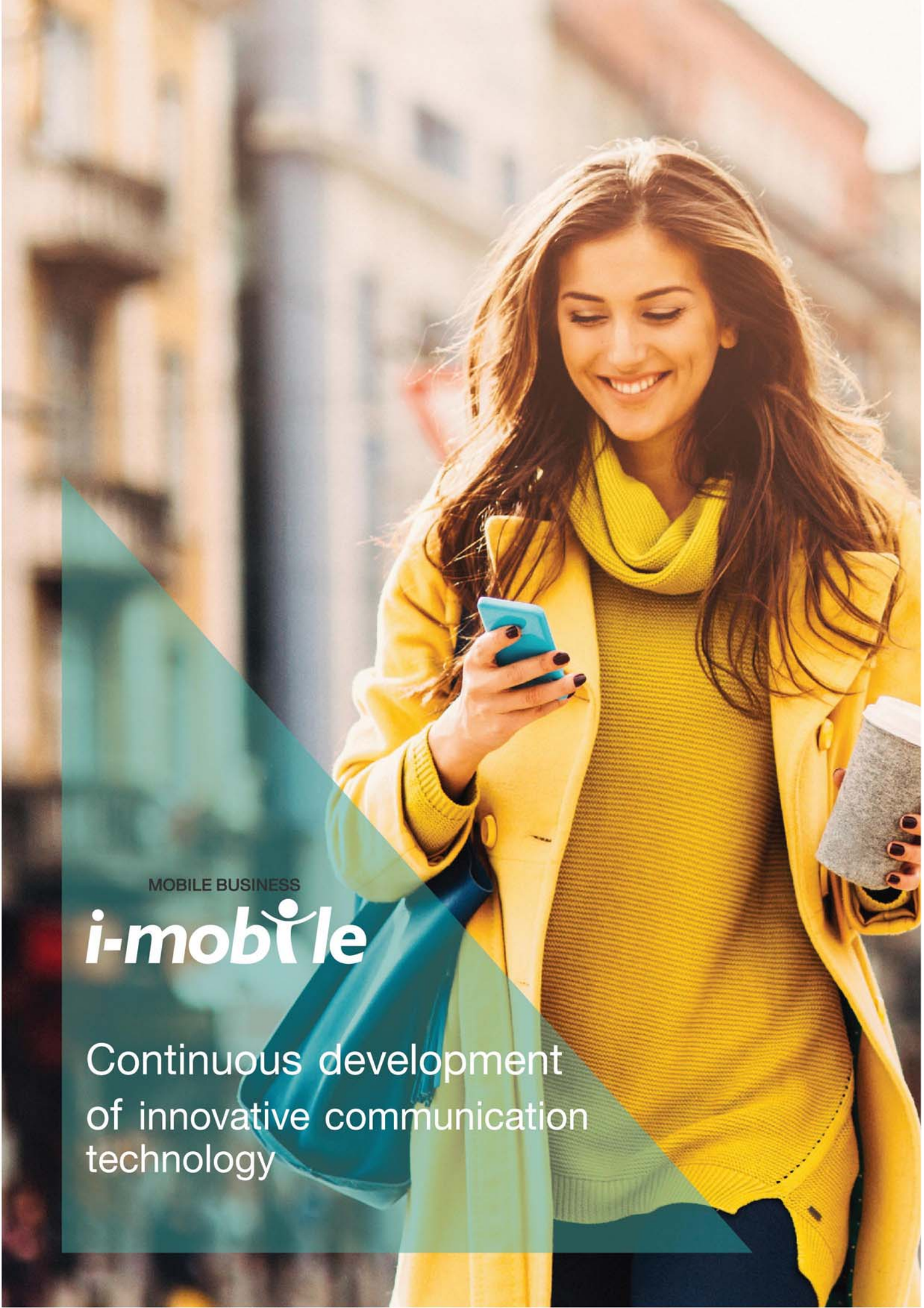


SIM 4.0

SAMART
I-MOBILE LIFE MOBILITY
ANNUAL REPORT 2016

A woman with long brown hair, wearing a bright yellow coat and a matching cowl-neck scarf, is walking on a city street. She is smiling and looking down at a blue smartphone in her right hand. In her left arm, she is carrying a grey coffee cup. The background is a blurred city street with buildings. A large, semi-transparent teal shape is overlaid on the left side of the image, containing the text.

MOBILE BUSINESS

i-mobile

Continuous development
of innovative communication
technology

new
series

i-mobile Y1

Large **HD** Screen Display



● Silver Gray | ● Topaz Gold | ● Onyx Black



 Android 6.0 Marshmallow  LCD 5.5" HD IPS  CPU 1.3 GHz Quadcore
 Support 4G LTE  Big battery 3000 mAh.  ROM 8GB / RAM 1GB
 Camera 8MP AF Flash + 5MP Flash  Support Wi-Fi  Support 2 SIM





Connect your life
with our flexible network solution

NON-MOBILE BUSINESS



Enrich your lifestyle
and make your trip easy



Enhance smart step to
“SIM 4.0”
with digital content services



Entertainment Tree



PRIVACY WITHOUT COMPROMISE



blackphone2



Forbes

CNBC

theguardian

TIME

"Blackphone shows Google the way"

"The world's first smartphone placing privacy and controls directly in the hands of its user"

"Uses encryption technology to keep chats private"

"Best inventions of 2014"

www.zecureasia.com/blackphone2

f BlackphoneThailand

Call Center : 02-975-5666

 **zecure ASIA**
POWERED BY SMART



Message from the Board of Directors

In 2016, the overall economy of Thailand has decelerated. Household consumption was still decelerating. The Government launched tax benefit campaign to encourage household spending. This situation affected Mobile industry, the number of mobile device users increased from 49.6 million in 2015 to 51.1 million in 2016, increasing by 3%. Mobile operators are still offering free mobile phone with promotion discount on service fees aiming to win the customer base. This causes heavy competition in this industry. As a result of those campaigns of mobile operators, i-mobile got this impact. Moreover, Korean and Chinese mobile phone brand has launched more products in Thai market of which caused higher intensive competition in this industry.

From this situation, the Company reconsiders marketing strategy to promote and more focus on models that meet customer needs. As a result, the Company reported total revenues of Baht 3,461 million, a decrease of 56% from last year. Although the Company's performance was much lower than expectation, the Company does not just operate only mobile and multimedia business. In 2016, the Company has transformed its business models and created new business to serve customers' lifestyle especially in the Digital and Internet of Thing era. Therefore, the existing businesses must be changed or transformed to cope with the trend. The Company set up new businesses by increasing new line of products and services in different and popular distribution channels such as VDO Streaming and on-line. This is a new alternative and various channels to customers. The Company reorganized its business into 2 lines of businesses; Mobile Business and Non-Mobile business in order to build more flexibility for operating new businesses. In 2016, the Company had businesses as follows:



Mobile Business

- ▲ Renovated shop appearance and expanded to cover the precise location as well as distributed other mobile phones brands such as Huawei and OPPO.
- ▲ Signed an agreement as a distributor of the Thailand's First Security Phone under the brand "Black Phone".
- ▲ Develop new e-commerce distribution channels.
- ▲ Launched 3G mobile services under MVNO contract with CAT (CAT Telecom Public Company Limited) in the name of "Open" in May 2016.



Non-Mobile Business

- ▲ Develop new contents to reach out to consumers with a wide range of choices.
- ▲ Increase health and sport contents to be in line with current consumer's behavior that emphasizes on health and good quality of life.
- ▲ Increase security business to serve the customers who focus on data security and preservation. The Company plans to expand this business to cover assets and automobile security.
- ▲ Enhance e-commerce business by developing online marketplace and application as real estate agent services through online platform for property sellers and buyers to deal the transactions with safe and fast response.

The Company is aware of the growth of e-commerce business that has a great impact on traditional business and reduces competitiveness of trade agent. Therefore, the Company has transformed to add more value in the Company's products and services to cope with new technology along with the change in the thinking and working process of employees in the organization. This transformation will consume not less than 2 years. However, the Company is committed to finding new business to step up with innovation and the Digital 4.0 era that is a rapidly growing business. On behalf of Samart I-Mobile Public Company Limited, the Board of Directors would like to express our gratitude to the shareholders, customers, business partners, executives, employees, and all stakeholders for consistent support and trust. These are the driving force behind the Company's business. The Company has an intention to develop 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.

(Mr. Piyapan Champasut)

Chairman of the Board of Directors

Samart I-Mobile Public Company Limited

(Mr. Watchai Vilailuck)

Executive Chairman

Samart I-Mobile Public Company Limited



Board of Directors

As of February 28, 2017

1. Mr. Piyapan Champasut

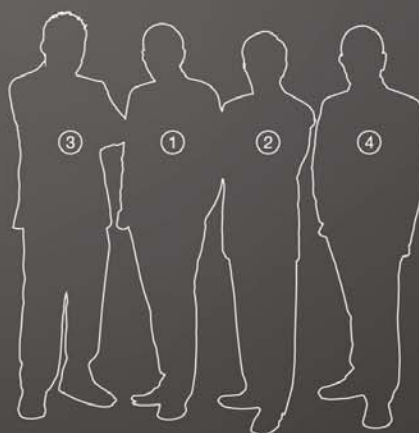
- Chairman of the Board of Directors
- Independent Director
- Audit Committee Member

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. Pracha Phathayakorn

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



Board of Directors

As of February 28, 2017

5. Mr. Watchai Vilailuck

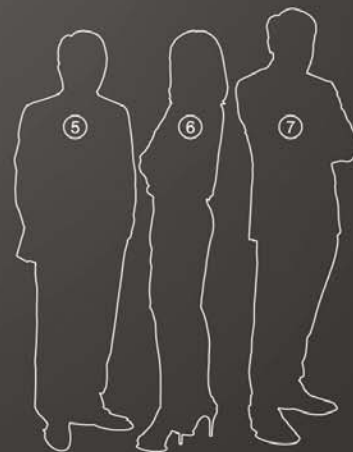
- Authorized Director
- Chief Executive Officer
- Executive Chairman
- Chairman of the Risk Management Committee

6. Mrs. Sukanya Vanichjakvong

- Authorized Director
- President
- Executive Director
- Nominating and Compensation Committee Member
- Corporate Governance Committee Member
- Risk Management Committee Member
- Chairman of the Sustainable Development Committee

7. Mr. Charoenrath Vilailuck

- Director
- Risk Management Committee Member



VISION

Sustainable growth through Integrated Broadband Communication to ease everyday life

.....

MISSION

Focusing on great customer experience on product 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

Focusing on updated digital business development to harmonize consumer rapid trend while seeking for mobile branded partners in order to meet consumer needs with new distribution channel including developing new content media channel continuously

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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 2016, 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 3 independent directors with combined experience in finance, accounting, and business administration named Dr. Chotivid Chayavadhanangkur as Chairman of the Audit Committee, Mr. Piyapan Champasut 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.

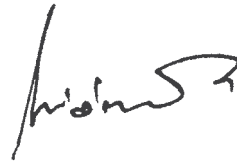
The Audit Committee operates independently and performs its duties and responsibilities as assigned by the Board of Directors in overseeing the corporate governance and the internal control systems to ensure that the Company's business operations are carried out for the interests of its shareholders 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 7 meetings in 2016, 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 throughout the significant accounting policies 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 1 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 the Company's compliance with 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's opinion was that the Company fully complied with the aforementioned regulatory requirements in all material respects.
- The Audit Committee considered the nomination and proposed for the appointment of the external auditor and annual audit fee for 2016. 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 2016.
- The Audit Committee reviewed and approved the annual internal audit plan of which based on the Company's strategies and risk based approach. The internal audit activities emphasized on the evaluation of the effectiveness of key preventive control as well as reviewed the evaluation of the Company's internal control system from internal audit report and internal control assessment results according to the internal Control Integrated Framework 2013 of The Committee of Sponsoring Organizations of the Tread Way Commission - Enterprise Risk Management (COSO - ERM) according to the SEC guideline. In addition, the Audit Committee also continuously reviewed and monitored the implementation of the recommendations in the report of the internal audit and the auditor in order to aware the

root causes of issues and provide guidelines to prevent future potential loss to the Management. Furthermore, 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's opinion was that the Management conducted these transactions at an arm's length basis, with general business trading condition and reasonable price.
- 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, knowledge, accountability with due care and be sufficient independence as well as of opinion and recommendation creatively for the benefit of all stakeholders.

In summary, the Audit Committee determined that the Board of Directors, Management, and Executive Directors had performed their duties with integrity and diligence in pursuit of the Company's goals. The Company demonstrated commitment to effective and transparent Corporate Governance which included appropriate risk management and internal control system.



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

Report of the Corporate Governance Committee

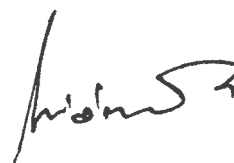
Dear Shareholders

The Company realizes on the importance and utmost emphasizes 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, which the Chairman is an Independence Director, is assigned to oversee and monitor the business operations in compliance with the Corporate Governance Principles of the Stock Exchange of Thailand.

In 2016, 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 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.
- Review all committee charters to comply with the Principle of Good Corporate Governance, other related regulations and the Company 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 submitted 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 will 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 as well as the disclosure of information to support the Asian Economic Community.

The Corporate Governance Committee carries out duties and responsibilities as assigned by the Board of Directors, and continues to review, update and develop the Company's Corporate Governance as well as emphasizes and recognizes the importance of the rights of all stakeholders equitably to achieve the objective and target with accuracy and transparency. Due to the continual monitor and development of the Company's Corporate Governance Practices, the Company scored "Excellent" or "5 Stars" in the 2016 Corporate Governance Report and was ranked in Top Quartile of the group of companies with market capitalization of more than Baht 3,000-9,999 million surveyed by Thai Institute of Directors Association (IOD). In addition, the Company scored "Very Good" (4TIA) from the survey on quality in convening the 2016 AGM 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 that will lead to the business' sustainable growth and must develop in parallel with the recognition of social and environmental responsibility as well as corporate governance. Thus, the Board of Directors has appointed the Sustainable Development Committee to formulate policy framework and operational guideline regarding social and environmental responsibility of the Company.

In 2016, the Sustainable Development Committee conducted 3 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.
- Consider joining with Thailand's Private Sector Collective Action Coalition Against Corruption: CAC. The Committee has considered to revise the Company's related policy and general practice guideline in order to prepare for participating with CAC.
- Review the Company's sustainable development policy. The Committee proposed the Board of Directors' to change name of the committee, revise its responsibility and policy in comply with the guidelines for sustainable development that 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 had conscious mind and devoted their efforts and personal time for benefits of communities as a whole, and promoted and educated 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 2016.
- Conduct self-assessment of the Sustainable Development Committee and reported to the Board of Directors for development.
- Report its 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.

In 2016, the Risk Management Committee conducted 3 meetings to carry out duties and responsibilities as assigned by the Board of Directors, and ensure the Company performed operations based on the specified risk management plans. The significant matters considered during the year were summarized below:

- Acknowledge organization risks and important risks of Business Groups in 2016 as well as to give advices and guidelines on risk management to the executives.
- Supervise and follow up on compliance with the risk management policy and framework continually to ensure that the Company will have effective risk management system.
- Review and improve risk management policy of the Company to make it in line with the business operation plan.
- To encourage the executives and the employees on realization of the importance of risk management so that the Company can achieve the set targets.

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 level 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 level executive positions, and setting policies and guidelines for remuneration package for directors, committee members and top executives.

In 2016, the Nominating and Compensation Committee conducted 3 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 2016 and reported to the Board of Directors for development.
- Report its 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 Arunyananda)

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

Corporate Social Responsibility

Overall Policy

The Company conducts business by considering on responsibility to society and environment as well as good corporate governance for the sustainable growth of both the Company's business and society. Apart from CSR after process, which do 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 quorum consists of director, management and/or any qualified candidates to define policy framework and operational guideline on social and environmental responsibility so that they can use as guidelines on monitoring their progress and assessment of CSR operations to report to the Board of Directors. The Sustainable Development Committee shall convene the meeting at least twice a year.

The SD Committee's Meeting No. 3/2559 on December 23, 2016 resolved to propose to CG Committee and the Board of Directors to change Thai name of the committee, and revise Duties and Responsibilities and Policy to comply with the SET's SD Framework that focus on 3 aspects; economy, society and environment as follows:

Roles and Responsibilities of the Sustainable Development Committee

1. Set policy and action plan for sustainable development to comply with the Company's business operation in term of economy, society and environment.
2. Encourage and support the Company's activities to achieve the SD policy.
3. Monitor, review, follow up the operational progress and evaluate the effectiveness of SD policy implementation.
4. Report the Company's SD operation to the Board of Directors.

The Sustainable Development Policy

1. To conduct business based on good governance principle as well as social and environmental responsibility including others relating to sustainable development 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 sustainable development throughout the organization.
4. To encourage on creation of social and environmental projects or activities including others relating to sustainable development.

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 disclose in the section "Corporate Governance" under the topic "Business Ethics".

The Company prioritizes stakeholders in order to allocate resources as the defined priority for the highest efficiency and effectiveness of sustainable growth of business. Stakeholders who directly affect from the Company's operation are customers and employees. Therefore, the Company set vision and mission aim to the Company's 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 realizes that all employees are valuable and crucial fundamental for the Company's sustainable success and growth. Thus, the Company provides fairly employment, tries to improve 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 CSR and anti-corruption as shown in "5. Fair Labor Practices", as well as setting up the Human Management and Development Policy as shown in the section "Management Structure" under the topic "Human Resources Management and Development Policy".

Progress and Reporting

The Company conducts business in comply with the SD Policy and take into consideration all stakeholders. The policies regarding treatments to all stakeholders are defined in the Company's Business Ethics. Details were disclosed in the section "Corporate Governance" under the topic "Business Ethics" and were posted on the Company's website at www.i-mobilephone.com. The SD policy comprises of 9 operating conduct principles 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 the operations based on responsibility in society, environment and stakeholders

Progress of the above 9 operating principles of conduct are 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 realizes on the importance of the Good Corporate Governance that 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 Corporate Governance Principles of the Stock Exchange of Thailand ("SET"), have been set up for practices of directors, managements and employees of the Company. The Company Secretary Division is responsible for compliance unit to supervise, oversee and ensure that the operations of the Company, directors and managements have been correctly complied with the regulations of the SET, the SEC and the Public Company Limited Act including other relevant laws. More details of 2016 Corporate Governance undertaken by the Company were shown in "Corporate Governance".

In past years, as the Company has proceeded to the principles of corporate governance, the Company scored "Excellent" or "5 Stars" in the 2016 Corporate Governance Report that was the highest score. There were only 80 listed companies from 601 listed companies or 13% of listed companies that got this highest score. The Company was also ranked in Top Quartile of the group of companies with market capitalization of more than Baht 3,000-9,999 million surveyed by Thai Institute of Directors Association (IOD). The Company will put the best effort to improve corporate governance even further. In addition, the Company scored "4 TIA" or "Very Good" from the survey on quality in convening the 2016 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 including rights and benefits to all stakeholders have been specified in the Business Ethics for directors, managements and employees to comply. Such Business Ethics has been posted on

the Company's website at www.i-mobilephone.com. Moreover, the Board of Directors also assign the Corporate Governance Committee to oversee performance directors, managements and employees to ensure that they strictly adhere to this principle. For more details, please see in the section "Corporate Governance" under the topic "Business Ethics".

3. Anti-Corruption

Define the Anti-Corruption Policy and corporate into the Company's Code of Business Ethics Manual

The Company recognizes the importance of conducting business with transparency, and anti-corruption in all aspects. The Corporate Governance Committees' Meeting has continual reviewed the Anti-Corruption Policy and propose to the Board of Directors' Meeting to approve and used the policy as the general practical guideline throughout the Company. In 2016, the Corporate Governance Committees has reviewed the completeness of such policy for further joining with Thailand's Private Sector Collective Action Coalition against Corruption (CAC) by adding more topics and proposed for consideration of the Board of Directors' Meeting. The revision of Anti-Corruption Policy is expected to complete by 2017 to cope with the Sustainable Development plan for listed company set by the SEC. The current anti-corruption policy 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 are 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 policy in 2016 caused the following matters:

- No case of misconduct on corruption or breach of the Ethics. It 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 failure result in the monitoring function of the Board of Directors.

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

4. Respect of Fundamental Human Rights

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

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

- **Personal right and freedom:**
 - The Company has policies that employee's personal information is the secret and shall not be sent or disseminated to unauthorized parties;
 - Disclosure or transfer of personal information only upon the owner's consent;
 - The human has right and freedom so long as not violate the right and freedom of others.

- **Equal treatment:**

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

5. Fair Labor Practices

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

The Company always realizes that all employees are the most valuable assets of the Company and they are the successful factors in making the Company achieve its objectives. The Company must respect and obey the laws and ethics in order to establish justice, stability and peace in the society. Therefore, the Company takes good care of and equally treats them with regarding 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" under the topic "Business Ethics" in "Non violation of human rights policies and practices".
2. Set up "Compensation & Benefit Policy" with comply with principles to employee motivation, internal impartiality and 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 in the same and diversified industry. The Company ensures that compensation, benefit and welfare policy aligned to legal regulation. The Company also set up reasonable remuneration packages according to market situations, business competitions, job descriptions, work qualities including assessment of company's performance on short term and long term based on company's capability to pay for that remuneration packages. In addition, the Company provides opportunities for employees to express opinions and file complaints related to their jobs. Those suggestions and complaints will be taken into consideration seriously for solutions to draw benefits to all parties and build up good relationship.

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

3. Set up “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 such as appointment of the safety officers, training and cultivate consciousness of safety, occupational health and working environment for employees, annual evacuation drill in case of fire, fingerprint scanning system, medical examination, provide basic medical services as well as serving modern medicine and annual health check. More details were shown in the section of “Corporate Governance” under the topic of “Business Ethics” in “Employee policies”.
4. Set up “Human Resources Management and Development Policy” as below:
 - Recruitment & Selection Policy: The Company set up strategy and HR policy by focus on optimizing the management and development of human resources. It also based on “knowledge, ability, coupled with the good people” with transparent recruitment process that is suitable for the right position and focus on success career to employee for sustainable growth of the Company.
 - Employee Relation & Engagement Policy: The Company encourages people to work together as a team. Our focus is to create a corporate culture that values and the coordination and collaboration efficiency.
 - Career Development Policy: The Company applied to categorize required business capabilities to Generic competency, Managerial Competency and Functional Competency for analyzing, planning, and leading to individual competency development with diversified development tools for all employee levels.
 - Employee Training & Development Policy: The Company provides both in-house and external training to support and develop the executives and employee’s capabilities.
 - Talent Management Policy and Succession Planning: The Company provides courses and/or tools to manage and develop the employees with excellent performance potential and career planning.

Details regarding Human Resources Management and Development Policy were shown in the section “Management Structure” under the topic “Human Resources” in “Human Resources Management and Development Policy”. The in-house activities for creation of quality people are as follows:

In-house activity for creation of quality people

Smart Talk... Digital Thailand 4.0: Activity to educate employees about the Digital Economy 4.0 and the skills needed in the next 5-10 years in preparation for all aspects of Cloud computing, development of security system in cyberspace with virtual data output to electronic devices with fast response in the Digital Economy 4.0. The speakers of this session was Dr.Witoon Simachokedee, former Permanent Secretary of Ministry of Industry and Mr. Prachya Wongwaree, Senior manager - Business Development, the former advertising consultant from Google Thailand.



Systematic Thinking: A training activity for the enrolled employees to enhance their thinking skill to systematic thinking skill. It was the thinking analysis process to push idea out concretely in presentation and communication.

Online Marketing: Activity to educate employees about an evolution of digital media including marketing and public relations strategic plan through digital media. It also introduces various tools for social media management and online marketing measurement. The objective of this activity is to create an idea and apply the technic to practical marketing communication.

In-house activity for Promotion of the Moral Society

The Company has arranged group activities to strengthen unity and fun amongst employees. The activities can be quite useful icebreaker for employees to create cooperation and refreshment in the Company.

- **Fashion on Friday** by set fashion theme every Friday for employees to jointly dress.



- **New Year Party**



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, maintain, lasting and good relationship between the Company and customer.

Details were shown in the section "Corporate Governance" under the topic "Business Ethics" in "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 in 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.

All related activities were shown in "Business practices that affect social responsibility".

8. Environmental Conservation

Conduct business by always taking into consideration of the environmental conservation and the use of resources in the 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 2016, the activities arranged by the Company included:

Development of products and services valuable to the environment

The Company has developed products and services in line with environmental conservation and environmental safety standards as well as offering telecommunication services with care of environment.

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 2016, the Company organized the project under the concept “Lor Ling Change the World” with aim to encourage the behavioral changing and realize the use of resources with the most benefits through internal media advertising for create the awareness about saving energy in their daily lives to internal staffs.

9. Innovation and Publication of Innovation with the operational responsibility for society, environment and stakeholders

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

Samart Innovation Award Project is an important activity that Samart Group of Companies conducted continually for more than 14 years with aim to encourage the youth and the new generation entrepreneurs to develop their creativity and capability that 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 is not only for commercial promotion to the contestants but also the motivation of Thai new innovative developers. For the past year, there were 60 news coverage publicized via newspaper, radio, television and on-line media.

Business impact to social responsibility

As the Company conducts business in comply with the SD Policy through 9 operational principles, in 2016, the Company and its subsidiaries had not been audited or investigated by the competent authority or any law in any way and the business of the Company and its subsidiaries had not been accused of having negative impacts on society and environment.

Activities for society and environment

In 2016, 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

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

- **Samart Innovation Award 2016.** The annual contest was conducted in its the 14th years. In 2016, Samart Group joined force with National Science and Technology Development Agency (NSTDA) in organizing “The Young Technopreneur Project” which have benefits to the program participants as follows:
 - South Korea field trip for top 3 winners to visit the government and private organization which support a Start-up business.
 - The winner of Samart Innovation Award 2016 or the “Outstanding Inventor of Innovative Prototype” received Baht 200,000 while the first and second runners-up got Baht 100,000 and Baht 50,000 respectively and additional Startup Funds to 20 outstanding teams, each receiving Baht 20,000.



- Commercial opportunity: During the past 5 years, Samart Group have the new developer for technology business sector over 800 person which have created more than 400 proposals and has expanded to the business more than 30 affairs. Samart Group also strive to find Thai people who are ready to join us in the future.
- **Samart Innovation FUND** has awarded scholarships and research grants to telecommunications students in their last year of study at five universities so as to further their knowledge, to develop their final study projects, or to continue their education. These universities are King Mongkut's University of Technology Thonburi, Thammasat University, King Mongkut's Institute of Technology Ladkrabang, Kasetsart University and Mahidol University. The project provides 3 scholarships for 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 Lat Krabang, Kasetsart University, Rajamangala University of Technology Krungthep, Rajamangala University of Technology Thanyaburi, and Huachiew Chalermprakiet University.

2. **SAMART SCHOLARSHIP** enhanced the scholarships for make the education opportunity

- **SAMART Foundation** provided a research scholarship in master degree to Graduate studies of Mahidol University Alumni Association totaling Baht 95,000.
- **SAMART Foundation** provided support of repair the temporary learning building of Ban Nong Bua Pattana Thailand Police Patrol School at Tambon Domepradit, Amper Namyen, Ubon Ratchatani Province.
- **SAMART Group** provided support of repair a learning building of Wat Thong Lang School at Uthaitani province totaling Baht 200,000.
- **SAMART Group** provided educational support for rural schools. They provided the learning equipment, satellite and television amount 10 pieces and scholarships to Police Patrol School namely Ban Hauy Poa School, Hallmarparble School, Ban Na Nok Pek School in Loei Province and Fah Pratharn School in Nong Khai Province.

3. **SPONSORSHIP FOR SPORTS CAPABILITES**

- **Support for “Thai football with King Power”:** Samart Group collaborated with King Power to support Thai football. They lead the smart Thai kids to train with Leicester City Academy in United Kingdom.
- **Support for “Thai football clubs”:** Samart Group has been a sponsor of various Thai football clubs such as Muangthong United F.C., Buriram United F.C., Chonburi F.C., Port F.C. and Phrae United F.C.
- **Support for “Thailand Polo Association”:** Samart Group collaborated with King Power to consign funds Bath 1,000,000 for Thailand Polo Association.
- **SAMART GROUP** supported for the Football Association of Thailand.
- **Support for “the Bocce tournament of 4th PEA OPEN 2016”:** Samart Group provided support to the Bocce tournament of 4th PEA OPEN 2016 with PEA Petanque club totaling Baht 65,000
- **Support for “the 71st Chula-Thammasat Football Match”:** Samart Group provided support for the 71st Chula-Thammasat Football Match totaling Baht 184,400.

4. **OTHER EDUCATIONAL SUPPORTS**

- **Support for “IT Ladkrabang Open House 2016”:** Samart Group provided support for IT Ladkrabang Open House 2016 of King Mongkut’s Institute of Technology Lat Krabang totaling Baht 10,000.

Promotion of the Moral Society

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

1. **LOYALTY AND GRATITUDE TO THAILAND ROYAL**

- **“Samart - Nation Mini Marathon Run for King”:** Samart Group joined force with Nation Radio in organizing “Samart-Nation Mini Marathon Run for King” totaling Baht 1,000,000.
- **Merit Knitting Project:** To organize a happiness weaving activity as dedication to Father of Nation, His Late Majesty the King.



- **The occasion of Mother's Day:** To contribute jasmine on the occasion of Mother's Day from The National Council on Social Welfare of Thailand Baht 10,200.
- **The condolence ceremony & mourning**
 - The executives and employee of Samart Group organized the condolences ceremony to mourn to the loss of majesty king Bhumibol Adulyadej on October 28, 2016 at Software Park Building.
 - Samart Group organized Merit making ceremony to show mourning and pay their respects on December 2, 2016
 - Samart Group's employees pay their respects of His Majesty the late King in the Dusit Maha Prasat Throne Hall on December 19, 2016.
 - Samart Group donated black clothes under the project call "Sharing lack shirts to Thai underprivileged people"

2. SAMART MIND POWER : for the promotion of morality, Dhamma and conscience

- Dhamma Activities: titled "Mindfulness Meditation Intelligence" including prayer, meditation and Dhamma discussion have been held every Thursday evening.
- Dhamma Radio Program: titled "Voice of Dhamma" for bringing Dhamma doctrinal open on the internal radio every Monday.



3. FUNDS FOR "DOING GOOD" PROJECT: Volunteers from the "Samart D-Club" received 6 grants from Samart Group for doing humanitarian activated and also contribute to social development totaling Baht 30,000.



4. BLOOD DONATION: Samart Group collaborated with the conjunction of Thai Red Cross Society institutes to organize Annual Blood donation activity 3 times per year.



5. OTHER SUPPORT

- Support for the construction of Kampong Chheutial Institute of Technology at Cambodia totaling Baht 1,000,000.
- Support for “the construction of PVC pipeline of Moo Ban Sam Yak KM. 39th at Pobphra, Tak Province to solve the water shortage problem totaling Baht 42,000.

Prevention and protection of corruption

The Company has established policies and general practices of anti-corruption channel to express their opinions and suggestions including channel to report concerns and procedures to protect employees who report such abuse. Anti-corruption policy and practical guidelines including procedures were disclosed in the Business Ethics and were posted 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. Details were disclosed in the section “Internal Control and Risk Management”. The business and financial risks were disclosed in the section “Risk Factors” and “Risk Management Policy” under the topic “Internal Control and Risk Management” and were posted on the Company’s website at www.i-mobilephone.com.

In 2016, the Company revised the Anti-Corruption Policy to more clearly define and prepare for further joining with Thailand’s Private Sector Collective Action Coalition against Corruption (CAC).

Financial Highlights

	2014	2015	2016
Result of Operation (Million Baht)			
Sales and Service Revenue	12,370	7,730	3,366
Sales Support Revenue	29	28	19
Total Revenues	12,494	7,799	3,461
Gross Profit ⁽¹⁾	2,656	1,575	335
Net Profit	710	37	(720)
Financial Position (Million Baht)			
Total Assets	10,638	9,994	7,974
Total Liabilities	7,218	6,764	5,458
Total Shareholders' Equity	3,420	3,230	2,516
Financial Ratio			
Net Profit Margin (%)	5.69	0.48	(20.79)
Return on Equity (%)	21.93	1.15	(26.09)
Return on Assets (%)	7.93	0.36	(8.01)
Debt to Equity Ratio (Times)	2.11	2.09	2.17
Earnings per Share (Baht)	0.162	0.008	(0.164)
Dividend per Share (Baht)	0.090	0.015	-
Dividend Payout Ratio (%)	55.56	177.61	-
Book Value per Share (Baht)	0.78	0.73	0.57
Par Value per Share (Baht)	0.10	0.10	0.10
Number of issued and paid up shares (Million Shares)	4,400.25	4,400.25	4,400.25

Remark ⁽¹⁾ Gross Profit was calculated by including sales support revenue.

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 2016 satisfaction survey indicated that overall customer satisfaction in after-sales services was at the high level with the customer's positive attitude equivalent to 83.17% 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

The Company provides integrated businesses in distribution of mobile phones bundling with contents in form of value added services under brand of i-mobile and other leading brands, and provides wholesale and resale 3G mobile services. In addition, the Company also provides interactive media and varieties of most updated information, news and edutainment contents in the form of voice and non-voice services including operates entertainment business, producing TV programs broadcasted through new media platforms via mobile application, Facebook, YouTube and website in both iOS and Android Operating System.

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

Focusing on updated digital business development to harmonize consumer rapid trend while seeking for mobile branded partners in order to meet consumer needs with new distribution channel including developing new content media channel continuously

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 par value of Baht 1.00 per share to 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. The Company also approved the increase of its registered capital of Baht 14 million from Baht 430 million to Baht 444 million for the issuance of warrants offering to the Company's directors and the employees of the Company and its subsidiaries.

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

In 2016, the Company reorganized management structure in order to be competitive under the transition to the digital era. The Company proceeded in various way such as decreased numbers of mobile phone model to the suitable level, focused on the market need models, reduced inventory level to the appropriate level and pushed sale volume by various promotions. In addition, the Company approved to dissolve and/or sell the inactive subsidiaries both in Thailand and overseas. In 2016, the Company also combined MVNO Business with Mobile Business, thus, there are 2 lines of business as follows:

- Mobile Business - provide integrated businesses in distribution of mobile phones bundling with contents in form of value added services under brand of i-mobile and other leading brands, and provide wholesale and resale 3G mobile services.
- Non-Mobile Business - provide varieties of most updated information, news and edutainment contents that address to everyone need and fit with their lifestyles in the form of voice a, and non-voice including multimedia services via multi-devices.

Change and development during the past 3 years

2016

- On March 2, 2016, the Company jointly invested with People Media Group Co., Ltd. (PMG) under shareholder structure at 51%:49% in Mall (Thailand) Co., Ltd. (MT) in order to operated E-Commerce business by launching E-Marketplace under the name “Thailandmall.com”. Then, on December 20, 2016, the Company disposed all investment in MT to PMG, another shareholder of MT, at the investment cost of Baht 15.3 million.
- On April 1, 2016, Samart Multimedia Co., Ltd. (BUG), a subsidiary company, acquired the wholly owned shares of Phoinikas Co., Ltd. (PK) from the former shareholders at Baht 5.6 million. Then, on January 12, 2017, the Board of Directors’ Meeting of BUG approved to dispose all investment in PK to the former shareholders of PK at the investment cost of Baht 5.6 million.
- On August 9, 2016, the Board of Directors of the Company passed a resolution to dissolve or sell the inactive subsidiaries in order to reorganize the group structure for more suitability and effectiveness as the following details:

Company	Registered date for dissolution	Registered date for liquidation
1. I-Mobile International Co., Ltd.	September 30, 2016	November 28, 2016
2. Samart Interactive Media Co., Ltd.	September 30, 2016	November 28, 2016
3. The Nest Bangkok Co., Ltd.	October 6, 2016	November 29, 2016
4. Brain Source Co., Ltd.	December 29, 2016	in process of liquidation
5. I-Mobile Direct Co., Ltd.	December 29, 2016	in process of liquidation

- On August 9, 2016, the Board of Directors of the Company passed a resolution to approve the establishment of a new company named SIM2ASSET Co., Ltd. to provide real estate agent services through online platform to enable property sellers and buyers to deal the transactions with safe, fast, spontaneous response, transparency and accountability to property owners and investors. As this business is traditional and not widespread to public, it caused the property owners loss their advantage from high interest rate and related service charge. The investor also cannot access the appropriate source of real estate agent sales. The Company oversees this gap, thus, SIM2ASSET Co., Ltd. is set up as a subsidiary of which major shareholder is SIM. It develops the 1st Thai real estate agent online services through Fintech Startup online platform. It offers e-marketplace services under brand ZAZZET for step forward to the digital 4.0 era that powered by innovation and technology to meet seller and buyer needs and online posts about know-how of real estate agent sales for everyone.

- On August 24, 2016 and September 30, 2016 respectively, the Company sold all investment in the 2 non-operated overseas subsidiaries named Pt. Samart I-Mobile Indonesia and Samart I-Mobile (Malaysia) Sdn. Bhd. to the third parties at the negotiable price.
- On November 15, 2016, the Extraordinary General Meeting of shareholders No. 2/2016 of I-Mobile Inter Trade Co., Ltd. passed a resolution to approve the change of company's name to ZECUREASIA Co., Ltd. due to change on business operation. It distributes mobile phones bundling with information and entertainment content services including security products and solution covered everywhere and every time of security and privacy protection in the customer's data, life and property through mobile application. It can work and connect with all smart devices to protect any customer's privacy data. Nowadays, the Digital World connect everyone with fast approach, communication can done through various social media channels. However, conservation of privacy communication is not in focus. In addition, trend in life and property security protection influences in Thai consumption as all related devices such as car camera, CCTV, voice safety device for child and elderly person are higher demand in the market. The Company consider this potential trend and market in security and privacy protection and initiates new line of business focus on 3 aspects of security; data, assets and life. In the preliminary process, the Company develops data security solution by co-operating with Silent Circle, the inventor of ZRTP Protocol and PGP (Pretty Good Privacy), a system for data encryption. Silent Circle is the leading provider of electronic identity theft protection and its headquartered located in Geneva, Switzerland.

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, 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.

2014

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

Nature of Business

The Company and subsidiaries have 2 lines of business as follows:

1. Mobile Business

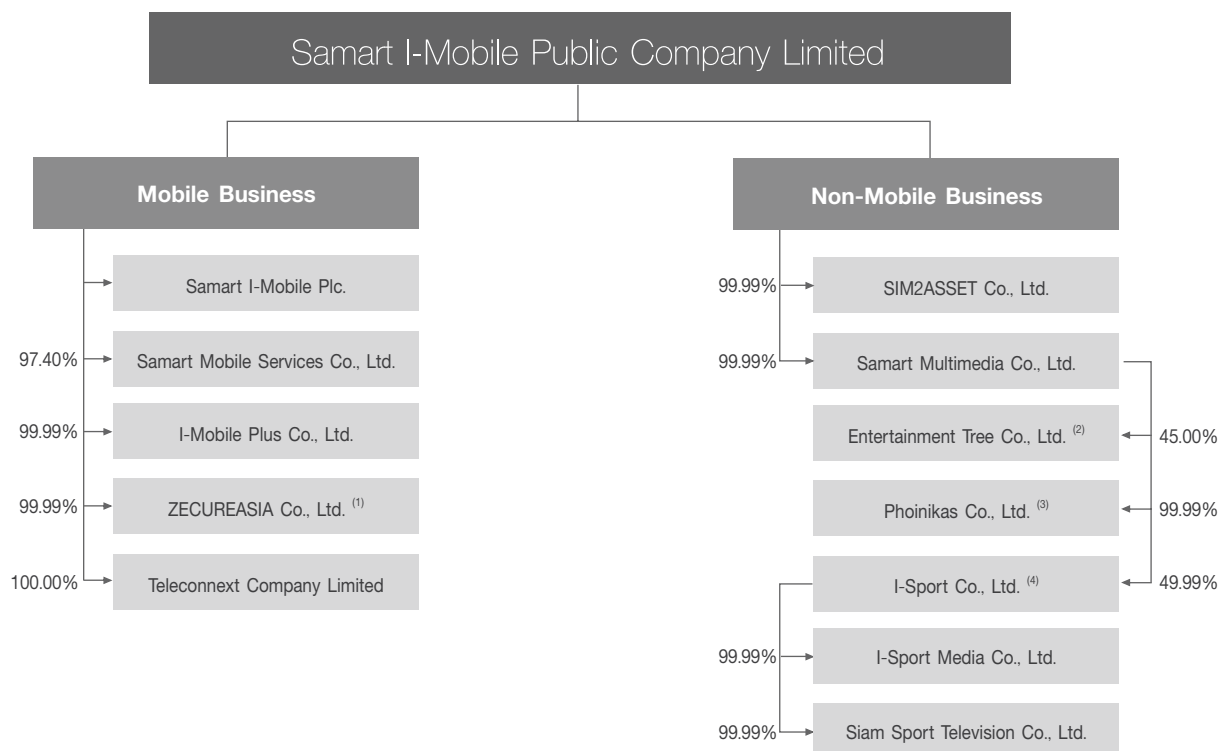
The Company provides integrated businesses in distribution of mobile phones bundling with contents in form of value added services under the brand of i-mobile and other leading brands. Furthermore, the Company provides wholesale and resale 3G mobile services. These will be distributed through variety channels in Traditional Trade and Modern Trade, mobile phone retailers, IT equipment retailers and e-commerce website including its own shops called “Open by i-mobile” to distribute the Company’s products and provide after sales services nationwide.

2. Non-Mobile Business

The Company provides varieties of most updated information, news and edutainment contents that address to everyone’s need and fit with their lifestyles in the form of voice and non-voice including 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. In addition, it also operates entertainment business, producing TV programs broadcasted through new media platforms via mobile application, Facebook, YouTube and website in both iOS and Android Operating System.

Business Structure

As of December 31, 2016



Remarks : ⁽¹⁾ Changed company's name from I-Mobile Inter Trade Co., Ltd. to ZECUREASIA Co., Ltd. on November 15, 2016.

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

⁽³⁾ Disposal of all investment in Phoinikas Co., Ltd. to former shareholders on January 16, 2017.

⁽⁴⁾ The remaining portion of 37.50% and 12.51% held by Siam Sport Syndicate Plc. and 9 ordinary persons respectively.

Revenue Structure

The revenue structure of the Company and subsidiaries as of December 31, 2014 - 2016 is as follows:

(Unit: Million Baht)

Revenue	Operated by	% of share-holding	2014		2015		2016	
			Revenue	%	Revenue	%	Revenue	%
Mobile Business	SIM, SIMM ⁽³⁾ , TCN	100.00	11,621	93.01	6,865	88.02	2,555	73.83
	SMS	97.40						
	BS ⁽⁷⁾ , IMD ⁽⁷⁾	99.88						
	IMI ⁽⁵⁾ , ZA	99.99						
	SIMI ⁽³⁾	99.98						
	IMP	99.99						
Non-Mobile Business	BUG, SIAM ⁽⁵⁾	99.99	749	6.00	865	11.10	811	23.43
	I-SPORT	49.99						
	I-SPORTM, SSTV	49.99 ⁽¹⁾						
	ENT	45.00						
	S2A, PK ⁽⁴⁾ , TNB ⁽⁶⁾	99.99 ⁽²⁾						
	MT ⁽⁴⁾	51.00						
Total Revenues from Operations			12,370	99.01	7,730	99.12	3,366	97.26
Selling support income			29	0.24	28	0.36	19	0.56
Interest income			4	0.03	2	0.03	2	0.05
Gain on exchange			24	0.19	-	-	-	-
Gain on change in value and disposal of short-term investments			1	0.00	2	0.02	-	-
Gain on disposal of investment in subsidiary company			-	-	5	0.06	11	0.32
Other income			66	0.53	32	0.41	63	1.81
Total Revenues			12,494	100.00	7,799	100.00	3,461	100.00

SIM = Samart I-Mobile Plc.

SMS = Samart Mobile Services Co., Ltd.

BS = Brain Source Co., Ltd.

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

ENT = Entertainment Tree Co., Ltd.

SSTV = Siam Sport Television Co., Ltd.

TNB = The Nest Bangkok Co., Ltd.

BUG = Samart Multimedia Co., Ltd.

SIAM = Samart Interactive Media Co., Ltd.

SIMI = PT Samart I-Mobile Indonesia

TCN = Teleconnex Company Limited

IMD = I-Mobile Direct Co., Ltd.

MT = Mall (Thailand) Co., Ltd.

ZA = ZECUREASIA Co., Ltd. (Formerly known as I-Mobile Inter Trade Co., Ltd.)

IMI = I-Mobile International Co., Ltd.

SIMM = Samart I-Mobile (Malaysia) Sdn. Bhd.

IMP = I-Mobile Plus Co., Ltd.

S2A = SIM2ASSET Co., Ltd.

I-SPORTM = I-Sport Media Co., Ltd.

PK = Phoinikas Co., Ltd.

Remarks ⁽¹⁾ I-SPORT holds 99.99% shares in ISPORTM and SSTV.

⁽²⁾ BUG holds 99.99% shares in PK and PK holds 99.99% shares in TNB.

⁽³⁾ All investments in SIMI and SIMM were disposed to the third parties on August 24, 2016 and September 30, 2016 respectively.

⁽⁴⁾ All investments in MT and PK were disposed to former shareholders on December 20, 2016 and January 16, 2017 respectively.

⁽⁵⁾ These companies registered their dissolution on September 30, 2016 and the completion of liquidations on November 28, 2016.

⁽⁶⁾ This company registered its dissolution on October 6, 2016 and the completion of liquidation on November 29, 2016.

⁽⁷⁾ These companies registered their dissolution on December 29, 2016. The process of liquidations are in progress.

Information of Subsidiary Companies

As of December 31, 2016

Name of Company	Type of Business	Shareholder	Registered Capital	Total Ordinary Share	Company's shareholding	
					Number of share	%
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	Provide content services via fully integrated wire and wireless technologies both voice service via Audiotext and Call Center, and non voice services. including content producer and developer.	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 wholesale and resale 3G mobile services including telecommunication services.	SIM	490 Million Baht	49,000,000	47,724,999	97.40
3. I-Mobile Plus Co., Ltd. 99/10 Moo 4, Software Park 26 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6200 Fax. 0-2502-8532	Procure wholesale and resale 3G mobile services including telecommunication services.	SIM	100 Million Baht	10,000,000	9,999,997	99.99
4. I-Sport Co., Ltd. 99/12 Moo 4, Software Park 24 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6000 Fax. 0-2502-8136	Provide a full range of sport businesses from sport information services via digital channel, event organizer, sport trip & tour, e-commerce of sport products and benefit management to sport player.	BUG	120 Million Baht	12,000,000	5,999,996	49.99
5. Entertainment Tree Co., Ltd. 99/12 Moo 4, Software Park 24 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6103 Fax. 0-2502-6361	Produce, distribute and provide variety of entertainment media through television, telephone, internet, satellite and others including provide installation of equipment, network, facilities and other related services.	BUG	5 Million Baht	500,000	225,000	45.00
6. 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 Ordinary Share	Company's shareholding	
					Number of share	%
7. Siam Sport Television Co., Ltd. 66/26 Ramintra Rd., Nuanchan, Buang-gum, Bangkok 10230 Tel. 0-2502-6000 Fax. 0-2502-8136	TV Program owner on digital TV, 3 Sport Channels on True Visions, Production outsource, Live Broadcast and taped sporting events.	I-SPORT	60 Million Baht	6,000,000	5,999,994	99.99
8. ZECUREASIA Co., Ltd. (Formerly known as I-Mobile Inter Trade Co., Ltd.) 99/10 Moo 4, Software Park 26 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6200 Fax. 0-2502-8532	Distribute mobile phones bundling with content services including security products and solution.	SIM	1.25 Million Baht	125,000	124,997	99.99
9. Teleconnext Co., Ltd. 183 Hopewell Centre 23/F, Queen's Road East, Wanchai, Hong Kong Tel. 852-2980-1888 Fax. 852-2956-2192	Distribute mobile phones bundling with content services and provide interactive multimedia services in Hong Kong.	SIM	5 Million HKD	5,000,000	5,000,000	100.00
10. Phoinikas Co., Ltd. ⁽¹⁾ 555 Phaholyothin Road, Chatuchak, Bangkok 10900 Tel. 0-2502-6000 Fax. 0-2502-8136	Provide integrated digital marketing services covering a full range of client advertising and marketing needs.	BUG	3 Million Baht	30,000	29,998	99.99
11. SIM2ASSET Co., Ltd. 99/10 Moo 4, Software Park 26 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6000 Fax. 0-2502-6491	Provide real estate agent services.	SIM	5 Million Baht, Paid-up capital of 2.5 Million Baht	500,000	499,997	99.99

Remark : ⁽¹⁾ Disposal of all investment in Phoinikas Co., Ltd. to the former shareholders on January 16, 2017.

SIM = Samart I-Mobile Plc.

BUG = Samart Multimedia Co., Ltd.

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

Changes during the Year

In 2016, the Company reorganized management structure in order to be competitive under the transition to the digital era. In addition, the Board of Directors approved to dissolve and/or sell the inactive subsidiaries both in Thailand and overseas as well as combined MVNO Business with Mobile Business, thus, there are 2 lines of business as follows:

- Mobile Business - provide integrated businesses in distribution of mobile phones bundling with contents in form of value added services and provide wholesale and resale 3G mobile services.
- Non-Mobile Business - provide varieties of most updated information, news and edutainment contents that address to everyone need and fit with their lifestyles in the form of voice and non-voice including multimedia services via multi-devices.

The year 2016 was the time of greatest loss to Thai people in nationwide due to the death of His Majesty the King Bhumibol Adulyadej, the utmost beloved king of Thai people. The overall economy of the country decelerated including investment of both public and private sector. It also resulted to a slowdown in industrial and private consumption. Moreover, all mobile operators join in the mobile phone market caused the heavy drastic competition in this stage. It had a violently impact to the Company's performance. Significant changes in the past year are summarized below:

Mobile Business

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

1. Product

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

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

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

In the last quarter of 2016, BlackPhone 2, a new privacy smart phone with security system, was developed by a subsidiary, ZECUREASIA Co., Ltd. It is planned to launch in January 2017.

As for MVNO service, in the past year, the Company focused on maintaining existing customers and expanding market through Bundle strategy with i-mobile phones. Promotions were launched to boost sales and data consumption. For example, a package with free calls, data, and applications that comes with a phone purchase. Moreover, the Company reached more customers through sale promoters and activity booths. Since November

2015, the Company has signed an agreement with CAT Telecom Public Company Limited (CAT) which is an 850 MHz 3G provider. CAT network coverage is nationwide with more than 14,000 cellular base-stations. In May 2016, the Company started its 3G mobile services under brand name “Open”.

2. Distribution channels

Channels of distribution have been a huge part of the success. In 2016, products were sold through “Open by i-mobile” shops, hypermarkets, major appliance stores, telecommunication stores, computer stores, service provider shops, e-commerce platforms, and the online store at www.i-mobilephone.com

3. Public Relations and Building Positive Brand Image

During the past year, the Company has been promoting products through advertisements and promotions. Both above the line strategy - placing advertisements on different medias such as television, radio, prints, and digital media - and below the line strategy - arranging promotional events at sales point, road shows, event marketing in IT conferences like Mobile Expo and COMMART - were used. The Company also communicates regularly with customers through social media and product review articles. These are powerful methods to reach target customers.

Non-Mobile Business

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

Industry and Competitive Analysis

Economic Overview

World economy was decelerating during the first half of 2016, as a result of China reducing export which after a decrease in demand from other countries, especially the United States. Japan's economy as well slowed down significantly. The first quarter GDP reached the lowest at 0%. In Europe, the economy recovered very slowly, but the situation eased up after EU and IMF's loan approval to the Greek government.

In the second half of the year, the economy became unstable due to many contributing factors, including the UK leaving EU (Brexit), the Deutsche Bank crisis, and the US president election. These events negatively affected the Euro Zone economy. Export continuously declined and causing the decrease in production. Due to the instability of the Euro Zone economy, investors turned to lower-risk markets like Japan, a safe haven, causing the continuously rise in Japanese Yen. This affected Japan's export sector and, consequently, Japan's operating result. As for the U.S., overall economy was still weak. Employment outside of agricultural sector was lower than expectation. Real estate sector also had weakened. As a result, IMF's U.S. GDP forecast this year and next year stood 1.6% and 2.2%, from 2.2% and 2.5% respectively. However, export growth in August, which was the first time in the last 20 months, and improved PMI of the production sector resulted in the Central Bank announcing an increase in their interest rate. In China, following the PMI, the situation slightly improved in both production and service sectors. However, export sector still was quite weak while banks faced greater risks of non-performing loans.

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

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

Information and Communication Technology Industry

Development of Infrastructure and Broadcasting

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

As for digital economy, a major policy to improve the economy and society using digital technology, Ministry of Digital Economy and Society was founded. A draft version of the Digital Economy Planbook for 2016-2020 was created to enforce broadband service to reach remote areas with a minimum speed of 4 Mbps, schools, local hospitals, and community IT

center with 30 Mbps, and regional public organizations including economic area with 100 Mbps. In addition, it was planned to make Thailand an ASEAN communication hub by investing in an international-standard data center in the country. SMEs were encouraged to increase their GDP share to improve digital economy.

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

Telecommunication Industry: Mobile Device

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

In addition to the increasing mobile device usage, mobile service providers are competing heavily with each other by offering discount on mobile device to attract customers to use more non-voice services in their networks.

Telecommunication Industry: Telecommunication Services

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

In conclusion, competition in Thailand's mobile device industry in 2016 was still intense. Mobile service providers aimed to gain new customers while maintain existing customers by focusing on discount both in mobile services and devices. However, in such a competitive industry, market share, profit margin, and operator's cash flow tend to decrease.

Risk Factors

Risk factors may have an impact on 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. In addition, the Company values the quality of products by managing the number of models, focusing on design, quality development and launching products, extending the business to sell other leading mobile brand. The Company also renovated shop under new concept "Open by i-mobile" in order to build and create an outstanding image. The Company continues to focus on before and after sales services to be fast, in standard and measurably.

1.2 Risks from Mobile Virtual Network Operator Business (MVNO)

1.2.1 Risks from Market Saturation

Due to a drastic competition in the market focused on switching users from other operators to their network, the Company, as MVNO service providers, needed to change itself and reduce the unnecessary expenses to cope with this situation. Thus, the Company negotiated with TOT Public Company Limited (TOT) to adjust new numbering and negotiated with the National Broadcasting and Telecommunications Commission (NBTC) to return the additional numbers in order to reduce cost in maintainable numbers. The Company also expanded its market to various target groups, offered promotion of mobile services package bundling with the Company's mobile phones. The customers can promptly get the services and promotion package so that it is competitive in the market.

1.2.2 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 3 main operators launching many promotion packages bundling with smart phone to encourage consumers to switch to their network. The Company negotiated with CAT Telecom Public Company Limited (CAT) to reduce service cost so the Company could be competitive in the market. CAT agreed to reduce service cost in December 2016, thus the Company could operate the business and launch new promotion to catch up on customer needs. ,

1.3 Risks from Multimedia business

Result from technological change and more influence in role of internet in consumer's daily life, they can easily data access with free of charge. Additionally, mobile operators set up mobile content service unit to serve their customers and the related government sectors increase more criteria to subscribe mobile content services. All the mentioned factors, the Company has transformed its services into new applications such as VDO streaming, real-time services, or one-on-one services of which the customer satisfaction feedback was very good. In order to match with consumer behavior change, the Company plans to develop new applications to serve needs of premium customers.

2. Financial Risk

2.1 Foreign Exchange Risk

The Company and subsidiaries have imports, expenses and trust receipt loans in foreign currencies that expose to the risk from foreign exchange fluctuation. However, the foreign exposures have been hedged under forward contracts and the Company has monitored financial market and foreign exchange closely. In 2016, the Company and subsidiaries had revenues and costs in foreign currencies at 0.5% of total revenues and 72.2% of total cost of goods sold respectively. As of December 31, 2016, the Company and subsidiaries have foreign currency assets and liabilities of USD 6.0 million (separated financial statement presented USD 9.6 million), and the exposure from open Letter of Credit (L/C) amount of USD 1.3 million, while there were the outstanding forward contracts of USD 1.1 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 that have the interest rate based on money market. As of December 31, 2016, the Company and subsidiaries had total loans from financial institutions of Baht 4,729.6 million, in which 94.6% is in short-term. However, the Company and subsidiaries have closely monitored the interest rate in financial market and selected appropriate borrowing terms in order to minimize the financial costs.

2.3 Credit Doubtful Debt

The Company and subsidiaries may have risk associated with the unpaid trade receivables. As of December 31, 2016, the Company and subsidiaries enclosed trade receivable (unrelated parties) of Baht 5,680.2 million, representing 71.2% of total assets. The Company and subsidiaries have reserved the allowance for doubtful debts amount of Baht 16.8 million, moderately increased from 2015 by Baht 3.0 million. Having credit control procedures and substantial monitoring of debt collection, the credit doubtful debt can be managed effectively complying with the Company's policy.

2.4 Guarantee to subsidiary companies

The Company has contingent liabilities with respect to the guarantee of subsidiaries' credit facilities which are working capital line and joint credit line with the Company. Accordingly, the Company may expose to risk associate with the 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, 2016, subsidiaries' outstanding loans guaranteed by the Company were Baht 127.7 million.

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

As of December 31, 2016, 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. It can control most of the shareholders' resolutions on various important matters such as the appointment of directors, or other resolutions that need 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 31, 2016, 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.	Mr. Nuttapol Jurangkool	158,309,800	3.60
3.	Mr. Thaveechat Jurangkool	88,658,500	2.02
4.	Mr. Adul Boonrod	57,450,000	1.31
5.	Provident Fund of Electricity Generating Authority of Thailand	40,288,100	0.92
6.	Ms. Chomkamol Poompanmoung	29,001,800	0.66
7.	Mr. Somruay Sae-Lim	15,400,900	0.35
8.	EAST FOURTEEN LIMITED-EMERGING MARKETS SMALL CAP SERIES	14,993,100	0.34
9.	EAST FOURTEEN LIMITED-DFA EMERG MARKET CORE EQ PORT	14,498,900	0.33
10.	Mr. Prin Chirathivat	13,115,000	0.30
Total shares of top ten shareholders		3,639,151,600	82.72
Total shares of the minority shareholders		761,098,400	17.28
Grand total		4,400,250,000	100.00

Source : Thailand Securities Depository Co., Ltd. as of December 30, 2016.

⁽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 Ms. Srintip Vilailuck are acting in concert regarding the determination of the relationship or Behavior as an act with another person and comply with Section 246 and 247.

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

⁽³⁾ Includes holding by spouse and minor children.

Dividend Payment Policy

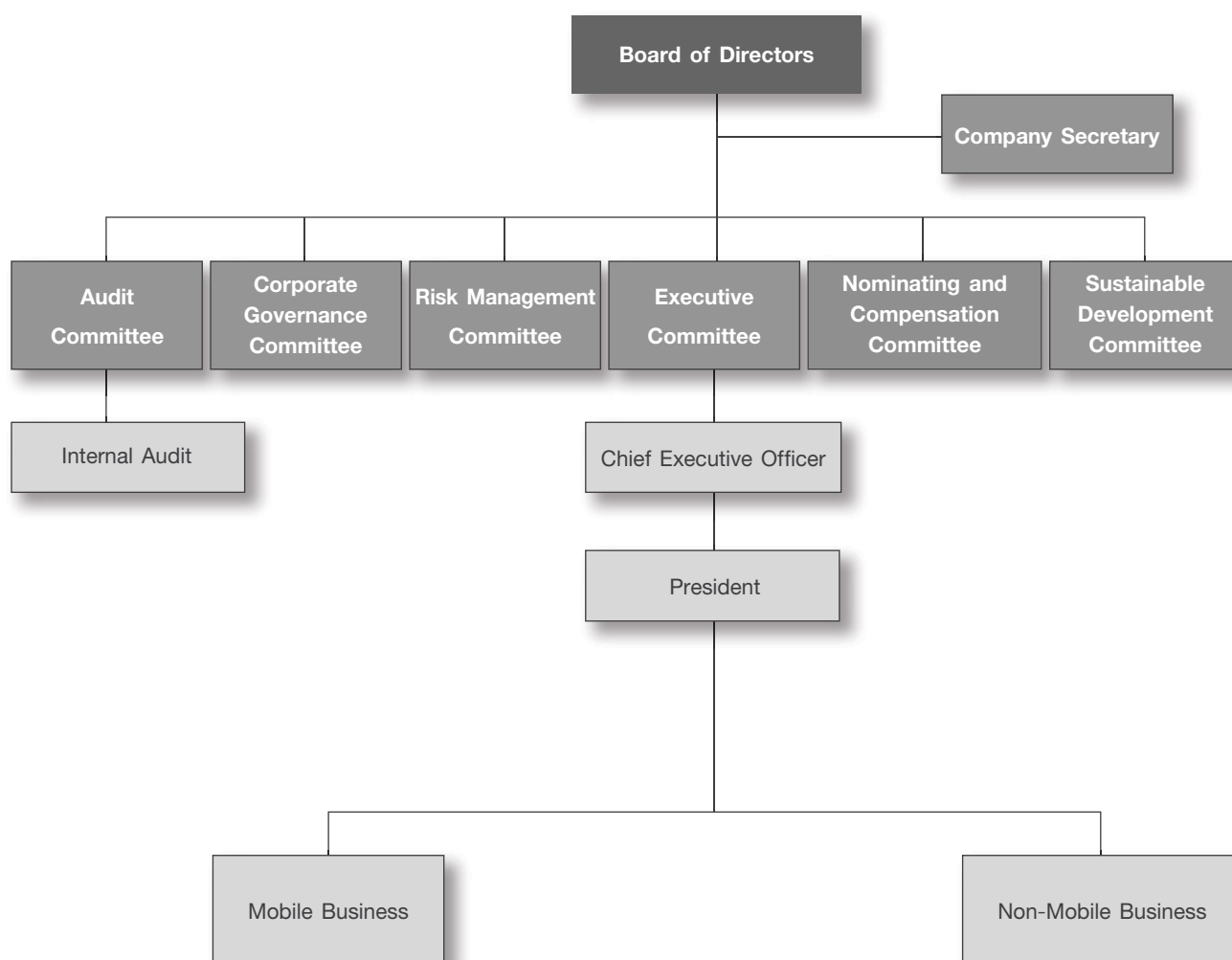
The Company has policy to pay dividend no less than 50% of its consolidated net profit after deduction of all reserves as stated in the Company's Articles of Association and related laws, subject to need for future investment and business plan. The Company's subsidiary and associated companies have policy 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		2014	2015	2016
Earnings per Share	(Baht)	0.162	0.008	(0.164)
Dividend per Share	(Baht)	0.090	0.015	-
Dividend Payout Ratio	(%)	55.56	177.61	-

Management Structure

The management structure of the Company as of December 31, 2016 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 as follows:



Remark : Head of Accounting and Finance are under Chief Executive Officer.

1. Board of Directors

As of December 31, 2016, the Board of Directors comprised of 8 members as the following details:

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

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

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

⁽³⁾ Has been appointed as Chief Executive Officer and Executive Chairman on November 1, 2016.

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

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 a half of such members shall have residence within the Kingdom and the directors of the Company shall have qualification as specified by law. All 3 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, 2016 were disclosed in the section "Directors, Management, Company Secretary and Head of Internal Audit". Details of Sub-Committee were disclosed in the section "Corporate Governance" under the topic "Sub-Committees".

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

Authorized Directors as of December 31, 2016:

Two out of these following 3 directors authorize to sign on behalf of the Company with the Company's seal affixed: Mr. Watchai Vilailuck, and Mrs. Sukanya Vanichjakvong and Mr. Pracha Phathayakorn.

Roles and Responsibilities of the Board of Directors

Qualifications of Director

- 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.
- 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 sub-committee members to replace of those who retire by rotation as well as consider the remuneration package for such directors and sub-committee members, which are proposed by Nominating and Compensation Committee, for further consideration of the shareholders' meeting.
6. Appoint sub-committees to oversee administrative process and internal system to coincide with Company's policies namely, Audit Committee members, Executive Committee, Risk Management Committee, Corporate Governance Committee, Nominating and Compensation Committee and Sustainable Development Committee.
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 at [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 Sub-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 revised such policies and operating guidelines to make them more appropriated with the current situation.

2. The Management

The Management as of December 31, 2016:

- | | | |
|----|--------------------------------------|---|
| 1. | Mr. Watchai Vilailuck ⁽¹⁾ | Chief Executive Officer |
| 2. | Mrs. Sukanya Vanichjakvong | President |
| 3. | Mr. Thawatchai Majitnapakul | Vice President - Corporate Planning and Warehouse |
| 5. | Mrs. Sumonthip Srimek | VP - Account |
| 6. | Miss Kusuma Kerdpol | Acting VP - Finance |

Remarks : ⁽¹⁾ Has been appointed as Chief Executive Officer on November 1, 2016.

Details of Education, working experience including and position in subsidiaries and related company as of December 31, 2016 were disclosed in the section "The Board of Directors, Management, Company Secretary and Head of Internal Audit".

3. Company Secretary

The Nominating and Compensation Committee considered and appointed a potential and experienced person as Company Secretary proposed for further approval of the Board of Directors. The Board of Directors has appointed Miss Boonrut Mongkolratanakorn as Company Secretary since October 31, 2003. In addition, she has been appointed as secretary to sub-committees such as Executive Committee, Corporate Governance Committee, Nominating and Compensation Committee, Risk Management Committee and Sustainable Development Committee. The Company has specified qualifications, roles and responsibilities of Company Secretary as follows:

Qualifications of Company Secretary:

1. Having well-rounded knowledge and understanding of the Company's businesses.
2. Understand roles and duties of Company Secretary.
3. Having knowledge and understanding concerning legal matters, regulations of the SEC and the SET.
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 Company Secretary at least 3-5 years.

Roles and responsibilities of 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 the 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 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 Company Secretary vacates the position or incapable to perform 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 since the date that company secretary has vacated the position or has been incapable to perform 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, Company Secretary has attended the training courses and seminars to strengthen knowledge as follows:

- Advertising 4.0: Advertising in the Digital Era
- Could not survive without knowledge of Digital 4.0
- Shortcut to e-commerce logistics
- Belt and Road concept: connection and standard for digital infrastructure in smart city
- Synchronize creative energy and innovation: Unlock achievements of Asian businesses in the Digital Era
- Direction to drive business to sustainable development goal
- Capital Arena for discussing of all investment aspects
- Preparation to the 2016 SD Assessment
- Direction of modern retail in the Digital Engagement Era
- New Securities Law and How to practice correctly
- Sustainability Reporting 2016
- CAC for Thailand's Private Sector Collective Action Coalition Against Corruption
- Enhancing Good Corporate Governance based on CGR Scorecard
- Professional Technic to manage insider trading
- Change behavior to save the world and improve society to create business sustainability
- Smart Disclosure Program
- New SCP Straight through Program
- CG Principles and Investment CG Principles for institutional investors in part of listed company
- Rookie to sustainability reporting

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 sub-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 and Committees' members of the Company was approved from the 2016 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 2016, the Company paid remuneration to directors and management as follows:

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

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

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

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

⁽³⁾ Resigned from director on February 15, 2017.

⁽⁴⁾ Resigned from director on December 31, 2015. However, he still remains the member of Nominating and Compensation Committee Meeting until May 10, 2016. There were 2 meetings during his position.

⁽⁵⁾ Resigned from director on November 12, 2015. However, he still remains the member of Corporate Governance Committee Meeting until May 10, 2016. There was 1 meeting during his position.

Details of number of meeting attendance of directors in the Board of Directors and Sub-Committees were disclosed in the section "Corporate Governance" under the topic "Meeting of the Board of Directors and Sub-Committees."

2. Monetary Remuneration of 5 managements is as follows:

Type	Amount (Baht)
Salary	20,529,070
Bonus	566,000
Provident Fund ⁽¹⁾	1,182,180

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 subsidiaries classified by line of business for the past 3 years are as follows:

Line of business	Number of Employees (persons)		
	2014	2015	2016
1. Mobile Business	643	476	323
2. Non-Mobile Business	193	561	607
3. Support Business	82	100	97
Total	918	1,137	1,027

Remarks : In 2015, a subsidiary acquired more investment in Non-Mobile Business, therefore the number of subsidiaries and employees in Non-Mobile Business have increased. Due to change in business structure in 2016, the number of employees were shown by new line of business for comparison.

Expenses related to employees of the Company and subsidiaries

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

Remuneration	Amount (Million Baht)		
	2014	2015	2016
Salary	259.48	310.70	312.32
Bonus	22.31	13.04	5.06
Provident Fund	10.54	13.79	13.23
Others (special grant, O/T and commission)	47.08	37.09	18.67

Human Resources Management and Development Policy

The Company always regards that employees are valuable and crucial fundamental for the Company's sustainable success becoming a leading Telecommunication and Technology related company in the industry. Therefore, the Company practically creates HRM & HRD policy emphasizing on analyzing proper manpower planning, increasing performance efficiency and improving working procedure to cope with business working environmental as well as performance evaluation and potential assessment, developing individual capabilities at all levels progressively and proper manpower analyzing and planning to prepare for business extension and competition, and any changes. Indeed, these have to be compatible to the Company's business vision, missions, operation, and corporate culture 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, 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 the Company's branding to all external candidates. In Selection Policy, the Company places importance on the selection process, focusing on the most appropriate knowledge, ability and attribute by which their virtues recruitment & selection combines cooperation among original affiliation, specialists in various careers and human resources to ensure that the process of recruitment & selection on good corporate governance. Furthermore, the Company has relevantly

applied new technology connection and social media to support this process. These would be capable people at all levels and lead them to success their owned career at SAMART leading to be the Company's sustainable success.

- **Performance Development Policy:**

The Company ensures an equitable and appropriate performance evaluation system through applying KPIs approach cascading organization objectives through division and individual goals and corporate competencies methodologies aligning to business strategic planning at all levels throughout the Company at individual through top management level leading to be the Company's sustainable success efficiently and effectively in organizational strategic management.

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

The Company conducts application of technology developed by Human Resources Information Systems to support both HRM & HRD functions by increasing speed of work, data accuracy, and decreasing operation cost by applying technology to HR Portal services including of employee recruitment and selection such candidate application online, E-Document Workflow by K2 Application, and payroll services with E-Payslip systems. By the way, the Company has also applied for human resource development, such as knowledge management systems including of managing competency assessment systems and individual development plan (IDP) system. Furthermore, the Company would fully utilize hris data to support in HRM & HRD Policy decision making for sustainable organization achievement and preparing to Thailand 4.0 in the future.

- **Compensation & Benefit Policy:**

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

- **Employee Relation & Engagement Policy:**

The Company places strong emphasis on employee relationship among top executives and employees as well as two-way communication as a mean to communicate top management direction to all employees closely and directly percept employee's innovative, improvement and other open-mind ideas to enhance the Company's 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 the Company and also implants them into corporate value along with corporate culture by building synergy professional working-style (Team of Professionals). Hence, these initiate the best cooperation among individual level through corporate level. In 2016, there were a various ER&EE programs and activities to build synergy among employees, executives and organization i.e., Internal Survey Improvement Project, D-Club (CSR program), and other employee club etc.

- **Employee Innovation Recognition Policy :**

To become innovation organization, the Company has been organizing the SAMART Innovation Award and SAMART Brain2Works Projects for SAMART people. This Project is the contest of ideas in Marketing, Innovation and Business Plan within the Company to encourage all employees at all levels to participate in creating innovation that 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 the Company and also achieving business's needs and preparing staff for domestic and oversea business expansion. Therefore, the Company aspires to develop employees in all careers at all levels by harmonizing a wide range of development tools for increasing their skill, knowledge, capability through corporate culture and code of conduct according with the Company's strategy and operation not only for present day but the future business as well.

- **Career Development Policy:**

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

- **Employee Training & Development Policy :**

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

In-house Training

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

For top and management executives:

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

For operational staffs:

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

For all employees:

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

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

External Training

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

- **Knowledge Management:**

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

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

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

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

Summary of training to management and employees in 2016

Training	Frequency	Number of Participants
In-House Training		
Management	32	403
Employees	36	611
Total	68	1,014
External Training		
Management	9	14
Employees	24	36
Total	33	50
Grand Total	101	1,064

The Cost of training for 2016

The cost of training for In-House and External Training of the Company and subsidiaries was totaling Baht 548,773.29. Total training hours were 4,499 hours per year. The sample in-house and external training programs for 2016 were as follows:

In-House Training in 2016

- 60th Years Better Future Today
- Alfresco
- Annual Work Plan
- Big Data
- Business Action Plan
- CISCO Jabber
- CMMI Training : Software Life Cycle Process
- Creating & Strategic Implementation Plan
- Creating Customer Excellent
- Digital 4.0
- Digital Marketing - Social Media
- Effective English E-mail Writing Workshop
- E-Learning for Business
- English E-Mail Writing @ Work
- Finance for Non-Finance
- IBM Verse
- Introduction ISO9001:2015
- Paperless Management
- PR Workflow
- Samart Management Meeting
- SAMART Performance Management 2016
- SAMART Refresh HRIS 2016
- SAP - Success Factor
- SIP Presentation
- Workshop Digital Commerce
- SAP (Project System)
- SAP (Sale Order)
- Repair of mobile phones (iPhone and Sumsung)
- Business Plan
- Marketing analysis
- Electrical safety at work
- Systematic Thinking
- Open Online Business Plan
- Provident Fund
- Windows 10
- Cerebrovascular Disease (CVD), Cerebrovascular Accident (CVA), Brain attack
- Standard contract (Thai - Intern)
- Training electrician
- Modern Supervisory Program

External Training in 2016

- Administering the web service
- Data Center Design & Operation Management
- e-Payment
- Google Analytics : Intensive Analytics
- HR in New Normal
- Smart Disclosure Program
- TR: Android Programming
- Tax and Account (Update)
- Financial statements
- Purchasing Negotiation
- SCP Straight Through
- Information Disclosure of Listed Company
- Get ready for sending Financial Statements
- Evaluation of Ordinary Shareholders' Meeting
- Add value for Tax Refund
- Strategic Shareholder Report
- Knowledge of VAT before Start up
- New Challenges for People Management
- New Idea in Recruitment
- Direction of modern trade in 2017
- The new Securities and Exchange law
- Summary of significant changes in TFRS
- Get ready for New Thai Accounting Standard
- e- Service for preparing and sending tax invoice report

Corporate Governance

The Board of Directors realizes on the importance of the good Corporate Governance that is the fundamental factor to enhance business operational standard to create transparency, competitiveness and strengthen the confidence of all shareholders, investors and other related parties for sustainable growth of business. Thus, the Company sets the written Corporate Governance Policy and Business Ethics manual comply with the SET's Principles of Good Corporate Governance for listed companies and CSR Concept to business as the general practices guidelines for directors, management and employees under the principle of being a good corporate citizen, who is accountable to employees, customers, shareholders and support to society. In addition, the Company continuously reviews the Corporate Governance Policy and Business Ethics and discloses the latest version on the website at www.i-mobilephone.com. The Company Secretary Division take a responsibility as a compliance unit to supervise and oversee the operation of the Company, directors and executives to ensure that they are correctly complied with the regulations of the SET, the SEC, the Public Company Limited Act., and other related laws. The results from intention to carry on Good Corporate Governance for sustainable growth, the Company got the highest score "Excellent" or "5 Stars" in the 2016 Corporate Governance Report and was ranked in Top Quartile for 7 consecutive years (2010-2016).

1. Corporate Governance Policy and Business Ethics

Corporate Governance Policy

The Board of Directors realizes on the importance of good Corporate Governance that will create transparency, competitiveness and strengthen the confidence to shareholders, investors and all related parties. The written Corporate Governance Policy has been provided in both Thai and English since 2006 and posted on the Company's website at www.i-mobilephone.com for acknowledgement of employees and publics. 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 strictly oversees the employees to comply with the policy and also reviews and revises the policy annually to comply with new regulations and the Principles of Good Corporate Governance for listed companies of the SET. The Board of Directors' No. 2/2017 on February 21, 2017 approved the latest revision of the Corporate Governance Policy as follows:

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 2016 were as follows:

- **Rights to get share certificate, sell, purchase or transfer the Company's shares**
Thailand Securities Depository Co., Ltd. ("TSD") is get an appointment 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 principle and 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 2017 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, 2016. The period time for proposing agenda ended January 31, 2017. Any questions can send to the Company prior to the date of the 2017 General Meeting of Shareholders. The Company notified and disclosed contact channels and period for proposing agenda and enquiries via the SET on September 29, 2016 and also provided details of the procedures on the Company's website at www.i-mobilephone.com, under "Investor Relation" on the topic "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 2016, the 2016 Annual General Meeting of Shareholders held on April 29, 2016 at Miracle Grand Convention Hotel, Vibhavadee-Rangsit Road, Laksi, Donmuang, Bangkok, where is convenience for transportation and capability to cover with number of shareholders. The Company is also prior notify date, time and place that comfort the shareholders to participate in the meeting. In addition, the Company scored "Very Good" (4TIA) from the survey on quality in convening the 2016 AGM by Thai Investors Association. The rights of shareholders to participate in the meeting are as follows:

Before the Meeting Date

The 2016 Annual General Meeting of Shareholders, the shareholders would be informed the date and agenda of the shareholders' meeting via the SET's communication system 60 days prior to the meeting date. At the same time, the Company also disclosed the notice of shareholders meeting as well as related documents including Annual Report in both Thai and English on the Company's website at www.i-mobilephone.com on the section "Investor Relations" under the topic "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 the 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 22 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 by arrangement of Barcode system in vote counting for faster voting result. There were 8 directors attended in the 2016 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. The 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 2016 Annual General Meeting of Shareholders, there were 172 shareholders attending the meeting either in person or in proxy. In addition, the Company invited the proxy of Bangkok Bank Plc. 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 including the results of an invitation to propose agenda of the 2017 AGM and sending question prior to the 2017 AGM. In addition, the directors who were the Company's shareholders requested for abstention their vote in the agendas they had interest therein. Then, the Chairman proceeded the meeting to be in line with the agenda without any additional topic from 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 were 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 all voting details in approval, disapproval and abstention of each agenda on the meeting date. Full minutes of the 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 at 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, the 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. 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 were provided and delivered to shareholders for 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 at 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 2016 Annual General Meeting of Shareholders, the Meeting approved dividend payment for 2015 at Baht 0.015 per share or equivalent to 177.61 % of consolidated net profit of 2015 financial statement which was higher than rate stipulated by the Company's dividend payment policy. The interim dividend at Baht 0.015 per share was paid to shareholders on September 9, 2015, thereby having no additional dividend payment

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

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 2016 Annual General Meeting of Shareholders, there were 22 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 the invitation letter in order to prevent the restraining rights of the shareholders who could not participate in the meeting by themselves. In addition, the Company set criteria about Inside Information Monitoring of which details shown in the section "Inside Information Control".

3. Attention to Stakeholders

The Company is aware that the support from each stakeholder should increase the competitiveness and ability to generate more benefit for long-term success and also realizes the importance of all stakeholders i.e. shareholders, employees of the Company and its subsidiaries, customers, competitors, lenders, societies and environment. Therefore, the Company provide more channels for the stakeholders to contact directly to the Company in order to provide either comments or recommendations of 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 at [www. i-mobilephone.com](http://www.i-mobilephone.com).

The latest revision of the Business Ethics was approved from the Board of Directors' Meeting No. 2/2017 on February 21, 2017. Details regarding Attention to Stakeholders were shown in the section "Business Ethics".

4. Disclosure and Transparency

The Company has strong determination to reveal accurate complete, consistent and updated information, both financial and general information that related to Company's business. The complete, consistent and updated information will truly reflect Company's financial performance and future business direction. The Company has a policy to disclose information of any significant and future business directions, so that shareholders and stakeholders can access information comfortably 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 at [www. i-mobilephone.com](http://www.i-mobilephone.com) and the SET's communication system.
- Criteria on provision of remuneration to directors and executives have been clearly disclosed. More details were shown in "Management Structure" under the topic "Remuneration of Directors and Management".
- Details on connected transactions have been clearly disclosed to prevent a conflict of interest. More details were 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 unit shall coordinate on submission of such report to the SET and the SEC. Moreover, directors and executives should report their securities holding in every board's meeting.

Securities holding information of the directors and the executives in 2016 were as follows:

Director / Executive	Ordinary Share (shares)				
	31/12/2015 or appointment date	Acquisition during the year	Disposal during the year	31/12/2016	Increase (Decrease)
1. Mr. Piyapan Champasut ⁽¹⁾ Spouse and minor children	- -	- -	- -	- -	- -
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. Pracha Phathayakorn Spouse and minor children	- -	- -	- -	- -	- -
7. Mrs. Sukanya Vanichjakvong Spouse and minor children	13,400,000 1,500,000	- -	- -	13,400,000 1,500,000	- -
8. Mr. Chakkrit Charuchinnda ⁽²⁾ Spouse and minor children	4,657,700 -	- -	150,000 -	4,507,700 -	(150,000) -
9. Mr. Thawatchai Majitnapakul ⁽³⁾ Spouse and minor children	- -	- -	- -	- -	- -
10. Mrs. Sumonthip Srimek Spouse and minor children	- -	- -	- -	- -	- -
11. Miss Kusuma Kerdpol Spouse and minor children	- -	- -	- -	- -	- -

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

⁽²⁾ Resigned from directorship on February 15, 2017.

⁽³⁾ Has been appointed on July 1, 2016.

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

- 1) Director and executive shall submit their first report on transaction with interest within 30 days from the date of appointment as director or executive pursuant to the specified report form.
- 2) Director and 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 may has conflict of 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 of receipt such report.

The Company discloses to shareholders, investors and any related parties via the SET's Communication system, the Company's website at www.i-mobilephone.com, press release, the Company's Annual Report, Form 56-1 and the Opportunity Day.

The Board of Directors has to ensure that the Company's disclosures are transparency and strictly complied by laws, the 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 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.

Number of meetings with investors and analysts in 2016 were summarized below:

- Analyst Meeting	30	Times
- Road Show	1	Times
- Announcement of Company's Performance	7	Times

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

- Structure, Roles and Responsibilities of the Board as well as performance of the Board and each Committee, 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 "Remuneration of directors and management".

- **Accountability to the Financial Statement**

The Board of Directors is responsible for the consolidated financial statements of the Company and its subsidiaries as well as the information that appears in the Annual Report. Such 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 financial statements have been audited and commented independently by the authorized auditors of the SEC to increase confidence and reliability on financial report. Additionally, the Company has no record to amend financial statement from the SET and the SEC.

The Board of Directors also set out and maintained for the efficiency of the Company's internal control system to ensure that the financial information had been correctly and accurately booked and sufficient to maintain the Company's assets and be aware of weak 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 8 directors who complied with the qualification that been described under "Management Structure". In addition, all of the Directors have contributed their best to the Company from their participation in the meeting. Details of directors' qualification and number of attendance 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 the best benefit of shareholders and 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 meeting of the Board of Directors and/or shareholders 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 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, 2016 comprised of 8 members with various qualifications, skills, experience and expertise. Composition of the members is as follows:

- 3 Independent Directors (equal to 37.5% of the Board of Directors)
- 3 Executive Directors (representatives from major shareholders)
- 2 Non-Executive Directors

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 8 directors of the Company is being the director in listed companies over than 5 companies and also could participate and contribute to the Company with efficiency of which better than not exceed 5 companies according to guideline of Corporate Governance.
- Policy for top executives to serve as directors in other companies
The top executives 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 Board of Director's Activities in the previous year

5.5.1 Review and approve the Company's vision, mission including set up policy and business direction

The Board of Directors reviews, revises and approve the Company's vision, mission, Corporate Governance Policy, Business Ethics and co-considers in strategies, goal, direction, business plan, budget, internal control and internal audit systems, and risk management. The Audit Committee will follow up progress of such matters regularly reports to the Board of Directors. The Board of Directors also governs the management to follow such business plan and budget with efficiency and profitability for the highest economic value to the Company and the best stability to the shareholders. 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 competition with the Company and its subsidiaries. But the Board of Directors also conduct the business with great awareness in ethical, moral and compliance to the Company's Articles of Associations, laws and regulations of the SET and the SEC.

The Company's vision, mission, business direction, Corporate Governance Policy, Risk Management Policy and Business Ethics have been posted on the Company's website at 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 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 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 provides channel to receive the misconduct information, complaint or opinion on violation of law or ethics, any behavior may lead to the corruption or inequality treatment. Details on procedures and methods on informing such information, as well as the protection of the informant shown in the section "Opinion and Suggestion".

In 2016, the Company provided the business ethics assessment. The senior management level were requested to perform self-assessment to evaluate on proceed with the business ethics. The result of the evaluation reviewed by the Audit Committee concluded that the Company and management completely complied with the Business Ethics and Code of Conduct.

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 in "Sub-Committees". In addition, the Charters of all Committees have been set and disclosed on the Company's website at 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. 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. 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 2016, there were 9 meetings as follows:

Directors	Position	Date of appointment	Term of position (year/month)	Number of attendance / total number of meeting
1. Mr. Piyapan Champasut ⁽¹⁾	Chairman of the Board of Directors / Independent Director / Audit Committee Member	March 1, 2016	0/10	7/7
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	13/3	8/9
3. Mr. Kunthit Arunyananda	Independent Director / Audit Committee member / Chairman of the Nominating and Compensation Committee / Corporate Governance Committee Member	September 30, 2003	13/3	9/9
4. Mr. Charoenrath Vilailuck ⁽²⁾	Director / Risk Management Committee Member	September 30, 2003	13/3	9/9
5. Mr. Watchai Vilailuck ⁽²⁾	Authorized Director / Chief Executive Officer / Executive Chairman / Chairman of the Risk Management Committee	September 30, 2003	13/3	9/9
6. Mr. Thananan Vilailuck ^{(2), (3)}	Director	September 30, 2003	12/7	3/3
7. Mr. Chakkrit Charuchinda ⁽⁴⁾	Director	January 1, 2016	1/0	7/9
8. Mr. Pracha Phathayakorn ⁽²⁾	Authorized Director / Executive Director / Risk Management Committee Member / Sustainable Development Committee Member	August 13, 2015	1/4	8/9
9. Mrs. Sukanya Vanichjakvong ⁽²⁾	Authorized Director / President / Chairman of the Sustainable Development Committee / Executive Director / Risk Management Committee Member / Corporate Governance Committee Member / Nominating and Compensation Committee Member	November 12, 2015	1/1	9/9

Remarks: ⁽¹⁾ Has been appointed as Chairman of the Board of Directors and Audit Committee member on March 1, 2016. There were 7 meetings during his position.

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

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

⁽⁴⁾ Resigned from directorship on February 15, 2017.

In 2016, the Board of Directors considered the following agendas:

- Acknowledged the change in Securities holding of directors and executives from last meeting
- Certified the Minutes of the previous Board of Directors' Meeting
- Considered and approved the 2015 Company's financial statement and 2016 quarterly financial statements
- Considered dividend payment for the year 2015 and the interim dividend payment
- Approved the 2015 MD&A and the 2016 quarterly MD&A
- Approved annual bonus for directors and sub-committee members
- Approved the appointment of director to replace the vacant position and replace of those who would 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 2015 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 2016 remuneration of the Board of Directors and Committees
- Considered and approved the appointment of the 2016 Company's auditor and fixing audit fee
- Considered the Directors' and Officers' Liability Insurance
- Considered subjects relating to the 2016 AGM prior to the shareholders' meeting
- Considered the connected transactions
- Considered and approved the appointment of the members in each committee to replace of those who retire by rotation
- Considered and approved the date of the Board of Directors' Meeting, Sub-committee's Meeting and Shareholders' Meeting
- Acknowledged CGR of Listed Companies for 2016
- Acknowledged survey results of the 2016 AGM performance assessments
- Approved the change in the Company's authorized signatories
- Considered and approved salary increment rate for 2017 and set the annual bonus policy for 2016-2017
- Approved criteria of the self-assessment of Board of Directors and Sub-Committee for 2016
- Approved criteria of CEO Assessment and Company Secretary Assessment in 2016
- Approved meeting schedule of the Board of Directors, Sub-Committees and Shareholders for 2017
- Approved the change in the authorized signatories and condition to sign in the financial document
- Other agendas relating to the Company's operation and subsidiaries
- Acknowledged Strategic & Implementation Plan for 2016
- Approved the appointment of Chairman of the Board of Directors and the Audit Committee member to replace the vacant position
- Approved the appointment of Head of Internal Audit to replace the vacant position
- Approved the acquisition and disposal of investment in subsidiary companies
- Approved the Company to conduct new businesses
- Approved the sale or dissolution of non-operated subsidiary companies
- Approved the appointment of Chief Executive Officer to replace the vacant position
- Considered Strategic & Implementation Plan for 2017

The minutes for all meetings are recorded in written, kept and be ready for verification by the directors or any related parties.

2) Sub-Committees

In 2016, 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. Mr. Piyapan Champasut ⁽¹⁾	6/6					
2. Dr. Chotivid Chayavadhanangkur	6/7		3/3	3/3		
3. Mr. Kunthit Arunyananda	7/7		3/3	3/3		
4. Mr. Charoenrath Vilailuck ⁽²⁾					2/2	
5. Mr. Watchai Vilailuck ⁽³⁾		2/2			2/2	
6. Mr. Chakkrit Charuchinda ⁽⁴⁾		10/10			1/1	
7. Mrs. Sukanya Vanichjakvong ⁽⁵⁾		12/12	2/2	1/1	3/3	3/3
8. Mr. Jong Diloksombat ⁽⁶⁾			1/1			
9. Mr. Sirichai Rasameechan ⁽⁷⁾				2/2		
10. Mr. Pracha Phathayakorn		12/12			3/3	3/3
11. Miss Boonrut Mongkolratanakorn						3/3

- Remarks:**
- ⁽¹⁾ Has been appointed as Chairman of the Board of Directors and Audit Committee member on March 1, 2016.
 - ⁽²⁾ Has been appointed as Risk Management Committee member on May 10, 2016.
 - ⁽³⁾ Has been appointed as Executive Chairman and Chairman of the Risk Management Committee on November 1, 2016.
 - ⁽⁴⁾ Resigned from the Executive Committee member and Risk Management Committee member on October 31, 2016. He resigned from directorship on February 15, 2017.
 - ⁽⁵⁾ Has been appointed as Corporate Governance Committee member and Nominating and Compensation Committee member on May 10, 2016.
 - ⁽⁶⁾ Resigned from the Corporate Governance Committee member on May 10, 2016.
 - ⁽⁷⁾ Resigned from the Nominating and Compensation Committee member on May 10, 2016.

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

As the Stock Exchange of Thailand (SET) encourages all the Board of Directors of listed companies to evaluate their performance, the Company has proceeded Board Self-Assessment, Director Self-Assessment, and Sub-Committees Self-Assessment including performance assessment of CEO, Company Secretary and Head of Internal Audit Unit annually. In 2015, the SET provided sample of Board Self-Assessment and Sub-Committees Self-Assessment for all listed company to apply their own assessment appropriately.

The Corporate Governance Committee Meeting No. 2/2016 and No. 3/2016 on November 2, 2016 and December 15, 2016 proposed the Board of Directors’ Meeting No. 9/2016 on December 15, 2016 to approve the revision of criteria for self-assessment of the Board of Directors and Sub-Committee for 2016 based on the topics of assessments provided by the SET. While criteria in each topic has been appropriate adjusted from sample of the SET. However, there is no change in criteria of the performance assessment of CEO and Company Secretary.

5.8.1 Board Self-Assessment and Director Self-Assessment

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

Board Self-Assessment

The Corporate Governance Committee has initiated the Self Assessment form for board members to review and evaluate their performance for 2016 as a whole. The assessment form, approved by the Board of Directors’ Meeting No. 9/2016 on December 15, 2016, was submitted to all directors for assessment. The questionnaire covered the following areas:

1. Board structure and qualifications
2. Roles, duties and responsibilities of the board
3. Meeting
4. The action on duties of director
5. Relationship with management
6. Director’s self-development and management training

The 2016 Board Self-Assessment, evaluated by 7 directors in the above 6 areas, has an excellent evaluation by obtaining average score of 97.27%.

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’ Meeting No. 9/2016 on December 15, 2016, was submitted to all directors for assessment. The questionnaire covered the following areas:

1. Board structure and qualifications
2. Meeting
3. Roles, duties and responsibilities
4. Self-development

The 2016 Director Self-Assessment, evaluated by 7 directors in the above 4 areas, has an excellent evaluation by obtaining average score of 96.83%.

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' Meeting No. 9/2016 on December 15, 2016, 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. Meeting
3. Roles, duties and responsibilities
4. Development and 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. Meeting
3. Roles, duties and responsibilities
4. Development and training
5. Auditing Activities
6. Relationship between head of internal audit, external auditors and executives

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

	Result	Average Score (%)
1. Executive Committee	Excellent	97.37
2. Risk Management Committee	Excellent	96.65
3. Nominating and Compensation Committee	Excellent	96.25
4. Corporate Governance Committee	Excellent	98.25
5. Audit Committee	Excellent	96.05
6. Sustainable Development Committee	Very Good	84.42

5.8.3 CEO Assessment

The Corporate Governance Committee conducts CEO Assessment annually. The assessment form was approved by the Board of Directors' Meeting No. 9/2016 on December 15, 2016 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 2016 CEO Assessment, evaluated by the Company's 6 directors in the above 9 areas, has an excellent evaluation by obtaining average score of 95.61%.

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 2016, the Board of Directors considered the criteria of Company Secretary Assessment in its meeting No. 9/2016 on December 15, 2016. 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 2016 Company Secretary Assessment, evaluated by 7 directors in the above 6 areas, has an excellent evaluation by obtaining average score of 96.02%.

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. 7/2016 on December 15, 2016 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 2016 Head of Internal Audit Assessment, evaluated by 3 Audit Committee members in the above 6 areas, has an excellent evaluation by obtaining average score of 98.33%.

5.9 Development of Directors and Management

The Company provides orientation for all new directors to acknowledge sufficient information before his or her post. In addition, director's manual, document and useful information beneficial to perform the duties of directors are prepared for new directors to get 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 2016, the Board of Directors approved the appointment of a new director named Mr. Piyapan Champasut. The Company held an orientation for new director according to the Company policy.

In addition to support and increase knowledgeable of 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, 2016, 4 directors had joined DCP program, 2 directors had joined DAP program and 2 directors had joined both DCP and DAP program. IOD training course of each director was shown in “Directors, Management, Company Secretary and Head of Internal Audit”. Each year, the Company submits training courses arranged by various institutes to directors for their own consideration on attendance.

In 2016, the following 3 directors attended the training courses as shown below:

1. Mr. Watchai Vilailuck - Authorized Director / Chief Executive Officer / Executive Chairman / Chairman of the Risk Management Committee
 - 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)
 - Could not survive without knowledge of Digital 4.0 by Dr.Witoon Simachokedee
2. Mrs. Sukanya Vanichjakvong - Authorized Director / President / Chairman of the Sustainable Development Committee / Executive Committee Member / Risk Management Committee Member / Corporate Governance Committee Member / Nominating and Compensation Committee Member
 - Advanced Security Management Program (Class 8), The Association National Defence College of Thailand under the Royal Patronage of His Majesty the King
 - Could not survive without knowledge of Digital 4.0 by Dr.Witoon Simachokedee
3. Mr. Pracha Phathayakorn - Authorized Director / Executive Committee Member / Risk Management Committee Member / Sustainable Development Committee Member
 - Could not survive without knowledge of Digital 4.0 by Dr.Witoon Simachokedee

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. In addition to monitor the proceeding with the general practices as stipulated in the Business Ethics, the Company provided the business ethics assessment. The senior management level were requested to perform self-assessment to evaluate on proceed with the business ethics. The result of the evaluation concluded that the Company and management completely complied with the Business Ethics and Code of Conduct.

The latest issue of the Company’s Business Ethics has approved by the Board of Directors’ Meeting No. 2/2017 on February 21, 2017. The Company was on the process to revise Anti-Corruption policy for further joining with Thailand’s Private Sector Collective Action Coalition against Corruption (CAC). The revision of Anti-Corruption Policy is expected to complete by 2017. 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 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 and value of the transaction, party involved and necessity has been disclosed in the Company's Annual Report, Form 56-1 and the auditor's notes to 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 Directors' Meeting and the Shareholders' Meeting. Details of the transactions which might have conflict of interest in 2016 were shown in the topic "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. Therefore, the Company grants rights to all shareholders to propose an agenda and send a question in advance, attend, vote and have comments in the shareholders' meeting, to share in profits, regularly and timely obtained adequate information, business performance and management policy. Details of shareholders' rights were shown in the topic "1. Rights of Shareholders".

- **Employee policies**

The Company highly regards all of the employees as invaluable resources and indispensable factor that propel the Company to meet all objectives and future successes. Henceforth, the Company is responsible to provide just opportunity, reasonable remuneration, promotion, appointment, transfer and development of potential by:

1. Treat every employee with respect to his/her right, honor and privacy.
2. Maintain working atmosphere that is conducive to promote better safety for their lives and properties.
3. Promoting, transferring, awarding and punishing, of employees are conducted with sincerity, and based on each employee's knowledge, effort, and appropriateness.
4. Pay importance on developing skills and potential of employees by constantly organizing various activities, for instance, seminars, training, and handing out scholarships for employees.
5. Avoid all unfair actions that may cause instability of employee's position.
6. Propose reasonable remuneration packages according to market situations, business competitions, job descriptions, work qualities including assessment of company's performance on short term and long term based on company's capability to pay for that remuneration packages.

7. Provide the appropriate compensation such as medical fee, life insurance, annual checkup, reserve allowance fund, accommodation, subvention in case death of employees or employees' family, bus, fitness, and discount for the Company's products.
8. Provide opportunities for employees to express opinions and file complaints related to their jobs. Those suggestions and complaints will be seriously taken into consideration for formulating solutions. This important policy is meant to draw benefits to all parties and spawn camaraderie in the office.

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.

Apart from the policy, the Company also took care and provided the concretely practices to all employees in term of employment opportunity, reasonable remuneration, promotion, and other suitable welfare that is higher than that regulated by laws.

1. Medical treatment, annual health checkup and life insurance

There is always be the nurse(s) stationed in the infirmary everyday at the Company's office building and the doctor shall visit and treat sick employees twice a week. The Company also has the medical treatment welfare for the employees (in case of out-patient) who are treated at the government and private hospitals. The employees shall be entitled to the annual medical treatment fee pursuant to their level. In 2016, total amount of medical treatment fee reimbursed by the employees of the Company and its subsidiaries amounted to Baht 799,759.42.

It also provides an annual health checkup of which classified the plan for each employee depending on age, working year, working risk and position level. Moreover, the Company also has group health insurance for the Company's employees which are made with Allianz Ayudhya Assurance Plc. (Allianz AYUDHYA) as well as group life insurance which cover all kinds of death. Besides group life insurance, the Company also provides accident and disability insurance which are made with Allianz Ayudhya Assurance Plc. (Allianz AYUDHYA). It covers all kinds of accident, all over the world and with 24 hours. In case the employee get an accident and caused death or dismemberment, he/she will get compensation from those case as stipulated in the policy.

2. Fund

The Company set provident fund to secure the employee working life 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. Provident fund to the employees that provided by the Company is at the rate of 3-10% of salary related to year of services. Moreover, the Company provides compensation fund.

3. Loan

The Company provides benefits for housing loans, various purpose loan for member of provident fund, loan for medical treatment in case of accidents or illness etc.

4. Employee development

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 “Management Structure” under the topic “Human Resources Management and Development Policy”.

5. Other benefits

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 arrange for the fitness center and to encourage for the sport competition, both inside and outside the Company to promote health of the employees.
6. To provide travelling expenses and allowance in case of working at upcountry or aboard, operating risk allowance in the 3 southernmost provinces. Welfare for employee who admits in the hospital.
7. Special grants when employees or member family of the employee is death
8. Uniforms
9. Mobile phone to executives and employees, special price of products that sell to employees.
10. Scholarships for employees based on the Company’s regulation
11. The Company trained and informed the prudent operating guidelines standards with regard to good manner and ethics of the employees via the orientation for new employees, Employee Manual and HR website at www.samarthre.com. Such ethics have been written in the Company’s regulations for employee’s adherence and disclosed on the Company’s website at www.i-mobilephone.com.

Record on the 2014-2016 accident, absence and illness at work of the Company and its subsidiaries

Line of business year	Lost Time at work								
	Accident			Absence			Illness		
	2014	2015	2016	2014	2015	2016	2014	2015	2016
1. Mobile Business	-none-	-none-	-none-	-none-	-none-	-none-	-none-	-none-	-none-
2. Non-Mobile Business	-none-	-none-	-none-	-none-	-none-	-none-	-none-	-none-	-none-
3. Support Business	-none-	-none-	-none-	-none-	-none-	-none-	-none-	-none-	-none-

- **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 where has been certified as international standard. In 2016, 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.

- **Treatment of Trade partners**

The Company has policy in equitably and fairly treatment 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 the policies to evaluate and select trade partners, develop and maintain good relationship between all partners with trust and confidence, keep in touch with customer to share each other opinion, refuse to accept any personal benefit offered by partners, and refuse to fabricate or falsify information that will cause misunderstandings to partners. The Company also avoids purchase products and/or services from partner who violates human rights or infringe intellectual property as well as follows 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 trade partners treatment policy by selecting the qualified business partners to enter into the Approved Vendor List and prices have been compared before the purchase order has been made. The business partners have 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 and it also has been audited by the independence 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 in the section "Anti-Corruption".

In addition, the Corporate Governance Committee Meeting No. 3/2016 on December 15, 2016 has revised Anti-Corruption policy for more clearly in order to prepare for further joining with Thailand's Private Sector Collective Action Coalition against Corruption (CAC). It is expected to complete by 2017.

- **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 timeframe as prescribed by laws.
3. Provide risk assessment that may have an impact on tax exposure.

- **The Sustainable Development Policy**

The Company recognizes the importance of sustainable development that will lead to the business' sustainable growth and must develop in parallel with the recognition of social and environmental responsibility as well as corporate governance. Thus, the sustainable development policy is set of which its details are as follows:

1. To conduct business based on good governance principle as well as social and environmental responsibility including others relating to sustainable development 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 sustainable development throughout the organization.
4. To encourage on creation of social and environmental projects or activities including others relating to sustainable development.

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.

General practical guideline for responsibility to societies, communities and environment are as follows:

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 2016, SAMART Group has continued our efforts to promote “People of Quality, Society of Morality” and implemented a variety of activities for public benefits. Details of the projects and activities were 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 changes the World” 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 in the section “Corporate Social Responsibility” under “Environmental Conservation”.

- **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
99/12 Moo 4, Software Park, 24th 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.

- **Policy, 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, etc.

The Company's Vision, Mission, Corporate Governance Policy and Business Ethics have been publicized on the Company's website at www.i-mobilephone.com, and also 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; Audit Committee, Corporate Governance Committee, Executive Committee, Risk Management Committee, Nominating and Compensation Committee, and Sustainable Development Committee. Details of directors, qualification, term of positions and roles and responsibilities are as follows:

1) Audit Committee as of December 31, 2016:

1.	Dr.Chotivid Chayavadhanangkur	Chairman (Independent Director)
2.	Mr. Piyapan Champasut	Member (Independent Director)
3.	Mr.Kunthit Arunyananda	Member (Independent Director)
	Mr. Wichai Rongkawilit	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 where 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 statements. 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 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 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 the 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 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, 2016:

- | | | |
|----|--------------------------------------|------------------------------------|
| 1. | Mr. Watchai Vilailuck ⁽¹⁾ | Chairman / Chief Executive Officer |
| 2. | Mrs. Sukanya Vanichjakvong | Member |
| 3. | Mr. Pracha Phathayakorn | Member |
| | Miss Boonrut Mongkolratanakorn | Secretary |

Remark: ⁽¹⁾ Has been appointed as Chief Executive Officer on November 1, 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 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.

Roles and Responsibilities of Chief Executive Officer were shown in the topic "5.2 The Independent of 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, 2016:

- | | | |
|----|---|---------------------------------|
| 1. | Dr. Chotivid Chayavadhanangkur | Chairman (Independent Director) |
| 2. | Mr. Kunthit Arunyananda | Member (Independent Director) |
| 3. | Mrs. Sukanya Vanichjakvong ⁽¹⁾ | Member |
| | Miss Boonrut Mongkolratanakorn | Secretary |

Remark: ⁽¹⁾ Has been appointed as Corporate Governance Committee member on May 10, 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/or any qualified candidates propose for further consideration and appointment from the Board of Directors in the first board meeting after the Annual General Meeting of Shareholders. The Chairman of the Committee has to be nominated from the Company's Independent Director. However, the retired members are eligible to be re-elected for another term.

Scope of Responsibilities and Authority of the Corporate Governance Committee

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

4) Nominating and Compensation Committee as of December 31, 2016:

- | | | |
|----|---|---------------------------------|
| 1. | Mr. Kunthit Arunyananda | Chairman (Independent Director) |
| 2. | Dr. Chotivid Chayavadhanangkur | Member (Independent Director) |
| 3. | Mrs. Sukanya Vanichjakvong ⁽¹⁾ | Member |
| | Miss Boonrut Mongkolratanakorn | Secretary |

Remark: ⁽¹⁾ Has been appointed as Nominating and Compensation Committee member on May 10, 2016.

Terms of positions

One-third of the Nominating and Compensation Committee, who have been longest in office, shall retire by rotation every year. The retired directors are eligible to be re-elected for another term by obtaining majority vote from the Board of Directors. In case of vacancy, the Nominating and Compensation Committee will consider an appropriate person from the members of the Board of Directors and/or any qualified candidates and propose to the Board of Directors for appointment.

Scope of Responsibilities and Authority of the Nominating and Compensation Committee

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

5) Risk Management Committee as of December 31, 2016:

- | | | |
|----|--------------------------------------|-----------|
| 1. | Mr. Watchai Vilailuck ⁽¹⁾ | Chairman |
| 2. | Mr. Charoenrath Vilailuck | Member |
| 3. | Mrs. Sukanya Vanichjakvong | Member |
| 4. | Mr. Pracha Phathayakorn | Member |
| | Miss Boonrut Mongkolratanakorn | Secretary |

Remark: ⁽¹⁾ Has been appointed as Chairman of the Risk Management Committee on November 1, 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 for further consideration and appointment from the Board of Directors in the first board meeting after Annual General Meeting of Shareholders. However, the retired members are eligible to be re-elected for another term.

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.

During 2016, the Company has set the Risk management working team of which members consisted of the Company's directors and management to take responsibilities as follows:

1. Classify the significant risk and provide the effectively and efficiently method to control all company's risks to the appropriate level.
2. Monitor and follow up all practices to comply with the risk management policy and general guideline as approved by the Board of Directors.
3. Regularly report to the Board of Directors regarding the Company's risk management, general practices, action plan, status of risk and any changes including corrective and preventive measures to comply with the specified policy and strategy.

6) Sustainable Development Committee as of December 31, 2016:

- | | | |
|----|--------------------------------|----------------------|
| 1. | Mrs. Sukanya Vanichjakvong | Chairman |
| 2. | Mr. Pracha Phathayakorn | Member |
| 3. | Miss Boonrut Mongkolratanakorn | Member and Secretary |

Remark: The Board of Directors' Meeting No. 2/2017 on February 21, 2017 approved to change Thai name of the Committee, and revise Duties and Responsibilities and Policy to comply with the SET's SD Framework that focus on 3 aspects; economy, society and environment.

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 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 and action plan for sustainable development to comply with the Company's business operation in term of economy, society and environment.
2. Encourage and support the Company's activities to achieve the SD policy.
3. Monitor, review, follow up the operational progress and evaluate the effectiveness of SD policy implementation.
4. Report the Company's SD operation to the Board of Directors.

All sub-committees carry out their duties and convene the meeting with written minutes regularly. The significant issues of the previous year including number of meeting of each sub-committee were shown in "Other Company's Corporate Practices" under the topic "Meeting of the Board of Directors and Sub-Committees".

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 Board of Directors, members of the Board 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 such requirements of the SEC and the SET as a minimum and propose to the Board of Directors' and/or the Shareholders' Meeting in case of rotation or others. Moreover, the Board of Directors has also appointed other committees to help the Board of Directors on its business either audit or consideration any significant matters. Such Committees are Executive Committee, Audit Committee, Risk Management Committee, Corporate Governance Committee, Nominating and Compensation Committee and Sustainable Development Committee. The Nominating and Compensation Committee will select and nominate appropriate candidates to be members of the Committees prior to propose for consideration of the Board of Directors.

Executive Succession Plan

The Company is aware of the importance of executive succession plan in case any executive position is vacant. In addition to the appointment of the Nominating and Compensation Committee to select and nominate appropriate candidates for directors and top executive, the Company also provides Executive Succession Plan to create confidence for investors, shareholders and employees on the continuity operation of the Company. The potential candidate will be selected, trained and developed to ready for 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 Board of Directors' Meeting for consideration and approval before the registration of the new company. The Board of Directors shall consider appointing the executives who hold the positions of directors and management of such subsidiary and the associated company and defining the 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 Executive Committee's Meeting as well. The management of the subsidiary and the associated company must present the annual business plan to the Executive Committee's and the Board of Directors' Meeting for consideration and approval every year. If performance of any company has not achieved the targeted plan, the management must clarify to the Executive Committee's Meeting. In case business operation encountered many problems, the management is required to clarify to the Executive Committee's Meeting as the watch list so that precaution and corrective measures can be closely monitored and resolved.

The subsidiary and the associated company must have an 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 becoming defective that may likely cause risks and damage to the Company, the Executive Committee shall order such company to improve and rectify defects in such internal control system immediately. In case of any transaction required to comply with the regulations of the Company or the relevant laws and needed to get an approval from the Shareholders' Meeting of such subsidiary, such transaction shall be proposed to the Executive Committee's Meeting for 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 employees 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 2016, 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 to be complied with 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' Meetings. 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 has been considered to disclose 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 "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 and best practices in the international standard as well as ASEAN CG Scorecard criteria. For some areas that the Company has not yet followed such regulations, the Company applies the principles or best practices to conduct the business operation as the following areas:

Equity Treatment of Shareholders

1. The Company has not yet allowed the minority shareholders to nominate candidates for directorship. However, the Board of Directors has appointed the Nomination Committee and Compensation Committee to recruit and nominate the qualified candidate to be director by taking into consideration from IOD's Director Pool. The Nomination Committee and Compensation Committee also considers qualification as the relevant laws and regulations, experience, knowledge and ability that is advantage and needed to the Company of the candidate to propose to the Board of Directors' and/or the Shareholder's Meeting for further approval.
2. The Company has not yet determined to perform the election of directors by cumulative voting. 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 shall truly elect their desired director.
3. The Company has not yet established the policy regarding directors and top executives to declare their trading transaction of the Company's shares at least 1 day prior to the trading date to the Board of Directors or the assigned person. However, the Company has a policy that director and top executives shall 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 of not exceeding 2 listed companies in the other group of companies. However, the Company has set the policy for all directors not to hold director position of not exceeding 5 companies. In addition, top executives of the Company will also be obtained approval from the Executive Committee prior to hold director position 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 by taking into consideration of knowledge, capability and adequate time to perform his duty.
2. There is no independent woman director in the Board of Directors. However, one of the Company's executive director is woman named Mrs. Sukanya Vanichjakvong, she has qualification, knowledge and capability to manage the Company's operation and hold the position of President. This shows that no sexual discrimination at all.
3. As of December 31, 2016, portion of independent directors and non-executive directors in the Board of Directors are equivalent to 37.50% and 62.50% of total directors which are less than 50% and 66% as stipulated by the Principles of Good Corporate Governance.
4. The Company has not yet participated in Thailand's Private Sector Collective Action Coalition against Corruption (CAC). However, the Company has joined the Partnership against Corruption for Thailand (PACT) to attend the training course and gather recommendation on anti-corruption procedures. In addition, the Company is in the process of revising the Anti-Corruption Policy, general practical and operational guidelines to prepare for further joining with the CAC. In 2016, the Company's executives attended the anti-corruption training course and studied the operating procedures on participation with the CAC. The Company will further consider the appropriateness and readiness to join the CAC.

Internal Control and Risk Management

Internal Control

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

1. Control Environment

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

2. Objective Setting

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

3. Event Identification

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

4. Risk Assessment

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

5. Risk Response

The Company has proper internal control measures which are appropriated with the risks of the changing business. Risks in each operating procedures have been adjusted. The Company's internal control measures included the segregation of responsibilities and approval authority for purpose of check and balance. The Internal Audit Unit shall review the adequacy and appropriateness of the internal control system.

6. Control Activities

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

7. Information and Communication

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

8. Monitoring

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

Opinions of the Board of Directors regarding the Company's Internal Control System

Based on the above assessment, the Board of Directors' Meeting No. 2/2017 on February 21, 2017, in which all 3 Audit Committee members attended, has evaluated the Company's internal control system by using the Securities and Exchange Commission evaluation questionnaire and concluded that the Company had a sufficient internal control system. The Company provided sufficient manpower to ensure that the operation would proceed efficiently. Internal control system could be strengthened in monitoring not only the operation of the Company but also the operation of the subsidiaries in safe guarding of assets from wrong usage or used by unauthorized persons. Business transaction with related persons and the persons who had conflict of interest with the Company were prohibited. The Board of Directors also concluded that internal control system for other topics was done sufficiently.

Furthermore, the Company's auditors, Ms. Sarinda Hirunprasurtwutti, an auditor license no. 4799, audited the financial statements of the Company and subsidiaries for the year ended December 31, 2016 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. The Company also supports the sufficiency of manpower to fit for work load.

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 Compliance Unit

Head of Internal Audit

In the Audit Committee's Meeting No. 1/2016 on February 23, 2016 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.

Additionally, the Audit Committee is responsible for consideration the independence of the Internal Audit unit as well as the appointment, transfer and dismissal of the head of internal audit or any other unit in charge of an internal audit. In 2016, the Audit Committee assessed performance of the head of internal audit and was of the opinion that the head of Internal Audit has suitable qualifications and can effectively perform his duties with the following details:

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

Details about education, experience and training of the head of internal audit are shown in the section "The Board of Directors, Management, Company Secretary and Head of Internal Audit". Result of Internal Auditor Assessment is shown in the section "Corporate Governance" under the topic of "Head of Internal Audit 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 established risk management policy which included the analysis of possible risks which may have materials impacts, preparation of risk mitigation plan as well as improvement of internal control systems in order to be able to effectively control and manage risks and report the results to the Board of Directors. These methods can ensure that the Company will have proper risk management and the risks can be effectively and efficiently managed.

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

The Company has appointed the Risk Management Committee by electing appropriate persons from the members of the Board of Directors, simultaneously, to consider and appoint the chairman of Risk Management Committee from the committee members to assess and review risks of various departments as well as propose the policies related to risk management. During 2016, the Risk Management Committee conducted 3 meetings.

In addition, during 2016, the Company has set the Risk management working team of which members consisted of the Company's director and management to take responsibilities as follows:

1. Classify the significant risk and provide the effectively and efficiently method to control all company's risks to the appropriate level.
2. Monitor and follow up all practices to comply with the risk management policy and general guideline as approved by the Board of Directors.
3. Regularly report to the Board of Directors regarding the Company's risk management, general practices, action plan, status of risk and any changes including corrective and preventive measures to comply with the specified policy and strategy.

Anti-Corruption

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

Duties and Responsibilities

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

In addition, the Company has set the written Anti-Corruption Policy and general operating guidelines disclosed on the Company's website at www.i-mobilephone.com.

In 2016, the Corporate Governance Committees has reviewed such policy for more completeness in order to plan for joining with Thailand's Private Sector Collective Action Coalition against Corruption (CAC) by adding more topics and proposed for consideration of the Board of Directors' Meeting. The revision of Anti-Corruption Policy is expected to complete by 2017 to cope with the Sustainable Development plan for the listed company set by the SEC. The current Anti-Corruption Policy covered the following issues:

Anti-Corruption Policy

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. Directors, executives and employees of the Company, its subsidiaries and associated companies must strictly adherence and regularly reviewed. Details of the policy are as follows:

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 2016 caused the following matters:

- No case of misconduct on corruption or breach of the ethics. It 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.

Connected Transactions

Related transactions which might have conflicts of interest for the year ended December 31, 2016 were as follows:

Related Parties	Transaction Type	Value of Transaction (Million Baht)	Necessity of Transactions
1. Samart Corporation Plc. A major shareholder of Samart I-Mobile Plc. with 70.94% stake owner.	Samart I-Mobile Plc. and its subsidiaries paid rental and utility service fees to Samart Corporation Plc. as follows; - Samart I-Mobile Plc. - Samart Multimedia Co., Ltd. - Samart Interactive Media Co., Ltd. - Entertainment Tree Co., Ltd. - I-Sport Co., Ltd. - Brain Source Co., Ltd. - Mall (Thailand) Co., Ltd. (Total outstanding as of December 31, 2016 was Baht 27.405 Million)	18.356 8.119 0.418 0.100 1.003 0.056 0.072	The Audit Committee in its meeting No. 2/2017 on February 21, 2017 resolved that the rental and service fees were reasonable compared to market price in nearby area and the same price compared with other renters.
<u>Related Directors and Management</u> 1. Mr. Charoenrath Vilailuck 2. Mr. Watchai Vilailuck 3. Mr. Pracha Phathayakorn 4. Mrs. Sukanya Vanichjakvong	Samart I-Mobile Plc. sold mobile phone and accessories to Samart Corporation Plc. and its subsidiaries as follows; - Samart Corporation Plc. - Samart Engineering Co., Ltd. - One to One Contacts Plc. - Vision and Security System Co., Ltd. - Samart U-Trans Co., Ltd. - Teda Co., Ltd. - Transec Power Services Co., Ltd. - Cambodia Air Traffic Services Co., Ltd. - Suvarnabhumi Environment Care Co., Ltd. - Samart Telcoms Plc. - Samart Communication Services Co., Ltd. - Samart Comtech Co., Ltd. - Posnet Co., Ltd. - Thai Trade Net Co., Ltd. - Samart Infonet Co., Ltd. - Smarterware Co., Ltd. - Portalnet Co., Ltd. - Samart Ed Tech Co., Ltd. (Total outstanding as of December 31, 2016 was Baht 0.734 Million)	0.908 0.126 0.185 0.068 0.058 0.219 0.075 0.114 0.066 6.694 0.576 1.315 0.073 0.001 0.062 0.005 0.268 0.017	The Audit Committee in its meeting No. 2/2017 on February 21, 2017 resolved that it was a normal business transaction for sale and purchase of goods according to the general trade conditions.
	Samart I-Mobile Plc. sold sim card and provided 3G mobile services to Samart Corporation Plc. and its subsidiaries as follows; - Samart Corporation Plc. - Samart Engineering Co., Ltd. - One to One Contacts Plc.	0.342 0.094 0.745	The Audit Committee in its meeting No. 2/2017 on February 21, 2017 resolved that it was a normal business transaction for sale and purchase of goods and services according to the general trade conditions.

Related Parties	Transaction Type	Value of Transaction (Million Baht)	Necessity of Transactions
	<ul style="list-style-type: none"> - Vision and Security System Co., Ltd. - Samart U-Trans Co., Ltd. - Teda Co., Ltd. - Transec Power Services Co., Ltd. - Samart Telcoms Plc. - Samart Communication Services Co., Ltd. - Posnet Co., Ltd. - Thai Trade Net Co., Ltd. - Samart Comtech Co., Ltd. - Samart Infonet Co., Ltd. - Smarterware Co., Ltd. <p>(Total outstanding as of December 31, 2016 was Baht 2.109 Million)</p>	<ul style="list-style-type: none"> 0.074 0.054 0.179 0.116 0.282 0.174 0.193 0.036 0.145 0.064 0.099 	
	<p>Samart I-Mobile Plc. sold cars to Samart Corporation Plc. and its subsidiaries as follows;</p> <ul style="list-style-type: none"> - Samart Corporation Plc. - Posnet Co., Ltd. 	<ul style="list-style-type: none"> 1.215 0.935 	The Audit Committee in its meeting No. 2/2017 on February 21, 2017 resolved that it was a normal business transaction for sale and purchase of used asset at the market price.
	<p>Samart I-Mobile Plc. sold office equipments to Tada Co., Ltd.</p>	0.009	The Audit Committee in its meeting No. 2/2017 on February 21, 2017 resolved that it was a normal business transaction for sale and purchase of used asset at the market price.
	<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. - Samart Mobile Services Co., Ltd. - I-Mobile Plus Co., Ltd. - Entertainment Tree Co., Ltd. - I-Sport Co., Ltd. - I-Mobile International Co., Ltd. 	<ul style="list-style-type: none"> 7.511 3.921 0.008 0.008 0.008 0.460 0.108 	The Audit Committee in its meeting No. 2/2017 on February 21, 2017 resolved that it was a normal business transaction for sale and purchase of services according to the general trade conditions.
	<p>Samart I-Mobile Plc. and its subsidiaries paid SAP Success Factors on Cloud expenses to Samart Corporation Plc. as follows;</p> <ul style="list-style-type: none"> - Samart I-Mobile Plc. - I-Mobile Plus Co., Ltd. 	<ul style="list-style-type: none"> 0.075 0.009 	The Audit Committee in its meeting No. 2/2017 on February 21, 2017 resolved that it was a normal business transaction for sale and purchase of services according to the general trade conditions.
	<p>Samart I-Mobile Plc. and its subsidiaries paid miscellaneous expenses such as training room rental, telephone preventive maintenance. to Samart Corporation Plc. as follows;</p> <ul style="list-style-type: none"> - Samart I-Mobile Plc. - Samart Multimedia Co., Ltd. - I-Mobile Plus Co., Ltd. - Mall (Thailand) Co., Ltd. 	<ul style="list-style-type: none"> 0.061 0.089 0.001 0.005 	The Audit Committee in its meeting No. 2/2017 on February 21, 2017 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. returned set top box to Samart Engineering Co., Ltd.	10.090	The Audit Committee in its meeting No. 2/2017 on February 21, 2017 resolved that it was a normal business transaction according to the general trade conditions.
	Samart I-Mobile Plc. bought CCTV and accessories from Vision and Security System Co., Ltd.	0.181	The Audit Committee in its meeting No. 2/2017 on February 21, 2017 resolved that it was a normal business transaction for sale and purchase of goods according to the general trade conditions.
	Samart I-Mobile Plc. and its subsidiaries bought bluetooth form Samart Corporation Plc. as follows; - Samart I-Mobile Plc. - Samart Multimedia Co., Ltd. - Phoinikas Co., Ltd	0.015 0.033 0.015	The Audit Committee in its meeting No. 2/2017 on February 21, 2017 resolved that it was a normal business transaction for sale and purchase of goods according to the general trade conditions.
	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. - I-Mobile Plus Co., Ltd - I-Sport Co., Ltd (Total outstanding as of December 31, 2016 was Baht 19.059 Million)	9.966 20.210 2.166 0.420	The Audit Committee in its meeting No. 2/2017 on February 21, 2017 resolved that it was a normal business transaction according to the general trade conditions.
	Samart I-Mobile Plc. and its subsidiaries paid internet services to Samart Infonet Co., Ltd. as follows; - Samart I-Mobile Plc. - Samart Multimedia Co., Ltd. - I-Mobile Plus Co., Ltd (Total outstanding as of December 31, 2016 was Baht 0.437 Million)	1.971 2.130 1.188	The Audit Committee in its meeting No. 2/2017 on February 21, 2017 resolved that it was a normal business transaction according to the general trade conditions.
	Samart I-Mobile Plc. and its subsidiaries bought set top box from Samart Engineering Co., Ltd. as follows; - Samart Multimedia Co., Ltd. - Samart Interactive Media Co., Ltd. - I-Sport Co., Ltd.	0.042 0.002 0.008	The Audit Committee in its meeting No. 2/2017 on February 21, 2017 resolved that it was a normal business transaction for sale and purchase of goods according to the general trade conditions.
	Samart I-Mobile Plc. provided services for set top box to Samart Engineering Co., Ltd.	0.019	The Audit Committee in its meeting No. 2/2017 on February 21, 2017 resolved that it was a normal business transaction according to the general trade conditions.
	Samart Multimedia Co., Ltd. provided messaging services to One to One Contacts Plc.	0.623	The Audit Committee in its meeting No. 2/2017 on February 21, 2017 resolved that it was a normal business transaction according to the general trade conditions.

Related Parties	Transaction Type	Value of Transaction (Million Baht)	Necessity of Transactions
	Samart Multimedia Co., Ltd. sold car to Samart Corporation Plc.	0.981	The Audit Committee in its meeting No. 2/2017 on February 21, 2017 resolved that it was a normal business transaction for sale and purchase of used asset at the market price.
	Samart Multimedia Co., Ltd. hired One to One Contacts Plc. to prepare and provide information of goods and services.	0.144	The Audit Committee in its meeting No. 2/2017 on February 21, 2017 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. - One to One Contacts Plc. - Teda Co., Ltd. - Samart Comtech Co., Ltd. - Posnet Co., Ltd.	0.175 0.012 0.023 0.002 0.003	The Audit Committee in its meeting No. 2/2017 on February 21, 2017 resolved that it was a normal business transaction for sale and purchase of goods according to the general trade conditions.
	Samart Interactive Media Co., Ltd. sold sacred objects to Samart Corporation Plc. and its subsidiaries as follows; - Samart Engineering Co., Ltd. - One to One Contacts Plc.	0.014 0.001	The Audit Committee in its meeting No. 2/2017 on February 21, 2017 resolved that it was a normal business transaction for sale and purchase of goods according to the general trade conditions.
	I-Mobile Plus Co., Ltd. sold sim card and provided 3G mobile services to Samart Corporation Plc. and its subsidiaries as follows; - Samart Corporation Plc. - Samart Engineering Co., Ltd. - One to One Contacts Plc. - Samart U-Trans Co., Ltd. - Teda Co., Ltd. - Transec Power Services Co., Ltd. - Vision and Security System Co., Ltd. - Samart Telcoms Plc. - Samart Communication Services Co., Ltd. - Posnet Co., Ltd. - Thai Trade Net Co., Ltd. - Samart Comtech Co., Ltd. - Samart Infonet Co., Ltd. - Smarterware Co., Ltd. - Portalnet Co., Ltd. (Total outstanding as of December 31, 2016 was Baht 0.002 Million)	0.218 0.045 0.124 0.033 0.040 0.053 0.038 0.129 0.141 0.007 0.035 0.049 0.028 0.007 0.013	The Audit Committee in its meeting No. 2/2017 on February 21, 2017 resolved that it was a normal business transaction for sale and purchase of goods and services according to the general trade conditions.

Related Parties	Transaction Type	Value of Transaction (Million Baht)	Necessity of Transactions
	Samart I-Mobile Plc. and its subsidiaries paid e-learning services fees to Samart Ed Tech Co., Ltd. as follows.		The Audit Committee in its meeting No. 2/2017 on February 21, 2017 resolved that it was a normal business transaction for sale and purchase of services according to the general trade conditions.
	- Samart I-Mobile Plc.	0.051	
	- Samart Multimedia Co., Ltd.	0.085	
	- I-Mobile Plus Co., Ltd.	0.005	
	- Entertainment Tree Co., Ltd.	0.002	
	- I-Sport Co., Ltd.	0.002	
	I-Sport Co., Ltd. sold sport shirt to Samart Comtech Co., Ltd.	0.034	The Audit Committee in its meeting No. 2/2017 on February 21, 2017 resolved that it was a normal business transaction for sale and purchase of goods according to the general trade conditions.
	Mall (Thailand) Co., Ltd. bought E-commerce System from Smarterware Co., Ltd.	6.500	The Audit Committee in its meeting No. 2/2017 on February 21, 2017 resolved that it was a normal business transaction for sale and purchase of services according to the general trade conditions.
	Samart I-Mobile Plc. paid Interest on loans to Samart Corporation Plc. (Total outstanding loans as of December 31, 2016 was Baht 140 Million)	0.663	The Audit Committee in its meeting No. 2/2017 on February 21, 2017 resolved that the Interest rate complied with the group policy.
	Siam Sport Television Co., Ltd. hired Samart Comtech Co., Ltd. to build outside broadcasting vehicles (OB).	39.162	The Audit Committee in its meeting No. 2/2017 on February 21, 2017 resolved that it was a normal business transaction for sale and purchase of goods and services according to the general trade conditions.
2. Vilailuck International Holding Co., Ltd. A major shareholder of Samart Corporation Plc. (SAMART) with 18.42% stake owner and SAMART is a major shareholder of Samart I-Mobile Plc.	Samart I-Mobile Plc. and its subsidiaries paid space rental, utility service fee, parking fee, property tax to Vilailuck International Holding Co., Ltd. as follows:		The Audit Committee in its meeting No. 2/2017 on February 21, 2017 resolved that 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.
	- Samart I-Mobile Plc.	2.842	
	- Samart Multimedia Co., Ltd.	0.155	
	- I-Mobile Plus Co., Ltd.	2.324	
	- I-Sport Co., Ltd.	0.025	
	- Mall (Thailand) Co., Ltd.	0.006	
	(Total outstanding as of December 31, 2016 was Baht 0.318 Million)		
<u>Related Directors</u>			
1. Mr. Charoenrath Vilailuck	Samart I-Mobile Plc. sold mobile phone and accessories to Vilailuck International Holding Co., Ltd.	0.164	The Audit Committee in its meeting No. 2/2017 on February 21, 2017 resolved that it was a normal business transaction for sale and purchase of goods according to the general trade conditions.
2. Mr. Watchai Vilailuck			

Related Parties	Transaction Type	Value of Transaction (Million Baht)	Necessity of Transactions
	Samart I-Mobile Plc. sold sim card and mobile phone services to Vilailuck International Holding Co., Ltd. (Total outstanding as of December 31, 2016 was Baht 0.009 Million)	0.009	The Audit Committee in its meeting No. 2/2017 on February 21, 2017 resolved that it was a normal business transaction for sale and purchase of goods and services according to the general trade conditions.
	Samart Multimedia Co., Ltd. sold EDT Guide Book to Vilailuck International Holding Co., Ltd. (Total outstanding as of December 31, 2016 was Baht 0.028 Million)	0.027	The Audit Committee in its meeting No. 2/2017 on February 21, 2017 resolved that it was a normal business transaction for sale and purchase of goods according to the general trade conditions.
<p>3. Vilailuck Development Co., Ltd. whose major shareholder of 42.38% stake owner is Vilailuck International Holding Co., Ltd. (VIH) and VIH is a major shareholder of SAMART and SAMART is a major shareholder of Samart I-Mobile Plc.</p> <p><u>Related Directors</u></p> <p>1. Mr. Charoenrath Vilailuck</p> <p>2. Mr. Watchai Vilailuck</p>	<p>Samart I-Mobile Plc. paid cleaning condominium service fee to Vilailuck Development Co., Ltd.</p> <p>(Total outstanding as of December 31, 2016 was Baht 0.039 Million)</p>	0.122	The Audit Committee in its meeting No. 2/2017 on February 21, 2017 resolved that it was a normal business transaction for sale and purchase of services according to the general trade conditions.
<p>4. CSV Asset Co., Ltd. whose major shareholder of 99.97% stake owner is Vilailuck International Holding Co., Ltd. (VIH) and VIH is a major shareholder of SAMART and SAMART is a major shareholder of Samart I-Mobile Plc.</p> <p><u>Related Directors</u></p> <p>1. Mr. Charoenrath Vilailuck</p> <p>2. Mr. Watchai Vilailuck</p>	<p>Samart I-Mobile Plc. paid space rental, services charge for public utilities, property tax to CSV Asset Co., Ltd.</p> <p>(Total outstanding as of December 31, 2016 was Baht 0.345 Million)</p>	3.703	The Audit Committee in its meeting No. 2/2017 on February 21, 2017 resolved that 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.

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

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.

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 or reviewed by the Company's auditor.

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 are as follows:

(Unit: Million Baht)

Item	2014	2015	2016
Cash and cash equivalents	140	149	119
Account receivables - net	5,941	7,066	5,681
Inventories	2,516	863	461
Land, building and equipment - net	760	780	700
Total assets	10,638	9,994	7,974
Overdrafts and loans from financial institutions	5,625	5,661	4,730
Account payables	1,173	497	113
Total liabilities	7,218	6,764	5,458
Paid up capital	440	440	440
Retained earnings	1,703	1,535	817
Non-controlling interests of the subsidiaries	92	111	120
Shareholders' equity	3,420	3,230	2,516
Revenues from sales and services	12,370	7,730	3,366
Selling support income	29	28	19
Total revenues	12,494	7,799	3,461
Cost of sales and services	9,743	6,183	3,050
Selling and Administrative expenses include other expenses	1,806	1,360	1,067
Finance Cost	142	206	182
Net profit (loss)	710	37	(720)
Earning per share (Baht)	0.162	0.008	(0.164)
Cash flow from (used in) operating activities	(2,586)	230	759
Cash flow from (used in) investing activities	(324)	(80)	5
Cash flow from (used in) financing activities	2,631	(160)	(787)
Net increase (decrease) in cash and cash equivalents	(271)	10	(30)
Par value per share (Baht)	0.10	0.10	0.10
Ordinary shares outstanding ⁽¹⁾ (Million shares)	4,400.25	4,400.25	4,400.25
Weighted average number of ordinary shares ⁽¹⁾ (Million shares)	4,393.75	4,400.25	4,400.25
Book value per share (Baht)	0.78	0.73	0.57
Dividend per share (Baht)	0.090	0.015	-

Remarks : ⁽¹⁾ During the year 2014, the Company's paid up capital was increased from the exercise of warrants offering to the Company's directors and employees of the Company and its subsidiaries.

Financial Ratios of Samart I-Mobile Public Co., Ltd. and its Subsidiaries are as follows:

Financial Ratio		2014	2015	2016
LIQUIDITY RATIO				
Current ratio	(Times)	1.31	1.30	1.31
Quick ratio ⁽¹⁾	(Times)	0.87	1.09	1.14
Cash turnover	(Times)	(0.46)	0.03	0.13
Receivable turnover ratio	(Times)	2.58	1.19	0.53
Average collection period	(Days)	140	303	682
Inventory turnover ratio	(Times)	4.65	3.66	4.61
Average sale period	Days	78	99	79
Payable turnover ratio	(Times)	7.75	7.41	10.01
Payment period	(Days)	47	49	36
Cash conversion cycle	(Days)	171	353	725
PROFITABILITY RATIO				
Gross profit ⁽²⁾	(%)	21.42	20.30	9.90
Operating profit margin ⁽³⁾	(%)	6.47	0.64	(24.77)
Other profit margin	(%)	0.76	0.52	2.18
Operating cash flow to profitability	(%)	(322.08)	479.24	(90.52)
Net profit margin	(%)	5.69	0.48	(20.79)
Return on equity	(%)	21.93	1.15	(26.09)
EFFICIENCY RATIO				
Return on assets	(%)	7.93	0.36	(8.01)
Return on fixed assets	(%)	128.66	31.87	(72.19)
Asset turnover	(Times)	1.39	0.76	0.39
FINANCIAL POLICY RATIO				
Debt to equity	(Times)	2.11	2.09	2.17
Interest coverage ⁽⁴⁾	(Times)	9.64	2.42	(2.63)
Commitment coverage ⁽⁴⁾	(Times)	1.06	0.81	(1.21)
Dividend payout ratio	(%)	55.56	177.61	-

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

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

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

⁽⁴⁾ Earnings before interest, tax, non-controlling interests of the subsidiaries, and depreciation & amortization was used instead of net cash flows from operation.

Operation Overview

In 2016, the Company and subsidiaries reported total revenues of Baht 3,461 million, a decrease of Baht 4,338 million or 55.62% compared with 2015. This was primarily resulted from the handset market slowdown, strong competition, and subsidized campaign by mobile operators to maintain their subscribers. In addition, there was a decrease in revenues of Non-Mobile Business through Content Business and Sport Content, while revenues of TV Business (Live Broadcast) increased compared with the previous year.

Operating loss of Baht 838 million, increased by Baht 888 million compared with 2015. Operating profit margin in 2016 was (24.77%), 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 with the previous year. As a result, net loss was Baht 720 million, an increase of Baht 757 million.

Results of Operation of Company and Subsidiaries

Sales and service income including gross profit

(Unit: Million Baht)

	Mobile Business		Non-Mobile Business		Total	
	2016	2015	2016	2015	2016	2015
Sales and service income	2,555	6,865	811	865	3,366	7,730
Selling support income	19	28	-	-	19	28
Cost of sales and service	(2,419)	(5,550)	(631)	(633)	(3,050)	(6,183)
Gross profit	155	1,343	180	232	335	1,575
Selling and Administrative expenses and other expenses					(1,067)	(1,360)
Other income					75	41
Finance cost					(182)	(206)
Corporate income tax					127	8
Non-controlling interests of the subsidiaries					(8)	(21)
Net income					(720)	37

Mobile Business

Revenue of Mobile Business, including selling support income, was Baht 2,555 million, reduced by Baht 4,310 million or 62.78% compared with 2015. This was mainly resulted from the decline in both unit and average selling price of i-mobile handset sold in the period. In addition, gross profit dropped by 1,188 million or 88.41%, related to the decrease in revenues and gross profit margin during the period.

Non-Mobile Business

Revenue of Non-Mobile Business was Baht 811 million, a decrease of Baht 54 million or 6.24% compared with 2015, mainly from the decrease in revenues of Content Business and Sport Content. However, there was an increase in revenues of TV Business (Live Broadcast) compared with the previous year. Gross profit was Baht 180 million, a decrease of Baht 52 million or 22.56%, and gross profit margin was 22.13%, dropped from 26.77% in 2015.

Other Income

Other income was Baht 75 million, representing 2.18% of total revenues in 2016, an increase of Baht 34 million or 85.91% compared with the previous year. This was majorly resulted from gain on sale of investments in subsidiaries.

Selling and Administration Expenses including Other Expenses

Selling and administration expenses including other expenses were Baht 1,067 million, a decrease of Baht 293 million or 21.56% compared with 2015. This was primarily from lower sales related expenses, including marketing and after sales service expenses in relative to the decline in total revenues compared with the previous year.

Finance Cost

Finance cost was Baht 182 million, a decrease of Baht 24 million or 11.41% compared with 2015, due to the decrease in S-T loans from banks as lower working capital requirement and loans repayment during the period.

Income Tax

Income tax income were totally Baht 127 million, an increase from 2015 of Baht 119 million, corresponding to deferred tax benefit the Company had gain in 2016.

Financial Position

Assets

As of December 31, 2016, total assets were Baht 7,974 million, a considerable decrease of Baht 2,020 million or 20.21% compared with the end of 2015. This was contributed primarily by the decline in trade receivables and inventories corresponding to the lower revenues of Mobile Business. The portion of trade receivables and inventories were 71.24% and 5.79% of total assets respectively.

Total non-current assets were Baht 1,218 million, a decrease of 39 million or 3.13% compared with the end of 2015, representing 15.28% of total assets, in which equipment was a major component with 8.78% of total assets. Return on Asset (ROA) declined from 0.36% to (8.01%) in 2016.

Trade Receivables

As of December 31, 2016, trade receivables were Baht 5,681 million, a significant decrease of Baht 1,385 million or 19.59% compared with the end of 2015. Allowance for doubtful accounts was provided through an estimation of uncollectible receivables, which based on the Company's collection experience, analysis of debtors, and current status of receivables outstanding at balance sheets date.

Inventories

As of December 31, 2016, net inventories were Baht 461 million, significantly decreased by Baht 402 million or 46.56% compared with the end of 2015. This was mainly contributed by the decline in finished goods and supplies of Mobile Business as the slowdown of handset sold in 2016. An allowance for obsolescence has complied with the Company's policy and there was no significant change during the year compared to 2015. The Company and subsidiaries recorded an increase of 251 million for the allowance during 2016. The average sales period decreased from 99 days in 2015 to 79 days.

Other Current Assets

As of December 31, 2016, other current assets were Baht 249 million, a decrease of Baht 78 million or 23.75% compared with the end of 2015, mainly from the decrease in advance for purchase of inventories and prepaid expenses.

Non-Current Assets

As of December 31, 2016, non-current assets were Baht 1,218 million, decreased by Baht 39 million or 3.13% from the end of 2015. This was mainly contributed by the decrease in available-for-sale investments.

Liquidity

As of December 31, 2016, cash and cash equivalents were Baht 119 million, a decrease of Baht 30 million or 20.33% compared with the end of 2015. Sources and uses of fund are as follows:

- Net cash flows from operating activities of Baht 759 million was mainly attributed to the decline in trade receivables and inventories corresponding to the slowdown of handset sold and trade receivables repayment.
- Net cash flows from investing activities of Baht 5 million was mainly attributed to sales of available-for-sale investment, given the purchase of equipment to support the Company's business expansion in 2016.
- Net cash flows used in financing activities of Baht 787 million was mainly attributed to repayment of S-T loans, given no dividend payment during 2016.

Compared with 2015, the Company's liquidity ratio, quick ratio, and cash ratio improved from 1.30 times to 1.31 times, from 1.09 times to 1.14 times, and from 0.03 times to 0.13 times respectively.

Sources of Funds

As of December 31, 2016, total shareholders' equity was Baht 2,516 million, a decrease of Baht 714 million or 22.09% compared with the end of 2015. Accordingly, net loss in 2016 was Baht 720 million.

Total liabilities as of December 31, 2016 were Baht 5,458 million, decreased Baht 1,306 million or 19.31% compared with the end of 2015. Total liabilities consist of current liabilities of Baht 5,172 million, and non-current liabilities of Baht 286 million, representing 64.86% and 3.58% of total assets respectively. Major components are as follows:

- Bank overdrafts and loans from financial institutions were totally Baht 4,730 million, representing 86.66% of total liabilities or 59.31% of total assets, a considerable decrease of Baht 931 million or 16.45% compared with the end of 2015.
- Trade payables and other payables were Baht 497 million, representing 9.11% of total liabilities or 6.24% of total assets, significantly decreased by Baht 480 million or 49.12% compared with the end of 2015.

Regarding above liabilities and shareholders' equity, the Company's debt to equity ratio increased from 2.09 times to 2.17 times in 2016.

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 at December 31, 2016 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

Opinion

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

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Samart I-Mobile Public Company Limited and its subsidiaries and of Samart I-Mobile Public Company Limited as at 31 December 2016, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Key Audit Matters

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

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

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

Revenue recognition

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

I have examined the revenue recognition of the Group by

- Assessing and testing the Group's IT system and its internal controls with respect to the revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls.

- Applying a sampling method to select sales and service agreements to assess whether revenue recognition was consistent with the conditions of the relevant agreement, and whether it was in compliance with the Group's policy.
- On a sampling basis, examining supporting documents for actual sales transactions occurring during the year and near the end of the accounting period.
- Reviewing credit notes that the Group issued after the period-end.
- Performing analytical procedures on disaggregated data to detect possible irregularities in sales transactions throughout the period, particularly for accounting entries made through journal vouchers.

Allowance for doubtful accounts

As discussed in Note 9 to the financial statements, the allowance for doubtful accounts relies on various assumptions. Therefore, the management is required to exercise considerable judgement in determining the assumptions to be used in estimating allowance for doubtful accounts expected to be incurred when debtors are unable to pay, and the timing of such recognition. Allowance for doubtful accounts is significant since as at 31 December 2016, the Group had significant balances of trade accounts receivable (accounting for 71% and 71% of total assets in consolidated financial statements and separate financial statements). There are risks with respect to the amount of allowance for doubtful accounts.

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

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

Allowance for diminution in value of inventory

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

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

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

Other Information

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty

exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

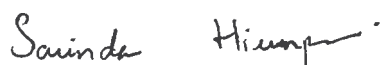
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Ms. Sarinda Hirunprasurtwutti.



Sarinda Hirunprasurtwutti

Certified Public Accountant (Thailand) No. 4799

EY Office Limited

Bangkok: 20 February 2017

Financial Statements

Samart I-Mobile Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2016

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Assets					
Current assets					
Cash and cash equivalents	7	118,896,587	149,241,668	19,949,824	75,483,332
Temporary investments	8	2,258,111	2,350,049	2,258,111	2,350,049
Trade and other receivables	9	5,924,665,208	7,394,645,638	5,856,567,369	7,021,387,602
Short-term loans	10	-	70,611	176,831,504	368,574,315
Inventories	11	461,412,681	863,448,924	465,704,416	705,811,922
Other current assets	12	249,019,710	326,570,781	68,270,876	81,817,223
Total current assets		6,756,252,297	8,736,327,671	6,589,582,100	8,255,424,443
Non-current assets					
Restricted bank deposits	7, 13	104,918,542	104,027,769	104,918,542	104,027,769
Available-for-sale investments	14	70,271,514	175,718,886	26,400,000	116,835,120
Investments in subsidiaries	15	-	-	420,109,139	462,785,078
Equipment	16	699,974,407	780,384,541	446,329,717	487,687,757
Goodwill	17	59,991,852	59,836,500	-	-
Intangible assets	18	7,330,170	8,488,366	-	-
Deferred tax assets	32	243,290,636	99,150,061	216,798,337	73,638,280
Other non-current assets		32,469,020	29,978,694	24,464,875	22,718,390
Total non-current assets		1,218,246,141	1,257,584,817	1,239,020,610	1,267,692,394
Total assets		7,974,498,438	9,993,912,488	7,828,602,710	9,523,116,837

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 2016

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans					
from financial institutions	19	4,473,301,748	5,618,624,162	4,333,415,716	5,535,179,101
Trade and other payables	20	497,324,425	977,374,397	301,156,351	1,167,398,357
Short-term loans	21	162,641,070	22,153,500	768,000,000	291,885,000
Current portion of long-term loans from financial institutions	22	5,446,823	23,887,216	2,500,000	-
Current portion of liabilities under finance lease agreements	23	3,028,884	11,914,906	-	1,725,739
Income tax payable		747,001	4,891,003	-	-
Other current liabilities	24	29,778,062	53,133,181	19,315,179	26,445,293
Total current liabilities		5,172,268,013	6,711,978,365	5,424,387,246	7,022,633,490
Non-current liabilities					
Long-term loans from financial institutions, net of current portion	22	247,500,000	2,946,066	247,500,000	-
Liabilities under finance lease agreements, net of current portion	23	284,678	3,315,879	-	-
Provision for long-term employee benefits	25	37,498,716	43,325,269	19,800,815	26,226,183
Other non-current liabilities		371,966	2,109,704	371,966	901,705
Total non-current liabilities		285,655,360	51,696,918	267,672,781	27,127,888
Total liabilities		5,457,923,373	6,763,675,283	5,692,060,027	7,049,761,378

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 2016

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Note					
Liabilities and shareholders' equity (continued)					
Shareholders' equity					
Share capital					
Registered					
4,400,250,000 ordinary shares of Baht 0.1 each	26	440,025,000	440,025,000	440,025,000	440,025,000
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	27	44,400,000	44,400,000	44,400,000	44,400,000
Unappropriated		773,051,871	1,490,900,215	487,305,649	866,409,307
Other components of shareholders' equity		(91,428,975)	(86,484,219)	(65,640,000)	(107,930,882)
Equity attributable to owners of the Company		2,396,499,930	3,119,293,030	2,136,542,683	2,473,355,459
Non-controlling interests of the subsidiaries		120,075,135	110,944,175	-	-
Total shareholders' equity		2,516,575,065	3,230,237,205	2,136,542,683	2,473,355,459
Total liabilities and shareholders' equity		7,974,498,438	9,993,912,488	7,828,602,710	9,523,116,837

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 2016

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Revenues					
Sales		2,461,127,403	6,587,390,824	2,457,324,562	6,296,851,148
Service income	28	905,290,359	1,142,613,334	24,437,225	56,384,983
Other income	29	94,885,335	68,730,904	420,380,332	489,949,435
Total revenues		3,461,303,097	7,798,735,062	2,902,142,119	6,843,185,566
Expenses	30				
Cost of sales		2,300,482,590	5,338,613,760	2,243,860,296	5,353,150,741
Cost of services		750,284,357	844,499,237	47,601,066	29,730,774
Selling expenses		609,756,065	924,503,231	547,505,406	827,263,430
Administrative expenses		392,260,373	420,512,872	227,425,105	265,553,507
Other expenses	31	64,732,661	14,869,321	187,488,369	8,281,362
Total expenses		4,117,516,046	7,542,998,421	3,253,880,242	6,483,979,814
Profit (loss) before finance cost and income tax income		(656,212,949)	255,736,641	(351,738,123)	359,205,752
Finance cost	32	(182,442,991)	(205,944,319)	(184,049,452)	(197,216,696)
Profit (loss) before income tax income		(838,655,940)	49,792,322	(535,787,575)	161,989,056
Income tax income	33	126,808,638	8,175,690	154,323,005	23,617,703
Profit (loss) for the year		(711,847,302)	57,968,012	(381,464,570)	185,606,759
Profit (loss) attributable to:					
Equity holders of the Company		(719,642,170)	37,163,363	(381,464,570)	185,606,759
Non-controlling interests of the subsidiaries		7,794,868	20,804,649		
		(711,847,302)	57,968,012		
Basic earnings per share	34				
Profit (loss) attributable to equity holders of the Company		(0.164)	0.008	(0.087)	0.042

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 2016

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Profit (loss) for the year		(711,847,302)	57,968,012	(381,464,570)	185,606,759
Other comprehensive income (loss):					
Other comprehensive income (loss) reclassified or to be reclassified to profit or loss:					
Exchange differences on translation of financial statements in foreign currencies		(7,070,805)	16,963,127	-	-
Reclassification of exchange differences on translation of financial statements in foreign currencies of disposed subsidiaries to profit or loss		(28,155,032)	-	-	-
Income tax effect		-	-	-	-
		(35,225,837)	16,963,127	-	-
Loss on changes in value of available-for-sale investments	14	(17,412,251)	(72,959,878)	(2,400,000)	(70,198,519)
Reclassification of loss on changes in value of disposed available-for-sale investments to profit or loss	14	55,263,603	-	55,263,603	-
Income tax effect	33	(7,570,271)	14,591,976	(10,572,721)	14,039,704
		30,281,081	(58,367,902)	42,290,882	(56,158,815)
Other comprehensive income (loss) for the period, net of tax		(4,944,756)	(41,404,775)	42,290,882	(56,158,815)
Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods:					
Actuarial loss	25	2,242,282	(10,345,924)	2,951,139	(5,755,957)
Income tax effect	33	(448,456)	2,069,185	(590,227)	1,151,192
		1,793,826	(8,276,739)	2,360,912	(4,604,765)
Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods - net of income tax		1,793,826	(8,276,739)	2,360,912	(4,604,765)
Other comprehensive income (loss) for the year		(3,150,930)	(49,681,514)	44,651,794	(60,763,580)
Total comprehensive income (loss) for the year		(714,998,232)	8,286,498	(336,812,776)	124,843,179
Total comprehensive income (loss) attributable to:					
Equity holders of the Company		(722,793,100)	(10,798,968)	(336,812,776)	124,843,179
Non-controlling interests of the subsidiaries		7,794,868	19,085,466		
		(714,998,232)	8,286,498		

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 2016

(Unit: Baht)

Consolidated financial statements														
	Equity attributable to owners of the Company													
	Issued and fully paid-up share capital	Share premium	Retained earnings		Other components of shareholders' equity					Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity		
					Appropriated - statutory reserve	Unappropriated	Other comprehensive income (loss)	Exchange differences on translation of financial statements in foreign currencies	Deficit on changes in value of available-for-sale investments				Lower of investment in subsidiary companies arising as a result of acquisition additional shares at a price lower than net book value at the acquisition date	Total other components of shareholders' equity
Balance as at 31 December 2014	440,025,000	1,230,452,034	44,400,000	1,658,304,653	22,967,004	(68,616,032)	569,584	(45,079,444)	3,328,102,243	91,945,709	3,420,047,952			
Profit for the year	-	-	-	37,163,363	-	-	-	-	37,163,363	20,804,649	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)	(1,719,183)	(49,681,514)			
Total comprehensive income (loss) for the year	-	-	-	30,605,807	16,963,127	(58,367,902)	-	(41,404,775)	(10,798,968)	19,085,466	8,286,498			
Dividend paid (Note 35)	-	-	-	(198,010,245)	-	-	-	-	(198,010,245)	-	(198,010,245)			
Decrease in non-controlling interests of the subsidiaries from dividend payment of subsidiary	-	-	-	-	-	-	-	-	-	(87,000)	(87,000)			
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	110,944,175	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 2016

Consolidated financial statements												(Unit: Baht)
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)	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	Equity attributable to non-controlling interests of the subsidiaries	
		Appropriated - statutory reserve	Unappropriated		Exchange differences on translation of financial statements in foreign currencies	Deficit on changes in value of available-for-sale investments	Total equity attributable to owners of the Company					Equity attributable to non-controlling interests of the subsidiaries
Balance as at 31 December 2015												
Profit for the year												
Other comprehensive income (loss) for the year												
Total comprehensive income (loss) for the year												
Increase in non-controlling interests of the subsidiaries from purchase and additional call up share capital of subsidiary												
Decrease in non-controlling interests of the subsidiaries from sales of subsidiaries												
Decrease in non-controlling interests of the subsidiaries from dividend payment of subsidiary												
Balance as at 31 December 2016												

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 2016

(Unit: Baht)

	Separate financial statements						
	Issued and fully paid-up share capital	Share premium	Retained earnings		Other components of shareholders' equity		
					Other comprehensive income (loss)	Total other components of shareholders' equity	Total shareholders' equity
			Appropriated - statutory reserve	Unappropriated	Deficit on changes in value of available-for-sale investments		
Balance as at 31 December 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 35)	-	-	-	(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
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
Loss for the year	-	-	-	(381,464,570)	-	-	(381,464,570)
Other comprehensive gain for the year	-	-	-	2,360,912	42,290,882	42,290,882	44,651,794
Total comprehensive loss for the year	-	-	-	(379,103,658)	42,290,882	42,290,882	(336,812,776)
Balance as at 31 December 2016	440,025,000	1,230,452,034	44,400,000	487,305,649	(65,640,000)	(65,640,000)	2,136,542,683

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 2016

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Cash flows from operating activities					
Profit (loss) before tax		(838,655,940)	49,792,322	(535,787,575)	161,989,056
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:					
Unrealised (gain) loss on exchange		(1,570,219)	(11,667,623)	17,383,716	(24,785,890)
Gain on disposal of temporary investments in trading securities	8	-	(1,539,140)	-	(1,539,140)
Loss on change in value of temporary investments in trading securities	8	91,938	2,497,516	91,938	2,497,516
(Gain) loss on change in fair value of forward exchange contracts		(38,859)	6,370,587	(38,859)	6,370,587
Write-off bad debts	31	27,335,380	7,977	-	7,977
Increase (decrease) in allowance for doubtful accounts - trade accounts receivable		2,106,938	(5,030,170)	2,088,339	596,249
Increase in allowance for diminution in value of other receivables and sales promotion receivables		30,471,605	592,175	30,471,605	-
Increase (decrease) in reduction cost of inventory to net realisable value		251,042,015	(8,437,372)	212,491,416	(8,265,178)
Write-off inventories	11	23,918,207	-	-	-
Increase in allowance for diminution in value of advance for purchase of inventories		-	4,182,910	-	4,182,910
Write-off withholding tax deducted at sources		194,323	201,445	-	71,530
Gain on disposals of available-for-sale investments	14	(11,235,209)	(4,889,745)	(11,235,209)	(4,889,745)
Dividend income from subsidiaries	6, 15	-	-	(245,488,972)	(289,913,000)
(Gain) loss on disposals of investments in subsidiaries	29	(39,409,099)	-	125	-
Surplus from capital refund of subsidiary		-	-	(3,674,978)	-
Increase in allowance for diminution in value of investments in subsidiaries		-	-	142,356,071	996,709
Write-off goodwill		719,593	-	-	-
Dividend income from other companies		-	(3,201,710)	-	(3,201,710)
Gain on disposal of equipment	29	(2,953,534)	(1,602,213)	(2,522,965)	(786,709)
Transfer equipment to expense		14	2,336,301	13	-
Depreciation	16	185,319,209	208,284,183	101,678,676	95,512,558
Amortisation of intangible assets	18	2,858,196	12,517,489	-	-
Amortisation of deferred interests under finance lease agreements		648,164	1,398,562	11,536	69,397
Decrease in allowance for warranty		(824,000)	(10,208,000)	(824,000)	(10,208,000)
Provision for long-term employee benefits		(3,584,271)	3,233,983	(3,474,229)	1,539,623
Interest income	29	(1,732,606)	(2,277,909)	(12,291,160)	(15,444,569)
Interest expenses	32	178,291,123	196,457,472	181,337,674	192,884,853
Profit (loss) from operating activities before changes in operating assets and liabilities		(197,007,032)	439,019,040	(127,426,838)	107,685,024

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 2016

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Cash flows from operating activities (continued)					
Operating assets (increase) decrease					
Trade and other receivables		1,418,136,746	(1,278,980,136)	1,146,518,002	(882,467,313)
Inventories		120,348,993	1,660,031,279	24,337,328	1,598,857,260
Other current assets		92,227,876	222,010,665	18,936,902	112,251,494
Other non-current assets		(1,454,727)	(191,430)	(1,746,486)	(183,172)
Operating liabilities increase (decrease)					
Trade and other payables		(429,617,707)	(577,917,027)	(758,348,780)	(871,762,889)
Other current liabilities		(25,683,277)	(20,300,894)	(6,267,256)	(6,449,280)
Other non-current liabilities		(1,737,738)	(28,394)	(529,739)	(580,143)
Cash flows from operating activities		975,213,134	443,643,103	295,473,133	57,350,981
Cash paid for interest expenses		(180,089,003)	(206,063,302)	(182,265,507)	(194,180,750)
Cash paid for income tax		(49,932,228)	(60,940,375)	(5,390,554)	(9,490,737)
Cash received from withholding tax refundable	12.1	13,984,398	53,375,092	-	10,190,342
Net cash flows from (used in) operating activities		759,176,301	230,014,518	107,817,072	(136,130,164)
Cash flows from investing activities					
Cash paid to provide short-term loans to related parties	6	-	-	(68,046,564)	(97,602,425)
Cash received from repayment of short-term loans to related parties	6	-	-	241,122,655	121,176,000
Cash received for interest income		1,732,607	2,277,909	15,434,841	16,977,332
Cash received from repayment of short-term loans to employees		330,611	89,726	-	-
(Increase) decrease in restricted bank deposits		(890,773)	599,700	(890,773)	(1,077,819)
Cash paid for acquisition of temporary investments in trading securities	8	-	(5,384,813)	-	(5,384,813)
Proceeds from sales of temporary investments in trading securities	8	-	13,923,487	-	13,923,487
Dividend received from temporary investments in trading securities		-	70,000	-	70,000
Cash paid for acquisition of available-for-sale investments	14	-	(8,252,860)	-	(5,000,000)
Proceeds from sales of available-for-sale investments	14	154,533,933	31,822,866	154,533,933	31,822,866
Dividend received from available-for-sale investments		-	3,131,710	-	3,131,710
Cash paid for acquisition of investment in a new subsidiary	15.5	(1,292,482)	-	(3,137,360)	-
Cash paid for share increment in subsidiaries		-	-	(143,580,100)	-
Cash flows from disposal of investments in subsidiaries		(5,203,039)	-	5,000,000	-
Cash received from capital reduction of subsidiaries		-	-	30,412,430	-
Cash paid for acquisition of equipment		(170,829,015)	(119,854,296)	(185,536,036)	(86,768,918)
Proceeds from disposal of equipment		26,760,856	1,820,844	23,233,082	913,715
Dividend income from subsidiaries	6, 15	-	-	245,488,972	289,913,000
Net cash flows from (used in) investing activities		5,142,698	(79,755,727)	314,035,080	282,094,135

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 2016

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Cash flows from financing activities					
Increase (decrease) in bank overdrafts		89,776,052	(27,341,943)	-	(20,216,075)
Proceeds from short-term loans from banks		4,321,490,000	4,989,000,000	4,291,490,000	4,969,000,000
Cash paid to settle short-term loans from banks		(4,468,000,000)	(2,522,750,382)	(4,468,000,000)	(2,522,750,382)
Increase (decrease) in trust receipts		(1,088,588,466)	(2,357,989,974)	(1,025,253,385)	(2,371,035,383)
Proceeds from short-term loans from related parties	6	417,000,000	-	1,384,999,460	319,500,000
Repayment of short-term loans from related parties	6	(277,000,000)	-	(908,884,460)	(293,615,000)
Proceeds from short-term loans from unrelated parties		-	30,675,000	-	-
Repayment of short-term loans from unrelated parties		(42,202)	(26,815,905)	-	-
Proceed from long-term loan from financial institution	22	250,000,000	-	250,000,000	-
Cash paid to settle long-term loans from financial institutions	22	(23,886,459)	(33,890,511)	-	-
Cash paid to settle liabilities under finance lease agreements		(12,565,387)	(12,460,860)	(1,737,275)	(1,066,876)
Dividend paid	35	-	(198,010,245)	-	(198,010,245)
Decrease in non-controlling interests of the subsidiaries from dividend payment of subsidiary		(99,000)	(87,000)	-	-
Increase in non-controlling interests of the subsidiary from purchase and additional call-up share capital of subsidiary		14,088,000	-	-	-
Increase in non-controlling interests of the subsidiary from purchase and additional call-up share capital of subsidiary		(8,877,784)	-	-	-
Net cash flows used in financing activities		(786,705,246)	(159,671,820)	(477,385,660)	(118,193,961)
Translation adjustments		(7,958,834)	19,111,862	-	-
Net increase (decrease) in cash and cash equivalents		(30,345,081)	9,698,833	(55,533,508)	27,770,010
Cash and cash equivalents at beginning of year		149,241,668	139,542,835	75,483,332	47,713,322
Cash and cash equivalents at end of year		118,896,587	149,241,668	19,949,824	75,483,332
Supplemental disclosures of cash flows information					
Non-cash items for investing activities					
Receivable from disposal of investment in subsidiary		15,299,750	-	15,299,750	-
Transfer inventories to equipment		3,278,763	1,081,315	3,278,763	1,081,315
Increase in accounts payable for purchase of equipment		-	111,697,895	-	83,118,971

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

1. General information

Samart I-Mobile Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Its parent company is Samart Corporation Public Company Limited, which was incorporated in Thailand. The Company is principally engaged in the distribution of communications and electronics equipment. The registered office of the Company is at 99/10 Moo 4 Software Park Building, 26th 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	
			2016 Percent	2015 Percent
Samart Multimedia Co., Ltd.	Provision content services via audiotext and call center	Thailand	100	100
I-Mobile International Co., Ltd.	Liquidation was completed during the year (2015: Provision the general management business including business planning and business coordination)	Thailand	-	100
Brain Source Co., Ltd.	In process of liquidation (2015: 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.	Disposed during the year (2015: Distributor of mobile phones and provider of entertainment content)	Malaysia	-	100
Teleconnex Co., Ltd.	Distributor of mobile phones and accessories	Hong Kong	100	100
Zecureasia Co., Ltd. (formerly known as “I-Mobile Inter trade Co., Ltd.”)	Distributor of mobile phones (2015: Temporarily ceased its business)	Thailand	100	100
Samart Mobile Services Co., Ltd.	Temporarily ceased its business	Thailand	97.4	97.4
SIM2ASSET Co., Ltd.	Real estate agent services	Thailand	100	-

Indirect subsidiaries held by the Company's subsidiaries

Company's name	Nature of business	Country of incorporation	Percentage of indirect shareholding	
			2016 Percent	2015 Percent
Investments through Samart Multimedia Co., Ltd.				
Samart Interactive Media Co., Ltd.	Liquidation was completed during the year (2015: Distribution of goods and provision of services related to horoscopes and astrology)	Thailand	-	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
Phoinikas Co., Ltd.	Digital Marketing Service	Thailand	100	-
Investments through I-Mobile International Co., Ltd.				
Pt. Samart I-Mobile Indonesia	Disposed during the year (2015: Temporarily ceased its business)	Indonesia	-	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.	Disposed during the year (2015: Not yet operational)	Malaysia	-	100
Investment through Zecureasia Co., Ltd. (formerly known as "I-Mobile Inter trade Co., Ltd.")				
I-Mobile Direct Co., Ltd.	In process of liquidation (2015: Temporarily ceased its business)	Thailand	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

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

During the year, the Company and subsidiaries have adopted the revised (revised 2015) and new financial reporting standards and accounting treatment guidance issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company's and its subsidiaries' financial statements.

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

During the current year, the Federation of Accounting Professions issued a number of the revised financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which is effective for fiscal years beginning on or after 1 January 2017. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards.

The management of the Company and its subsidiaries believe that the revised financial reporting standards and interpretations and new accounting treatment guidance will not have any significant impact on the financial statements when they are initially applied. However, one standard involves changes to key principles, which are summarised below.

TAS 27 (revised 2016) Separate Financial Statements

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

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

4. Significant accounting policies

4.1 Revenue recognition

Sales of goods

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

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.

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.

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

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:

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

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

4.10 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.

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.

Goodwill

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

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that 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, 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 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	
	2016	2015	2016	2015
Transactions with parent company				
Sales	1	-	1	-
Service income	1	2	-	-
Sales of equipment	2	-	1	-
Interest expenses	1	-	1	-
IT service fee expense	12	25	8	16
Management fee expense	-	12	-	12
Rental and other expenses	28	31	18	21
Transactions with subsidiary companies (eliminated from the consolidated financial statements)				
Sales	-	-	-	2
Purchases of goods	-	-	385	3,421
Purchases of services	-	-	2	1
Purchases of equipment	-	-	1	-
Management fee income	-	-	30	53
Interest income	-	-	11	14
Interest expenses	-	-	7	4
Advertising income	-	-	72	27
Marketing support income	-	-	-	8
Consulting income	-	-	7	21
Other income	-	-	-	6
Product design expenses	-	-	-	37
Other expenses	-	-	-	1
Guarantee fee income	-	-	-	4
Dividend income (Note 15)	-	-	245	290
Transactions with related companies				
Sales	10	19	10	18
Service income	4	5	2	-
Sales of equipment	1	-	1	-
Purchase of goods	-	5	-	5
Purchase of services	24	29	-	-
Purchases of equipment	7	-	-	-
Rental and other expenses	18	14	16	10

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Trade accounts receivable - related parties (Note 9)				
Parent company	192	226	80	65
Subsidiary companies	-	-	1,331	493,244
Related companies (related by shareholder)	911	1,667	747	1,426
Total trade accounts receivable - related parties	1,103	1,893	2,158	494,735
Amounts due from and advance to related parties (Note 9)				
Parent company	365	-	365	-
Subsidiary companies	-	-	110,956	141,593
Related companies (related by shareholder)	2,616	1,430	2,311	-
Total amounts due from and advance to related parties	2,981	1,430	113,632	141,593
Trade accounts payable - related parties (Note 20)				
Subsidiary companies	-	-	74,837	674,017
Related companies (related by shareholder)	12,988	272	22	272
Total trade accounts payable - related parties	12,988	272	74,859	674,289
Amounts due to and advance from related parties (Note 20)				
Parent company	27,405	4,907	17,471	3,932
Subsidiary companies	-	-	2,179	678
Related companies (related by shareholder)	43,442	36,221	3,913	25,192
Total amounts due to and advance from related parties	70,847	41,128	23,563	29,802

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

As at 31 December 2016 and 2015, 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 2015	During the year		Loss on exchange differences on translation of financial statements in foreign currencies	Balance as at 31 December 2016
			Increase	Decrease		
Short-term loans to related parties	Related by					
I-Mobile Plus Co., Ltd.	Subsidiary	168,000	8,500	(43,180)	-	133,320
Teleconnext Co., Ltd.	Subsidiary	55,681	54,047	(71,020)	(196)	38,512
Zecureasia Co., Ltd. (formerly known as "I-Mobile Inter trade Co., Ltd.")	Subsidiary	1,200	5,500	(1,700)	-	5,000
Samart I-Mobile (Malaysia) Sdn. Bhd.	Subsidiary	143,693	-	(125,223)	(18,470)	-
Total		368,574	68,047	(241,123)	(18,666)	176,832

(Unit: Thousand Baht)

Short-term loans from related parties		Consolidated financial statements			
		Balance as at 31 December 2015	During the year		Balance as at 31 December 2016
			Increase	Decrease	
Related by					
Samart Corporation Public Co., Ltd.	Parent company	-	417,000	(277,000)	140,000
Total		-	417,000	(277,000)	140,000

(Unit: Thousand Baht)

Short-term loans from related parties		Related by		Separate financial statements			
				Balance as at 31 December 2015	During the year		Balance as at 31 December 2016
					Increase	Decrease	
Samart Corporation Public Co., Ltd.	Parent company	-	417,000	(277,000)	140,000		
Samart Mobile Services Co., Ltd.	Subsidiary	131,000	471,000	(70,000)	532,000		
Samart Multimedia Co., Ltd.	Subsidiary	96,885	202,000	(212,885)	86,000		
Zecureasia Co., Ltd. (formerly known as “I-Mobile Inter trade Co., Ltd.”)	Subsidiary	-	210,000	(200,000)	10,000		
I-Mobile Direct Co., Ltd.	Subsidiary	-	65,000	(65,000)	-		
I-Mobile Plus Co., Ltd.	Subsidiary	-	20,000	(20,000)	-		
I-Mobile International Co., Ltd.	Subsidiary	25,000	-	(25,000)	-		
Brain Source Co., Ltd.	Subsidiary	39,000	-	(39,000)	-		
Total		291,885	1,385,000	(908,885)	768,000		

Directors and management's benefits

During the years ended 31 December 2016 and 2015, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Short-term employee benefits	25.3	22.2	25.2	22.2
Post-employment benefits	0.2	0.2	0.1	0.1
Total	25.5	22.4	25.3	22.3

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 2.3 million (Separate financial statements: Baht 1.5 million).

The commitment under the operating lease agreements with the related party is disclosed in Note 39.1 to the financial statements.

Service and management agreements

- 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 2016, the Company and two subsidiary companies (Samart Multimedia 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 totaling approximately Baht 1.0 million (Separate financial statements: Baht 0.8 million).

- c) 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 39.2.2 to the financial statements.

7. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cash	868	893	394	369
Bank deposits	222,947	252,376	124,474	179,142
Total cash and bank deposits	223,815	253,269	124,868	179,511
Less: Restricted bank deposits	(104,918)	(104,028)	(104,918)	(104,028)
Total cash and cash equivalents	118,897	149,241	19,950	75,483

As at 31 December 2016, bank deposits carried interests between 0.05 and 1.00 percent per annum (2015: between 0.10 and 0.50 percent per annum).

8. Temporary investments

As at 31 December 2016 and 2015, the Company had temporary investments in trading securities as follows:

(Unit: Thousand Baht)

	Consolidated financial statements/ Separate financial statements			
	2016		2015	
	Cost	Fair value	Cost	Fair value
Common stocks/Warrants	45,604	2,258	45,604	2,350
Less: Change in value	(43,346)		(43,254)	
Total temporary investments in trading securities	2,258		2,350	

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

(Unit: Thousand Baht)

	Consolidated financial statements/ Separate financial statements	
	2016	2015
Balance as at beginning of the year	2,350	11,847
Purchases during the year	-	5,385
Disposals during the year:		
Proceed from sales	-	(13,923)
Gain on disposals (Note 29)	-	1,539
Total	-	(12,384)
Loss on change in value (Note 31)	(92)	(2,498)
Balance as at end of the year	2,258	2,350

9. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Trade accounts receivable - related parties (Note 6)				
<i>Aged on the basis of due dates</i>				
Not yet due	1,050	1,843	2,099	1,639
Past due				
Up to 3 months	14	11	20	62
3 - 6 months	-	-	-	6
6 - 12 months	-	-	-	492,989
Over 12 months	39	39	39	39
Total trade accounts receivable - related parties	1,103	1,893	2,158	494,735
Trade accounts receivable - unrelated parties				
<i>Aged on the basis of due dates</i>				
Not yet due	181,652	2,750,235	118,476	2,627,958
Past due				
Up to 3 months	489,696	2,085,596	450,681	1,898,868
3 - 6 months	1,109,829	2,061,397	1,095,647	1,432,830
6 - 12 months	2,744,709	168,969	2,740,486	166,050
Over 12 months	1,171,114	11,468	1,156,084	30
Total	5,697,000	7,077,665	5,561,374	6,125,736
Less: Allowance for doubtful debts	(16,769)	(13,835)	(2,160)	(71)
Total trade accounts receivable - unrelated parties, net	5,680,231	7,063,830	5,559,214	6,125,665
Total trade accounts receivable - net	5,681,334	7,065,723	5,561,372	6,620,400
Other receivables				
Amounts due from and advance to related parties (Note 6)	2,981	1,430	113,632	141,593
Accrued service income	58,623	48,240	-	-
Other receivables - unrelated parties	208,833	277,347	208,669	257,489
Sales promotion receivables	4,749	3,289	4,749	3,289
Less: Allowance for diminution in value of other receivables and sales promotion receivables	(31,855)	(1,383)	(31,855)	(1,383)
Total other receivables - net	243,331	328,923	295,195	400,988
Trade and other receivables - net	5,924,665	7,394,646	5,856,567	7,021,388

As at 31 December 2016, the outstanding balances of the Company and its subsidiaries' trade accounts receivable - unrelated parties that were aged more than 12 months past due have no history of failing to settle debt, and are in process of making payment. The management of the Company and its subsidiaries believe that the allowance for doubtful debts is adequate.

10. Short-term loans

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Short-term loans to related parties (Note 6)	-	-	176,832	368,574
Short-term loans to employees	-	71	-	-
Total short-term loans	-	71	176,832	368,574

11. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories-net	
	2016	2015	2016	2015	2016	2015
Finished goods	417,567	434,580	(243,504)	(20,177)	174,063	414,403
Supplies	306,157	406,767	(28,881)	(1,166)	277,276	405,601
Goods in transit	10,074	43,445	-	-	10,074	43,445
Total	733,798	884,792	(272,385)	(21,343)	461,413	863,449

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories-net	
	2016	2015	2016	2015	2016	2015
Finished goods	361,965	384,543	(183,610)	(16,783)	178,355	367,760
Supplies	306,157	295,780	(28,881)	(1,166)	277,276	294,614
Goods in transit	10,073	43,438	-	-	10,073	43,438
Total	678,195	723,761	(212,491)	(17,949)	465,704	705,812

During the current year, the Company and its subsidiary companies reduced cost of inventories by Baht 251 million (Separate financial statements: Baht 193 million) to reflect the net realisable value. This was included in cost of sales. (2015: the Company and its subsidiary companies reversed the write-down of cost of inventories by Baht 8 million (Separate financial statements: Baht 8 million) and reduced the amount of inventories recognised as expenses during the year).

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

12. Other current assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Prepaid expenses	97,301	115,392	4,087	5,846
Withholding tax deducted at sources (Note 12.1)	69,022	62,040	14,736	9,345
Input tax refundable	41,399	48,347	37,646	43,097
Advance for purchase of inventories	15,402	74,934	10,172	9,809
Undue input tax	8,462	12,763	3,490	8,478
Others	26,330	29,077	7,036	14,138
Less: Allowance for diminution in value of advance for purchase of inventories	(8,896)	(15,982)	(8,896)	(8,896)
Total other current assets - net	249,020	326,571	68,271	81,817

12.1 Withholding tax deducted at sources

The balances of withholding tax deducted at sources as at 31 December 2016 and 2015, aged on years, were summarised below.

(Unit: Thousand Baht)

Year	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
2009	-	1	-	-
2011	226	1,426	-	-
2012	4,092	4,933	-	-
2013	3,467	9,918	-	-
2014	9,535	9,716	-	-
2015	30,557	36,046	9,345	9,345
2016	21,145	-	5,391	-
Total	69,022	62,040	14,736	9,345

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 2016, the subsidiary companies received the refund of the withholding tax of 2011 to 2016 totaling approximately Baht 14 million (2015: the Company and its subsidiary companies received the refund of the withholding tax of 2012 and 2013 totaling approximately Baht 53 million (Separate financial statements: Baht 10 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 2016 and 2015, the Company and its subsidiary had available-for-sale investments as follows:

(Unit: Thousand Baht)

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

(Unit: Thousand Baht)

Common stock	Separate financial statements					
	2016			2015		
	No. of shares (Thousand shares)	Fair value as at the purchase/ reclassification date	Fair value	No. of shares (Thousand shares)	Fair value as at the purchase/ reclassification date	Fair value
Ferrum Public Co., Ltd.	30,000	108,450	26,400	30,000	108,450	28,800
Q Technology (Group) Co., Ltd. (A listed company in Hong Kong Stock Exchange)	-	-	-	12,000	143,299	88,035
Total		108,450	26,400		251,749	116,835
Less: Change in value		(82,050)			(134,914)	
Total available-for-sale investments		26,400			116,835	

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Net book value at beginning of the year	175,719	267,359	116,835	208,967
Purchase during the year	-	8,253	-	5,000
Disposals during the year				
Proceed from sales	(154,534)	(31,823)	(154,534)	(31,823)
Less: Gain on disposals - net from loss on changes in value previously recorded in other comprehensive income (Note 29)	11,235	4,890	11,235	4,890
Total	(143,299)	(26,933)	(143,299)	(26,933)
Reclassification of loss on changes in value previously recorded in other comprehensive income to profit or loss	55,264	-	55,264	-
Loss on changes in value	(17,412)	(72,960)	(2,400)	(70,199)
Net book value at end of the year	70,272	175,719	26,400	116,835

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	
	2016	2015	2016 Percent	2015 Percent	2016	2015	2016	2015
Samart Multimedia Co., Ltd.	200,000	200,000	100	100	219,525	219,525	-	-
I-Mobile Plus Co., Ltd.	100,000	100,000	100	100	100,000	100,000	-	-
Teleconnex Co., Ltd.	HKD 5 million	HKD 5 million	100	100	54,142	54,142	-	-
Samart Mobile Services Co., Ltd.	490,000	490,000	97.4	97.4	43,917	43,917	-	-
SIM2ASSET Co., Ltd.	2,500	-	100	-	2,500	-	-	-
Brain Source Co., Ltd.	250	1,000	100	100	250	999	32,490	289,913
Zecureasia Co., Ltd. (formerly known as "I-Mobile Inter trade Co., Ltd.")	1,250	5,000	100	100	25	100	212,999	-
I-Mobile International Co., Ltd.	-	185,000	-	100	-	185,000	-	-
Samart I-Mobile (Malaysia) Sdn. Bhd.	-	Ringgit 2 million	-	100	-	997	-	-
Less: Allowance for diminution in value of investments in subsidiaries					(250)	(141,895)	-	-
Net					420,109	462,785	245,489	289,913

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	
	2016 (Percent)	2015 (Percent)	2016	2015	2016	2015
I-Sport Company Limited and its subsidiaries (Subsidiary companies of Samart Multimedia Co., Ltd.)	50	50	101	95	6	19

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	
	2016	2015
Current assets	192	140
Non-current assets	219	215
Current liabilities	199	150
Non-current liabilities	9	16

Summarised information about comprehensive income

(Unit: Million Baht)

	I-Sport Company Limited and its subsidiaries	
	For the year ended 31 December	
	2016	2015
Revenue	365	366
Profit	14	39
Other comprehensive loss	-	(3)
Total comprehensive income	14	36

Summarised information about cash flows

(Unit: Million Baht)

	I-Sport Company Limited and its subsidiaries	
	For the year ended 31 December	
	2016	2015
Cash flows from operating activities	47	13
Cash flows used in investing activities	(4)	(10)
Cash flows used in financing activities	(4)	(19)
Net increase (decrease) in cash and cash equivalents	39	(16)

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

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

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

As at 31 December 2016, the subsidiary company has not yet proceeded the above matters.

15.5 Purchase of investments

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

Subsequently, on 2 March 2016, the Company acquired 51% of that company's registered share capital of Baht 5 million from People Media Group Co., Ltd. at a price of Baht 5 per share, of which 25%, or approximately Baht 0.6 million. As a result of the purchase of investment, under the acquisition method, the Company recorded the excess of the cost of acquisition of the ordinary shares over the fair value, amounting to approximately Baht 0.2 million as goodwill in non-current assets in the consolidated financial statements.

The fair value of the assets and liabilities of Mall (Thailand) Co., Ltd. acquired as at the acquisition date was summarised as follows:

(Unit: Thousand Baht)

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

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

(Unit: Thousand Baht)

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

On 2 March 2016, the Company fully paid to the former shareholders (the seller).

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

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

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

(Unit: Thousand Baht)

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

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

(Unit: Thousand Baht)

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

On 15 July 2016, the subsidiary company fully paid to the former shareholder (the seller).

15.6 Changes in share capital of subsidiary companies

Reduction of registered share capital

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

each) by cancelling 4,500 ordinary shares of Baht 100 each. The subsidiary company registered the reduction in the share capital with the Ministry of Commerce on 3 November 2016.

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

Increment of registered share capital

- a) On 28 March 2016, an Annual General Meeting of Mall (Thailand) Co., Ltd., a subsidiary company, passed the following resolution:
- 1) Approving to call-up a further Baht 1.25 million of the uncalled portion of its capital, or equivalent to 25% of its registered share capital. The subsidiary received payment on 28 March 2016 as a result its paid-up share capital amounts to Baht 2.5 million, or 50% of the registered share capital.
 - 2) Approving the increment of its registered share capital from Baht 5 million (1 million ordinary shares of Baht 5 each) to Baht 60 million (12 million ordinary shares of Baht 5 each) by issuing 11 million ordinary shares with a par value of Baht 5 each. This share capital is 50% call-up. The Company and People Media Group Co., Ltd. paid for the incremental of the registered share capital totaling Baht 27.5 million on 28 March 2016. The subsidiary company registered the increase of share capital on 7 April 2016 with the Ministry of Commerce.
- b) On 22 July 2016, the Extraordinary General Meeting of shareholders of Samart I-Mobile (Malaysia) Sdn. Bhd., a subsidiary company, passed a resolution to approve the increase the registered share capital from 5 million Malaysian Ringgit (5 million ordinary shares of 1 Malaysian Ringgit each) to 16 million Malaysian Ringgit (16 million ordinary shares of 1 Malaysian Ringgit each) through an issuance of additional 11 million ordinary shares of 1 Malaysian Ringgit each.
- c) On 19 September 2016, the Extraordinary General Meeting of shareholders of Samart I-Mobile (Malaysia) Sdn. Bhd., a subsidiary company, passed a resolution to approve the increase the registered share capital from 16 million Malaysian Ringgit (16 million ordinary shares of 1 Malaysian Ringgit each) to 16.8 million Malaysian Ringgit (16.8 million ordinary shares of 1 Malaysian Ringgit each) through an issuance of additional 800,000 ordinary shares of 1 Malaysian Ringgit each.

15.7 Disposal of investments in subsidiary companies

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

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

(Unit: Thousand Baht)

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

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

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

(Unit: Thousand Baht)

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

(Unit: Thousand Baht)

	Separate financial statements
Proceeds from disposal of investment in subsidiary company	5,000
Less: Investment value at disposal date	(5,000)
Gain on disposal of investment in subsidiary company	-

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

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

(Unit: Thousand Baht)

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

(Unit: Thousand Baht)

	Separate financial statements
Disposal value of investment in subsidiary company	15,300
Less: Investment value at disposal date	(15,300)
Gain on disposal of investment in subsidiary company	-

15.8 Approval for sale or dissolution of non-operated subsidiary companies

On 9 August 2016, the Board of Directors of the Company passed a resolution to sell or dissolve the non-operated subsidiary companies that are not operational, which are Brain Source Co., Ltd., Samart Interactive Media Co., Ltd., I-Mobile Direct Co., Ltd., I-Mobile International Co., Ltd., I-Mobile Inter trade Co., Ltd. and The Nest Bangkok Co., Ltd. The steps followed will be to make dividend payment, reduce of registered share capital and pay the remaining registered share capital to the shareholder company. After that, the non-operational subsidiary companies will be dissolved or sold.

15.9 Dissolution of subsidiary companies

- a) On 11 October 2006, an Extraordinary Meeting of the shareholders of I-Mobile (Cambodia) Co., Ltd., a subsidiary company, passed a resolution to liquidate the company. The process of registering that company's dissolution and its subsequent liquidation are in progress.
- b) On 29 September 2016, an Extraordinary Meeting of I-Mobile International Co., Ltd., a subsidiary company, passed a special resolution to dissolve the company. The subsidiary company registered its dissolution with the Ministry of Commerce on 30 September 2016 and its liquidation was registered with the Ministry of Commerce on 28 November 2016.
- c) On 29 September 2016, an Extraordinary Meeting of Samart Interactive Media Co., Ltd., a subsidiary company, passed a special resolution to dissolve the company. The subsidiary company registered its dissolution with the Ministry of Commerce on 30 September 2016 and its liquidation was registered with the Ministry of Commerce on 28 November 2016.
- d) On 9 August 2016, the Board of Directors of the Company passed a resolution approving the dissolution of The Nest Bangkok Co., Ltd., a subsidiary company. Subsequently, on 6 October 2016, the Extraordinary Meeting of The Nest Bangkok Co., Ltd. passed a special resolution to dissolve the company. The subsidiary company registered its dissolution with the Ministry of Commerce on 6 October 2016 and its liquidation was registered with the Ministry of Commerce on 29 November 2016.
- e) On 28 December 2016, an Extraordinary Meeting of Brain Source Co., Ltd., a subsidiary company, passed a special resolution to dissolve the company. The subsidiary company registered its dissolution with the Ministry of Commerce on 29 December 2016 and is in process of liquidation.
- f) On 28 December 2016, an Extraordinary Meeting of I-Mobile Direct Co., Ltd., a subsidiary company, passed a special resolution to dissolve the company. The subsidiary company registered its dissolution with the Ministry of Commerce on 29 December 2016 and is in process of liquidation.

15.10 Establishment of new company

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

15.11 Change of the company's name

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

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	Assets under installation	Total
Cost								
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
Additions/Transfer in	-	42,383	-	87,632	-	4,778	49,970	184,763
Disposals/Transfer out	-	(26,319)	-	(198,758)	-	(10,123)	(49,568)	(284,768)
31 December 2016	11,512	525,976	151,881	1,037,671	47,110	49,646	148,083	1,971,879

(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	Assets under installation	Total
Accumulated depreciation								
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
Depreciation for the year	572	41,008	17,352	113,213	4,889	8,286	-	185,320
Accumulated depreciation of assets disposed and transferred out	-	(26,317)	-	(171,585)	-	(7,012)	-	(204,914)
31 December 2016	3,863	455,448	73,712	676,894	26,236	35,465	-	1,271,618
Allowance for impairment loss								
31 December 2014	-	191	-	96	-	-	-	287
31 December 2015	-	191	-	96	-	-	-	287
31 December 2016	-	191	-	96	-	-	-	287
Net book value								
31 December 2015	8,221	68,964	95,521	413,435	25,763	20,800	147,681	780,385
31 December 2016	7,649	70,337	78,169	360,681	20,874	14,181	148,083	699,974
Depreciation for the year								
2015 (Baht 87 million included in cost of services, and the balance in selling expenses and administrative expenses)								208,284
2016 (Baht 68 million included in cost of services, and the balance in selling expenses and administrative expenses)								185,320

(Unit: Thousand Baht)

	Separate financial statements				
	Condominium	Furniture, fixture and office equipment	Motor vehicles	Assets under installation	Total
Cost					
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
Additions/Transfer in	-	77,705	2,832	9,979	90,516
Disposals/Transfer out	-	(102,298)	(5,321)	(9,485)	(117,104)
31 December 2016	11,512	900,733	25,293	110,299	1,047,837
Accumulated depreciation					
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
Depreciation for the year	572	96,742	4,365	-	101,679
Accumulated depreciation of assets disposed and transferred out	-	(81,963)	(4,946)	-	(86,909)
31 December 2016	3,862	580,504	17,141	-	601,507
Net book value					
31 December 2015	8,222	359,601	10,060	109,805	487,688
31 December 2016	7,650	320,229	8,152	110,299	446,330
Depreciation for the year					
2015 (All depreciation included in selling expenses and administrative expenses)					95,512
2016 (All depreciation included in selling expenses and administrative expenses)					101,679

Siam Sport Television Co., Ltd., a subsidiary company, has mortgaged its equipment amounting to approximately Baht 40 million (2015: Baht 50 million) as collateral against credit facilities received from a bank.

As at 31 December 2016, 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 892 million (2015: Baht 810 million) (Separate financial statements: Baht 400 million, 2015: Baht 308 million).

As at 31 December 2016, the subsidiary companies have equipment and vehicles under finance lease agreements with net book values amounting to approximately Baht 22 million (2015: the Company and its subsidiary companies of Baht 28 million (Separate financial statements: Baht 1 million)).

17. Goodwill

Goodwill mainly relates to the purchase of shares of Siam Sport Television Co., Ltd. by I-Sport Co., Ltd., a subsidiary company.

The subsidiary company determined the recoverable amounts of the cash generating units (CGUs) based on value in use, using cash flow projections covering a five-year period prepared with reference to financial budgets approved by the management.

Key assumptions used in value in the value in use calculations are as follows:

(Unit: Percent per annum)

Growth rate	3.0
Pre-tax discount rate	14.9

The management determined the growth rate based on historical operating results, the expected market growth rate, the rate of gross domestic product growth and the discount rate which is a pre-tax rates that reflects the specific risk of the particular operating segment.

After consideration, management believed that goodwill is not impaired.

18. Intangible assets

(Unit: Thousand Baht)

	Consolidated financial statements			
	Computer software	Service agreement for online digital marketing	Right for air time	Total
Cost				
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
Increase from business combination	-	1,700	-	1,700
31 December 2016	95,610	1,700	3,191	100,501
Accumulated amortisation				
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
Amortisation	721	1,500	638	2,859
31 December 2016	90,395	1,500	1,276	93,171
Net book value				
31 December 2015	5,936	-	2,553	8,489
31 December 2016	5,215	200	1,915	7,330

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.

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

(Unit: Thousand Baht)

	Interest rate (percent per annum)		Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015	2016	2015
Bank overdrafts	7.12 - 7.68	7.37	89,886	110	-	-
Short-term loans from banks	2.90 - 4.38	2.47 - 3.75	4,201,490	4,348,000	4,151,490	4,328,000
Trust receipts						
Baht	3.10 - 3.33	3.05 - 3.30	181,926	1,207,179	181,926	1,207,179
US dollars	-	1.61 - 1.90	-	63,335	-	-
Total			4,473,302	5,618,624	4,333,416	5,535,179

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. Short-term loans from banks of I-Sport Co., Ltd., a subsidiary company, 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.

20. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Trade accounts payable				
Trade accounts payable - related parties (Note 6)	12,988	272	74,859	674,289
Trade accounts payable - unrelated parties	99,679	496,420	55,343	175,542
Total trade accounts payable	112,667	496,692	130,202	849,831
Other payables				
Amount due to and advance from related parties (Note 6)	70,847	41,128	23,563	29,802
Other payables - unrelated parties	313,563	436,859	147,144	285,070
Accrued expenses	247	2,695	247	2,695
Total other payables	384,657	480,682	170,954	317,567
Total trade and other payables	497,324	977,374	301,156	1,167,398

21. Short-term loans

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Short-term loans from related parties (Note 6)	140,000	-	768,000	291,885
Short-term loan from unrelated parties	22,641	22,154	-	-
Total short-term loans	162,641	22,154	768,000	291,885

Short-term loan from unrelated parties

Short-term loan from Siam Sport Syndicate Public Co., Ltd. amounting Baht 22.1 million carries interest at a rate of 12-month fixed deposit rate of a commercial bank and at cost of fund plus 0.25 percent per annum.

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

22. Long-term loans from financial institutions

(Unit: Thousand Baht)

Company	Credit facilities	Significant terms and conditions of loan agreements			Consolidated financial statements		Separate financial statements	
		Repayment schedule	Collateral	Interest rate (Percent per annum)	2016	2015	2016	2015
The Company	250,000	<p>Repayment of the first installment on the last business day of the 13th month after the month in which the loan was draw down, with payment of principal and interest to be completed within the 48th month.</p> <ul style="list-style-type: none"> - Installment 1 - 12 : payments of Baht 2.5 million per installment - Installment 13 - 24 : payments of Baht 8.5 million per installment - Installment 25 - 35 : payments of Baht 9.5 million per installment - Installment 36 : payment of the remaining principal and interest 	-	MLR-1.5% per annum	250,000	-	250,000	-
<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. 	<ol style="list-style-type: none"> 1. Siam Sport Syndicate Public Company Limited (the related company) 2. Two individual people (former directors of Siam Sport Television Co., Ltd.) 3. Motor vehicles with transmission tools and equipment 	<p>MLR-0.50% per annum for the first year</p> <p>MLR-0.25% per annum for the 2nd year until the last payment date</p>	-	5,939	-	-

(Unit: Thousand Baht)

Company	Credit facilities	Significant terms and conditions of loan agreements			Consolidated financial statements		Separate financial statements	
		Repayment schedule	Collateral	Interest rate (Percent per annum)	2016	2015	2016	2015
Siam Sport Television Co., Ltd.	30,000	The principal and interest will be monthly repaid at minimum Baht 0.55 million with the first installment on 20 August 2012, which have to be paid within 5 years.	1. Siam Sport Syndicate Public Company Limited (the related company) 2. Two individual people (former directors of Siam Sport Television Co., Ltd.) 3. Motor vehicles with transmission tools and equipment	3% per annum	2,947	9,383	-	-
Siam Sport Television Co., Ltd.	30,000	- The 1 st to the 3 rd periods payment interest of loans withdrawn at 25 th of each month. - From the 4 th period, the principal and interest payment not less than Baht 1.35 million per month with the first installment on 25 October 2014, which have to be paid within 2 years.	1. Siam Sport Syndicate Public Company Limited (the related company) 2. Two individual people (former directors of Siam Sport Television Co., Ltd.)	MLR-0.50% per annum	-	11,511	-	-
Total long-term loans from financial institutions					252,947	26,833	250,000	-
Less: Current portion					(5,447)	(23,887)	(2,500)	-
Long-term loans from financial institutions - net of current portion					247,500	2,946	247,500	-

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

Movements in the long-term loans account during the years ended 31 December 2016 and 2015 were summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Balance at beginning of the year	26,833	60,724	-	-
Add: Borrow	250,000	-	250,000	-
Less: Repayments	(23,886)	(33,891)	-	-
Balance at end of the year	252,947	26,833	250,000	-

23. Liabilities under finance lease agreements

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Liabilities under finance lease agreements	3,439	16,004	-	1,737
Less: Deferred interest expenses	(125)	(773)	-	(11)
Total	3,314	15,231	-	1,726
Less: Portion due within one year	(3,029)	(11,915)	-	(1,726)
Liabilities under finance lease agreements - net of current portion	285	3,316	-	-

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	
	2016	2015	2016	2015	2016	2015
Future minimum lease payments	3,149	12,565	290	3,439	3,439	16,004
Deferred interest expenses	(120)	(650)	(5)	(123)	(125)	(773)
Present value of future minimum lease payments	3,029	11,915	285	3,316	3,314	15,231

(Unit: Thousand Baht)

	Separate financial statements					
	Less than 1 year		1 - 5 years		Total	
	2016	2015	2016	2015	2016	2015
Future minimum lease payments	-	1,737	-	-	-	1,737
Deferred interest expenses	-	(11)	-	-	-	(11)
Present value of future minimum lease payments	-	1,726	-	-	-	1,726

24. Other current liabilities

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Undue output tax	7,596	11,971	6,269	7,240
Valued added tax payable	4,900	4,300	-	-
Unearned revenue from telephone service	3,074	10,334	2,819	-
Advance received from customers	-	248	-	-
Others	14,208	26,280	10,227	19,205
Total other current liabilities	29,778	53,133	19,315	26,445

25. Provision for long-term employee benefits

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Provision for long-term employee benefits at beginning of year	43,325	29,745	26,226	18,931
Included in profit or loss:				
Current service cost	3,527	2,790	2,010	1,574
Interest cost	1,322	1,207	813	728
Employee transferral	(8,433)	-	(6,297)	-
Included in other comprehensive income:				
Actuarial (gain) loss arising from				
Demographic assumptions changes	(2,020)	(869)	(2,854)	1,667
Financial assumptions changes	(222)	7,870	(97)	3,714
Experience adjustments	-	3,345	-	375
Benefits paid during the year	-	(763)	-	(763)
Provision for long-term employee benefits at end of year	37,499	43,325	19,801	26,226

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	
	2016	2015	2016	2015
Selling expenses	3,170	3,345	1,755	1,927
Administrative expenses	1,679	652	1,068	375
Total expenses recognised in profit or loss	4,849	3,997	2,823	2,302

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) (2015: Baht 0.4 million, Separate financial statements: Baht 0.2 million).

As at 31 December 2016, the weighted average duration of the liabilities for long-term employee benefit is 11 - 12 years (Separate financial statements: 11 years) (2015: 17 - 20 years, Separate financial statements: 17 years).

Significant actuarial assumptions are summarised below.

(Unit: Percent per annum)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Discount rate	3.2 and 3.3	3.1 and 3.2	3.2	3.1
Salary increase rate	4.0 - 7.0	4.0 - 7.0	4.0 - 7.0	4.0 - 7.0
Turnover rate	0 - 24	0 - 24	0 - 24	0 - 24

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2016 and 2015 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%	
	2016	2015	2016	2015	2016	2015	2016	2015
Discount rate	(4.0)	(4.8)	4.7	5.6	(1.9)	(2.7)	2.2	3.0
Salary increase rate	4.6	5.4	(4.0)	(4.7)	2.1	2.9	(1.9)	(2.7)
Turnover rate	Increase 20%		Decrease 20%		Increase 20%		Decrease 20%	
	2016	2015	2016	2015	2016	2015	2016	2015
	(4.2)	(5.0)	5.3	6.3	(1.7)	(2.5)	2.1	3.0

26. Share capital

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.

27. 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.

28. Service income

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Service income under telecommunication service license - Type 1	49,973	144,855	6,760	-
Other service income	855,317	997,758	17,677	56,385
Total service income	905,290	1,142,613	24,437	56,385

29. Other income

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Selling support income	19,443	28,152	19,443	28,152
Gain on disposal of available-for-sale investments (Note 14)	11,235	4,890	11,235	4,890
Interest income	1,733	2,278	12,291	15,445
Gain on sales of equipment	2,954	1,602	2,523	787
Gain on disposal of temporary investments in trading securities (Note 8)	-	1,539	-	1,539
Gain on sale of investments in subsidiaries	39,409	-	-	-
Gain on exchange	-	-	-	29,780
Dividend income from subsidiaries (Note 15)	-	-	245,489	289,913
Advertising and management fee income	-	-	110,633	61,594
Others	20,111	30,270	18,766	57,849
Total other income	94,885	68,731	420,380	489,949

30. Expenses by nature

Significant expenses classified by nature were as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Marketing expenses	473,702	538,659	351,386	448,626
Salaries and wages and other employee benefits	410,915	471,377	163,637	227,882
Depreciation and amortisation	199,883	232,619	101,679	95,513
Rental expenses from operating lease agreements	86,439	95,248	64,811	71,600
Loss on impairment of investments in subsidiaries	1,613	-	142,356	996
Changes in inventories	402,036	1,652,718	240,108	1,591,673
Purchase finished goods for sales	1,822,333	3,431,034	1,966,817	3,740,935

31. Other expenses

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Reserve for doubtful accounts	32,579	4,816	32,560	4,779
Loss on changes in value of temporary investments in trading securities (Note 8)	92	2,498	92	2,498
Write-off bad debts	27,335	8	-	8
Loss on exchange	3,114	700	12,480	-
Loss on impairment of investments in subsidiaries	1,613	-	142,356	996
Others	-	6,847	-	-
Total other expenses	64,733	14,869	187,488	8,281

32. Finance cost

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Interest expenses on:				
Bank loans, overdrafts and trust receipts	176,937	195,059	173,587	188,692
Loans from related parties	663	-	7,704	4,123
Liabilities under finance lease agreements and others	691	1,399	46	69
Total interest expenses	178,291	196,458	181,337	192,884
Bank charges	4,152	9,486	2,712	4,333
Total finance cost	182,443	205,944	184,049	197,217

33. Income tax

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Current income tax				
Current income tax charge	16,235	16,254	-	-
Adjustment in respect of income tax of previous year	9,115	-	-	-
Deferred tax				
Relating to origination and reversal of temporary differences	(152,159)	(24,430)	(154,323)	(23,618)
Income tax income reported in the income statement	(126,809)	(8,176)	(154,323)	(23,618)

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Deferred tax relating to loss on changes in value of available-for-sale investments	7,570	(14,592)	10,573	(14,040)
Deferred tax relating to actuarial loss	448	(2,069)	590	(1,151)
Income tax (income) expenses charged to other comprehensive income	8,018	(16,661)	11,163	(15,191)

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Accounting profit (loss) before tax	(838,656)	49,792	(535,788)	161,989
Applicable tax rate	16.5% and 20%	16.5% - 25%	20%	20%
Accounting profit (loss) before tax multiplied by income tax rate	(165,022)	9,406	(107,158)	32,398
Adjustment in respect of income tax of previous year	9,115	-	-	-
Effects of:				
Promotional privileges	-	(32,230)	-	-
Utilisation of tax loss carry forward	65	-	-	-
Income not subject to tax	-	(14)	(49,098)	(57,997)
Non-deductible expenses	5,240	13,141	1,933	2,076
Additional expense deductions allowed	-	(95)	-	(95)
Total	5,305	(19,198)	(47,165)	(56,016)
Deferred tax assets not recognised/reversed	23,793	1,616	-	-
Income tax income reported in the income statement	(126,809)	(8,176)	(154,323)	(23,618)

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	
	2016	2015	2016	2015
Deferred tax assets				
Allowance for doubtful accounts	3,354	2,378	432	14
Allowance for diminution in value of inventories	54,475	4,050	42,498	3,590
Allowance for asset impairment	8,814	2,720	8,814	2,720
Gain on change in value of temporary investments	8,668	8,650	8,668	8,650
Loss on changes in value of available-for-sale investments	24,176	31,746	16,410	26,983
Provision for long-term employee benefits	7,500	8,666	3,960	5,245
Unused tax loss	145,574	51,584	134,751	27,575
Others	2,251	2,408	1,308	1,527
Total	254,812	112,202	216,841	76,304
Deferred tax liabilities				
Depreciation difference from tax rate	(7,878)	(7,443)	-	-
Finance lease agreements	(3,177)	(2,432)	-	-
Others	(466)	(3,177)	(43)	(2,666)
Total	(11,521)	(13,052)	(43)	(2,666)
Deferred tax, net	243,291	99,150	216,798	73,638

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	
	2016	2015	2016	2015
Deferred tax assets	243,291	99,150	216,798	73,638
Deferred tax liabilities	-	-	-	-
Deferred tax, net	243,291	99,150	216,798	73,638

As at 31 December 2016, the subsidiary companies have deductible temporary differences and unused tax losses totaling Baht 176 million and USD 2 million (2015: Baht 3 million and Indonesian Rupiah 25,619 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 statements			
	2016		2015	
	(Baht)	(USD)	(Baht)	(Indonesia Rupiah)
31 December 2016	-	-	-	8,877
31 December 2017	-	-	-	11,765
31 December 2018	5	-	1	3,966
31 December 2019	7	-	-	290
31 December 2020	46	-	2	721
31 December 2021	118	2	-	-
	176	2	3	25,619

34. Earnings per share

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

35. 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	15 May 2015
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	9 September 2015
Total for 2015		198	0.05	

36. Promotional privileges

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

- Exemption from corporate income tax on net income from promoted operations for a period of 8 years commencing as from the date of first earning operating income (commencing from 1 August 2007 until 31 July 2015). Furthermore, accumulated losses incurred during the corporate income tax exemption period, the subsidiary is allowed to utilise the losses as a deduction against net income for a period of 5 years after the expiry of the tax exemption period, whether from any one year or from several years.
- Exemption from income tax on dividends paid from the income of the promoted operations for which corporate income tax is exempted, throughout the corporate income tax exemption.
- Exemption from import duty on imported machinery for use in production as approved by the Board until 20 January 2010.

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

Service income of the subsidiary amounting to approximately Baht 172 million for the year ended 31 December 2015 (2016: Nil) was revenues from promoted operations.

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

37. 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 two business segments as follows:

1. Mobile segment
Distribution of mobile phones, provision of mobile phones bundled with content and provider retail and wholesale 3G services (Mobile Virtual Network Operator).
2. Non-mobile 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

No operating segments have been aggregated to form the above reportable operating segments.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and total assets and on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements.

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

The following tables present revenue and profit and total assets/total liabilities information regarding the Company and its subsidiaries' operating segments for the years ended 31 December 2016 and 2015, respectively.

(Unit: Million Baht)

	Foreign		Domestic				Adjustments and eliminations		Consolidated	
	Mobile		Mobile		Non-mobile		2016	2015	2016	2015
	2016	2015	2016	2015	2016	2015				
Sales and service income										
Sales and service income from third parties										
- Local sales and service income	-	-		6,430	800	860	-	-	3,294	7,290
- Overseas sales and service income	33	249		165	-	-	-	-	57	414
Sales and service income from related parties	383	3,239		246	2	6	(387)	(3,465)	15	26
Total sales and service income	416	3,488		6,841	802	866	(387)	(3,465)	3,366	7,730
Cost of sales and service	415	3,399		5,623	678	662	(463)	(3,501)	3,051	6,183
Gross profit	1	89		1,218	124	204	76	36	315	1,547
Unallocated income (expenses):										
Other income									95	69
Selling expenses									(610)	(925)
Administrative expenses									(392)	(420)
Other expenses									(65)	(15)
Finance cost									(182)	(206)
Income tax income									127	8
Non-controlling interests of the subsidiaries									(8)	(21)
Profit (loss) for the year									(720)	37

(Unit: Million Baht)

	Foreign		Domestic				Adjustments and eliminations		Consolidated	
	Mobile		Mobile		Non-mobile		2016	2015	2016	2015
	2016	2015	2016	2015	2016	2015				
Assets										
Trade accounts receivable - net	72	331	5,564	7,742	122	160	(77)	(1,168)	5,681	7,065
Inventories - net	-	111	465	762	2	1	(6)	(10)	461	864
Equipment - net	-	-	468	522	236	262	(4)	(4)	700	780
Deferred tax assets	-	-	233	86	10	13	-	-	243	99
Others	9	108	2,087	2,649	431	375	(1,637)	(1,946)	890	1,186
Segment total assets	81	550	8,817	11,761	801	811	(1,724)	(3,128)	7,975	9,994
Segment total liabilities	81	607	6,013	7,805	365	336	(1,001)	(1,984)	5,458	6,764
Additions to non-current assets other than financial instruments and deferred tax assets	-	-	91	172	88	61	(4)	(4)	175	229

Geographic information

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

(Unit: Million Baht)

	2016	2015
<i>Revenue from external customers</i>		
Thailand	3,308	7,313
Laos	5	140
Malaysia	32	82
Others	21	195
Total	3,366	7,730

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

(Unit: Million Baht)

	2016	2015
Thailand	799	789
Total	799	789

Major customers

For the year 2016, the Company and its subsidiaries had revenue from two major customers in amount of Baht 1,178 million and Baht 467 million, arising from sales by mobile segment (2015: Baht 1,803 million derived from one major customer, arising from sales by mobile segment).

38. 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 2016 amounting to approximately Baht 15 million (Separate financial statements: Baht 7 million) (2015: Baht 15 million, Separate financial statements: Baht 8 million) were recognised as expenses.

39. 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:

39.1 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	
	2016	2015	2016	2015
Payable:				
In up to 1 year	45	73	33	58
In over 1 and up to 5 years	8	38	6	34

As at 31 December 2016, future minimum sublease payments expected to be received under non-cancellable subleases totaled approximately Baht 1 million (2015: Baht 6 million). During the year 2016, the Company recognised rental expenses of Baht 3 million (2015: Baht 5 million) and subleasing revenue of Baht 3 million (2015: Baht 5 million).

39.2 Guarantees

39.2.1 Bank guarantees

As at 31 December 2016, there were outstanding bank guarantees issued by banks on behalf of the Company and its subsidiaries of approximately Baht 26.60 million (2015: Baht 61.46 million) (Separate financial statements: Baht 10.72 million; 2015: Baht 42.74 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	
	2016	2015	2016	2015
Performance guarantees	26.09	60.81	10.51	42.48
Guarantee electricity use, among others	0.51	0.65	0.21	0.26
	26.60	61.46	10.72	42.74

39.2.2 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	
	2016	2015
Samart Mobile Services Co., Ltd.	55	55
Samart Multimedia Co., Ltd.	112	113
Zecureasia Co., Ltd. (formerly known as "I-Mobile Inter trade Co., Ltd.")	10	10
Pt. Samart I-Mobile Indonesia (In process of canceling guarantees)	180	181
Samart Mobile Services Co., Ltd., I-Mobile International Co., Ltd. Zecureasia Co., Ltd. (formerly known as "I-Mobile Inter trade Co., Ltd.") and I-Mobile Inter trade Co., Ltd. and Teleconnext Co., Ltd. (joint use the same facilities with the Company)	1,870	1,876
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.	30	20
I-Sport Co., Ltd.	12	5
I-Mobile Plus Co., Ltd. (joint use the same facilities with the Company)	110	111
Samart Multimedia Co., Ltd., Teleconnext Co., Ltd., I-Mobile Plus Co., Ltd. and I-Mobile Direct Co., Ltd. (joint use the same facilities with the Company) (2015: Included credit facilities of I-Mobile International Co., Ltd.)	500	2,000
I-Sport Co., Ltd. and Siam Sport Television Co., Ltd.	51	35
Siam Sport Television Co., Ltd.	2	-

These guarantees are effective for 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 (2015: Baht 25 million).

39.3 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)	
		2016	2015
The local subsidiary companies	Baht	3	15
The overseas subsidiary company	Malaysian ringgit	-	3

39.4 Other commitments

- 39.4.1 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.

- 39.4.2 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.
- 39.4.3 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.
- 39.4.4 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 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. On 22 April 2016, the Company sent a letter to CAT Telecom Public Co., Ltd. informing the commencement date to be 3 May 2016.

40. Fair value hierarchy

The Company and its subsidiaries had the assets and liabilities that were measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)

	Consolidated financial statements					
	Level 1		Level 2		Total	
	2016	2015	2016	2015	2016	2015
Assets measured at fair value						
Held for trade investments						
Equity instruments	2	2	-	-	2	2
Available-for-sale investments						
Equity instruments	70	176	-	-	70	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	
	2016	2015	2016	2015	2016	2015
Assets measured at fair value						
Held for trade investments						
Equity instruments	2	2	-	-	2	2
Available-for-sale investments						
Equity instruments	26	117	-	-	26	117
Financial liabilities measured at fair value						
Derivatives						
Foreign currency forward contracts	-	-	-	6	-	6

41. Financial instruments

41.1 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		2016	2015	2016	2015	2016	2015
	2016	2015	2016	2015						
Financial assets										
Cash and cash equivalents	-	-	-	-	118	138	1	11	119	149
Temporary investments	-	-	-	-	-	-	2	2	2	2
Trade and other receivables	-	-	-	-	-	-	5,925	7,395	5,925	7,395
Restricted bank deposits	105	104	-	-	-	-	-	-	105	104
Available-for-sale investments	-	-	-	-	-	-	70	176	70	176
	105	104	-	-	118	138	5,998	7,584	6,221	7,826
Financial liabilities										
Bank overdrafts	-	-	-	-	90	-	-	-	90	-
Short-term loans from banks	4,201	4,348	-	-	-	-	-	-	4,201	4,348
Trust receipts										
- Baht	182	1,207	-	-	-	-	-	-	182	1,207
- US Dollars	-	63	-	-	-	-	-	-	-	63
Trade and other payables	-	-	-	-	-	-	497	977	497	977
	-	-	-	-	140	-	-	-	140	-
Short-term loans from unrelated parties	23	22	-	-	-	-	-	-	23	22
Long-term loans from financial institutions	-	-	-	-	253	27	-	-	253	27
Liabilities under finance lease agreements	3	12	-	3	-	-	-	-	3	15
	4,409	5,652	-	3	483	27	497	977	5,389	6,659

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							
	2016	2015	2016	2015	2016	2015	2016	2015
Financial assets								
Cash and cash equivalents	-	-	20	75	-	-	20	75
Temporary investments	-	-	-	-	2	2	2	2
Trade and other receivables	-	-	-	-	5,857	7,021	5,857	7,021
Short-term loans to related parties	-	-	177	369	-	-	177	369
Restricted bank deposits	105	104	-	-	-	-	105	104
Available-for-sale investments	-	-	-	-	26	117	26	117
	105	104	197	444	5,885	7,140	6,187	7,688
Financial liabilities								
Short-term loans from banks	4,151	4,328	-	-	-	-	4,151	4,328
Trust receipts								
- Baht	182	1,207	-	-	-	-	182	1,207
Trade and other payables	-	-	-	-	301	1,167	301	1,167
Short-term loans from related parties	-	-	768	292	-	-	768	292
Long-term loans from financial institutions	-	-	250	-	-	-	250	-
Liabilities under finance lease agreements	-	2	-	-	-	-	-	2
	4,333	5,537	1,018	292	301	1,167	5,652	6,996

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 seeks 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	
	2016	2015	2016	2015	2016	2015
	(Million)		(Million)		(Baht per 1 foreign currency unit)	
Financial assets						
US dollar	5.43	8.23	7.09	13.37	35.6588	35.9233
Financial liabilities						
US dollar	0.52	7.76	2.52	12.12	36.0025	36.2538

The Company 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 2016			
Bought amount			
US dollar	1.08	34.9548 - 35.9736	February 2017 - January 2018
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

41.2 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.

42. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2016, the Group's debt-to-equity ratio was 2.2:1 (2015: 2.1:1) and the Company's was 2.7:1 (2015: 2.9:1).

43. Events after the reporting period

- 43.1 On 16 January 2017, Samart Multimedia Co., Ltd., a subsidiary company, sold all of the 30,000 ordinary shares which held in Phoinikas Co., Ltd. to a former shareholder at a total price of Baht 6 million.
- 43.2 On 25 January 2017, the Company entered into a memorandum of understanding with CAT Telecom Plc. whereby it is to perform a feasibility study regarding the implementation of a countrywide digital trunked radio network with modern technology and suitability for all kinds of users. The term of this memorandum is one year and it does not give rise to any financial, budgetary or other obligations.
- 43.3 On 26 January 2017, a meeting of the Company's Board of Directors passed a resolution approving the receipt of financial assistance from Samart Corporation Plc., the parent company, and the Company received a one-year credit line of Baht 1,500 million in the form of promissory notes due at call and carrying interest rate at a rate equal to the cost of fund plus 0.25% per annum. Interest is payable on a monthly basis.

44. Approval of financial statements

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

Audit Fee

1. Audit Fee

In 2016, the Company and subsidiaries paid audit fees to the auditor from EY Office Limited amounting to Baht 1,750,000 and 3,224,500 respectively, and out of pocket expenses relating to audit work such as traveling expenses, photo copy expenses and others totaling Baht 609,004. A subsidiary in Hong Kong paid audit fee to the auditor from the group of Ernst & Young Global Limited totaling Baht 1,399,110 and out of pocket expenses relating to audit work totaling Baht 27,982.

In addition, the 5 subsidiaries, where registered their dissolution in 2016, paid audit fees for the dissolution and liquidation to other auditor of Baht 118,000. The 3 aforementioned subsidiaries registered their liquidation in 2016 while the others are in process of liquidation.

2. Non-Audit Fee

In 2016, Siam Sport Television Co., Ltd., an indirect subsidiary with 49.99% shareholding paid professional fee to EY Office Limited for review revenue from the licenses granted by National Broadcasting and Telecommunications Commission (NBTC) totaling Baht 60,000.

As of December 31, 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. Piyanon Champasut <ul style="list-style-type: none"> • Chairman of the Board • Independent Director • Audit Committee Member 	68	- Honorary Doctorate of Philosophy, Ramkhamhaeng University - Honorary Master of Laws, Ramkhamhaeng University - Honorary Master of Arts (Public Administration), the National Institute of Development Administration (NIDA) - Bachelor of Laws, Chulalongkorn University - Training courses from Thai Institute of Directors Association (IOD): 2008 Director Certification Program (DCP)	None	None	Mar. 2016 - Present	Chairman of the Board of Directors / Independent Director / Audit Committee Member	Samarat I-Mobile Plc.
Appointment Date : March 1, 2016					2009 - 2011	Chairman of the Board of Directors	Airports of Thailand Public Company Limited (AOT)
					2012 - present	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.
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 	69	- Doctorate of Ph.D. in Electrical Engineering, University of Minnesota, USA - Master Degree in M.S. Electrical Engineering, University of Minnesota, USA - Bachelor Degree in Engineering (1 st Class Honour), Chulalongkorn University - Training courses from Thai Institute of Directors Association (IOD): 2004 Director Accreditation Program (DAP)	0.07 (3,000,000 shares)	None	2009 - Present 2003 - 2009 2003 - Present 2008 - Present 2005 - Present	Chairman of the Audit Committee Audit Committee Member Independent Director Chairman of the Corporate Governance Committee Nominating and Compensation Committee Member	Samarat I-Mobile Plc. Samarat I-Mobile Plc. Samarat I-Mobile Plc. Samarat I-Mobile Plc. Samarat I-Mobile Plc.
					2005 - Present 2005 - Present 2002 - Present	Position in other listed companies Position in non-listed companies Director Director Chairman of the Board of Directors	Greens Spot Co., Ltd. BITIC Co., Ltd. Bangkok Servex Co., Ltd.
Appointment Date: September 30, 2003							

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
3. Mr. Kunthit Arunyananda <ul style="list-style-type: none">Independent DirectorAudit Committee MemberChairman of the Nominating and Compensation CommitteeCorporate Governance Committee Member	50	- 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 shares)	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.
Appointment Date: September 30, 2003					2014 - Present	Position in other listed companies Executive Director	Kuang Pei San Food Products Plc.
					2001 - Present	Position in non-listed companies Director	Sam Nak - Ngan A.M.C. Co., Ltd.
					2003 - Present	Director	Samart I-Mobile Plc.
					May 2016 - Present	Risk Management Committee Member	Samart I-Mobile Plc.
					1993 - Present	Position in other listed companies Director	Samart Corporation Plc.
4. Mr. Charoenrath Vilailuck <ul style="list-style-type: none">DirectorRisk Management Committee Member	56	- Bachelor Degree in 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 Mrs. Sukanya's elder brother	1995 - Present	Executive Chairman & CEO	Samart Corporation Plc.
					2008 - Present	Chairman of the Risk Management Committee	Samart Corporation Plc.
					May 2016 - Present	Risk Management Committee Member	Samart Telcoms Plc.
					1996 - Present	Director / Executive Director	Samart Telcoms Plc.
					2013 - Present	Director / Executive Director / Risk Management Committee Member	One to One Contacts Plc.
Appointment Date: September 30, 2003					Present	Position in non-listed companies Director	Vilailuck International Holding Co., Ltd. and its subsidiaries
					Present	Director	Subsidiaries and Related Companies (as shown in the Position of Directors and Management 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
5. Mr. Watchai Vialluck <ul style="list-style-type: none"> Authorized Director Chief Executive Officer Executive Chairman Chairman of the Risk Management Committee 	54	<ul style="list-style-type: none"> Bachelor Degree in Accounting, Faculty of Commerce and Accounting, Thammasat University Certificate of Strategic Planning & Implementation University of Michigan Business School (Executive Education Center), Singapore in 2000 Certificate of Management Program, United Kingdom in 1985 Diploma in National Defence for The Joint State- Private Sector Course (Class 21), National Defence College of Thailand in 2008-2009 Leadership Program (Class 11), Capital Market Academy (CMA) in 2010 - 2011 The Programme for Senior 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 (OCSC), Office of the National Economic and Social Development Board, Ministry of Foreign Affairs and Sasin Graduate Institute of Business Administration, Chulalongkorn University in 2013 The 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 shares)	Mr. Charoenrath's younger brother and Mrs. Sukanya's elder brother	Nov. 1, 2016 - Present	Chief Executive Officer / Executive chairman / Chairman of the Risk Management Committee	Samart I-Mobile Plc.
					2003 - Present	Director	Samart I-Mobile Plc.
					2003 - Dec. 31, 2015	Chief Executive Officer / Executive Chairman	Samart I-Mobile Plc.
					2005 - Dec. 31, 2015	Chairman of the Risk Management Committee	Samart I-Mobile Plc.
					1993 - Present	Position in other listed companies Director	Samart Corporation Plc.
					2000 - Present	President	Samart Corporation Plc.
					2004 - Present	Chief Operating Member of Risk Management Committee	Samart Corporation Plc.
					2013 - Present	Chairman of the Sustainable Development Committee	Samart Corporation Plc.
					May 2014 - Present	Acting Chief Operating Officer of Call Center LOB	Samart Corporation Plc.
					Present	Acting Chief Operating Officer of Technology Related Services LOB and Utilities and transportations LOB	Samart Corporation Plc.
					Nov.1, 2016 - Present	Head of Mobile Multimedia LOB	Samart Corporation Plc.
					2000 - Present	Executive Chairman	Samart Telecoms Plc.
					1996 - Present	Director	Samart Telecoms Plc.
					May 2016 - Present	Chairman of the Risk Management Committee Member	Samart Telecoms Plc.
					May 2016-Present	Executive Committee Member	One to One Contracts Plc.
					2013 - Present	Director / Chairman of the Risk Management Committee	One to One Contracts Plc.
					2013 - May 2016	Executive Chairman	One to One Contracts Plc.
					1993 - Present	Position in non-listed companies Director	Vialluck International Holding Co., Ltd. and its subsidiaries
					Present	Director	Subsidiaries and Related Companies (as shown in the Position of Directors and Management of the Company in Subsidiaries and Related Companies)

Appointment Date: 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	Shareholding in Company* (%)	Relationship	Working Experience last 5 years		
					During	Position	Company/Department
6. Mr. Pracha Phathayakorn <ul style="list-style-type: none"> • Authorized Director • Executive Director • Risk Management Committee Member • Sustainable Development Committee Member 	53	<ul style="list-style-type: none"> - 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	Samart I-Mobile Plc.
					May 2014 - Present	Executive Director / Risk Management Committee Member	Samart I-Mobile Plc.
					Nov 2013 - Present	Sustainable Development Committee Member	Samart I-Mobile Plc.
					Aug 2015 - Feb 2016	Chief Operating Officer	Samart I-Mobile Plc.
					2012 - Aug 2015	Executive Vice President	Samart I-Mobile Plc.
					2011 - Present	Position in other listed companies Executive Vice President (Finance and Accounting)	Samart Corporation Plc.
					May 2012 - Present	Risk Management Committee Member	Samart Corporation Plc.
					2013 - Present	Sustainable Development Committee Member	Samart Corporation Plc.
					2013 - Present	Director	One to One Contracts Plc.
					2013 - Present	Executive Director/Risk Management Committee Member	One to One Contracts Plc.
					2005 - 2011	Independent Director / Audit Committee	Eternity Grand Logistic Plc.
					Present	Position in non-listed companies Director	Subsidiaries and Related Companies (as shown in the Position of Directors and Management of the Company in Subsidiaries and Related Companies)
					2015 - Present 2005 - 2011	Director Chief Operating Officer	Euromill Hotel Co., Ltd. Paresa Corporation Co., Ltd.

Appointment Date: August 13, 2015

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. Mrs. Sukanya Vanichjakvong • Authorized Director • President • Executive Director • Risk Management Committee Member • Corporate Governance Committee Member • Nominating and Compensation Committee Member • Chairman of the Sustainable Development Committee	50	- 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 (DOP)	0.34 (14,900,000 shares)	Mr. Charoenrath's and Mr. Watchai's younger sister	May 2016 - Present	Corporate Governance Committee Member / Nominating and Compensation Committee Member	Samart I-Mobile Plc.
					Nov 2015 - Present	Director / President / Executive Director Chairman of the Sustainable Development Committee / Risk Management Committee Member	Samart I-Mobile Plc.
					2013 - Nov 6, 2015 2013 - Present	Position in other listed companies Managing Director Director / Risk Management Committee Member / Chairman of the Sustainable Development Committee	One to One Contracts Plc. One to One Contracts Plc.
					2013 - April 2016 May 2016 - Present 2009 - 2016 May 2016 - Present	Executive Director Executive Chairman Risk Management Committee Member Sustainable Development Committee Member	One to One Contracts Plc. One to One Contracts Plc. Samart Corporation Plc. Samart Corporation Plc.
					Present	Position in non-listed companies Director	Subsidiaries and Related Companies (as shown in the Position of Directors and Management of the Company in Subsidiaries and Related Companies)
8. Mr. Chakkrit Charuchinda • Director	58	- Master of Public Administration and Business Administration, Webster University, USA - Bachelor of Laws, Ramkhamhaeng University - Executive Development Program (EDP 4), Thai Listed Companies Association - Leadership Development Program (LDP III), PTT Leadership and Learn Institute - Leadership, Innovation and Strategy Program (LIS), General Electric Company, USA - Training courses from Thai Institute of Directors Association (IOD): 2013 Director Certification Program (DOP)	0.10% (4,507,700 shares)	None	Jan 2016 - Present Jul 2016 - Oct 31, 2016	Director Acting Chief Operating Officer of Channel Management (Self-In)	Samart I-Mobile Plc. Samart I-Mobile Plc.
					Jan 2016 - Oct 31, 2016	Chief Executive Officer / Executive Chairman / Chairman of the Risk Management Committee	Samart I-Mobile Plc.
					Jan 2016 - Oct 31, 2016	Position in other listed companies Chairman of Mobile Multimedia LOB	Samart Corporation Plc.
Appointment Date: November 12, 2015					2011 - Dec 31, 2015	Position in non-listed companies Managing Director	PTT Retail Management 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. Mr. Thawatchai Majitnapakul <ul style="list-style-type: none"> Vice President - Corporate Planning and Warehouse Acting Vice President - Product & Marketing 	48	<ul style="list-style-type: none"> Master Degree of Business Administration, Thammasat University Master Degree in Chemical Engineering, Chulalongkorn University Bachelor Degree of Science (Chemistry), Mahidol University 	None	None	Jul 2016 - Present	Acting Vice President - Product & Marketing	Samart L-Mobile Plc.
					Feb 2016 - Present	Vice President - Corporate Planning and Warehouse	Samart L-Mobile Plc.
						<u>Position in other listed companies</u>	
10. Mrs. Sumonthip Srimek <ul style="list-style-type: none"> Vice President - Account 	57	<ul style="list-style-type: none"> Master Degree, Business Administration, Kasetsart University Bachelor Degree in Accounting, Chiang Mai University 	None	None	2007-2016	<u>Position in non-listed companies</u> Operation Support Manager	PTT Retail Management Co., Ltd.
					2004 - Present	Vice President - Account	Samart L-Mobile Plc.
						<u>Position in other listed companies</u>	
11. Miss Kusuma Kerdpol <ul style="list-style-type: none"> Acting Vice President - Finance Risk Management Committee Member 	46	<ul style="list-style-type: none"> Master Degree in Economics, Kasetsart University Bachelor Degree in Economics, Thammasat University 	None	None	May 2015 - Present	Acting Vice President - Finance	Samart L-Mobile Plc.
					Mar 2014 - Apr 2015	Vice President - Finance	Samart L-Mobile Plc.
					2006 - 2013	Assistant Vice President - Financial Planning and Corporate Treasury	Samart L-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")					2013 - Feb 2014	<u>Position in other listed companies</u> Assistant Vice President - Financial Planning and Corporate Secretary	One to One Contracts Plc.
					May 2015 - Present	<u>Position in non-listed companies</u> Executive Vice President	I-Sport Co., Ltd.

Name-Surname / Position / Appointment Date	Age	Education / Training	Share-holding in Company* (%)	Relationship	Working Experience last 5 years		
					During	Position	Company/Department
12. Miss Boonrut Mongkolratanakorn • Company Secretary • Secretary to Sub-Committees • Sustainable Development Committee Member Appointment Date: October 31, 2003	54	- Mini MBA, Business Administration, Thammasat University - Bachelor Degree in Accounting, Thammasat University - Training: 2003 Law and regulations for Company 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 2016 in “Management Structure” under topic “Company Secretary”)	0.0016 (70,000 shares)	None	Nov. 2013 - Present Sustainable Development Committee Member Aug 2013 - Present Company Secretary 2003 - July 2013 Head of Internal Audit and Company Secretary 2003 - Present Secretary to Sub-Committees <u>Position in other listed companies</u> <u>Position in non-listed companies</u> -	Samart I-Mobile Plc. Samart I-Mobile Plc. Samart I-Mobile Plc. Samart I-Mobile Plc.	
13. Mr. Wichai Rongkawilitt • Internal Audit Manager • Secretary to the Audit Committee Appointment Date: February 29, 2016	50	- Bachelor degree in Accounting, Dhurakij Pundit University <u>Course from The Institute of Internal Auditors of Thailand</u> 2016 - Training Confirmation Letter: Operation System Windows 10 - Business Action Plan - Smart Disclosure Program : SDP - CG Forum 3/2016 : Prevention and Control of Corporate Corruption - Action Plan - SAMART Performance Management - Smart Management Meeting 2015 - Fraud case study and Knowledge sharing For Internal Auditor - Fraud Risk Management (FRM) 2014 - Fraud Audit - Audit : Techniques for Internal Audit - Development Plan for Internal Audit <u>Course from Federation of Accounting Professions</u> 2014 COSO 2013 Internal Control - Integrated Framework Update	None	None	2013 - Present Internal Audit Manager and Secretary to the Audit Committee <u>Position in other listed companies</u> Internal Audit Manager Internal Audit Manager <u>Position in non-listed companies</u> -	Samart I-Mobile Plc. One to One Contracts Plc. Samart Corporation 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")

The Board of Directors and Committees

As of December 31, 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. Piyapan Champasut	X		/				
2. Dr. Chotivud Chayavadhanangkur	/		X		X	/	
3. Mr. Kunthit Arunyakananda	/		/		/	X	
4. Mr. Charoenrath Vilailuck	/			/			
5. Mr. Watchai Vilailuck	/	X		X			
6. Mrs. Sukanya Vanichakvong	/	/		/	/	/	X
7. Mr. Chakkrit Charuchinda ⁽¹⁾	/						
8. Mr. Pracha Phathayakorn	/	/		/			/
9. Miss Boonnut Mongkolratanakorn							/

Remarks: x = Chairman

/ = Director

⁽¹⁾ Resigned from director on February 15, 2017.

General and Other Information

Samart I-Mobile Public Company Limited

Company	:	Samart I-Mobile Public Company Limited
Head Office	:	99/10 Moo 4, Software Park, 26 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Thailand
Registration No.	:	0107546000318
Website	:	http://www.i-mobilephone.com
Telephone	:	0-2502-6000
Fax.	:	0-2502-6870
Registered Capital	:	Baht 440,025,000
Number of Shares	:	4,400,250,000 shares
Par Value	:	Baht 0.10 per share

Other References

Company Registrar	:	Thailand Securities Depository Company Limited
Head Office	:	93 The Stock Exchange of Thailand Building, Rachadapisek Road, Dindaeng, Bangkok 10400
Telephone	:	0-2009-9000
Fax.	:	0-2009-9991
Auditor	:	Mrs. Sarinda Hirunprasurtwutti
	:	Certified Public Accountant (Thailand) No. 4799
Head Office	:	Ernst & Young Office Limited 33 rd Floor, Lake Rachada Office Complex 193/136-137 Rachadapisek Road, Klongtoey, Bangkok 10110
Telephone	:	0-2264-9090
Fax.	:	0-2264-0789-90
Company Secretary	:	Ms. Boonrut Mongkolratanakorn
Email	:	Boonrut.M@i-mobile.samartcorp.com
Telephone	:	0-2502-6871
Fax.	:	0-2502-6870
Internal Audit	:	Mr. Wichai Rongkawilit
Email	:	Wichai.R@i-mobile.samartcorp.com
Telephone	:	0-2502-6190
Fax.	:	0-2502-6870

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).

SAMART
i-mobile



SAMART I-MOBILE PUBLIC COMPANY LIMITED

99/10 Moo 4, Software Park, 26th Fl.,
Chaengwattana Rd., Klong Gluar, Pak-Kred,
Nonthaburi 11120
Tel: 662-502-6000 Fax: 662-502-6870
www.i-mobilephone.com