

Intelligent Innovation

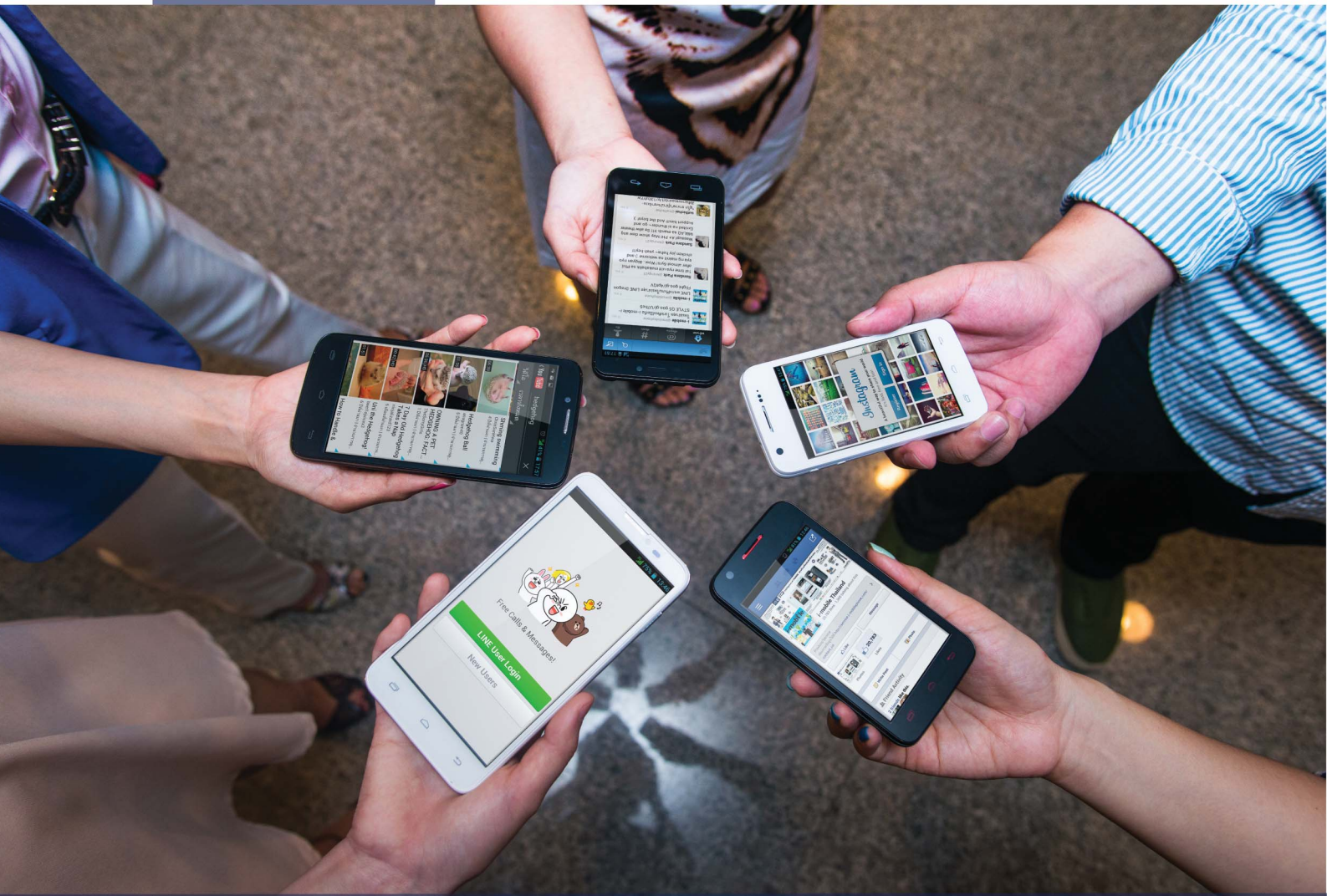


Annual Report 2012

SAMART I-MOBILE PUBLIC COMPANY LIMITED

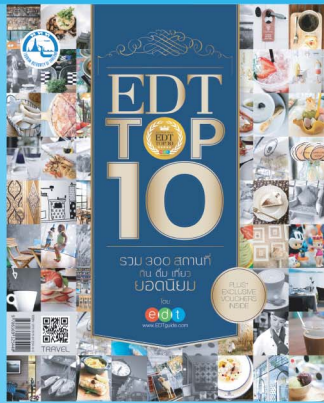
Synergy for creating excellence technology

It is one of pride in developing Thai quality handset as well as bundling content into i-mobile handset through distribution channels nationwide.





Synergy for the future



BUG 1113

Welcome to BUG service



The leading service provider of Mobile Multimedia that provide infotainment content to meet daily needs of modern life both voice and non-voice services, and all forms of multimedia content.

Vision

Sustainable growth through Integrated Broadband Communication

provide for daily life

Mission

- Produce, provide and develop product in terms of quality and effectiveness along with focus on value proposition, time-to-market and supportive technology in order to satisfy customers' needs
- Provide and produce content services via varieties of media (Fixed, Mobile and Digital Content) as well as looking forward to plans for continuous business expansion
- Creatively drive and wisely respond to customers' demands in provision of all prospect services along with focus on value proposition and customers' convenience
- Provide suitable product and service as well as blend the mixture to distribute via systematically planned, organized, managed and expanded channels to cover accessibility to targeted end-users and corporate users



Synergy for providing a better services



3G services under brand name “i-mobile 3GX”, as Mobile Virtual Network Operator (MVNO) using TOT 's 3G network, cover all areas to increase convenience and speediness in access to content and information with full integrated quality product and service.

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Message from the Board of Directors



Suphachai Phisitvanich

(Professor Suphachai Phisitvanich)

Chairman

Samart I-Mobile Public Company Limited

Although the global economy encountered numerous challenges in 2012 arising from the US and European economic crises and this has generated adverse effects on certain sectors of Thai exports, on the whole, the Thai economy experienced considerable expansion. This expansion was achieved on the back of booming export of cars, an influx of foreign capital into the country and high domestic demand generated by fiscal stimulus of the Government (particularly the first home and first car policy, rice-pledging) and private investment for restoration after the floods in 2011.

With the Thai economy expanding, this has contributed to a better performance for the Company in 2012. Higher spending power of Thai consumers has increased the share of sales of smart phones in the product mix, with the result that while Group Revenue is about the same at around Baht 7 billion for 2012 and 2011, the net profit has increased to Baht 166 million in 2012, an increase of 98% on net profit for 2011.

Sales of smart phones was particularly strong in the fourth quarter of 2012 following the launch of new smart phones models in the quarter and this performance is expected to continue into 2013. The Company continue to enjoy success in selling our house brand 'i - mobile' phones and still maintain our leadership position in the mobile phones market in Thailand, continuing to be 1st of Thai brand and 3rd position in the Thai overall handset market. All these are a result of a combination of unique marketing strategies and tactics involving innovative sales and promotion, and bundling lifestyle phones with our business partners. In addition, the Company continues to make new landmark for the Multimedia Business, with revenue exceeding Baht 1 billion for the first time in its history.

2012 can be considered as the critical year for the launching of mobile phone services on 3G platform as 3 new licences were issued by the NBTC. This will generate tremendous business opportunities for the Company in the sales of smart phones and drive explosive growth in demand for the mobile multimedia contents from mid 2013 onwards. The Company is well positioned to take advantage of these opportunities and this will contribute to sustainable growth for the Company into the foreseeable future.

The Company will continue to improve on the after sales services and human resource development coupled with managing our business with fairness and the recognition of the Principles of Good Corporate Governance and Corporate Social Responsibility under the policy guiding principle of being a good corporate citizen, who is accountable to employees, customers and shareholders, and being socially responsible.

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



Message from the Executive Committee

The Company strongly believes in the importance of managing the business operations according to the Company's business policies and plans, including any initiatives mandated by the resolutions of the Board of Directors and Shareholders meetings. All such implementations that are needed to be done have to be executed in strict adherence to the Company's good Corporate Governance Policies. Consequently, the Board of Directors appointed an 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 2012, the Executive Committee held 14 meetings to consider numerous matters concerning the Company that were subsequently reported, with comments and recommendations, to the Board of Directors which can be summarized as follows:

- **Establish Business Strategies and Plans**
The Executive Committee analyzed the annual business plans and problem resolution guidelines for each business operations on a quarterly basis, and revised the business plans to reflect the changes.
- **Monitor, Evaluate, and Follow-up the Performance of the Company and its subsidiaries**
The Executive Committee review and monitor business operations of the subsidiaries and provide advises for any problems may have to achieve business target.
- **Follow-up on the Directives Mandated by the Board of Directors**
The Executive Committee analyzed and appraised numerous important issues mandated by the Board of Directors such as investment, fiscal year budget as well as consideration on promotion and/or new hire manpower.
- **Establish Remuneration Policies and Employee Salary Guidelines**
The Executive Committee analyzed and assessed the increase of salary payment for 2013 and criteria for bonus calculation for 2012-2013. 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.

The Executive Committee is intent to perform its duties to the utmost honesty, caution, and thoroughness with the objectives of ensuring the Company's benefits, equity and fairness to all shareholders and stakeholders. To be sure, the Executive Committee seeks 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.



Watchai Vilailuck

(Mr. Watchai Vilailuck)

Executive Chairman

Samart I-Mobile Public Company Limited



The Board of Directors



1. Professor Suphachai Phisitvanich

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

2. Dr. Chotivid Chayavadhanangkur

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

3. Mr. Kunthit Arunyananda

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

4. Mr. Charoenrath Vilailuck

- Authorized Director



- | | |
|----------------------------------|--|
| 5. Mr. Watchai Vilailuck | <ul style="list-style-type: none"> • Authorized Director • Chief Executive Officer • Executive Chairman • Chairman of the Risk Management Committee |
| 6. Mr. Thananan Vilailuck | <ul style="list-style-type: none"> • Authorized Director • President • Executive Director • Risk Management Committee Member |
| 7. Mr. Jong Diloksombat | <ul style="list-style-type: none"> • Authorized Director • Executive Director • Corporate Governance Committee Member • Risk Management Committee Member |
| 8. Mr. Azwan Khan bin Osman Khan | <ul style="list-style-type: none"> • Director |
| 9. Mr. Annis bin Sheikh Mohamed | <ul style="list-style-type: none"> • Director • Nominating and Compensation Committee Member |



Financial Highlights

	2010	2011	2012
Result of Operation (Million Baht)			
Sales and Service Revenue	7,987	6,921	6,940
Sales Support Revenue	67	24	45
Total Revenues	8,128	7,002	7,042
Gross Profit ⁽¹⁾	1,689	1,351	1,363
Net Profit	136	84	166
Financial Position (Million Baht)			
Total Assets	5,434	5,699	5,442
Total Liabilities	3,032	3,296	2,896
Total Shareholders' Equity	2,402	2,403	2,546
Financial Ratio			
Net Profit Margin (%)	1.67	1.19	2.35
Return on Equity (%)	5.78	3.53	6.79
Return on Assets (%)	2.35	1.50	3.05
Debt to Equity Ratio (Times)	1.26	1.37	1.14
Earnings per Share (Baht)	0.03	0.02	0.04
Dividend per Share (Baht)	0.020	0.010	0.025
Dividend Payout Ratio ⁽³⁾ (%)	63.30	51.41	64.89
Book Value per Share (Baht)	0.56	0.56	0.59
Par Value per Share (Baht)	0.10	0.10	0.10
Number of issued and paid up shares ⁽²⁾ (Million Shares)	4,301.30	4,301.3	4,303.94

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

⁽²⁾ During the year 2010 and 2012, 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.

⁽³⁾ Calculated by the number of issued and paid up shares at the end of the year.

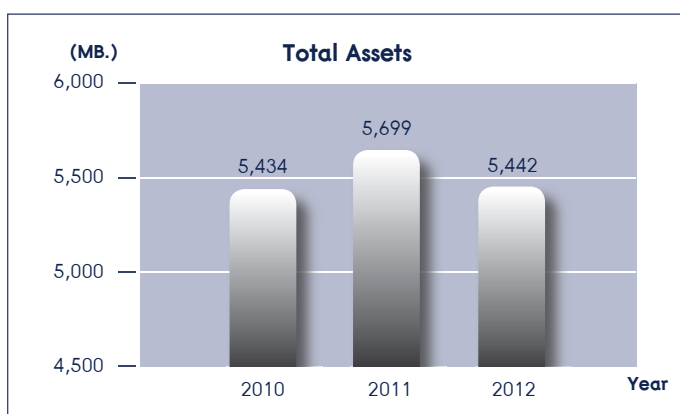




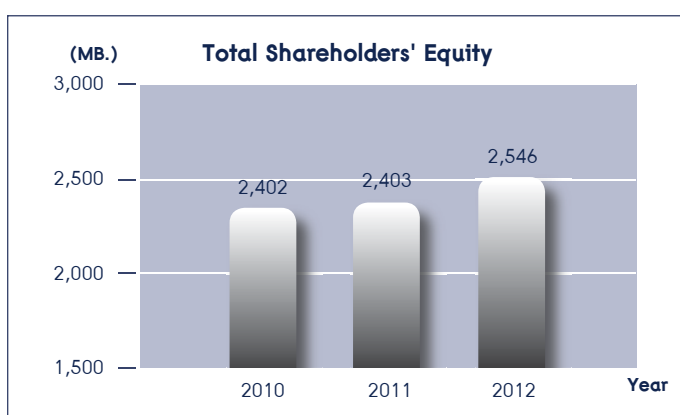
Total revenues were Baht 7,042 million, an increase of Baht 40 million or 0.57% compared to 2011. The increase was resulted from the higher average selling price per unit in Mobile Business (Domestic), in addition to a continually increase in revenue of Multimedia Business.



Net profit was Baht 166 million, an increase of Baht 82 million or 98.19% compared to 2011. Net profit margin also increased from 1.19% in 2011 to 2.35% in 2012.



Total assets were Baht 5,442 million, a decrease of Baht 257 million or 4.51% compared to the end of 2011, mostly as a result of the decrease in trade account receivable and advance payment for purchase of goods of Mobile Business.



Total shareholders' equity was Baht 2,546 million, an increase of Baht 143 million or 5.95% compared to the end of 2011. Accordingly, net profit in Y2012 was Baht 166 million, with Baht 43 million dividend payment during the year.



Sustainable Development

1. Corporate Governance

The Board of Directors realized on the importance of the good Corporate Governance which will be the fundamental factor for improving standard of business operation to create more transparency, competitiveness and strengthen the confidence of all shareholders, investors and other related parties. Thus written Corporate Governance Policy and Business Ethics, which complied with the Principles of Good Corporate Governance of SET and Corporate Social Responsibility Guidelines, have been provided for practices of directors, management and employees of the Company under the policy guiding principle of being a good corporate citizen, who is accountable to employees, customers and shareholders, and being socially responsible. The Company Secretary Division is a compliance unit to supervise and oversee the operation of the Company, directors and executives to ensure that they been correctly complied with the regulations of the SET, the SEC, the Public Company Limited Act., and other related laws. More details on the Corporate Governance Practices of the Company in 2012 are disclosed in the section "Corporate Governance"

Due to the continual monitor and development of the Company's Corporate Governance Practices, the Company scored Excellent and was ranked in Top Quartile of the group of companies with market capitalization of Baht 3,000-9,999 million from a total of 513 listed companies surveyed by Thai Institute of Directors Association (IOD) with supporting from the SEC and the SET. However, the Company still determines to keep on improving the Corporate Governance operations on continued basis.

2. Fair operating practice

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

3. Anti-Corruption

The Company has policy to treat all parties equally and fairly with honesty and comply with commitment to the company's stakeholders. Fraud prevention is aware both inside and outside the Company. The policy on anti-corruption is defined in the topic "Receiving and giving present, property or other benefits policies" in the Company's Business Ethics to be adopted in compliance and posted on the Company's website (www.i-mobilephone.com).

The result of the implementation of such policies in 2012 caused the following matters:

- No case of misconduct on corruption or breach of the ethics.
- No director resigned due to the issues of corporate governance.
- No case of the Company's negative reputation as a result of failure in the monitoring function of the Board of Directors.



Moreover, the company is also aware of the importance on anti-corruption, hence, the Company's representatives were sent to attend various meetings in relation to the prevention and detection of fraud in organizations such as the National Conference on the anti-corruption, Practical Fraud Awareness, Fraud Detection & Fraud Prevention Strategies, fraud auditing.

4. Respect for fundamental human rights

The Company emphasizes on human right as common practice, all employee shall not act or support any action to violate any human rights. The policy on non violation of human right has been stated in the Company's Business Ethics as follows:

1. 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.

2. Equal treatment:

- The Company treats all employees equitable, no person shall be discriminated against regardless of race, nationality, language, religion, sex, age and education.
- The employee shows respect to and acceptance of others, and acts appropriate with job as the Company's regulation and tradition without disgrace.
- The Company has opportunity for the employee to show their capability by set appropriate remuneration and has opportunity for more education both in higher education, and short- term and long-term training.
- 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, sex, age, education, or any other attribute likely to cause conflict.
- Contribute to making the work environment free of oppression and injustice.
- The employee shows respect and tolerance for each other's opinions.

5. Equal treatment of labor force

The Company highly regards all of the employees as valuable resources and is a major factor to drive the business performance to achieve its goals. As a result, it is the Company's policy to treat employees fairly in all respects, employment opportunity, reasonable remuneration, promotion, welfare in the following aspects:

1. Respect for the right to work pursuant to the fundamental human right principles. For more details, please see in Clause 4 under the topic of "Respect for fundamental human rights"
2. Define "Compensation and Benefit Policy", regarding 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 industrial competition. In the other hand, Company certainly ensures compensation, benefit and welfare policy aligned to new wage of legal regulation and preparing to AEC.



3. Define "Safety and Health Policy" as shown in the section "Corporate Governance" in the topic "Attention to Stakeholders" under "Employee".

6. Responsibility to customer

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

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

More details on responsibility to customer for 2012 are disclosed in the section "Corporate Governance" in the topic "Attention to Stakeholders" under "Customers".

7. Joint development of the community and society

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

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



The Samart Group is fully aware of the society, communities and environment's essence for Thai people to live their lives in the society. If people in the society have good quality of living that will certainly prompt the society with strength and sustainability. Such will also foster the Samart Group with stability and sustainability. Thus, apart from the corporate governance with transparency and equality, the Samart Group set its direction for promotion of "Quality People and Moral Society," community care and environmental conservation. A number of projects and activities were established to meet its goal.

Creation of quality people

- Support innovation and promote creativity via Samart Innovation Awards, which comprised of 3 main activities. The first one is the Innovation Competition and Presentation of Samart Innovation Awards, which has been arranged for 10 consecutive years now. In 2012, the Company has cooperated with NSTDA on the arrangement of the Best Technology Concept and Innovation Competition and the enhancement of these innovations to the business level, under the name of "Young Technology Entrepreneur" Project. This project received favorable feedback that it has been continued arranging in 2013. Another 2 main activities of Samart Innovation Awards, to promote the qualified people are the presentation of 20 scholarships and research funds to the 4th year university students and the arrangement of training for the technology students to prepare their readiness before they enter to the real working world. The latter 2 activities shall be started in 2013.
- Provided the following educational supports.
 - > Provided the Master Program scholarships, through Mahidol University's graduate alumni, for competent and poor persons and one scholarship for continued study for Suan Sunandha Rajabhat University. The scholarships, with a combined value of Baht 100,000, were provided by "Samart Foundation".
 - > Provided research to King Mongkut's University of Technology Thonburi's Robotics and Automation.
- Development of sport capability
 - > Provided support for football matches at the national, regional and global levels for Thai sport development into the international scale. Football clubs included Muangthong United Football Club, Buriram United Football Club, Songkhla Football Club (Wuachon), Chonburi Football Club, Phrae United Football Club, Ratchaburi Football Club, TOT SC Football Club, Chiangrai United Football Club and Nakhon Ratchasima Football Club.
 - > "i-mobile Kids Soccer 2012" provided opportunities to poor Thai youth with skills to join the national football club for learning and practices. Panupong Wongsasri or Mai, center-back for SCG Muang Thong Football Club, came as the company's representative to give sport T-shirts for Coach "Thongdaeng Roonkham" ex-football player for Thailand's football team and football trainer, and The Red's members who joined the project.



- > Provided financial support of Baht 10,000 for organizing the football matches for youth and people 2012. The football matches were held by Nonthaburi Provincial Office of Tourism and Sports.
- > Provided additional support of Baht 100,000 for Thailand Volleyball Association. The financial support was given to Thai volleyball players who won the fourth in China's games.
- > Provided financial awards and two sets of i-mobile Hitz104B phones, worth totaling Baht 62,780 for the annual boxing games at Panitaram Temple.
- Other supports for creativity included annual support for Miss Teen Thailand Contest. This was to promote youth expression of creative capability.



Promotion of the moral society

The promotion focused on relief measures for the underprivileged and public activities through "Samart..D Club" activities. Promotion of Buddhism and charitable activities was made through Samart Foundation.

- Samart..D Club was established by voluntary employees to provide benefits and assist the society through the following internal and external activities.
 - > "Samart Mind Power" The activity aimed at promoting morality and mind practice for good awareness.
 - For children: The underprivileged children and employees' children at Barom Nivarajchaworaviham Temple and Trimitr Temple
 - For employees: Two days one night for Dhamma practice under "Mind Format & Dispassion" at Rama IX Golden Jubilee Temple
 - > "Volunteer to take children to tour..the Rattanakosin Exhibition" This activity allowed the underprivileged children from the Foundation for the Better life of Children and employees' children to learn at Multimedia Museum, the Rattanakosin Exhibition.
 - > "Volunteer to do goodness... following the father" was organized by the Voluntary Group to participate in six projects to follow the royal traits. The project brought knowledge and benefit to be disseminated to the company's employees. Nation Broadcasting Corporation's project to following the royal trait was given support worth Baht 2,500,000.
- Promoted social responsibility activities with focus on other aspects.
 - > Such promotion was provided Baht 17,900 support for Ministry of Foreign Affairs for the Red Cross Fair 2012 and support of 100 honored wrist bands of the Thai Red Cross Society were provided



- > Promoted the financing project of Baht 300,000 for taking a walk for celebration of the King's 84th birthday. The purpose was to participate with the Bangkok Metropolitan Foundation for construction of a hospital for aging people.
- > Teamed up with "BE Magazine" to provide support for One by One project, allowing the underprivileged to have professions and earn income through a "BE Magazine" booth. The company pays the rent for the booth area on a monthly basis.
- > Others included the Baht 350,000 support for an organization of TU Eurng Luang Fair, Baht 50,000 support of the Design Research Society International Conference (DRS 2012 : Bangkok) at Chulalongkorn University, and Baht 20,000 support for "Beginning of the Flow for Happiness" art exhibition.

Promotion of generosity to...the surrounding communities

Care for buildup of good relationship and intimacy to the surrounding communities and nearby for development and growth all together.

- > Care for living and safety This was done through grants of the following building materials, supplies and fund for the communities' living and safety.
- > Provided Baht 100,000 for refurbishing a room to make Braille codes at The Educational Technology Center for the Blind, the one unit of the Foundation for the Blind in Thailand under the patronage of H.M. the Queen, Tiwanond Road, Nonthaburi province. This was to upgrade media production quality for libraries or the blind across the country.
- > Provided raincoats and safety vests for traffic police in the areas of Pakkret and Pak Klong Rangsit on an annual basis. This was to help facilitate their work.
- > Made donation and necessary items for the poor in communities by Samart Foundation This was to provide assistance for the underprivileged, children, aging people and handicapped.
- > Raised fund and provided necessary items for the flood victims. Examples were arrangement of boats for public agencies to help relieve troubles for the flood-affected people.

8. Environment management

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

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

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

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



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

The activities arranged by the Company during the year 2012 are as follows:

- Development of products and services valuable for the environment

We were committed to develop products and services with regard to conservation of the environment and its safety standards. Environmentally friendly telecommunication services were offered and the optimal use of energy was promoted for public agencies and enterprises with similar vision.



- Buildup of awareness among the employees to employ resources at the optimal level

We run awareness campaigns to conserve the energy and environment so as to inculcate the right attitude in people, who will then start using resources wisely through "Lor. Ling.Activity" for 5 consecutive years from 2008.

9. Innovation and dissemination of innovation from social responsibility operation

Samart Innovation Awards Program has been firstly initiated 10 years ago with aims to promote and urge the knowledge and capability developed by Thai people to be concretely applied and commercialized to create more works and professions. In 2012, Samart Corporation Public Company Limited, a representative of Samart Group, joined hand with the National Science and Technology Development Agency (NSTDA) on an arrangement of the technology innovation competition and the emphasis on creating new blood entrepreneurs concretely under the "Young Technology Entrepreneur" Project. Recently, after the winners have been announced, the Company has disseminated those awarding works to the public via the public relations work to attract the interested investors and to inspire the next generation developers. Moreover, by adhering to concept on operating business with social, community and environmental responsibility, Samart Group emphasizes on the development and presentation of the applied technology innovation to uplift the standard of living, the environmental conservation and the worthily usage of resources.

Nature of Business

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

1. Mobile Business

Distribution of mobile phones bundled with content into a value added service called "i-link", accessories and SIM cards through retail shops called i-mobile by SAMART, Franchises, Hypermarket, Specialty Store and Organized Trade, E-Commerce as well as wholesale channels.

2. Multimedia Business

2.1 Provision of voice services under the brand name of BUG1900, BUG1113 and BUG1110 and non-voice or multimedia services under the brand name of BUG2Mobile through multi-devices and provision of infotainment services through mobile phones such as general sport reports both in form of voice and non-voice, downloading of ring tones, stock analysis, horoscope and other infotainment information, etc.

2.2 Content Provider through multimedia channel.

2.3 Producer of programs through television, radio, printed media and billboards.

2.4 Provision of multimedia and interactive media services.

2.5 Provision of website services namely Eat-Drink-Travel Guide through EDTGuide.com, horoscope through HoroWorld.com, infotainment through Showded.com and fully integrated E-Commerce providing 50%-90% discount coupon through Soi19.com

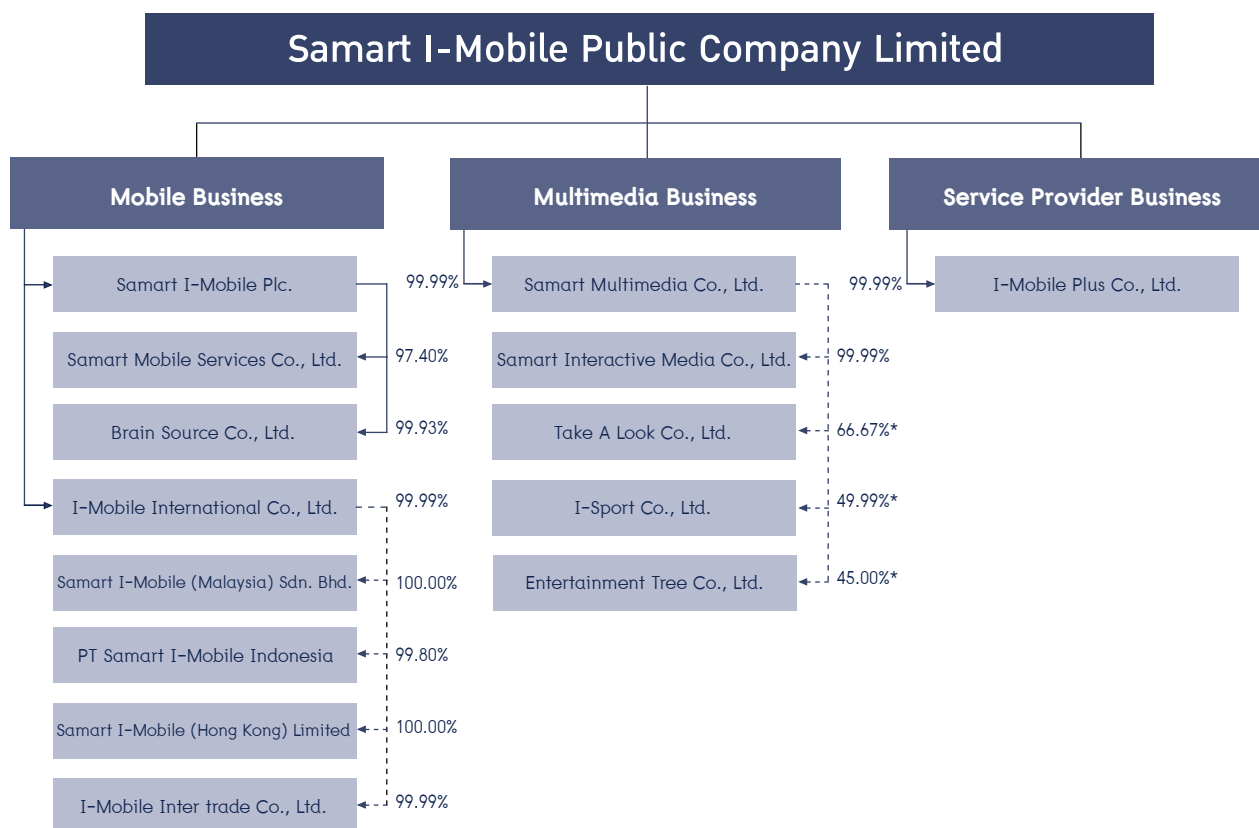
2.6 Expand role of entertainment to become varies by adding value of each Thai series and using intelligent marketing strategy to design all activities which coordinate traditional channel into integrated marketing such as Online marketing, Offline marketing, SMS Service, E-Commerce High-light Service, Star Meet & Greet and Event.

3. Service Provider Business

Provider retail and wholesale 3G services (MVNO) under brand "i-mobile 3GX" which company purchases 3G airtime services from TOT Public Company Limited (TOT) to provide services with end user and corporate user, current network coverage can serve in Bangkok, vicinity and 18 major provinces. TOT will expand nationwide network completed by the second quarter of the year 2013.



Business Structure



* The remaining porting was held by partners who have business expertise in such companies with no conflict of interest.



Revenue Structure

The revenue structure of the Company and subsidiaries as of December 31, 2010 – 2012 is as follows:

(Unit: Million Baht)

Revenue	Operated by	% of shareholding	2010		2011		2012	
			Revenue	%	Revenue	%	Revenue	%
Mobile Business	SIM, SIMM, SIMH	100.00%	7,088	87.21	5,833	83.30	5,793	82.26
	SMS	97.40%						
	BS	99.93%						
	IMI, IMIT	99.99%						
	SIMI	99.80%						
Multimedia Business	BUG, SIAM	99.99%	899	11.06	973	13.90	1,047	14.87
	TAL	66.67%						
	I-SPORT	49.99%						
	ENT	45.00%						
Service Provider Business	IMP	99.99%	0	0	115	1.64	100	1.42
Total Revenues from Operations			7,987	98.27	6,921	98.84	6,940	98.55
Selling support income			67	0.82	24	0.34	45	0.64
Interest income			5	0.06	5	0.07	4	0.06
Gain on exchange			4	0.05	6	0.08	13	1.19
Gain on change in value and disposal of short-term investments			41	0.50	0	0.00	4	0.06
Gain on disposal of investment in subsidiary company			0	0.00	0	0.00	1	1.02
Other income			24	0.30	47	0.67	34	0.48
Total Revenues			8,128	100.00	7,002	100.00	7,042	100.00

SIM = Samart I-Mobile Plc.

IMI = I-Mobile International Co., Ltd.

SIAM = Samart Interactive Media Co., Ltd.

BS = Brain Source Co., Ltd.

SIMI = PT Samart I-Mobile Indonesia

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

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

BUG = Samart Multimedia Co., Ltd.

SMS = Samart Mobile Services Co., Ltd.

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

TAL = Take A Look Co., Ltd.

IMP = I-Mobile Plus Co., Ltd.

SIMH = Samart I-Mobile (Hong Kong) Limited

ENT = Entertainment Tree Co., Ltd.



Information of Subsidiary Companies

Information of Subsidiary Companies as of December 31, 2012

Name of Company	Type of Business	Shareholder	Registered Capital	Total of Ordinary Share	Company's shareholding	
					Number of Share	Percentage
1. Samart Multimedia Co., Ltd. 99/12 Moo 4, Software Park 24 th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6000 Fax. 0-2502-8136	1. Provide content services via fully integrated wire and wireless technologies both voice service via Audiotext and Call Center, and non voice services. 2. Content producer and developer.	SIM	200 Million Baht	2,000,000	1,999,996	99.99
2. Samart Mobile Services Co., Ltd. 37/1 Moo 2, Phaholyothin Rd., Klong 1, Klongluang, Pathumthanee 12120 Tel. 0-0502-6000 Fax. 0-2502-6496	Procure and sell communication and information technology equipment through wholesale.	SIM	490 Million Baht	49,000,000	47,724,999	97.40
3. I-Mobile International Co., Ltd. 99/3 Moo 4, Software Park 33rd Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6200 Fax. 0-2502-8532	Invest in the businesses related to the distribution of mobile phones bundled with content in overseas markets.	SIM	200 Million Baht Paid-up capital of 125 Million Baht	20,000,000	19,999,994	99.99
4. Brain source Co., Ltd. 99/12 Moo 4, Software Park 24th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6000 Fax. 0-2502-8136	Research and develop application on mobile phone.	SIM	1 Million Baht	10,000	9,993	99.93
5. I-Mobile Plus Co., Ltd. 99/13 Moo 4, Software Park 23rd Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6200 Fax. 0-2502-8532	Carry on the service of telecommunication business, and be agent for all types of telecommunication services.	SIM	100 Million Baht	10,000,000	9,999,993	99.99
6. Samart Interactive Media Co., Ltd. 99/12 Moo 4, Software Park 24th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6000 Fax. 0-2502-8136	Face-to-face foretell at HoroWorld shop and via website, provide training and selling products related to horoscope and fortunetelling.	BUG	160 Million Baht	16,000,000	15,999,994	99.99
7. Take A Look Co., Ltd. 99/3 Moo 4 Software Park 33rd Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6000 Fax. 0-2502-8136	Provide advertisement and outdoors media services including electronic screens (LED Billboard).	BUG	100 Million Baht Paid-up capital of 75 Million Baht	10,000,000	6,666,659	66.67



Name of Company	Type of Business	Shareholder	Registered Capital	Total of Ordinary Share	Company's shareholding	
					Number of Share	Percentage
8. I-Sport Co., Ltd. 99/12 Moo 4, Software Park 24th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6000 Fax. 0-2502-8136	Provide sports information through comprehensive interactive multimedia in Thailand and overseas market, and provide sport channels through cable TV system.	BUG	40 Million Baht Paid-up capital of 30 Million Baht	4,000,000	1,999,996	49.99
9. Entertainment Tree Co., Ltd. 99/12 Moo 4, Software Park 24th Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6103 Fax. 0-2502-6361	Manufacturer, distribute and provide entertainment media, through television, telephone, internet system, satellite system and others both local and overseas, installation of several equipments and network including facilities and other related services.	BUG	5 Million Baht	500,000	225,000	45.00
10. Samart I-Mobile (Malaysia) Sdn. Bhd. 18 A, Jalan Mutiara Raya, Taman Mutiara, 56000 Kuala Lumpur, Malaysia Tel. 603-2178-9861 Fax.603-2166-4993	Distribution of mobile phones bundled with content services and provider of interactive multimedia services in Malaysia.	IMI	5,000,000 Malaysian Ringgit	2,000,000	2,000,000	100.00
11. PT. Samart I-Mobile Indonesia Wisma 46 - Kota BNI, Lt.24 Suite 24.01, Jl. Jend. Sudirman Kav.1, Jakarta 10220, Indonesia Tel. 62-21-5785-1986 Fax.62-21-5785-1874	Distribution of mobile phones bundled with content services and provider of interactive multimedia services in Indonesia.	IMI	500,000 USD	500,000	499,000	99.80
12. Samart I-Mobile (Hong Kong) Limited 26/F Tesbury Centre, 28 Queen's Road East, Hong Kong Tel. 852-2980-1888 Fax.852-2956-2192	Distribution of mobile phones bundled with content services and provider of interactive multimedia services in Hong Kong.	IMI	5,000,000 HKD	5,000,000	5,000,000	100.00
13. I-Mobile Inter trade Co., Ltd. 99/3 Moo 4, Software Park 33rd Fl., Chaengwattana Rd., Klong Gluar, Pak-kred, Nonthaburi 11120 Tel. 0-2502-6200 Fax. 0-2502-8532	Export of mobile phones bundled with content services and other products of the Company.	IMI	5 Million Baht	500,000	499,993	99.99

SIM = Samart I-Mobile Plc.

IMI = I-Mobile International Co., Ltd.

BUG = Samart Multimedia Co., Ltd.



Changes during the Year

Handset Business had been under the difficult time for the last couple of years due to the coming of international players and the technology-gap between the international and local brands. Thanks to the irresistible rise of the Android operating system that narrow down the technology gap between the international and local players, including our "i-mobile" mobile phone.

In 2012, many models of smart phone had been launched to the market. With the value-to-money concept, our smart phones had received the overwhelming feedback from the market. In addition to the new introduced smart phone, we still produced a various models of "lifestyle" feature phones to the market. The concept of "lifestyle" feature phones can differentiate our brand from others. It also serves our customer with their different lifestyles; for example, "Horo Phone", it embeds with our own content's horoscope application and "Seal Phone", a waterproof mobile phone which is suitable for an adventure lifestyle. Year 2012 is an important step in the transformation of the Company's Mobile Business as seen from the sale increase in domestic market from Baht 4,883 million to Baht 5,697 million in 2012 or up 16.7% especially from higher portion of smart phone sale in the fourth quarter. The average selling price per unit ("ASP") of i-mobile handset increased from Baht 1,326 million to Baht 1,529 million in 2012 or up 15.31% while total unit sale of i-mobile handset in 2012 slightly decrease by 1.6% due to the focus on development of smart phone. The company had introduced the total of 51 models in 2012, 35 models were feature phone and 16 models were smart phone. However, total revenue of Mobile Business was a slightly decrease of Baht 19 million or 0.33% compared to 2011. The decrease was mainly from the slowdown of international sale due to the high competition in overseas market. Therefore the Company has combined International Business with Mobile Business and spin off the 3G services (MVNO) under brand "i-mobile 3GX" to a new business called "Service Provider Business" in 2012.

One of the profitable businesses for Multimedia Business is Content and Application. It generated revenues of Baht 1,047 million in 2012, an increase by 7.62% from the year earlier. The favorable contents for customers are Sport, Horoscope and the Lifestyle. In 2012, this line of business focused on developing the new products and services in order to reach target customers and prepare for the rapidly growth of Mobile Broadband. Content Business introduced many new products for example Mobile Application (Traffic Police and EDT) and e-Book Store (ThaiMagBook-provide electronic book that focus on a wide range of multimedia features). Besides, the company also launched value-added products and services in HoroWorld Shop and collaborated with our partners for capturing the new opportunity in the market; for example, selling the special amulets in the King Power Store etc.

The future growth business, Mobile Virtual Network Operator or "MVNO", has provided the cellular service to the customer under the TOT 2.1 GHz spectrum under the "i-mobile 3GX" brand. Since the delay of TOT 3G installation network, the relaunch of i-mobile 3GX had been shifted to 2013. By the day of the relaunch of the cellular service, it is expected that the TOT's network would covered the all main cities in Thailand, including Bangkok Metropolitan Region. Moreover, the Company has signed an agreement with Dialog Axiata Plc., a subsidiary of Axiata Group Berhad, one of the largest Asian telecommunication companies which has a strong exist in many countries to provide international roaming service.



Industry and Competitive Analysis

Macro Economy

For 2012, global economy saw a slow down trend mainly from the European sovereign debt crisis. European countries have been facing with the recession and have no sign for the recovery. The crisis started from Greece then spread throughout the Euro zone. Apart from debt crisis, unemployment rate is also one of the main concerns. The unemployment rate has rapidly increased for a couple of years ago and seems likely to continue to rise further. In United States, there was an improvement in economy in 3Q/2012 since the government announced the third round of quantitative easing ("QE3") to boost growth and stimulate the labor market. Moreover, after a few months of the announcement of QE3, The US Federal Reserve ("FED") also announced the fourth round of quantitative easing ("QE4") to replace the expiration of Operation Twist. Another major concern is the upcoming of Fiscal Cliff as a result from the expiring of tax cut policy and spending cut to reduce the budget deficit which may lead to a recession in early 2013 if the concern remains unsolved in a timely manner.

For Thai economy, as global economy slows down, it severely affected Thai economy particularly in export part which is normally considered as the major factor to drive our economy or accounted for 70% of GDP. However, in 2012, Thai economy was driven mainly by domestic spending especially in household consumption and government spending. For household consumption, it has improved substantially due to the spending on flood recovery. Furthermore, some government schemes also help stimulate the household consumption. For example, the populist's excise tax exemption policy for the first-car buyers which stimulate the car order in 2012 to record the highest ever. In 2013, in addition, the nationwide enforced of Baht 300 minimum wage will increase the public's purchasing power which corresponds to the increase in household consumption. For government spending, 17% of the total budget has been spent for an investment budget which faced a delay in disbursement in 2012. Hereafter, the government investment will still play an important role in order to drive Thai economy. Since the government still has many investment plans to improve basic infrastructures with the total budget of Baht 2.27 trillion within 5 years, 76% of the total budget will be spent on Utilities and Transportation, another 23% for energy system and the rest of 1% on telecommunication system.

ICT Infrastructure Perspective

The current 2nd Thailand ICT master plan (2009-2013) aims to achieve three important goals as follows; (1) At least 50% of Thai populations able to access, create and use information in an information-literate way in order to benefit education, work and daily life (2) Raise the ICT readiness Ranking of the country to the top quartile (25%) of the group in Networked Readiness Ranking by 2013 (3) Enhance the role and importance of the ICT industry in national economy by increasing its share of GDP to at least 15% by 2013. For 2012, the private and public investment in ICT industry has grown constantly with the estimated value of Baht 591,571 million, comprising of Baht 444,385 million in communications, Baht 112,705 million in computer hardware and Baht 34,481 million in software services. Moreover, the downgrade of Thailand's telecommunication networks by World Economic Forum from ranked 37th in 2006 to 59th in 2012 was one of the most concerned issues for the government. Hence they laid the plan on the Smart Thailand project, which encompasses the Smart network and Smart government projects, expects to invest approximately Baht 80,000 million for expanding ICT infrastructure and improving governmental operation efficiency by 2020.



Mobile Service Perspective

This year was a memorable year for mobile service industry as the three selected private mobile operators were granted 3G license in order to run their service on 2.1 GHz spectrum with the total value for the auction of 41,625 MB. The operators expect to provide the new 3G services to their customers on the first half of 2013. On the other hand, TOT, the state enterprise which owns the 2.1 GHz and also 2.3 GHz spectrum, expects to complete the network installation of 3G phase 1 with the total base stations more than 5,000 base stations within 2013. Furthermore, the new board members of TOT have already approved the principle for the expansion of 3G phase 2 and also rename this project to "The new generation of Mobile Network (3G + 4G LTE)". According to their plan, the new project will install approximately 9,500 base stations which include 7,500 base stations run on 2.1GHz. (3G) and 2,000 base stations run on 2.3 GHz. (4G), resulting in the better network coverage, superior data usage speed and strengthen TOT's competitiveness.

Mobile Handset Perspective

Nowadays, there has been a big change in mobile handset market. Consumer behavior has dramatically changed, people tend to use mobile handset not just only for voice services but people also need to use non-voice services. The availability of the 3G service from the service operators and the rising of popularity of the mobile social networks have increased the demand of smart phone. The estimated proportion of feature phone and smart phone in term of unit sold was 75:25 in 2012 and expected to rise to 60:40 in 2013. Moreover, the expected total unit for the handset market in 2012 was 14.6 million units and increase to 15.5 million units in 2013. As the trend for the smart phone is increasingly rising, the expected proportion in term of value for feature phone and smart phone is expected to increase from 45:55 in year 2012 to 30:70 in year 2013.

Entertainment and Media Industry

Entertainment and Media Industry grows very fast and always changes. The era of the internet and technology development pushes this industry to enter to "Digital Media" era, which consumers can access to media everywhere and every time. Consumers share what contents they want and help improve those contents. New businesses such as online advertisement, mobile business, and video digital media application, etc are parts of many examples of business opportunities in this industry. An ease to access to contents with several alternatives caused our company to improve and develop many things; for instance, business expansion, strategic planning for changes in market situation of digital media, etc. We did this in order to increase value proposition to customers and deliver customers' satisfaction in communication & media experience.



Risk Factors

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

1. Business Risks

1.1 Handset Business

In year 2012, the competition of mobile device business was severe. All operators focused more on 3G network. Thus, smart phone played an important role since price reduced and Wi-Fi could be used widely. The popularity of using smart phone instead of feature phone caused the company to plan and be ready for this change. The company offered the number of smart phone and mobile tablet models that can support the Android operating system. The products have been well-invented and priced under the concept of value to money for competing in the market. In addition, the company, a provider of Mobile Virtual Network Operator (MVNO) and the leader of content developers, provided a bundle service of 3G and contents to be a part of differentiating i-mobile brand handset. Moreover, the company has risk on inventory management. It was very important to control order and inventory turn over.

1.2 Content Business

Content business has been changing from existing technology content market to the coming 3G technology due to changing of consumer behavior of using higher price smart phone instead of medium price phone. Furthermore, the 3G network will be ready to re-launch its new service which will lead to change in new consumer behavior and new content business. Therefore, the company supports the development of new content and application with more attractive functions and features to fulfill the new requirements of a customer as well as suitable for premium handset. The company also re-organized its management structure for a better efficiency such as separating product and service development team to be a new team.

1.3 Mobile Virtual Network Operator (MVNO) Business

1.3.1 Market and Competition Risk

In Q2 of Y2012, the company faced with the risk of the ready-to-launch 3G network on 2.1 GHz of 3 main operators; AIS, DTAC and TRUE. In December 2012, these operators have got an authorized of using International Mobile Telecommunication (IMT) on 2.1 GHz and the third type license of telecommunication from NBTC. These 3 main operators and other operators (who have already got the first type license of telecommunication in wholesale and MVNO type) will compete in the market and lead to a higher competition in price and new VAS service. Currently, TOT is in the bargaining process with its alliances to launch domestic roaming service and expand its 3G network nationwide. This strategy would help increase i-mobile 3GX service potential to its customers and its ability to compete in the market.

1.3.2 The delay of 3G Network Expansion

As the company is in the MVNO business not the network owner, the company cannot control network expansion plan and the schedule of finished project. Thus, the company had risk on effective of marketing activities because we cannot identify the service coverage clearly. Currently, TOT is expanding its network approximately 70% of total base stations in phase 1. And, it is expected to be finished for the rest within Q2 of Y2013. This good news helps company to be planned and focus more with effective marketing strategies.



2. Financial Risk

2.1 Foreign Exchange Risk

The Company and subsidiaries have foreign exchange risk relating to import and export of products from overseas market, and loan in foreign currencies. However, the company has hedged by using forward contracts, options including other appropriate financial instruments and monitored financial market closely.

In year 2012, the Company's foreign currency revenues and cost were 0.5% of total revenues and 85.4% of total cost of goods sold respectively. As at December 31, 2012, the Company and subsidiaries had foreign currency assets and debts of USD 54.5 million, of which USD 24.5 million are hedged by forward contracts.

2.2 Interest Rate Risk

The Company and subsidiaries have short term and long term loans from financial institutions, the interest rate fluctuation may affect to the companies' cost of fund. However, loans are mainly in short term, 99.6% of total loans, which are based on money market rate, risks from interest rate fluctuation will not much affect. To cover interest rate risk, the Company has closely monitored the interest rate in financial market, chosen the appropriate borrowing term and considered borrowing in USD in some period if the interest rate & hedging cost are cheaper in order to minimize the company's financial cost.

2.3 Credit Doubtful Debt

The Company may have risks from the unpaid debts of trade receivables. As at December 31, 2012, net trade receivables of the company and subsidiaries were Baht 3,183.6 million of which Baht 28.4 million were outstanding more than 12 months, decreased from the end of 2011 amounted Baht 4.0 million. The Company has reserved the allowance for doubtful debts amounted Baht 35.2 million which increased of Baht 3.6 million from the end of 2011. The company has controlled the credit doubtful debt by setting up the credit control procedure and monitor debt collection closely to ensure that the credit doubtful debts will be managed effectively.

2.4 Guarantee to subsidiary companies

The Company has contingent liabilities in respect of the guarantee of subsidiaries' credit facilities which mainly are working capital line and jointly utilized credit line with the company. The Company may have the risk from default on the guaranteed loans. However, the Company has closely monitored subsidiaries' operating result and financial position, the management is confident that there will be no any event of defaults. As at December 31, 2012, subsidiaries' outstanding loans guaranteed by the Company were Baht 1,603.0 million.



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

Samart Corporation Public Company Limited and its subsidiaries hold 2,599,952,200 shares or 60.41% of the Company's issued and paid-up capital which can control most of the shareholders' resolutions on various important matters such as the appointment of directors, or other resolutions that need a majority votes of the shareholders, except for those resolutions that require 75% of the shareholders' votes, as specified by the law or the Company's Articles of Association. As a result, other shareholders may not be able to gather enough votes to offset the major shareholders' influence. However, the Company appointed 3 independent directors to be the Audit Committee to review the connected transactions or the transactions that may lead to conflicts of interests to ensure that they are in compliance with the law and the regulations of the SET and the SEC, and are reasonable and for the highest benefit of the Company.



Shareholders

As of December 28, 2012, the top ten shareholders of the Company are as follows:

Shareholder's Name	No. of Share	%
1. SAMART Group ¹	2,599,952,200	60.41
2. Axiata Group Berhad	1,050,000,000	24.40
3. Vilailuck Group ²	109,819,200	2.55
4. Mr. Somchai Vimokcharoensuk	85,480,300	1.99
5. Mr. Suriya Dejchancchaiyooth	73,317,500	1.70
6. Mr. Somruay Saelim	62,310,000	1.45
7. M.L. Soonthornchai Chayangkool	49,402,000	1.15
8. Mrs. Chomkamol Pumpanmung	30,600,000	0.71
9. Mr. Choochai Supniti	29,923,200	0.70
10. Mr. Kanit Nimcharoenwan	21,262,500	0.49
Total shares of top ten shareholders	4,112,066,900	95.54
Total shares of minority shareholders	191,868,100	4.46
Total of issued and paid-up shares	4,303,935,000	100.00

Source: The Company's shareholder registration as of December 28, 2011 from Thailand Securities Depository Co., Ltd.

¹ SAMART Group:	No. of Share	%
- Samart Corporation Public Company Limited	2,520,539,400	58.56
- Samart Telcom Public Company Limited	76,792,800	1.79
- Samart U-Trans Co., Ltd.	2,620,000	0.06
Total	<u>2,599,952,200</u>	<u>60.41</u>

² Vilailuck Group:	No. of Share	%
- Vilailuck International Holding Co., Ltd.	72,221,200	1.68
- Mrs. Sukanya Vanichjakvong	35,617,000	0.83
- Mr. Tankaseam Vanichjakvong	1,500,000	0.03
- Mr. Watchai Vilailuck	481,000	0.01
Total	<u>109,819,200</u>	<u>2.55</u>

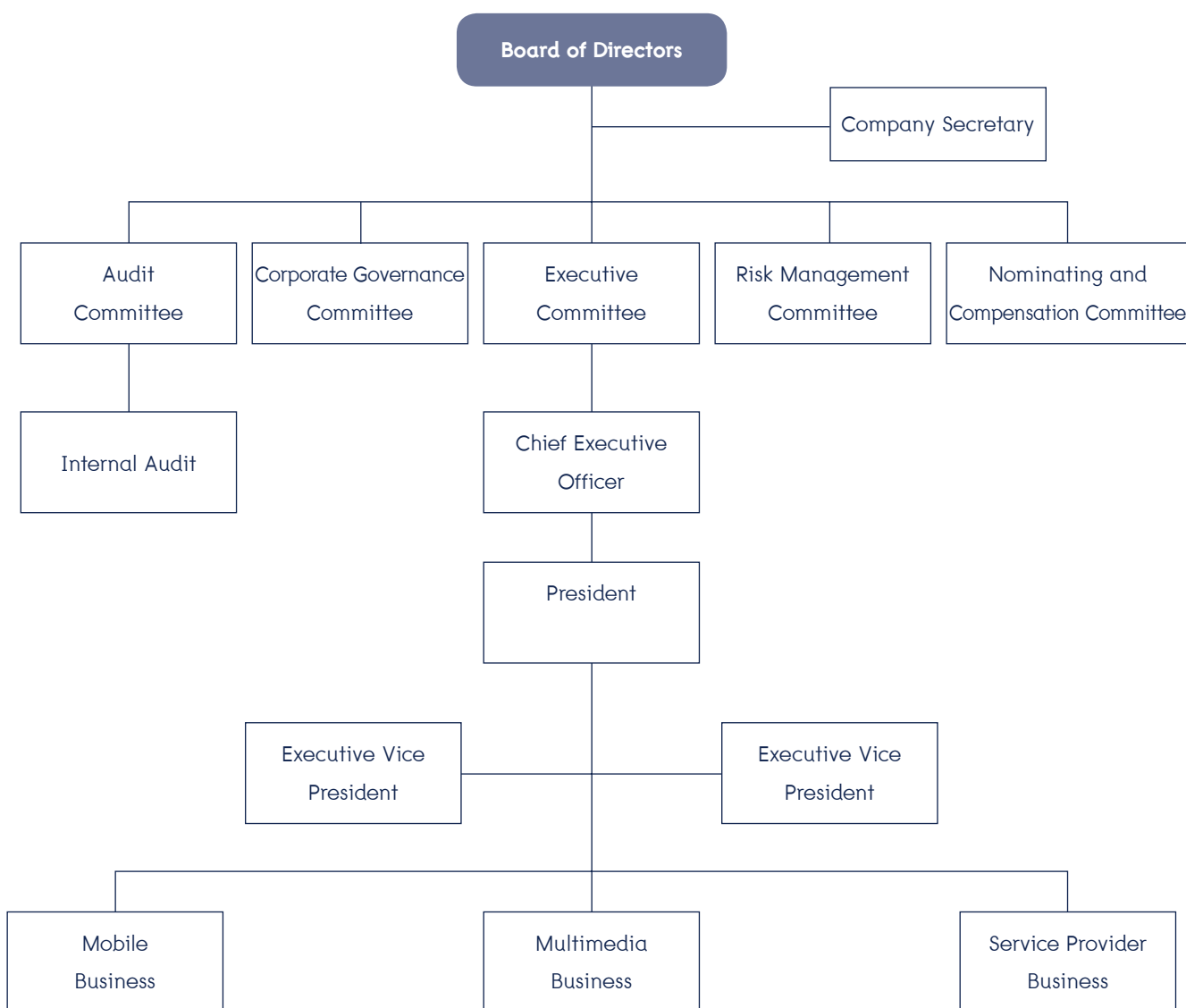


Management Structure

Management Structure of the Company

The Company's management structure comprises of the Board of Directors and 5 committees; Audit Committee, Corporate Governance Committee, Executive Committee, Risk Management Committee and Nominating and Compensation Committee.

Management Structure



Remark: Vice President – Account and Vice President – Finance are under Executive Vice President.



Board of Directors as of December 31, 2012:

1. Professor Suphachai Phisitvanich	Chairman of the Board of Directors / Independent Director
2. Dr. Chotivid Chayavadhanangkur	Independent Director
3. Mr. Kunthit Arunyananda	Independent Director
4. Mr. Charoenrath Vilailuck *	Director
5. Mr. Watchai Vilailuck *	Director
6. Mr. Thananan Vilailuck *	Director
7. Mr. Jong Diloksombat*	Director
8. Mr. Azwan Khan bin Osman Khan**	Director
9. Mr. Annis bin Sheikh Mohamed **	Director
Miss Boonrut Mongkolratanakorn	Company Secretary

Remarks: * Representative Directors from Samart Corporation Plc., a major shareholder, with 58.56% stake holding.

** Representative Directors from Axiata Group Berhad, a major shareholder, with 24.40% stake holding.

Mr. Annis bin Sheikh Mohamed was appointed as the Board of Director on December 17, 2012.

The number of directors is in line with the Company's Articles of Associations that the Board of Directors should have at least 7 members. Not less than one half of such members shall have residence within the Kingdom and the directors of the Company shall have qualification as specified by law.

Authorized Directors as of December 31, 2012 are as follows:

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

Qualifications of Director

1. Has qualifications which comply to Public Company Act B.E. 2535 or related laws including regulations of the Stock Exchange of Thailand, the Securities and Exchange Commission, and Company's Articles of Association.
2. Does not run any business, which is competed with the Company, and not being a shareholder of any legal entities whose business is 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 1 percent of the total number of shares with voting rights of the Company, parent company, subsidiaries, associate company, 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, associate company, same-level subsidiaries, major shareholder or controlling person of the Company unless the foregoing status has ended not less than two years prior to the date of appointment.
3. Not being a person related by blood or legal registration such as father, mother, spouse, sibling and child, including spouse of child of executive, major shareholder, controlling persons, or persons to be nominated as executive or controlling person of the Company or subsidiaries.
4. Neither being nor having a business relationship with the Company, parent company, subsidiaries, affiliates, major shareholder or controlling person of the Company, including professional or business advisor which been specified by the Securities and Exchange Commission ("SEC") unless either the foregoing status has ended not less than two years prior to the date of appointment or the transaction is irregular and reasonable. The independent director, during his term, may have business relation with the Company over the level set by the SEC but prior the transaction, unanimous approval by the Board of Directors is required.
5. Not being a director appointed as a representative of directors of the Company, major shareholder or shareholder who is related to the Company's major shareholder.
6. 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.
7. Not having any characteristic which cause the inability to express independent opinions with regard to the Company's business operations.

Terms of positions

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

Scope of Responsibilities and Authority of the Board of Directors

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



4. Appoint directors and committee members. to replace of those who retire by rotation as well as consider the remuneration package for such directors and committees' members, which are proposed by Nominating and Compensation Committee, for further consideration of the shareholders' meeting.
5. Appoint committees to oversee administrative process and internal system to coincide with Company's policies namely, Executive Committee, Risk Management Committee, Corporate Governance Committee and Nominating and Compensation Committee. For the appointment of Audit Committee members, the Nominating and Compensation Committee will nominate appropriated candidates propose for further consideration of the Board of Directors and/or shareholders' meeting.
6. Appoint and consider remuneration package, proposed from the Nominating and Compensation Committee, for top executives and company secretary.
7. Summarize annual budget and financial statements of the Company every end of the fiscal year. Authorize the statements for further consideration of the Annual General Meeting of Shareholders.
8. Nominate appropriated auditor and its remuneration from proposal of the Audit Committee for further consideration of the Annual General Meeting of Shareholders.
9. 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.
10. 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.
11. In case of entering into any direct or indirect transaction with the Company and subsidiaries, such director has to immediately inform his/her or related parties' interest to the Company.

The Company conducted business and manage the Company's operation ethically and transparently with honesty and due care for the benefit of shareholders and all stakeholders. The Board of Directors has provided the Business Ethics manual for the Company's directors and executives to adhere as their practical guidelines and posted on the Company's website ([www. i-mobilephone.com](http://www.i-mobilephone.com)).

Audit Committee as of December 31, 2012:

- | | |
|-------------------------------------|-----------|
| 1. Dr. Chotivid Chayavadhanangkur | Chairman |
| 2. Professor Suphachai Phisitvanich | Member |
| 3. Mr. Kunthit Arunyananda | Member |
| Miss Boonrut Mongkolratanakorn | Secretary |

Remarks: All members of audit committee have adequate knowledge and experience to review creditability of the Company's financial statements.

The Audit Committee's members have to be the independent directors who were elected by the Nominating and Compensation Committee and proposed for the appointment of the Company's Board of Directors' and/or the shareholders' meetings, the Audit Committee shall at least 3 members.

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 as described under "Qualifications of Independent Director".



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

Terms of positions

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

Scope of Responsibilities and Authority 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 approve 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. Consider, select and nominate an independent person to be the Company's auditor, and propose its remuneration for further consideration of the Board of Directors and shareholders' meeting.
5. Attend a non-management meeting with an auditor at least once a year.
6. Review the connected transactions or the transactions that may lead to conflicts of interests to ensure that they are in compliance with the law and the regulations of the SET, and are reasonable and for the highest benefit of the Company.
7. Prepare report of the Audit Committee to be disclosed in the annual report with at least information defined in the notification of the SET.
8. Perform any other activities as assigned by the Board of Directors.

Corporate Governance Committee as of December 31, 2012:

- | | |
|-----------------------------------|---------------------------------|
| 1. Dr. Chotivid Chayavadhanangkur | Chairman (Independent Director) |
| 2. Mr. Kunthit Arunyakanda | Member (Independent Director) |
| 3. Mr. Jong Diloksombat | Member |
| 4. Mr. Pairote Varophas | Member |
| Miss Boonrut Mongkolratanakorn | Secretary |



Terms of positions

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

Scope of Responsibilities and Authority of the Corporate Governance Committee

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

Executive Committee as of December 31, 2012:

- | | |
|--------------------------------|--------------------|
| 1. Mr. Watchai Vilailuck | Executive Chairman |
| 2. Mr. Thananan Vilailuck | Member |
| 3. Mr. Jong Diloksombat | Member |
| Miss Boonrut Mongkolratanakorn | Secretary |

Terms of positions

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

Scope of Responsibilities and Authority of the Executive Committee

1. Set Company's strategies and business plan as well as the Company's management structure and delegation of authorities for further approval of the Board of Directors.
2. Audit, monitor and implement the Company's policies and management practices to conform to the assignment from the Board of Directors efficiently.
3. Consider and approve annual budget and investment of the Company for further approval of the Board of Directors.
4. Consider remuneration policy and salary structure and propose to the Nominating and Compensation Committee for consideration prior to further approval of the Board of Directors.



5. Act on behalf or in the name of the Company as delegation of authorities defined in the Company's policy and practice.
6. Carry out other work as assigned by the Board of Directors.

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

Risk Management Committee as of December 31, 2012:

1. Mr. Watchai Vilailuck	Chairman
2. Mr. Sirichai Rasameechan	Member
3. Mr. Jong Diloksombat	Member
4. Mr. Thananan Vilailuck	Member
5. Mr. Dhilokpat Nisamaneevong	Member
6. Mr. Teerawut Kreepanich	Member
Miss Boonrut Mongkolratanakorn	Secretary

Terms of positions

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

Scope of Responsibilities and Authority of the Risk Management Committee

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



Nominating and Compensation Committee as of December 31, 2012:

1. Mr. Kunthit Arunyakanda	Chairman (Independent Director)
2. Dr. Chotivid Chayavadhanangkur	Member (Independent Director)
3. Mr. Annis bin Sheikh Mohamed *	Member
4. Mr. Sirichai Rasameechan	Member
Miss Boonrut Mongkolratanakorn	Secretary

Remark: * Appointed as the Nominating and Compensation Committee on December 17, 2012

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.

The Management as of December 31, 2012:

1. Mr. Watchai Vilailuck	Chief Executive Officer Acting Managing Director – Service Provider Business
2. Mr. Thananan Vilailuck	President Acting Managing Director – Mobile Business
3. Mr. Lai Ki Tong	Executive Vice President



- | | |
|--------------------------------|---|
| 4. Mr. Pracha Phathayakorn | Executive Vice President |
| 5. Mr. Subhasiddhi Rakkasikorn | Managing Director – Multimedia Business,
Seconded to be Managing Director, Samart Multimedia Co., Ltd. |

Scope of Responsibilities and Authority of Chief Executive Officer

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

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

Nomination of Directors and Management

The Nominating and Compensation Committee has been appointed by the Board of Directors in order to select, and nominate appropriate candidates for positions of Chairman of the Boards, members of the Boards and other committees, CEO, 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 select and nominate the appropriate candidates for such position propose to the Board of Directors for approval and for further approval of the shareholders in case of vacancy by rotation or appointing of new director. The elected directors should obtain more than one-half vote from shareholders who attend the meeting and have voting right. Each shareholder shall have one vote on each share. In voting, a shareholder shall vote in accordance with the number of votes each shareholder has for one or several directors. The said shareholder may not allot any number of his/her votes to any person. In addition, the Company proposed shareholders to elect the directors on an individual basis to allow shareholders to elect the desirable directors. For election of independent directors, the Nominating and Compensation Committee will nominate any person who is fully complied with the qualifications of Independent Directors under the Company's policy as well as complying to such requirements of the SEC and the SET as a minimum. Moreover, the Board of Directors of the Company has also appointed other committees to help the Board on its business either audit or consideration any significant matters. Such Committees are the Executive Committee, the Audit Committee, the Risk Management Committee, the Corporate Governance Committee and the Nominating and Compensation Committee. The nomination of members of the committee will be selected and nominated by the Nominating and Compensation Committee prior to propose for consideration of the Board of Directors of the Company.



Executive Succession Plan

The Company is aware of the importance of executive succession plan when any executive position is vacant. In order to create confidence for investors, shareholders and employees on the continuity operation of the Company, an Executive Succession Plan has been considered. The potential candidate will be selected, trained and developed to be ready to accommodate the vacant position in the future.

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 Shareholders in the 2012 Annual General Meeting approved remuneration for directors of the Company and Committees' members at the amount of not exceeding Baht 6.5 million which consists of meeting allowance and bonus. The meeting allowance for each meeting participated of the Board of Directors and Committees was shown below:

The Board of Directors and the Audit Committee

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

The Nominating and Compensation Committee and the Corporate Governance Committee

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

There is no consideration of meeting allowance for the Executive Committee and the Risk Management Committee since all members are the Company's executives.

Remuneration of Management

Remuneration for the management will be determined in accordance with the principles and policy set by the Nominating and Compensation Committee which be related to the performances of the Company and each management.



In 2012, the Company paid remuneration to directors and the managements as follows:

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

Name	Monetary (Baht)						Other
	Meeting Allowance				Bonus	Total	Warrants ⁽¹⁾ (Unit)
	Director	Audit Committee	Corporate Governance Committee	Nominating and Compensation Committee			
1. Professor Suphachai Phisitvanich	240,000	75,000	-	-	300,000	615,000	3,000,000
2. Dr. Chotivid Chayavadhanangkur	120,000	150,000	40,000	45,000	250,000	605,000	3,000,000
3. Mr. Kunthit Arunyananda	120,000	75,000	30,000	60,000	250,000	535,000	3,000,000
4. Mr. Charoenrath Vilailuck	120,000	-	-	-	250,000	370,000	3,000,000
5. Mr. Watchai Vilailuck	120,000	-	-	-	250,000	370,000	3,000,000
6. Mr. Thananan Vilailuck	120,000	-	-	-	250,000	370,000	3,000,000
7. Mr. Jong Diloksombat	120,000	-	30,000	-	250,000	400,000	3,000,000
8. Mr. Azwan Khan bin Osman Khan	60,000	-	-	-	250,000	310,000	3,000,000
9. Mr. Donald James Rae ⁽²⁾	90,000	-	-	15,000	250,000	355,000	- ⁽⁴⁾
10. Mr. Annis bin Sheikh Mohamed ⁽³⁾	-	-	-	-	-	-	-
11. Mr. Sirichai Rasameechan	-	-	-	45,000	250,000	295,000	-
12. Mr. Pairote Varophas	-	-	30,000	-	250,000	280,000	-
Total	1,110,000	300,000	130,000	165,000	2,800,000	4,505,000	24,000,000

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

⁽²⁾ Resigned from the Company's director and the Nominating and Compensation Committee member on December 6, 2012.

⁽³⁾ Appointed as the Company's director and the Nominating and Compensation Committee member on December 17, 2012.

⁽⁴⁾ Due to Mr. Donald James Rae resigned from the Company's director, therefore, 750,000 units of warrants were cancelled. The Nominating and Compensation Committee will allocate such warrants to new director in replacement of him in the future for further approval shareholder's meeting.



2. Monetary Remuneration of 5 managements is as follows:

Type		Amount
Salary	(Baht)	14,067,691
Bonus	(Baht)	1,721,917
Provident Fund	(Baht)	908,879
Warrant ¹⁾	(Unit)	19,800,000

Remarks: ¹⁾ On May 29, 2009, the Company issued 100,250,000 warrants to the Company's directors and employees of the Company and its subsidiaries. The existing management was allocated 19,800,000 warrants of which equivalent to 19.75% of the total issued warrants. The warrants have an exercise ratio at 1:1, are exercisable at a price of Baht 1.7 per share, and have an exercise period of five years period from the issue date. The warrants are exercisable on the 15th of the last month of each quarter throughout their terms, from June 15, 2009 to May 28, 2014.

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 Company's financial position.

Inside Information Control

The Company will inspect to ensure no inside information of which is material, undisclosed and confidential leak to public or be used from unauthorized for personal benefit. IT system has been implemented for a secure access for all users inside and outside the firewall in conjunction with the Company's own user authentication and security system. In addition, the Company sets as policy that all employees shall acknowledge and sign the agreement of non-disclosure confidential information, non-violation of concealment of computer related and non-infringement of intellectual property. New employee shall sign this agreement together with employment contract. It was also set forth in the Company's Corporate Governance Policy and Business Ethics refuse to 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. In addition, directors and executives have to disclose their interest and related person, and inform to the Board of Directors when they have connected transaction. The Company has drawn out guidelines in the Business Ethics under "conflict of interest", and informed to all employees to comply with.

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 and as stipulated penalty Section 59 according to the Securities and Exchange Act B.E. 2535. The Directors and management have to report such information to the Company Secretary for further handling and report to the Securities and Exchange Commission (SEC). In addition, the Company has set as a policy to report on securities holdings of directors and managements in every meeting of the Board of Directors and disclosed on the Company's website.



Moreover, the Corporate Governance Committee has been assigned to govern and monitor the performance of the Company to comply with the related regulations continuously and appropriately.

Human Resource

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

Line of business	Number of Employees (persons)		
	2010	2011	2012
1. Mobile Business	762	636	507
2. Multimedia Business	154	171	194
3. Service Provider Business	40	44	22
4. Support Business	126	120	114
Total	1,082	971	837

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

Remuneration	Amount (Million Baht)		
	2010	2011	2012
Salary	219.72	231.50	217.28
Bonus	15.12	17.19	24.08
Provident Fund	7.38	7.94	9.12
Others	95.35	41.54	30.95

Human Resources Management and Development Policy

To support SMART business direction by corporate human resources management and development for sustainable achievement, SMART group practically creates HRM&HRD policy emphasizing on increasing performance efficiency, improving working reprocess to cope with business working environmental as well as performance and potential assessment, individual capabilities, and manpower planning to prepare for business extension and competition, and any changes. Indeed, these might be compatible to Smart group's business vision, missions, operation, and corporate culture as synergy in consideration of SMART believes that human resources is the most valuable resource in leading business to achieve and accomplish company's vision and missions. In 2012, Human Resources Management and Development focused on HRM&HRD policies including of:

1. Human Resources Management Policy

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

- **Recruitment and Selection Policy:** To acquire and attract qualified candidates to join SMART group, Company therefore increase a variety of proactive recruitment and selection strategies more than existence i.e., searching and attracting new graduated candidate by not only launching Campus Tour and Activities Programs in leading universities but coordinating with business advertising agency and leading companies to build SMART group's branding and recognizing company career opportunity in joining SMART group for experienced or professional candidate as well.



- **Performance Development Policy:** To enable all levels of employee more clarified and appropriate working direction responding to all SAMART lines of business, Corporate Human Resources policy therefore emphasizes at business performance management by applying Key Performance Indicators (KPIs) and Competency methodologies and effective monitoring at all levels of employees supporting to their performance improvement for not only team but also individual level. The KPIs and Competency approaches applied to Performance Management could ensure the business objectives and missions entirely cascading(Goal cascade) to all SAMART Group units at all levels by applying goal alignment throughout company.
- **Human Resources Management and Development Information Systems Policy:** Company has developed Human Resources Information Systems to support both HRM & HRD functions by increasing speed of work and employee data accuracy, and reducing operational workload as well as supporting employee information to managerial decision making or creating corporate HR strategies i.e., HRIS Portal services, Man-hour & Workload monitoring systems, and Training & Benefit services ...etc. through Information Technology platform. These have relevantly ensured all spectrums of corporate HRM & HRD function being implemented in the organization more efficiency and effectiveness.
- **Compensation & Benefit Policy:** Regarding to employee motivation, internal impartiality and compensation standards, and job value to company, Company essentially determines corporate compensation, benefit and welfare policy being compatible to position accountability, knowledge, and competence with business operation and up-to-date compare to leading companies in industrial competition. In the other hand, Company certainly ensures compensation, benefit and welfare policy aligned to new wage of legal regulation and preparing to AEC in 2015.
- **Employee Relation & Engagement Policy:** Since Company concentrates on the employee relation and engagement at all levels of employees and also implants them into corporate value along with corporate culture by building synergy working-style. Hence, these initiate the best cooperation among individual level through company level. In 2012, there were a various ER&EE programs and activities to build them among employees, executives and organization i.e., SAMART athletic activities, Smart Team...Smart Product program and activities (focused on Employee Relation) of company, Employee Assistance Program (Moral Support program), and D-Club (CSR program)...etc..

2. Human Resources Development Policy

To ensure all SAMART executives and employees at all levels for continuous learning, excellent operating, and high competence and performance in generating ROI to shareholder definitely, Company significantly recognizes Human Resources Development Policy including of:

- **Career Development Policy:** Individual career path development plan for both managerial and operational level has been established for employees who could perceive their own career development by competencies assessment between actual and expected competency analysis. These have relatively been divided into 3 competency levels including of Generic competency, Managerial Competency, and Functional Competency and prepared IDP for individual competency development analyzing and planning in diversified development tools at all employee levels.



- **Employee Training & Development Policy:** All SAMART executives and employees would continuously be fully developed to increase their owned knowledge, skill, operational potential and experience, and employee attitude development throughout preparing position promotion readiness and capability enhancement. Corporate Human Resources Development designedly diversifies a variety of development program (Both internal and external) including of on the job learning, coaching, knowledge sharing throughout knowledge management (Knowledge society)...etc..
- **Talent Management Policy:** SAMART has designed special programs and tools to prepare their succession planning i.e., Job Rotation, Job Assignment, Talent Monitoring for excellent performance and potential employees in fast-track program. These would motivate them by full utilizing their own knowledge, competence, and potential in addition to dedicate with employee engagement to perform all missions efficiently for the organization to achieve SAMART's goals.
- **Executive Development Policy:** SAMART has developed managerial management training curriculums to strengthen their leadership and management skills providing new and useful knowledge to apply in their operational work such as Executive Development Program, Young Executive Development Program, Modern Manager etc. This would elaborately lead management executives to improve their skills to prepare their own career advancement and promotion supporting to organization's business growth at present and in the future.

Summary of training to management and employees in 2012

Training	Frequency	Number of Participants
In-House Training		
Management	28	284
Employees	41	598
Total	69	882
External Training		
Management	24	30
Employees	34	64
Total	58	94

The Cost of training for 2012

The cost of training for In-House and External Training of the Company and subsidiaries are totaling Baht 1,297,154.75. Average training per person per year is 7.37 hours which higher than standard of Department of Labor which is set at 6 hours. The sample in-house and external training programs for 2012 are as follows:

In-House Training in 2012

- | | |
|--|--------------------------------|
| - Enterprise Risk Management (ERM) | - EQ at Work |
| - Modern Supervisory Skill | - SAMART Management Meeting |
| - Strategic Implementation Plan Presentation | - Smart Product.....Smart Team |
| - The Power of Presentation | - Smart Sale.....Smart Service |



- Cross Cultural Management
- Effective writing: Letter & Memo for Business English
- Project Management
- Capability Maturity Model Integration
- Communication Skill
- Change Management
- Management Presentation
- New Product
- The Power of Mind
- Effective English Communication
- Excellent Service & Well done Attitude
- The Power of Relationship

External Training in 2012

- Strategic Planning
- HR Light up 2012
- Sale Leadership
- Management Development 2015
- 2012 Key Challenges for CFO
- Sustainable Growth to Happy Workplace
- CSR Management
- HRD Assessment Tool Workshop
- Organization Challenges toward 2012
- E-Marketing
- Digital Executive Secretary
- Project Management
- Executive Financial Management
- Internal Audit Writing Report
- AEC Internal Audit
- Thailand Human Vision 2020
- AEC Logistic



Report of the Corporate Governance Committee

To Shareholders

The Company realizes the importance of business and management guidelines for good corporate governance seriously and plays a vital role in business operations resulting in efficient and effective management and fair treatment among all stakeholders as well as corporate social responsibilities for sustainable growth. The Board of Directors has established the Corporate Governance policy and Business Ethics in a legible form since 2005, and appointed the Corporate Governance Committee to oversee and monitor the conduct of good corporate governance and corporate social responsibility guideline at all levels of internal operations which will create good corporate governance culture and enhance the organization's management efficiency.

The Corporate Governance Committee conducted 2 meetings in 2012 to consider significant matters and then propose to the Board of Directors for consideration as follows:

1. Reviewed the Company's corporate governance policy and business ethics to comply with the Principle of Good Corporate Governance and Corporate Social Responsibility as well as the regulations of the SET, the SEC, and related laws.
2. Reviewed all committees' charters to comply with the Principle of Good Corporate Governance, the regulations of governed organizations and the Company's policies.
3. Reviewed criteria of Board Self-Assessment and CEO Assessment for 2012.
4. Considered criteria of Corporate Secretary Assessment for 2012 in order to improve efficiency.
5. Considered criteria for proposing agenda and sending question in advance of the 2013 AGM to comply with the Securities and Exchange Act and the Principle of Good Corporate Governance.
6. Reviewed the Company's Corporate Governance Report disclosed in the annual report to comply with the regulations of the SET and SEC as well as the disclosure of information to support the Asian Economic Community (AEC).
7. Prepared the Corporate Governance Committee activities report to shareholders disclosed in the annual report.

The Corporate Governance Committee carries out the duties and responsibilities as assigned by the Board of Directors, and continues to 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 and was ranked in Top Quartile of the group of companies with market capitalization of Baht 3,000-9,999 million surveyed by Thai Institute of Directors Association (IOD). In addition, the Company scored Excellent in the survey of convening the Annual General Meeting of shareholders for 2012 by the SEC jointly with Thai Investors Association and Listed Companies Association.



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



Report of the Risk Management Committee

To Shareholders

The Risk Management Committee of the Company realizes both external and internal risk factors that have direct impact on the business objectives of the Company and its subsidiaries. As a result, the Risk Management Committee reviews and assesses the risk to specify corrective and preventive measures for such risks as well as monitors risk management measures continuously. In 2012, the Risk Management Committee conducted 4 meetings to consider the significant matters as summarized below:

1. Considered annual risk management plan from the risk factors affected to the Company's business operation and objective assessed by the management of all related departments.
2. Considered and revised the risk management measures to mitigate the risks any time the Company encounters new risk factors affecting to the Company's business.
3. Monitored and reviewed the compliance with risk management plan in consultation with the management to ensure quality and appropriateness of the Company's risk management by assigning the internal audit department to follow up and review the risk management measures of each company or department to ensure the goal achievement.
4. Considered and revised risk management by assigning related management to identify new opportunities in order to generate new sources of revenues for sustainable growth.
5. Prepared the Risk management Committee activities report to shareholders disclosed in the annual report.

The Risk management Committee performs their duties as the role, authority and responsibility assigned by the Board of Directors. From the above performance, the Risk Management Committee was of the opinion that the Company complies with risk management policy continuously and effectively to enhance the Company's Corporate Governance, and comply with international standard and the Principle of Good Corporate Governance of the SET.



(Mr. Watchai Vilailuck)

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



Report of the Nominating and Compensation Committee

To Shareholders

The Company realizes the importance of recruiting candidates to assume the positions of directors and top executives as well as their appropriate remuneration packages. Consequently, the Board of Directors appointed the Nominating and Compensation Committee, of which the Chairman is an Independence Director, to carry out these vital functions. The recruitment process involves screening and nominating candidates who are highly knowledgeable in their fields and have appropriate qualifications for the director and executive positions. The Compensation process involves setting policies and guidelines for remuneration package for the Board of Directors, committees' members, and high level executives.

In 2012, the Nominating and Compensation Committee conducted 3 meetings to carry out the duties and responsibilities assigned by the Board of Directors and then propose to the Board of Directors for consideration. The significant matters considered during the year were summarized below:

- 1 Nominated the candidates who have knowledge and experience in business related to the Company's operation, and have full qualifications as the regulations of the SEC and the SET in order to assume the position of the Company's directors and committees' members for replacement or in case of retire by rotation.
- 2 Proposed the 2012 AGM to allocate the unexercised warrants previously allotted to the warrant holders who cease to be the Company's directors for re-allocation to the directors appointed in replacement with the same criteria as approved from the shareholders meeting.
- 3 Considered the remuneration package for the Board of Directors and committees by analyzing suitability and similar to industries' compensation. The remuneration will be adequate to maintain the qualified directors, and directors who have duty and responsibility in committees will receive appropriate more remuneration.
- 4 Considered the 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 comparable to the general practice in the same industry.
- 5 Prepared the Nominating and Compensation Committee activities report to shareholders in the annual report.

The Nominating and Compensation Committee performs their duties carefully and prudently with full capabilities and independence to ensure the highest benefits to shareholders and all stakeholders in pursuance of equitable treatment, fairness, and transparency for all concerned to comply with the Principle of Good Corporate Governance of the SET, and be internationally recognized.



(Mr. Kunthit Arunyananda)

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



Corporate Governance

The Board of Directors realized on the importance of the good Corporate Governance which will be the fundamental factor for improving standard of business operation to create more transparency, competitiveness and strengthen the confidence of all shareholders, investors and other related parties. Thus written Corporate Governance Policy and Business Ethics, which complied with the Principles of Good Corporate Governance of SET and Corporate Social Responsibility Guidelines, have been provided for practices of directors, management and employees of the Company under the policy guiding principle of being a good corporate citizen, who is accountable to employees, customers and shareholders, and being socially responsible. The Corporate Secretary Division is a compliance unit to supervise and oversee the operation of the Company, directors and executives to ensure that they been correctly complied with the regulations of the SET, the SEC, the Public Company Limited Act., and other related laws. Due to the continual monitor and development of the Company's Corporate Governance Practices, the Company scored Excellent and was ranked in Top Quartile of the group of companies with market capitalization of Baht 3,000–9,999 million from a total of 513 listed companies surveyed by Thai Institute of Directors Association (IOD) with supporting from the SEC and the SET. In addition, the Company scored Excellent in the survey of convening the Annual General Meeting of shareholders for 2012 by the SEC jointly with Thai Investors Association and Listed Companies Association. Corporate Governance Practices of the Company in 2012 are 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 2012 were as follows:

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

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

- **Rights to propose agenda and send question in advance of the Shareholders' Meeting**

The Company is aware of the shareholders' rights and equitable treatment to the shareholders under the good corporate governance and to comply with laws. It's the Company policy to allow the shareholders to propose matter(s) for consideration of the Board of Directors as agenda of the shareholders' meeting for 2009 Annual General Meeting of shareholders onward. Shareholders who would like to propose the agenda have to comply with the Company's procedures and criteria of the above matter. In addition, the Company allows the shareholders to send question(s) concerning the Company's operation in advance for 2011 Annual General Meeting of shareholders onward. For the Annual General Meeting of Shareholders 2013, the Company allows the shareholders who hold shares not less than 4% of the Company's total shares to propose the agenda. The Company notified and disclosed contact channels and period for proposing agenda and sending question via SET on December 17, 2012 and also provided details of the procedures for proposing agenda and sending question on the Company's website (www.i-mobilephone.com) from December 19, 2012.



- **Participation in the Shareholders' Meeting**

The Company is aware of the shareholders' rights and equitable treatment to participate in the shareholders' meeting, be informed conditions and procedures of meeting as well as having proxy to vote and comment in the meeting on behalf of the shareholder. There was only one meeting in 2012, the Annual General Meeting of Shareholders 2012 which held on April 27, 2012 at Miracle Grand Convention Hotel, Vibhavadee-Rangsit Road, Laksi, Donmuang, Bangkok where is convenience for transportation and capability to cover with number of shareholders. The rights of shareholders to participate in the meeting are as follows:

Before the Meeting Date

In the Annual General Meeting of Shareholders for 2012, the shareholders have been informed on the date and agenda of the meeting via the SET's communication system 39 days prior to the meeting date. At the same time, the Company also disclosed the invitation letter as well as related documents in both languages, Thai and English, on the Company's website (www.i-mobilephone.com) 35 days before meeting date for the shareholders to have sufficient time for consideration. Same documents will be directly delivered to the shareholders by TSD, the Company's registrar, within 22 days before the meeting date of which better than what has been required by law. The invitation letter contained fact, rationale, and opinion from the Board of Directors for each agenda, conditions and procedures of meeting, annual report, proxy form and any other related document with sufficient information for shareholders' consideration. Moreover, the invitation letter was published in newspaper for 3 consecutive days by 9 days before the meeting date of which better than what has been required by law.

On the Meeting Date

Meeting procedures has been set to conform to regulations and considering on shareholders' convenience. The Company is aware of the equitable of shareholders' right and their comfort to participate in the shareholders' meeting. Appropriated technology and equipments are sufficient for registration reviewed on required documents more than one hour prior to commencement of the meeting. In the Annual General Meeting of Shareholders for 2012, there were 9 directors participated the meeting. Chairmen of all committees including the Audit Committee and the Company's management and external auditors also presented in the meeting. Chairman of the Board of Directors who was Chairman of the meeting introduced all directors and the management to the shareholders, and declared number of shareholders with voting rights attended the meeting for the Annual General Meeting of Shareholders for 2012, there were 33 shareholders attended the meeting either in person or in proxy. The Chairman had declared to the shareholders how to exercise their right and vote before commencement conducted the meeting to be in line with the agenda without any additional topic from what have been expressed in the invitation letter. Voting cards were provided for significant agenda. Voting result in term of approval, disapproval or abstain for each agenda were transparently presented to the meeting. The shareholders were encouraged to express their opinions and raise any questions, either in the agenda or any other questions related to the Company's business, at the meeting. All questions had been answered and taken in the minutes of meeting as well as the opinions from the shareholders.



After the Shareholders' Meeting

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

● **Appointment / Dismissal of Directors of the Company and Approve their Remuneration**

According to the Company's Articles of Association, at the Annual General Meeting of Shareholders, one third (1/3) of the Directors has to be retired by rotation. Election for replacement is required. The retired directors are eligible to be re-elected for another term. The election of the Board of Directors shall be in accordance with the rules and procedures as follows:

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

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

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

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

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

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

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



- **Profit Sharing**

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

In the Annual General Meeting of Shareholders for 2011, the Company approved to pay dividend for the year 2011 at Baht 0.01 per share, totaling Baht 43.013 million or equivalent to 51.41% of consolidated net profit after deduction of all reserves, which is higher than the rate of dividend payment as above policy.

2. Equitable Treatment of Shareholders

The Company realizes to protect and due care for the interests of all major and minor shareholders as fairly basis. In addition, the Company sets policy for equitably treatment to all shareholders for attending and vote in the shareholders' meetings, sharing in profits, regularly and timely obtained adequate information, business performance and management policy. In the shareholders' meeting, each shareholder shall have one vote on each share. Proxy form requiring documents were delivered together with the invitation letter for shareholders who would like to appoint a proxy. Proxy form, which contains detail of voting as approve, disapprove or abstain, as well as details of 3 independent directors also are attached for shareholders consideration as alternative proxy. In addition, voting cards were provided for each agenda, especially, the agenda of appointment of directors of which been appointed by individual. In every shareholders' meeting, the meetings were conducted to be in line with the agenda without any additional topic from what have been expressed in the invitation letter otherwise rights of the shareholders who could not participate in the meeting by themselves will be deprived.

The Company will inspect to ensure no inside information of which is material, undisclosed and confidential leak to public or be used from unauthorized for personal benefit. IT system has been implemented for a secure access for all users inside and outside the firewall in conjunction with the Company's own user authentication and security system. In addition, the Company sets as policy that all employees shall acknowledge and sign the agreement of non-disclosure confidential information, non-violation of concealment of computer related and non-infringement of intellectual property. New employee shall sign this agreement together with employment contract. It was also set forth in the Company's Business Ethics and Corporate Governance Policy to refuse directors, management and employees of the Company to use the Company's inside information for personal 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. To ensure that the policy is acknowledged and complied, the company will notify the all-year schedule of such periods in advance to all directors and executives. Every quarter, the company has also delivered such notice to directors and executives to acknowledge. In 2012, there is no case of insider trading from the Company's directors or executives. 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. Any change in securities holdings, such directors and managements have to report the Company Secretary for coordination and preparing report submit to the Securities and Exchange Commission (SEC). In addition, the Company has set as a policy to report on securities holdings of directors and managements in every meeting of the Board of Directors.

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

General practices for conflict of interest protection have been set not only in the Company's Business Ethics but also in the section "5. Roles and Responsibilities of the Board of Directors" under the topic "The Conflict of Interest". Such practices have been delivered to all directors, management and employees. The press releases for the corporate governance are published on weekly basis to all employees via email, tips and poster in the Company's promotion board. The Corporate Governance Committee will monitor and ensure that Company's regulations, Corporate Governance Policy and Business Ethics have been strictly and continually complied.

3. Attention to Stakeholders

The Company is aware of the support from each stakeholder should increase the competitiveness and ability to generate more benefit for long-term succession and realized the importance of all stakeholders i.e. shareholders, employees of the Company and its subsidiaries, customers, competitors, lenders, societies and environment as well as providing more channels for the stakeholders to contact directly to the Company in order to provide either comments or recommendations which will be benefit to the Company. Thus, general rules and practices have been set for directors, management and employees in the Company's Business Ethics to cover rights and equitable benefits to all stakeholders and posted on the Company's website ([www. i-mobilephone.com](http://www.i-mobilephone.com)) which be summarized as follows:

3.1 Treatment of Stakeholders

Shareholders

The Company is aware of its role to protect and due care for the interests of all major and minor shareholders by granting rights to every shareholders to propose an agenda and send a question in advance, attend, vote and have comments in the shareholders' meeting, to share in profits, regularly and timely obtained adequate information, business performance and management policy. Details of shareholders' rights are described under "1. Rights of Shareholders".



Employees

The Company highly regards all of the employees as valuable resources and is a major factor to drive the business performance to achieve its goals. As a result, it is the Company's policy to treat employees fairly in all respects, employment opportunity, reasonable remuneration, promotion, welfare. There is always be the nurse(s) stationed in the infirmary everyday at the Company's office building and the doctor shall visit and treat sick employees twice a week. The company also has the medical treatment welfare for the employees (in case of out-patient) who are treated at the government and private hospitals. The employees shall be entitled to the annual medical treatment fee pursuant to their level. In 2012, total amount of medical treatment fee reimbursed by the employees of the Company and its subsidiaries amounted to Baht 617,766. Moreover, the Company also has group health insurance (in case of in-patient) for the Company's employees which is made with the American International Assurance Company Limited (AIA) as well as group life insurance which covers all kinds of death, annual medical check-up and provident fund to secure their working life security under the name of "the Registered Samart Group Provident Fund". The Company also has the social security fund and provision of loan in case of the accident or sickness to the employees as well, loan for employees, fitness center and special discount for Company's products etc. Development programs, both internal and external training courses, are continually provided for all levels of employees. In addition, the Company has provided educational support by awarding scholarship to employees with aims to enhance their knowledge and skills. Please see more details about the employees under section "Management Structure" in the topic "Human Resources Management and Development Policy".

In addition, the Company emphasizes on the safety of life and health of employees as the following policies:

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

Customers

The Company strongly believes in building confidence and brings satisfaction to all of the customers who are very important to the Company by providing modern and high-quality products and services at reasonable price for customers' satisfaction and needs as well as providing product and equipment from factory which has been certified as international standard. Currently, new products and services have been developed by the Company and subsidiaries. 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 by providing a total solution of



i-mobile Service Centers in form of see-through looking to repair, upgrade software and provide other services to customers including guarantee to change new product immediately within 10 days if there is any problem. The Company has Authorized Service Center with same quality as i-mobile service centers for customers support. At present, the Company has service and fixing centers nationwide. Moreover, the Company provides responsible departments for consultation and complaint of customers, and also for control the quality prior release for satisfaction in goods and services of customers as ISO 9001 standard.

Trade partners

The Company has the policy to equitably and fairly treat its trade partners by taking into consideration of the Company's interest and on mutual benefits basis. Clearly define in evaluation and selection of trade partners as well as developing and maintaining good relationship between all partners with trust and confidence, and refusing to accept any personal benefit offered by partners as well as refusing to fabricate or falsify information that will cause misunderstandings to partners

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

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. 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.

Competitors

The Company conducts all business affairs under just rules and competitions without fraudulently or inappropriately seeking confidential information of its competitors, or damage competitors' reputation by abusive accusation as well as refuse to violate intellectual property rights of business' counterparts or competitor. The Company sets as policy that all employees shall acknowledge and sign the agreement of non-disclosure confidential information, non-violation of concealment of computer related and non-infringement of intellectual property. New employee shall sign this agreement together with employment contact.



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. The latest development was that the Company has become a part of the Corporate Social Responsibility Projects in Nonthaburi province. In 2012, Samart Group has also specified the guidelines on promoting the "Quality People and Moral Society" campaign via many projects and activities which were beneficial to the societies as shown in the section "Sustainable Development" in the topic "7. Joint development of the community and society".

Environment

The Company conducts business with recognition of environmental conservation and standard management of safety. It is also the Company's policy to become a responsible corporate citizen to comply with all relevant laws and regulations and be responsible for utilizing natural resources in prudent manners. For motivation of the employees to continually conform to the Company's policy, announcement via the Company's PR boards, e-mail, internal radio, mobile media, newsletter and road show are provided. For example, Lor. Ling. Activity (Save our SAMART) was set 5 consecutive years since 2008 by campaign of reduce the resource and energy in the Company, and annual encouragement of this activity in the first quarter as well as publicity via internal PR throughout the year. In 2012, the project was promoted under the theme "Super Save: Discounts for all Departments". Moreover, the Company always operates knowledgeable and training activities in subjects of environment, safety and public health through training, seminar, e-mail, etc.

3.2 Non-violation of human rights

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. All employees shall be treated equally and there shall not be any discrimination against nationality, race, 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.



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

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

3.4 Anti-Corruption

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. Therefore, the policy on anti-corruption is defined in the topic "Receiving and giving present, property or other benefits policies" in the Company's Business Ethics to be adopted in compliance and posted on the Company's website (www.i-mobilephone.com).

The result of the implementation of such policies in 2012 caused the following matters:

- No case of misconduct on corruption or breach of the ethics.
- No director resigned due to the issues of corporate governance.
- No case of the Company's negative reputation as a result of failure in the monitoring function of the Board of Directors.

Moreover, the company is also aware of the importance on anti-corruption, hence, the Company's representatives were sent to attend various meetings in relation to the prevention and detection of fraud in organizations such as the National Conference on the anti-corruption, Practical Fraud Awareness, Fraud Detection & Fraud Prevention Strategies, fraud auditing and etc.

3.5 Filling of Complaints

In addition, the Board of Directors are respect the importance of all stakeholders in participation of the Company's success, thus 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
 99/4 Moo 4, Software Park, 32nd floor, Chaengwattana Rd., Klong Gluar, Park-kred,
 Nontaburi 11120

Or sending e-mail to : boonrut.m@i-mobile.samartcorp.com

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. In 2012, there is no complaint from stakeholders.



3.6 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. If such action is found, the employee can notify the clue on misconduct behavior to the Company by sending document and/or evidence to the Chairman of the Audit Committee. Such document and/or evidence may be sent by the employees themselves or via the postal service, however name and surname of the sender must also be notified for convenience on enquiry and/or contact for more information. The Company will not consider if the name is not identified.

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

The Company shall protect the employee who notifies such information, the informant or whistle blower, by not disclosing the name of the informant to any person. Only the Chairman of the Audit Committee shall know such information.

The employee can find the method on informing the clue and the protection of the informant at the public relations media of the Company, i.e. the Company's website at www.i-mobilephone.com and Human Resources' website at www.samarthre.com and etc.

4. Disclosure and Transparency

The Company has strong determination to reveal accurate complete, consistent and updated information, both financial and general information that related to Company's business. The Complete, consistent and updated information will truly reflect Company's financial performance and future business direction. The Company has a disclosure policy to disclose information of any significant and future business operation directions, so that the shareholders and the stakeholders can access information conveniently and speedily as follows:

- To submit the financial report to the Stock Exchange of Thailand ("SET") and the Securities and Exchange Commission Thailand ("SEC") within the specified timeframe. The financial report did not have any transactions where the auditor opined with qualified, the financial statement has also never been revised under the order of the SET and SEC. In order to make the investors are more well informed and understand the changes occurred to the financial position and operating results of the Company in each quarter, the Company started to prepare the Management Discussion and Analysis (MD&A) for the financial statement every quarter and post it on the Company's website, starting from the financial quarter of 3/2012 onwards.
- Criteria on provision of remuneration to the directors and the executives have been clearly disclosed.
- Shareholding information of the directors and the executives has been disclosed in the Annual Report and the Annual Disclosure information. In addition, the Company has a policy requiring the directors and the executives to report a change in their securities holding within 3 business days from the date the securities have been purchased, sold, transferred or accepted transfer. The Company Secretary's unit shall coordinate on submission of



such report to SET and SEC. Moreover, it is also specified that any change of such securities holding of the directors and the executives shall be reported to the Board of Directors' meeting every time. The 2012 securities holding information of the directors and the executives were as follows:

Director / Executive	Ordinary Share (Shares)				
	31/12/2011	Change during the year			Increase (Decrease)
		Buy	Sell	31/12/2012	
1. Professor Suphachai Phisitvanich	3,250,000	-	-	3,250,000	-
2. Dr. Chotivid Chayavadhanangkur	-	-	-	-	-
3. Mr. Kunthit Arunyananda	-	-	-	-	-
4. Mr. Charoenrath Vilailuck	-	-	-	-	-
5. Mr. Watchai Vilailuck	481,000	-	-	481,000	-
6. Mr. Thananan Vilailuck	-	-	-	-	-
7. Mr. Jong Diloksombat	-	-	-	-	-
8. Mr. Azwan Khan bin Osman Khan	-	-	-	-	-
9. Mr. Annis bin Sheikh Mohamed	-	-	-	-	-
10. Mr. Lai Ki Tong	-	-	-	-	-
11. Mr. Pracha Phathayakorn	-	-	-	-	-
12. Mr. Subhasiddhi Rakkasikorn	-	-	-	-	-

- Details on connected transactions have been clearly disclosed to prevent a conflict of interest (see more details in "Section 2. The Equitable Treatment of Shareholders" and "Item 5.6 Conflict of Interest").

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

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

The Company were disclosed to shareholders, investors and any related parties via SET's Communication system, Company's website (www.i-mobilephone.com), press release and Company's Annual Report and Form 56-1 as well as participated in the "Opportunity Day" which arranged by SET.

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



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

- **Company's website**

The Board of Directors is aware of the efficiency of website disclosure to the shareholders and related persons as well as equitably and easily of getting information. The Board of Directors therefore ensures the Company not only provides all significant information of the Company in the Company's Annual report but also on the Company's website (www.i-mobilephone.com) in both languages, Thai and English. The disclosed information comprised of Corporate Governance Policy, Business Ethics, General News, Financial Statement as well as Annual Report, Form 56-1, etc.

- **Investors Relation**

The Company has also set up an Investors Relation section to provide Company's information and activities for investors, shareholders, analysts and general public via Company's website, Road Shows, analysts meetings, conference calls, etc. The Company's Investor Relations could be contacted at phone number 0-2502-6583 or via www.i-mobilephone.com or the e-mail address at Pongthep.V@samartcorp.com.

The investor relations ethics are defined as follows:

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

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

Meetings with investors and analysts in 2012 were summarized as follows:

- Analyst Meeting	51	Times
- Announcement of Company's Performance	4	Times
- Road Show	8	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 in the Company's Annual Report and Form 56-1 under "Management Structure".

● **Accountability to the Financial Statement**

The Board of Directors is responsible for the Company's consolidated financial statements and any financial information which been disclosed in the Company's Annual Report. Such financial statements were prepared in accordance with Thai Financial Reporting Standards and applied appropriated financial policy. The reports were carefully considered and prepared with sufficient information in the notes to financial statements. The financial statements have been audited and commented independently by the authorized auditors of the SEC to increase the confidence and reliability of financial report. In addition, no record of financial statement revision was ordered by 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. The opinion of the Audit Committee has already been disclosed in the annual report. Moreover, Report of the Board of Directors' responsibility on the Company's Financial Statements was also attached in the Company's Annual Report.

5. Role and Responsibilities of the Board

5.1 Directors' Qualifications

The Board consists of directors who have various knowledge, experience, and specific skill that suitable and benefit to the Company. The Board will also have leadership and vision to carry on the Company's business and achieve its objectives. The Company has 9 directors who complied with the qualification that been described under "Management Structure". All of the Directors have contributed their best to the Company which may concern from their participation in the meeting.



5.2 The Independent of the Board of Directors

- **Separation of Chairman and CEO**

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

Roles and Responsibilities of the Chairman

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

Roles and responsibilities of the management have been clearly classified. The Chief Executive Officer ("CEO") will be the management's leader will focus on general management of the Company of which will cover the following roles:

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.

- **Balance of Power**

The Board of Directors of the Company comprised of 9 members with various qualifications, skills, experience and expertise. Composition of the members is as follows:

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

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. The details of Roles and Responsibilities of the Board of Directors and CEO are described under "Management Structure".

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 3 companies. However, there is not any of the existing 9 directors of the Company is being the director in listed companies over than 3 companies and also could participate and contribute to the Company with efficiency of which better than not exceed 5 companies according to guideline of Corporate Governance.

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

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

5.4 Transparency of Nomination

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

5.5 Board of Directors' Activities in the previous year

- **Set Policy and Business Direction**

The Board of Directors involved and agreed on set out the Company's vision, mission, Corporate Governance Policy, Business Ethics, strategies, goal, direction, business plan, budget, internal control and internal audit systems, and risk management as well as to govern the management to follow such business plan and budget with efficiency and profitability for economic value to the Company and the best stability to the shareholders. In addition, the Board of Directors has not only ensure the Company and its management to oversee the value of all stakeholders, neither derive personal benefit nor create any rivalry with the Company and its subsidiaries, but also conducted the business with great awareness in ethical, moral and compliance to the Company's Articles of Associations as well as laws and regulations of the SET and the SEC.



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

- **Appointment of Committees**

For governing the management to comply with the approved policies and having better efficiency, the Board of Directors appointed the following 5 committees to help the Board for consideration in significant matters.

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

Roles and responsibilities of each committee were disclosed under section "Management Structure". In addition, Committees' Charters have also been set and disclosed on the Company's website (www.i-mobilephone.com).

- **Meeting of the Board of Directors and Committees**

- 1) **Board of Directors' Meeting**

The Board of Directors' Meeting schedule has been set as quarterly basis with certain agenda. The meeting schedule will be sent to each director by the Company Secretary for preparation and arrangement for meeting participation. However, additional unscheduled Board meetings may be called upon appropriate notice at any time to address specific needs of the Company. The operating results will be regularly reviewed. The invitation letter as well as meeting materials will be delivered by the Company Secretary to all directors prior to the meeting date for consideration. The average length of the meeting is approximately 2 hours. Details of directors' attendance for 2012, total 8 meetings, were as follows:



Directors	Date of Appointment	Term of Directorship (Year/month)	Number of Attendance/ Total Number of Meeting
1. Professor Suphachai Phisitvanich	11/5/2005	7/7	8/8
2. Dr. Chotivid Chayavadhanangkur	30/9/2003	9/3	8/8
3. Mr. Kunthit Arunyananda	30/9/2003	9/3	8/8
4. Mr. Charoenrath Vilailuck	30/9/2003	9/3	8/8
5. Mr. Watchai Vilailuck	30/9/2003	9/3	8/8
6. Mr. Thananan Vilailuck	30/9/2003	9/3	8/8
7. Mr. Jong Diloksombat	30/9/2003	9/3	8/8
8. Mr. Azwan Khan bin Osman Khan	29/10/2008	4/2	4/8 ¹⁾
9. Mr. Donald James Rae	11/5/2011	1/7	4/7 ²⁾
10. Mr. Annis bin Sheikh Mohamed	17/12/2012	0/0.5	0/0 ³⁾

- Remarks**
- ¹⁾ Business trip in abroad.
 - ²⁾ Resigned from the Company's director and the Nominating and Compensation Committee Member on December 6, 2012
 - ³⁾ Appointed as the Company's director and the Nominating and Compensation Committee Member on December 17, 2012

In 2012, the Board of Directors considered the following agendas:

- Company's financial statement for 2011 and quarterly financial statements of 2012
- Evaluated the adequacy of internal control system
- Dividend payment for the year 2011
- Considered sub-committees' performances for the year 2011
- Appointment of members in each committee
- Considered the connected transactions
- Strategic Implementation Plan for 2013
- Results of Board Self-Assessment for 2011, and set the basis of Board Self-Assessment, CEO Assessment and Company Secretary Assessment in 2012
- Subjects relating to the Annual General Meeting of Shareholders for 2012 prior to present to the shareholders' meeting
- Salary increment rate for 2013 and annual bonus for 2012
- The Directors' and Officers' Liability Insurance
- Utilization and amendment of credit facilities with financial institutes
- Other agendas relating to the Company's operation



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

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

2) Sub-Committees

In 2012, numbers of each meeting and time attendance of each member were summarized below:

Names	Number of Attendance/ Total Number of Meeting				
	Audit Committee	Executive Committee	Corporate Governance Committee	Nominating and Compensation Committee	Risk Management Committee
1. Professor Suphachai Phisitvanich	5/5				
2. Dr. Chotivid Chayavadhanangkur	5/5		2/2	3/3	
3. Mr. Kunthit Arunyananda	5/5		2/2	3/3	
4. Mr. Watchai Vilailuck		14/14			4/4
5. Mr. Thananan Vilailuck		14/14			4/4
6. Mr. Jong Diloksombat		14/14	2/2		4/4
7. Mr. Donald James Rae				1/2 ⁽¹⁾	
8. Mr. Annis bin Sheikh Mohamed				0/0 ⁽²⁾	
9. Mr. Sirichai Rasameechan				3/3	4/4
10. Mr. Pairote Varophas			2/2		
11. Mr. Dhilokpat Nisamaneevong					4/4
12. Mr. Teerawut Kreepanich					4/4

Remarks: ⁽¹⁾ Resigned from the Company's director and the Nominating and Compensation Committee Member on December 6, 2012

⁽²⁾ Appointed as the Company's director and the Nominating and Compensation Committee Member on December 17, 2012

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 Conflict of Interest

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

1. Avoid all actions that may cause conflicts of interest with the Company.
2. In case that directors or employees commit any action related to the Company, the particular director and employee will be treated like an outsider, and will play no part in decision-making process.
3. Refuse to use Company's information obtained in their posts for an opportunity to derive personal benefits by creating rivalry with the Company or involving in related businesses.



4. Refuse to use Company's information for securities purchase for personal benefits or to leak Company's information to outsiders for their benefits. Any trading of the Company's securities within 1 month prior to disclosure of either the Company's financial performance or any other information that may affect securities' price is prohibited.
5. Refuse to reveal Company's classified information e.g. electronic information, financial situation, work's plans, business information and Company's future plans during and after their posts.

On any conflict of interest transaction, before entering into the transaction, the Audit Committee will carefully review prior to submit with opinion either on such conflict or connection to the Board of Directors for further review and to ensure that the transaction has to be complied with the SET's regulations, information of the transaction i.e. value of transaction, party involved and necessity ext. has been disclosed in the Company's annual report, Form 56-1 and the auditor's note in the financial statement. Any consideration of the connected transaction, the directors who may have conflict of interest will neither participate nor vote in such meeting. Details of the transactions which may have any conflict of interest in the year 2012 were disclosed under the "Connected Transactions".

5.7 Internal Control and Internal Audit

The Company has an efficient management system in place throughout the organization, which aligns and integrates Governance, Risk Management and Compliance, including the crucial areas of Strategy, Process, People, Technology and Structure, to drive the Company's key strategic goals, achieve optimum efficiency and effectiveness and ensure sustainable development.

To achieve the Company's objectives and accomplishments and add value to the Company's stakeholders, the Company assigns essential Internal Control and Risk Management mechanism, and related roles and responsibilities to all staffs. In addition, the Company's clearly defines management and staff operating authority at all levels in accordance with relevant internal and external regulations and laws, covers financial control, operations, management, and supervision, Furthermore, the Company has determined that all employees must adopt the Control Self-Assessment (CSA) system to identify and mitigate risks to an acceptable level. CSA is designed to encourage employees to take continuous personal responsibility for self-assessing risk and developing internal control systems to strengthen the effectiveness of the internal control and risk management systems and provide reasonable assurances to the achievement of the following objectives:

1. Strategies and objectives are clearly stated, practical and aligned with the Company's mission.
2. Outcomes are achieved to stated objectives, while resources are managed and used efficiently and economically.
3. All reports, including financial, management and operational information are accurate, reliable and timely.
4. Business operations are in line with the Company's policies, regulations, laws, and other related rules both internal and external to the Company.
5. Appropriate safeguarding systems are implemented to protect physical assets m personnel and information system data.



6. Established closely governance system with an effective quality management system.
7. Continuous high quality improvements are made to operations regarding personnel equipment assets and operating systems.
8. Control Self-Assessment is properly implemented in all crucial processes throughout the organization.

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

1. Organizational Control and Environmental Measure

The Company encourages and promotes a good working environment by setting policy and planning, executing, controlling and monitoring all business activities. The Company has also established a suitable organizational structure, according to business size and operations, which complies with its Corporate Governance Policy and adheres to its business philosophies and ethics, written in the Code of Business Ethic. The Corporate Governance Committee has been appointed to supervise the Company on compliance with the corporate governance policies. The Company expects all senior management to be honest and ethical and act as role models for all employees. All stakeholders are treated with fairness and respect and in such a way that adheres to good corporate governance principles, Employee authority and responsibility are also clearly determined at each level. In addition,; additionally, the risk Management Committee is appointed in writing with defined roles and responsibilities, including the continuous and systematic assessment of risk management processes and procedures. The Company communicates to employees at all levels to understand and define its risk appetite level to ensure that the Company has well-defined internal control and risk management systems, which can effectively prevent or reduce any loss and damage that may occur. Consequently, the Company will be able to achieve the defined objectives efficiently and effectively.

2. Objective Setting

The Company provides each department and employees with clearly written stated objectives and goals, including strategies, operations, reporting, and rules and regulations compliance. These objectives and goals align with the overall Company's mission at its risk appetite level. Furthermore, the Company updates business plans, strategies, and objectives according to the current situation and changing risk factors.

3. Event Identification

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



4. Risk Assessment

The Company deploys systematic risk assessment tools and methods, The Company provides the risk management manual for best practice and sets varying levels of appropriate risk assessment criteria. The Company also assesses the quality and quantity of risk factors by considering the Company's risk appetite by applying two aspects of assessment: the potential loss or damage in the event of risk occurrence (impact) and the probability of risk occurrence (likelihood). The Company uses both measures to determine risk levels as high, medium, or low and the methods have been sought to manage those risks.

5. Risk Response

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

6. Control Activity

The Company has clearly stated policy and procedural process to define key control activities at each level of operations that concentrate on preventive control activities. The evaluations of internal control and its results are reported regularly to ensure that the risk management method or control activity is practical and meets objectives, including those of quality and timeliness. In addition, senior management periodically review the policies and procedures, including control activities, in accordance with the current situation and any changing risk to ensure they still meet the Company's objectives.

7. Information and Communication

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

8. Monitoring

The Company tracks and monitors business performance by regularly comparing with targets or key performance indicators (KPIs) defined at each level. The monitoring performance system, including independent Internal Audit, external audit review and independent appraisal closely monitors process and staff performance to ensure that the internal control system is effective and responsive to risk factors in an appropriate and timely manner.



Internal Audit

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

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

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

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

Moreover, the Chief Audit Executive 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 in the Audit Committee by holding a meeting every quarter and also provide recommendations and suggestions in various aspects which are beneficial to the organization.

Moreover, the internal audit Office also emphasized quality and development of internal audit task and also encouraged the internal audit personnel to develop themselves on continued and regular basis.

Based on the above assessment, the meeting of Board of Directors No. 1/2013 on February 26, 2013, in which all Audit Committee members attend, concluded that the Company has a sufficient internal control system. Furthermore, the Company's auditors, Ms. Kamontip Lertwitworatep, an auditor license no. 4377 and



Ms. Siriwan Suratepin, an auditor license no. 4604, audited the financial statements of the Company and subsidiaries for the year ended December 31, 2012 without any comment on the Company's internal control system as significant error.

5.8 Risk Management

The Company has established a system to monitor risk management results and an alert system to ensure that risk management is effectively aligned with hit risk appetite. The Company deploys a continuous reporting system for each management level, including senior management. The Company also holds regular meetings for the Board of Directors and senior management to monitor business performance and assess whether business objective are being achieved.

In an ever changing business environment, risk management is essential to support the Company goals. According, to prepare and build for the future, it is important that the Company has a risk management policy and mechanism in place to build strength and prepare for upcoming future so that the Company can manage risks properly and sustain business status.

The Company emphasizes the importance and value of risk management. Therefore, the Company appoints the Chairman of the Executive Committee as the Chairman of the Risk Management Committee, together with the Chief Executive Officer and senior management as members of the committee. In 2012, the Risk Management Committee met 4 times to identify risks throughout the Company. Rate the risks, define the risk management concept, and assign responsibilities to those in charge of managing and controlling the risk to its risk appetite levels. This enabled the Company to accomplish its goals and strategies and create confidence for all shareholders and stakeholders. The Risk Management Committee continuously revises any change to any risk factors.

The Risk Management Committee follows up the accomplishment of risk management by considering the management action plans and the reliable measured results of the plans. At each meeting, the responsible management reports the results of risk managements approach which identified in the previous meeting to the Risk Management Committee to discuss whether risk level has been successfully mitigated, thus resulting in effective risk management.

The Company discloses risk management policy on the Company's website at www.i-mobilephone.com.

5.9 Board Self-Assessment, Audit Committee Self-Assessment, CEO Assessment and Company Secretary Assessment for 2012

Board Self-Assessment

The Board of Directors conducts its self-assessment annually for assessment their performance and review the comments relating to the performances of the Company and directors to develop the Company's Corporate



Governance. The result will be considered by the Board of directors' meeting. In 2012, the Board of Directors considered the criteria of self-assessment in its meeting no. 8/2012 on December 17, 2012, and had the resolution to define the criteria as the following 4 areas:

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

The results of board self-assessment for 2012 in overall areas of assessment were excellent with the average score of 92.91%.

Audit Committee Self-Assessment

The Audit Committee conducts its self-assessment annually for assessment their performance during the year to complied with the best practices in the following areas:

1. Component of the Audit Committee
2. Duties and responsibilities
3. Training and resources
4. Meeting
5. Activities of the Audit Committee
6. Relationship with head of internal audit, external auditors and management
7. Role of the Audit Committee in the future

The results of Audit Committee Self-Assessment for 2012 in overall areas of assessment were excellent with the average score of 98.06%.

CEO Assessment

The Board of Directors conducts CEO assessment annually for consideration of his remuneration. In 2012, the Board of Directors considered the criteria of CEO assessment in its meeting no. 8/2012 on December 17, 2012, and had the resolution to define the criteria in 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 results of CEO assessment for 2012 in overall areas of assessment were excellent with the average score of 92.02%.

Company Secretary Assessment

The Board of Directors meeting no. 8/2012 on December 17, 2012 approved to conduct Company Secretary Assessment to continuously improve the performance of the Company Secretary in the following areas:

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

The results of Company Secretary Assessment for 2012 in overall areas of assessment were very good with the average score of 88.71%.

5.10 Development of Directors and Management

The Company specified that whenever there is a change of director, there shall be an orientation for a new director every time. In addition, director's manual, document and useful information which shall be beneficial to the duty operation of the new director shall be provided, in order that such new director can be ready to conduct his/her duty. The Company Secretary shall be a coordinator for the orientation with following matters:

- Matters that should be known: Nature of business, business structure, directors' structure, scope of power and duty, related laws as well as policies and practical guidelines for supervising the Company's business.
- General knowledge of the business: Business operation guidelines to enhance knowledge and understanding on business and various operations of the Company.
- Arrange to have a meeting with the Chairman and the Executive Chairman /CEO to enquire in-depth information about business operation of the Company.

In addition, to support and increase knowledgeable of the directors, periodical training will be provided especially the Director Accreditation Program (DAP) and Director Certification Program (DCP) arranged by the Thai Institute of Directors (IOD). Seven of the existing directors had joined DCP program and 2 directors joined DAP program. Each year, the Company shall submit the training courses arranged by various institutes to the Committee members for their consideration on attendance pursuant to their needs. In 2012, Mr. Charoenruth Viakiluck attended Chief Executive Course for Urban Development Management, Class 1, Urban Green Development Institute Bangkok.



5.11 Company Secretary

The Nominating & Compensation Committee considered and appointed a potential and experienced person as the Company Secretary proposed for further approval of the Board of Directors. The Board of Directors has appointed Miss Boonrut Mongkolratanakorn as the Company Secretary and secretary to all committees; Audit Committee, Executive Committee, Corporate Governance Committee, Nominating and Compensation Committee and Risk Management Committee. The Company has specified qualifications and roles and responsibilities of the Company Secretary are as follows:

Qualifications of the Company Secretary

1. Having well-rounded knowledge and understanding of the Company's businesses.
2. Understand roles and duties of the Company Secretary.
3. Having knowledge and understanding concerning legal matters, regulations of the Office of SEC and the Stock Exchange of Thailand.
4. Do not exploit the Company's business opportunity for personal benefits as well as preserve the confidential information of the Company.
5. Having good human relationship and can coordinate and contact with other agencies inside and outside the Company.
6. Possess English proficiency.
7. Having working experiences on the Company Secretary at least 3-5 years.

Roles and responsibilities of the Company Secretary

1. Perform her duty with responsibility, due care and royalty as well as has to comply by laws and any other related regulation;
2. Support the Board of Directors for their activities including provide consultation with related to Company's Articles of Association, and any other regulations from related authorities;
3. Arrange meetings for Board of Directors, Committees and Shareholders as well as coordinate to ensure all resolutions have been implemented complying with Company's Objectives, Articles of Association, laws and related regulations;
4. Preparing and keeping important documents of the Company, i.e. a register of directors, notices calling directors' and shareholders' meetings as well as the reports of such meeting and the annual report, etc.;
5. Keeping the report on interest filed by Directors and executives as well as submit a copy of such report to the Chairman and the Chairman of Audit Committee within 7 business days from the date on which the Company has received the report.

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



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

- Guidelines on preparation of good corporate governance report for the listed companies in 2012
- Clarification on good corporate governance principles of the listed companies in 2012
- Improvement of criteria of SEC on the part concerning the listed companies and REIT
- CSR Thailand 2012 "Change for real : License to operate in the new age"
- Direction of CSR & Sustainability in 2012: Reinforcing your CSR
- CSR Day Forum: In-depth GRI Reporting v3.1
- Project on preparation of CSR Best Practices of the companies in technology related group
- Corporate Social Responsibility Management for Sustainable Development
- Roles of Company Secretary in preparation for AEC
- In-depth risk and control for executives
- Business strategy for 2013: Growth and strong on the fluctuation



Connected Transactions

The connected transactions disclosed in this section are transactions of the Company or its subsidiaries with those who may have a conflict of interests for the year ended December 31, 2012 as Section 89/12 of the Securities and Exchange Act and related notifications:

Companies	Relationship								
	% of shareholding in the Company	% of shareholding by related persons				Common directors			
		SAMART	SAMTEL	VIH	Family	CV	WV	TNV	JD
Samart Corporation Plc.	58.56			21.92		/	/		
Cambodia Air Traffic Service Co., Ltd.		100.00				/	/		
Thai Smart Bus & Services Co., Ltd.		65.00					/		
One to One Contacts Co., Ltd.		95.99				/	/		
Vision and Security System Co., Ltd.		69.99				/	/		
Samart Reditech Co., Ltd.		99.99				/	/		/
Samart U-Trans Co., Ltd.	0.06	99.99				/	/		
Samart Engineering Co., Ltd.		99.99				/	/		
Samart Telcoms Plc.	1.79	70.80				/	/		
Samart Communication Services Co., Ltd.			99.99			/	/		
Smarterware Co., Ltd.			99.99			/	/		
Thai Trade Net Co., Ltd.			99.99			/	/		
Posnet Co., Ltd.			99.99			/	/		
Samart Infonet Co., Ltd.			99.97			/	/		
Samart Ed Tech Co., Ltd.			99.99			/	/		
Samart Comtech Co., Ltd.			99.99			/	/		
Best Cellar Co., Ltd.					57.00			/	
Vilailuck International Holding Co., Ltd.	1.68			100.00		/	/	/	
Vilailuck Development Co., Ltd.				42.00		/	/	/	
Kampot Power Plant Co., Ltd.		100				/	/	/	
Portal Net Co., Ltd.			99.99			/	/		/
IT Absolute Co., Ltd.			99.94						

SAMART	=	Samart Corporation Plc.
SAMTEL	=	Samart Telcoms Plc.
VIH	=	Vilailuck International Holding Co., Ltd.
Family	=	Vilailuck Family
CV	=	Mr. Charoenrath Vilailuck
WV	=	Mr. Watchai Vilailuck
TNV	=	Mr. Thananan Vilailuck
JD	=	Mr. Jong Diloksombat



Nature of Connected Transactions

Management Fee

Company Providing the Service	Company Receiving the Service	Value (Million Baht)
Samart Corporation Plc.	Samart I-Mobile Plc.	12.00

The management fee above was aimed at increasing the Group's efficiency of operations. The Services Providers would send experts in various fields, including financial management, marketing, accounting, distribution channels and business strategies, to give advice. The fees were based on actual costs plus appropriate profit. The Audit Committee reviewed the transaction and was of the opinion that the connected transaction was fair and beneficial to the Company.

Transactions of Goods and Services Sold as Usual

Company Selling Goods/Services	Company Buying Goods/Services	Value (Million Baht)
Samart I-Mobile Plc. Sales of goods	Samart Telecom Plc.	1.70
	Cambodia Air Traffic Service Co., Ltd.	0.47
	One to One Contacts Co., Ltd.	0.07
	PostNet Co., Ltd.	0.12
	Samart Comtech Co., Ltd.	0.89
	Samart Corporation Plc.	0.75
	Samart Communication Services Co., Ltd.	1.50
	Vilailuck International Holding Co., Ltd.	0.02
	Vision and Security System Co., Ltd.	0.07
	IT Absolute Co., Ltd.	61.28
	Samart Engineering Co., Ltd.	0.01
	Samart Infonet Co., Ltd.	0.14
	Vilailuck Development Co., Ltd.	0.02
	Kamport Power Plant Co., Ltd.	0.01
	Thai Trade Net Co., Ltd.	0.02
	Portal Net Co., Ltd.	0.06
	Smarterware Co., Ltd.	0.02
	Samart Ed Tech Co., Ltd.	0.09
Samart Multimedia Co., Ltd. Sales of goods and services	One to One Contacts Co., Ltd.	4.41
	Samart Communication Services Co., Ltd.	0.20
	Samart Corporation Plc.	0.42
	Samart Telecom Plc.	0.42
	Samart Comtech Co., Ltd.	0.05
	Samart Infonet Co., Ltd.	0.02
	Samart Ed Tech Co., Ltd.	0.02
	PostNet Co., Ltd.	0.05
	Samart Engineering Co., Ltd.	0.01
Samart Interactive Media Co., Ltd. Sales of goods and services	Vision and Security System Co., Ltd.	0.01
	Samart Telecom Plc.	0.21
	Samart Communication Services Co., Ltd.	0.97



Company Selling Goods/Services	Company Buying Goods/Services	Value (Million Baht)
	Samart Comtech Co., Ltd.	0.33
	Samart Ed Tech Co., Ltd.	0.02
	Samart Corporation Plc.	0.01
Entertainment Tree Co., Ltd. Sale of Services	Samart Corporation Plc.	0.04
I-Mobile Plus Co., Ltd. 3G Mobile phone services	Samart Corporation Plc.	0.59
	Samart Telecom Plc.	0.26
	Samart Communication Services Co., Ltd.	0.25
	Samart Infonet Co., Ltd.	0.16
	Samart Comtech Co., Ltd.	0.11
	Vision and Security System Co., Ltd.	0.09
	Samart Engineering Co., Ltd.	0.10
	Smarterware Co., Ltd.	0.02
	One to One Contacts Co., Ltd.	0.10
	Samart Reditech Co., Ltd.	0.01
	PostNet Co., Ltd.	0.01
	Thai Trade Net Co., Ltd.	0.01
	Samart U-Trans Co., Ltd.	0.01
Samart Corporation Plc. Information Technology fee	Samart I-Mobile Plc.	16.45
	Samart Multimedia Co., Ltd.	8.64
	I-Mobile International Co., Ltd.	0.32
	Samart Mobile Services Co., Ltd.	0.02
	I-Mobile Plus Co., Ltd.	0.01
One to One Contacts Co., Ltd. Contact center management fee	Samart Multimedia Co., Ltd.	43.85
	I-Mobile Plus Co., Ltd.	9.31
	Samart I-Mobile Plc.	2.03
Samart Infonet Co., Ltd. Internet services	Samart Multimedia Co., Ltd.	3.31
	I-Mobile Plus Co., Ltd.	1.42
	Samart I-Mobile Plc.	0.13
	I-Mobile International Co., Ltd.	0.03
	Samart Interactive Media Co., Ltd.	0.02
Samart Ed Tech Co., Ltd. Sale of Services	Samart Multi Media Co., Ltd.	0.65
Samart Engineering Co., Ltd. Sales of goods	Samart I-Mobile Plc.	0.02
Best Cellar Co., Ltd. Sales of goods	Samart I-Mobile Plc.	1.64
Samart Corporation Plc. Rental and utility service fees	Samart I-Mobile Plc.	20.79
	Samart Multimedia Co., Ltd.	7.77
	Brain Source Co., Ltd.	1.23
Vilailuck International Holding Co., Ltd. Rental and utility service fees	Samart Multimedia Co., Ltd.	4.73
	I-Mobile Plus Co., Ltd.	3.59
	Samart I-Mobile Plc.	1.72
	Samart Interactive Media Co., Ltd.	0.01



Company Selling Goods/Services	Company Buying Goods/Services	Value (Million Baht)
Vilailuck International Holding Co., Ltd. Service fees relating to space rental such as overtime air-conditioner, parking fee, water charge, etc.	Samart I-Mobile Plc.	0.40
	Samart Multimedia Co., Ltd.	0.74
	I-Mobile International Co., Ltd.	0.01
	Brain Source Co., Ltd.	0.01

The goods and services sold above were in accordance with the terms and conditions of goods and services sold as in usual business. The transactions are based on the principle of transaction in the ordinary cause of business or normal commercial term between the Company or subsidiaries and director or executive or related person as approved from the Board of Directors.

Necessity and Rationale for Transactions

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

Measures and Steps of Approval for Connected Transactions

The Company requests the opinion of the Audit Committee about the necessity and appropriateness of the conflict of interest transaction before the transaction occurred. If the Audit Committee members are not experienced in considering the transaction that may arise, the Company asks an independent expert or its auditor to give an opinion on that matter to support the decision making of the Board of Directors or the shareholders. The directors with possible conflicts of interest do not have the right to vote on that transaction.

Policies and Trend in Future Connected Transactions

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



Financial Analysis and Results of Operations

Operation Overview

In 2012, total revenues were Baht 7,042 million, an increase of Baht 40 million or 0.57% compared to 2011. The increase was resulted from the higher average selling price per unit of Mobile Business, in addition to a continually increase in revenue of Multimedia Business.

Operating profit increased Baht 84 million or 91.22% compared to 2011. The operating profit margin also improved from 1.32% to 2.51% in 2012. This was resulted from a considerably decrease in selling and administrative expenses due to more efficiency of business operation management. Net profit was Baht 166 million, an increase of Baht 82 million or 98.19% compared to 2011. Net profit margin also increased from 1.19% in 2011 to 2.35% in 2012.

Results of Operation of Company and Subsidiaries

Sales and service income including gross profit

(Unit: Million Baht)

	Mobile Business		Multimedia Business		Service Provider Business		Total	
	2012	2011	2012	2011	2012	2011	2012	2011
Sales and service income	5,793	5,833	1,047	973	100	115	6,940	6,921
Selling support income	45	24	-	-	-	-	45	24
Cost of sales and service	(4,866)	(4,905)	(688)	(639)	(68)	(50)	(5,622)	(5,594)
Gross profit	972	952	359	334	32	65	1,363	1,351
Selling and Administrative expenses and other expenses							(1,120)	(1,201)
Other income							57	57
Finance cost							(124)	(115)
Corporate income tax							(9)	(6)
Non-controlling interests of the subsidiaries							(1)	(2)
Net income							166	84

Mobile Business

The revenue included selling support income of Mobile Business was Baht 5,838 million, a slightly decrease of Baht 19 million or 0.33% compared to 2011. The decrease was mainly from the slowdown of international sale due to the high competition of mobile phone market. However, there was a continually growth in domestic market especially the higher portion of smart phone sale in Q4/2012. As a result, gross profit improved by 20 million or 2.08%, and gross profit margin improved from 16.25% to 16.64% in 2012.



Multimedia Business

The revenue of Multimedia Business was Baht 1,047 million, an increase of Baht 74 million or 7.62% in 2012 mainly through "BUG1900" entertainment variety business and "EDT guide.com" Eat/Drink/Travel information providing business. Gross profit increased by Baht 25 million or 7.63% to Baht 359 million compared to 2011. Gross profit margin was constantly at 34.3%, during Y2011 and Y2012.

Service Provider Business

The revenue of Service Provider Business was Baht 100 million, a decrease of Baht 15 million or 13.25% compared to 2011. This was mainly resulted from the lower of average revenue per user (APRU). Gross profit was Baht 32 million, decreased by Baht 34 million or 51.31% compared to 2011. Gross profit margin also decreased from 56.73% to 31.84% in Y2012.

Other Income

Other income was Baht 57 million, representing 0.81% of total revenues in Y2012. By comparing with Y2011, there was a decrease in other service income of an overseas subsidiary, while the gain on foreign exchange rate increased. Consequently, the other income unchanged when compared to Y2011.

Selling and Administration Expenses including Other Expenses

Selling and administration expenses including other expenses were Baht 1,120 million, a decrease of Baht 81 million or 6.74% compared to 2011. This was mainly due to a decrease in PR& advertising expenses and other operating expenses, which resulted from an improvement of business operations' efficiency.

Finance Cost

Finance cost was Baht 124 million, an increase of Baht 8 million or 7.36% compared to Y2011, due to higher financial costs in Y2012.

Corporate Income Tax

Corporate income tax was Baht 9 million, an increase of Baht 3 million or 39.35% compared to 2011.





Non-Current Assets

As at December 31, 2012, non-current assets were Baht 892 million, increased Baht 57 million or 6.77% from the end of 2011. The increase was mainly attributed to the transferring of advance for purchase of equipment to equipment in 2012.

Liquidity

As at December 31, 2012, cash and cash equivalents were Baht 306 million, a decrease of Baht 26 million or 7.92% compared to the end of 2011. Sources and uses of fund are detailed as follows:

- Net cash flows from operating activities of Baht 763 million was mainly attributed to the decrease of trade receivables, the increase of trade payable and profit from operating result.
- Net cash used in investing activities of Baht 194 million was mainly attributed to the purchase of equipment to support existing business and new business expansions.
- Net cash used in financing activities of Baht 614 million was mainly attributed to the repayment of loans from banks as well as dividend payment.

The liquidity ratio and quick ratio increased from 1.49 times to 1.59 times and 1.15 times to 1.26 times in 2011 and 2012 respectively. In addition, the cash ratio also improved from 0.09 times in 2011 to 0.25 times in 2012.

Sources of Funds

As at December 31, 2012, total shareholders' equity was Baht 2,546 million, an increase of Baht 143 million or 5.95% compared to the end of 2011. Accordingly, net profit in Y2012 was Baht 166 million, with Baht 43 million dividend payment during the year.

Total liabilities as of December 31, 2012 were Baht 2,896 million, decreased Baht 400 million or 12.14% compared to the end of 2011. Total liabilities consist of current liabilities of Baht 2,860 million, and non-current liabilities of Baht 36 million, representing 52.55% and 0.66% of total assets respectively. Major liabilities are detailed as follows:

- Bank overdrafts and loans from financial institutions were Baht 1,813 million, representing 62.61% of total liabilities or 33.32% of total assets, a decrease of Baht 573 million or 24.02% from the end of 2011.
- Trade payables and other payables were Baht 991 million, representing 34.21% of total liabilities or 18.20% of total assets, increased Baht 156 million or 18.67% from the end of 2011.

As the above liabilities and shareholders' equity, the company's debt to equity ratio decreased from 1.37 times in 2011 to 1.14 times in 2012.



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

To 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 said financial statements were made in accordance with Thai Financial Reporting Standards. Appropriate accounting policies were used and practiced regularly. Careful consideration and best estimates were made with sufficient disclosure of information in the notes to the financial statements. This was to ensure transparency and benefits to the shareholders and investors.

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

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

The financial statements of Samart I-Mobile Public Company Limited and its consolidated financial statements were audited by Ernst & Young 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 opinions that the overall internal control system of the Company is at a satisfactory level and can create reasonable confidence that the financial statements of Samart I-Mobile Public Company Limited and its subsidiaries and of Samart I-Mobile Public Company Limited as of December 31, 2012 is creditable presentation in accordance with Thai Financial Reporting Standards and compliance with related laws and regulations.



Professor Suphachai Phisitvanich
Chairman



Mr. Watchai Vilailuck
Executive Chairman



Report of the Audit Committee

To Shareholders

The Audit Committee of Samart I-Mobile Public Company Limited comprises of three independent committee members who have full qualifications complying with the SEC's notification named Dr. Chotivid Chayavadhanangkur, Chairman of the Audit Committee, Professor Suphachai Phisitvanich and Mr. Mr. Kunthit Arunyananda, committee members.

In 2012, the Audit Committee held 5 meetings jointly with the executives, auditors and internal auditors to consider and then propose to the Board of Directors for consideration as follows:

1. Reviewed the quarterly and yearly financial statements in consultation with management and external auditors.
The Audit Committee considered and acknowledged the external auditor's management letter and audit plan as well as held one exclusive meeting with the external auditor, without the executives, to freely discuss important issues and significant information to prepare the financial statements. The Audit Committee was of the opinion that the financial reporting present fairly and adequate disclosure in conformity with Thai Financial Reporting Standards.
2. Reviewed and monitored the risk management of the Company and its subsidiaries operated by the Risk Management Committee. The Audit Committee was of the opinion that the Company has an effective and efficient risk management measures by identifying, evaluating, managing and monitoring the risk management measures in a quarterly meeting as well as review them any time the Company encounters new risk factors effected to the Company's business.
3. Considered and approved the annual audit plan as well as reviewed the evaluation of the Company's internal control system from reports of the internal audit department which performed to comply with the annual audit plan, and also provided comments to the internal audit department to perform the duties with efficiency and effectiveness. The Audit Committee was of the opinion that the Company has good internal control system, appropriate maintains the property, correctly and reliable discloses the information, and has sufficient and effective monitoring and control systems of the Company's and its subsidiaries' operations.
4. Reviewed the compliance with the Securities and Exchange Act, regulations of the SET and laws related to the Company's businesses. The Audit Committee was of the opinion that no significant issue is against the laws, regulation and the Company's commitment.
5. Considered and expressed the opinion that the connected transactions or transactions with possible conflict of interests as specified by the laws and the regulations of the SET were reasonable and beneficial to the Company and shareholders on an arm's length basis and under normal commercial terms.
6. Prepared the Audit Committee activities report that will be disclosed in the annual report.
7. Proposed the appointment of external auditor and annual audit fee for 2012. This process entailed assessment of the current external auditor for its independence, performance from the year 2011, knowledge, competency, experience, and the competitiveness of the audit fee. After careful consideration, the Audit Committee concluded that Ernst & Young Office Limited acted independently, demonstrated a high degree of expert knowledge and professional experience required for the purposes of conduction the Company's external audit, performed with



satisfactory result and with a competitive audit fee. The Audit Committee therefore proposed the board of directors and shareholders meeting to appoint Ernst & Young Office Limited as the official certified public accountant of the Company and its subsidiaries for 2012.

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

The Audit Committee performed its duties and responsibilities with knowledge, ability, carefulness and sufficient independence. The Audit committee had full access to all pertinent information from management, employees and associated parties. Furthermore, the Audit Committee gave comments and recommendations which were beneficial to all stakeholders equitable. From the above duties, the Audit Committee was of the opinion that the Company's financial reports were made in accordance with Thai Financial Reporting standards with sufficient disclosure. The Company has complied with the Securities and Exchange Act, regulations of the SET and the SEC as well as other laws related to the Company's business. The Company has good corporate governance system with adequate internal control and risk management systems.



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



Report of Independent Auditor

To the Shareholders of Samart I-Mobile Public Company Limited

I have audited the accompanying consolidated financial statements of Samart I-Mobile Public Company Limited and its subsidiaries, which comprise the consolidated statement of financial position as at 31 December 2012, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statements of Samart I-Mobile Public Company Limited for the same period.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Samart I-Mobile Public Company Limited and its subsidiaries and of Samart I-Mobile Public Company Limited as at 31 December 2012, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

Emphasis of matter

I draw attention to Note 6 to the financial statements regarding the related party transactions. During the year, Samart I-Mobile Public Company Limited and its subsidiaries had significant business transactions with related parties,



principally in respect of the purchase and sales of goods, and the provision of services and loans. Such transactions have been concluded on terms and based agreed upon between Samart I-Mobile Public Company Limited and those related parties. My opinion is not qualified in respect of this matter.

Other matter

The financial statements of Samart I-Mobile Public Company Limited and its subsidiaries for the year ended 31 December 2011 were audited by another auditor of our office who expressed an unqualified opinion on those financial statements but drew attention on the adoption of revised and new accounting standards and change in accounting policy related to the recording of forward exchange contracts; and the related party transactions, under her report dated 23 February 2012.



Kamontip Lertwitworatep

Certified Public Accountant (Thailand) No. 4377

Ernst & Young Office Limited

Bangkok: 22 February 2013



Financial Statements

Samart I-Mobile Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2012

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
Assets					
Current assets					
Cash and cash equivalents	7	306,095,953	332,408,861	140,215,943	128,887,248
Temporary investments	8	8,750,100	992,400	8,750,100	992,400
Trade and other receivables	9	3,325,941,910	3,438,618,811	3,457,279,128	3,585,642,200
Short-term loans	10	64,842	15,219,343	537,738,652	554,727,298
Inventories	11	681,656,026	721,771,374	685,317,923	611,722,742
Other current assets	12	227,392,872	354,675,849	73,174,425	40,671,880
Total current assets		4,549,901,703	4,863,686,638	4,902,476,171	4,922,643,768
Non-current assets					
Restricted bank deposits	7, 13	104,670,511	104,960,978	103,042,524	103,364,839
Investments in subsidiaries	14	-	-	489,440,791	489,440,791
Other long-term investments	15	78,959,138	88,456,496	-	-
Equipment	16	601,971,960	546,908,100	245,455,211	236,581,175
Intangible assets	17	71,005,754	52,502,105	-	-
Other non-current assets		35,756,313	42,966,854	28,343,139	35,213,690
Total non-current assets		892,363,676	835,794,533	866,281,665	864,600,495
Total assets		5,442,265,379	5,699,481,171	5,768,757,836	5,787,244,263

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 2012

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
Note					
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans from financial institutions	18	1,796,390,239	2,367,135,037	1,770,495,730	2,138,787,389
Trade and other payables	19	990,661,490	834,812,334	1,633,164,131	1,361,915,256
Short-term loans	20	495,000	495,000	240,000,000	316,650,000
Current portion of long-term loan	21	1,086,936	1,003,399	1,086,936	1,003,399
Current portion of liabilities under finance lease agreements	22	1,686,877	1,669,576	1,217,665	789,563
Income tax payable		1,563,658	158,993	-	-
Other current liabilities	23	68,171,809	56,690,258	31,601,674	41,608,473
Total current liabilities		2,860,056,009	3,261,964,597	3,677,566,136	3,860,754,080
Non-current liabilities					
Long-term loan, net of current portion	21	7,669,372	8,767,831	7,669,372	8,767,831
Liabilities under finance lease agreements, net of current portion	22	6,356,397	7,894,758	5,458,918	5,359,995
Provision for long-term employee benefits	24	19,891,947	16,617,791	14,179,261	11,874,076
Other non-current liabilities		2,007,301	841,411	2,007,301	841,411
Total non-current liabilities		35,925,017	34,121,791	29,314,852	26,843,313
Total liabilities		2,895,981,026	3,296,086,388	3,706,880,988	3,887,597,393

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 2012

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2012	2011	2012	2011
Liabilities and shareholders' equity (continued)					
Shareholders' equity					
Share capital					
Registered					
4,440,000,000 ordinary shares of Baht 0.1 each		444,000,000	444,000,000	444,000,000	444,000,000
Issued and fully paid-up					
4,303,935,000 ordinary shares of Baht 0.1 each					
(2011: 4,301,300,000 ordinary shares of Baht 0.1 each)		430,393,500	430,130,000	430,393,500	430,130,000
Share premium		1,076,348,034	1,072,132,034	1,076,348,034	1,072,132,034
Retained earnings					
Appropriated – statutory reserve	26	44,400,000	44,400,000	44,400,000	44,400,000
Unappropriated		952,270,235	830,286,936	510,735,314	352,984,836
Other components of shareholders' equity		7,267,944	(5,914,588)	-	-
Equity attributable to owners of the Company		2,510,679,713	2,371,034,382	2,061,876,848	1,899,646,870
Non-controlling interests of the subsidiaries		35,604,640	32,360,401	-	-
Total shareholders' equity		2,546,284,353	2,403,394,783	2,061,876,848	1,899,646,870
Total liabilities and shareholders' equity		5,442,265,379	5,699,481,171	5,768,757,836	5,787,244,263

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 2012

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
Revenues					
Sales		5,752,498,421	5,789,463,568	5,606,633,224	4,858,372,800
Service income		1,187,457,343	1,131,192,884	36,778,943	55,672,263
Other income	27	101,728,632	81,761,089	608,110,510	352,767,667
Total revenues		7,041,684,396	7,002,417,541	6,251,522,677	5,266,812,730
Expenses	28				
Cost of sales		4,805,885,135	4,861,153,627	5,103,779,100	4,338,645,755
Cost of services		816,433,938	733,142,654	31,617,096	34,452,157
Selling expenses		728,310,410	826,809,112	550,575,151	427,385,671
Administrative expenses		337,497,821	354,638,981	245,916,169	264,823,324
Other expenses	29	54,551,512	19,830,261	1,030,621	14,977,066
Total expenses		6,742,678,816	6,795,574,635	5,932,918,137	5,080,283,973
Profit before finance cost and income tax expenses		299,005,580	206,842,906	318,604,540	186,528,757
Finance cost	30	(123,560,176)	(115,093,580)	(114,551,340)	(103,864,059)
Profit before income tax expenses		175,445,404	91,749,326	204,053,200	82,664,698
Income tax expenses		(8,920,396)	(6,401,442)	(2,655,814)	-
Profit for the year		166,525,008	85,347,884	201,397,386	82,664,698
Profit attributable to:					
Equity holders of the Company		165,819,045	83,665,701	201,397,386	82,664,698
Non-controlling interests of the subsidiaries		705,963	1,682,183		
		166,525,008	85,347,884		
Earnings per share	31				
Basic earnings per share					
Profit attributable to equity holders of the Company		0.039	0.019	0.047	0.019
Diluted earnings per share					
Profit attributable to equity holders of the Company		0.038	0.019	0.047	0.019

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 2012

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
Profit for the year		166,525,008	85,347,884	201,397,386	82,664,698
Other comprehensive income (loss):					
Actuarial losses		(822,746)	-	(633,908)	-
Exchange differences on translation of financial statements in foreign currencies		18,314,841	(3,062,090)	-	-
Gain (loss) on changes in value of available-for-sale investments		(5,132,309)	4,644,227	-	-
Other comprehensive income (loss) for the year		12,359,786	1,582,137	(633,908)	-
Total comprehensive income for the year		178,884,794	86,930,021	200,763,478	82,664,698
Total comprehensive income attributable to:					
Equity holders of the Company		178,178,831	85,247,838	200,763,478	82,664,698
Non-controlling interests of the subsidiaries		705,963	1,682,183		
		178,884,794	86,930,021		

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 2012

(Unit: Baht)

Consolidated financial statements													
Equity attributable to owners of the Company										Equity attributable to non-controlling interests of the subsidiaries			
Issued and fully paid-up share capital	Share premium	Retained earnings		Other components of shareholders' equity						Total equity attributable to owners of the Company			
				Appropriated - statutory reserve	Unappropriated	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	Other comprehensive income						
							Exchange differences on translation of financial statements in foreign currencies	Surplus on changes in value of available-for-sale investments					
430,130,000	1,072,132,034	44,400,000	832,647,235	(8,178,147)	-	681,422	(7,496,725)	2,371,812,544	30,678,218	2,402,490,762			
-	-	-	83,665,701	-	-	-	-	83,665,701	1,682,183	85,347,884			
-	-	-	-	(3,062,090)	4,644,227	-	1,582,137	1,582,137	-	1,582,137			
-	-	-	83,665,701	(3,062,090)	4,644,227	-	1,582,137	85,247,838	1,682,183	86,930,021			
-	-	-	(86,026,000)	-	-	-	-	(86,026,000)	-	(86,026,000)			
430,130,000	1,072,132,034	44,400,000	830,286,936	(11,240,237)	4,644,227	681,422	(5,914,588)	2,371,034,382	32,360,401	2,403,394,783			

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 2012

(Unit: Baht)

	Consolidated financial statements									
	Equity attributable to owners of the Company							Equity attributable to non-controlling interests of the subsidiaries		
	Issued and fully paid-up share capital	Share premium	Retained earnings		Other comprehensive income			Lower of investment in subsidiary companies arising as a result of acquisition	Total other components of shareholders' equity	Total equity attributable to owners of the Company
			Appropriated - statutory reserve	Unappropriated	Exchange differences on translation of financial statements in foreign currencies	Surplus (deficit) on changes in value of available-for-sale investments	in value of available-for-sale investments	price lower than net book value at the acquisition date		
Balance as at 31 December 2011	430,130,000	1,072,132,034	44,400,000	830,286,936	(11,240,237)	4,644,227	681,422	(5,914,588)	2,371,034,382	2,403,394,783
Profit for the year	-	-	-	165,819,045	-	-	-	-	165,819,045	166,525,008
Other comprehensive income (loss) for the year	-	-	-	(822,746)	18,314,841	(5,132,309)	-	-	12,359,786	12,359,786
Total comprehensive income for the year	-	-	-	164,996,299	18,314,841	(5,132,309)	-	-	178,178,831	178,884,794
Issue of shares due to warrants exercised (Note 25)	263,500	4,216,000	-	-	-	-	-	-	4,479,500	4,479,500
Dividend paid (Note 32)	-	-	-	(43,013,000)	-	-	-	-	(43,013,000)	(43,013,000)
Increase in non-controlling interests of the subsidiaries from establishment of a new subsidiary	-	-	-	-	-	-	-	-	-	-
Decrease in non-controlling interests of the subsidiaries from dividend payment of subsidiary	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	2,750,500	2,750,500
Balance as at 31 December 2012	430,393,500	1,076,348,034	44,400,000	952,270,235	7,074,604	(488,082)	681,422	(212,224)	2,510,679,713	2,546,284,353

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 2012

(Unit: Baht)

	Separate financial statements				
	Issued and fully paid-up share capital	Share premium	Retained earnings - Appropriated - statutory reserve	Unappropriated	Total shareholders' equity
Balance as at 31 December 2010	430,130,000	1,072,132,034	44,400,000	356,346,138	1,903,008,172
Total comprehensive income for the year	-	-	-	82,664,698	82,664,698
Dividend paid (Note 32)	-	-	-	(86,026,000)	(86,026,000)
Balance as at 31 December 2011	430,130,000	1,072,132,034	44,400,000	352,984,836	1,899,646,870
Balance as at 31 December 2011	430,130,000	1,072,132,034	44,400,000	352,984,836	1,899,646,870
Profit for the year	-	-	-	201,397,386	201,397,386
Other comprehensive loss for the year	-	-	-	(633,908)	(633,908)
Total comprehensive income for the year	-	-	-	200,763,478	200,763,478
Issue of shares due to warrants exercised (Note 25)	263,500	4,216,000	-	-	4,479,500
Dividend paid (Note 32)	-	-	-	(43,013,000)	(43,013,000)
Balance as at 31 December 2012	430,393,500	1,076,348,034	44,400,000	510,735,314	2,061,876,848

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



Samart I-Mobile Public Company Limited and its subsidiaries

Cash flow statement

For the year ended 31 December 2012

(Unit: Baht)

Note	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Cash flows from operating activities				
Profit before tax	175,445,404	91,749,326	204,053,200	82,664,698
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Unrealised (gain) loss on exchange	(18,829)	575,437	(295,055)	619,173
(Gain) loss on disposal of temporary investments in trading securities	8 (2,876,225)	1,098,366	(2,876,225)	1,098,366
(Gain) loss on change in value of temporary investments in trading securities	8 (1,401,955)	14,880,335	(1,401,955)	13,878,700
(Gain) loss on change in fair value of forward exchange contracts	(1,002,721)	(7,238,424)	(1,002,721)	1,025,545
Increase (decrease) in allowance for doubtful accounts – trade accounts receivable	5,870,376	7,540,099	(19,212,840)	(1,403,250)
Write-off bad debts	28,788,036	4,169,549	19,471,308	-
Increase (decrease) in allowance for diminution in value of other receivables and sales promotion receivables	1,740,101	(7,633,552)	(416,166)	(748,380)
Reduction of inventory to net realisable value (reversal)	7,712,137	(7,482,649)	10,555,341	(16,337,591)
Increase (decrease) in allowance for diminution in value of advance for purchase of inventories	355,987	(224,536)	355,987	(224,536)
Write-off withholding tax deducted at sources	6,981,413	3,762,595	-	-
Dividend income from subsidiary	6, 14 -	-	(179,874,000)	(134,915,996)
Gain on disposal of available-for-sale investment	15 (1,423,049)	-	-	-
Transfer equipment to expense	660,547	1,586,135	26,698	7,200
Gain on disposal of equipment	(2,209,687)	(3,098,539)	(1,173,840)	(1,741,881)
Depreciation	16 189,095,186	196,337,065	83,392,022	94,970,892
Amortisation of prepaid IT service fee to parent company	-	1,194,086	-	875,335
Amortisation of intangible assets	17 22,494,650	21,461,384	-	-
Amortisation of deferred interest under finance lease agreements	585,492	320,672	342,875	268,845
Decrease in allowance for warranty	(572,000)	(5,881,000)	(572,000)	(5,881,000)
Provision for long-term employee benefits	24 2,449,638	2,112,968	1,671,277	233,415
Interest income	27 (4,126,217)	(4,624,042)	(30,665,660)	(22,437,372)
Interest expenses	30 108,969,110	99,071,981	107,608,503	94,577,998
Profit from operating activities before changes in operating assets and liabilities	537,517,394	409,677,256	189,986,749	106,530,161

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



Samart I-Mobile Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the year ended 31 December 2012

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2012	2011	2012	2011
Cash flows from operating activities (continued)					
Operating assets (increase) decrease					
Trade and other receivables		76,684,014	(357,145,231)	124,600,931	(537,471,688)
Inventories		25,144,278	163,891,766	(87,588,855)	134,978,954
Other current assets		78,727,778	(34,215,961)	(22,240,673)	33,148,999
Other non-current assets		7,143,874	2,299,015	6,870,551	2,562,509
Operating liabilities increase (decrease)					
Trade and other payables		158,329,164	228,483,468	274,530,167	101,764,043
Other current liabilities		13,056,272	8,686,760	(8,432,078)	6,610,277
Other non-current liabilities		1,165,890	(368,275)	1,165,890	(368,275)
Cash flows from (used in) operating activities		897,768,664	421,308,798	478,892,682	(152,245,020)
Cash paid for acquisition of temporary investments in trading securities	8	(17,113,577)	(9,445,407)	(17,113,577)	(9,445,407)
Proceeds from sales of temporary investments in trading securities	8	13,634,057	10,799,949	13,634,057	8,347,041
Cash paid for interest expenses		(108,787,388)	(97,676,468)	(107,616,404)	(92,583,512)
Cash received from withholding tax refundable	12.1	29,093,200	9,293,272	-	9,293,272
Cash paid for income tax		(51,872,245)	(38,882,833)	(12,917,686)	(5,347,867)
Net cash flows from (used in) operating activities		762,722,711	295,397,311	354,879,072	(241,981,493)
Cash flows from investing activities					
Cash paid to provide short-term loans to related parties	6	-	-	(188,500,000)	(299,850,000)
Cash received from repayment of short-term loans to related parties	6	-	-	204,580,000	287,170,000
Cash paid to provide short-term loans to unrelated party		-	(5,000,000)	-	-
Cash received from repayment of short-term loans to unrelated parties	10	14,000,000	-	-	-
Cash received for interest income		4,151,585	4,608,501	32,817,731	19,923,684
Cash paid to provide short-term loans to employees		(798,910)	(1,219,343)	(438,820)	(947,298)
Cash received from repayment of short-term loans to employees		1,953,411	-	1,347,466	-
Decrease in fixed deposit		-	100,742,500	-	100,742,500
Decrease (increase) in restricted bank deposits		290,467	(450,141)	322,315	(427,551)
Dividend income from subsidiaries	6, 14	-	-	179,874,000	134,915,996
Cash paid for investment in subsidiaries		-	-	-	(72,499,965)
Proceeds from sales of other long-term investment	15	5,788,098	-	-	-
Cash paid for acquisition of equipment		(188,359,016)	(87,010,772)	(90,244,019)	(17,297,958)
Proceeds from disposal of equipment		7,608,773	4,738,573	2,483,309	60,320,104
Cash paid for acquisition of intangible assets		(41,080,555)	(56,926,750)	-	-
Cash received from non-controlling interests of the subsidiaries from establishment of a new subsidiary		2,750,500	-	-	-
Net cash flows from (used in) investing activities		(193,695,647)	(40,517,432)	142,241,982	212,049,512

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



Samart I-Mobile Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the year ended 31 December 2012

(Unit: Baht)

Note	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Cash flows from financing activities				
Increase (decrease) in bank overdrafts	3,110,419	24,633,868	(3,269,609)	15,164,509
Proceeds from short-term loans from banks	6,676,448,418	5,343,879,748	4,373,600,000	4,637,000,000
Cash paid to settle short-term loans from banks	(7,562,490,213)	(5,185,415,851)	(5,105,600,000)	(4,520,215,691)
Increase (decrease) in trust receipts	312,186,578	(152,630,480)	366,977,950	(128,528,542)
Proceeds from short-term loans from related parties	6	-	655,000,000	481,000,000
Repayment of short-term loans from related parties	6	-	(731,650,000)	(271,000,000)
Cash paid to settle long-term loan from bank	21	(1,014,922)	(1,014,922)	(980,166)
Cash paid to settle liabilities under finance lease agreements		(3,592,980)	(5,863,353)	(1,302,278)
Cash received for share issued due to warrant exercised		4,479,500	-	(5,988,127)
Dividend paid	32	(43,013,000)	(43,013,000)	-
Decrease in non-controlling interests of the subsidiaries from dividend payment of subsidiary		(212,224)	-	(86,026,000)
Net cash flows from (used in) financing activities		(614,098,424)	(62,402,234)	(485,792,359)
Translation adjustments		18,758,452	(7,356,391)	120,425,983
Net increase (decrease) in cash and cash equivalents		(26,312,908)	185,121,254	11,328,695
Cash and cash equivalents at beginning of year		332,408,861	147,287,607	128,887,248
Cash and cash equivalents at end of year		306,095,953	332,408,861	140,215,943
Supplemental disclosures of cash flows information				
Non-cash items for investing activities				
Transfer inventories to equipment		7,631,523	309,782	3,438,333
Increase (decrease) in accounts payable for purchase of equipment		(1,521,060)	3,631,912	(1,566,555)
Transfer advance for purchase of equipment to equipment		56,259,137	-	-
Transfer temporary investment to other long-term investment		-	83,812,075	-
Non-cash items for financing activities				
Increase in liabilities under finance lease agreements		1,486,428	9,019,699	1,486,428
				6,456,485

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



Samart I-Mobile Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2012

1. General information

Samart I-Mobile Public Company Limited ("the Company") is a public company incorporated and domiciled in Thailand. Its parent company is Samart Corporation Public Company Limited, which was incorporated in Thailand. The Company is principally engaged in the distribution of communications and electronic equipment. The registered office of the Company is at 99/3 Moo 4 Software Park Building, 33rd Floor, Chaengwattana Road, Klong Gluar, Pak-kred, Nonthaburi.

2. Basis of preparation

2.1 The financial statements have been prepared in accordance with accounting 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	
			2012 Percent	2011 Percent
Samart Mobile Services Co., Ltd.	Distribution of information technology devices	Thailand	97.4	97.4
Samart Multimedia Co., Ltd.	Provision of audiotext services	Thailand	100	100
I-Mobile International Co., Ltd.	General management business including business planning and business coordination	Thailand	100	100
Brain Source Co., Ltd.	Research and development of mobile phone applications	Thailand	100	100
I-Mobile Plus Co., Ltd.	Provision of wireless telecommunications services	Thailand	100	100



Indirect subsidiaries held by the Company's subsidiaries

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2012 Percent	2011 Percent
Investments through Samart Multimedia Co., Ltd.				
Take A Look Co., Ltd.	Provision of advertising and billboard advertisement services, and preparation	Thailand	67	67
Samart Interactive Media Co., Ltd.	Distribution of goods and provision of services related to horoscopes and astrology	Thailand	100	100
I-Sport Co., Ltd.	Provision of information of sports via full option interactive multimedia	Thailand	50	50
Entertainment Tree Co., Ltd. (The Company has control and sets policies for operation and financial management over this company)	Production, sale and provision of all kinds of entertainment-related content through multiple channels	Thailand	45	-
Investments through I-Mobile International Co., Ltd.				
Samart I-Mobile (Malaysia) Sdn. Bhd.	Distributor of mobile phones and provider of entertainment content	Malaysia	100	100
I-Mobile (Cambodia) Co., Ltd.	Ceased business in 2006, currently is in process of liquidation	Cambodia	-	-
Pt. Samart I-Mobile Indonesia	Distributor of mobile phones and accessories	Indonesia	100	100
Samart I-Mobile (Hong Kong) Limited	Distributor of mobile phones and accessories	Hong Kong	100	100
I-Mobile Inter trade Co., Ltd.	Export I-Mobile products	Thailand	100	100
Investment through Samart I-Mobile (Malaysia) Sdn. Bhd.				
Pemata Benar Sdn. Bhd.	Not yet operational	Malaysia	100	100

- b) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- c) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- d) The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of "Exchange differences on translation of financial statements in foreign currencies" in the statement of changes in shareholders' equity.
- e) Material balances and transactions between the Company and its subsidiary companies have been eliminated from the consolidated financial statements.
- f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.
- g) In recording the acquisition of additional shares of subsidiaries (repurchase of shares from minority shareholders) when the fair value of the net assets acquired is lower than the cost of the investment the difference has been presented in shareholders' equity under the caption of

"Surplus on investment in subsidiary companies arising as a result of acquisition of additional shares at a price higher than net book value at the acquisition date". When the fair value of the net assets acquired is higher than the cost of the investment the difference has been presented in shareholders' equity under the caption of "Lower of investment in subsidiary companies arising as a result of acquisition of additional shares at a price lower than net book value at the acquisition date".

- 2.3 The separate financial statements, which present investments in subsidiaries under the cost method, have been prepared solely for the benefit of the public.

3. New accounting standards not yet effective

- a) The Federation of Accounting Professions issued the following new/revised accounting standards that are effective for fiscal years beginning on or after 1 January 2013.

Accounting standards:

TAS 12	Income Taxes
TAS 20 (revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates

Financial Reporting Standard:

TFRS 8	Operating Segments
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Accounting Standard Interpretations:

SIC 10	Government Assistance – No Specific Relation to Operating Activities
SIC 21	Income Taxes – Recovery of Revalued Non-Depreciable Assets
SIC 25	Income Taxes – Changes in the Tax Status of an Entity or its Shareholders

The Company's management believes that these accounting standards will not have any significant impact on the financial statements for the year when they are initially applied, except for the following accounting standard:

TAS 12 Income Taxes

This accounting standard requires an entity to identify temporary differences, which are differences between the carrying amount of an asset or liability in the accounting records and its tax base, and to recognise deferred tax assets and liabilities under the stipulated guidelines. The management of the Company expects the adoption of this accounting standard to have the effect of increasing the Company and its subsidiaries' brought-forward retained earnings and other components of shareholders' equity of the year 2013 by approximately Baht 45 million in total (Separate financial statement: approximately Bath 24 million).

- b) In addition, the Federation of Accounting Professions has issued Notification No. 30/2555 – 34/2555, published in the Royal Gazette on 17 January 2013, mandating the use of accounting treatment guidance and accounting standard interpretations as follows:

	<u>Effective date</u>
Accounting Treatment Guidance for Transfers of Financial Assets	1 January 2013
Accounting Standard Interpretation:	
SIC 29 Service Concession Arrangements: Disclosures	1 January 2014



Financial Reporting Standard Interpretations:

TFRIC 4	Determining whether an Arrangement contains a Lease	1 January 2014
TFRIC 12	Service Concession Arrangements	1 January 2014
TFRIC 13	Customer Loyalty Programmes	1 January 2014

The management of the Company has assessed the effect of these standards and believes that Accounting Treatment Guidance for Transfers of Financial Assets, SIC 29, TFRIC 4 and TFRIC 12 are not relevant to the business of the Company and its subsidiaries. Management is still evaluating the first-year impact to the financial statements of the adoption of TFRIC 13 and has yet to reach a conclusion.

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 related to domestic calls, international calls and roaming service calls is recognised when the telephone services have been rendered.

Revenue from sales of telephone sets and starter kits

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

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

Selling support income

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

Entrance fee on franchise agreement

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



Royalty and technical assistance fee

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

Interest income

Interest income is recognised on an accrual basis based on the effective interest rate.

Dividends

Dividends are recognised when the right to receive the dividends is established.

4.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

4.3 Trade accounts receivable

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experiences and analysis of debt aging.

4.4 Inventories

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

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

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

4.5 Investments

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

The fair value of marketable securities is based on the latest bid price of the last working day of the year as quoted on the Stock Exchange of Thailand. If the last bid price of the last working day of the year as quoted on the Stock Exchange of Thailand is not available, the basis used by the Company to determine the fair value of marketable securities is the amount for which an asset can be exchanged or liability settled between knowledgeable, willing parties in an arm's length transaction.

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

In the event the Company reclassifies investments from one type to another, such investments will be readjusted to their fair value as at the reclassification date. The difference between the carrying amount of the investments and the fair value on the date of reclassification are recorded in profit or loss or recorded as other components of shareholders' equity, depending 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
Furniture, fixture and office equipment	-	5 years
Motor vehicles	-	5 years
Equipment for rent	-	5 years

Depreciation is included in determining income.

No depreciation is provided on assets under installation.

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

4.7 Intangible assets

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

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

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

	<u>Useful lives</u>
Right under the advertising agreement	- 2 and 3 years but not exceeding the number of hours granted with such right in each month
Computer software	- 5 years
Right under the distribution agreement	- 2 years
Right under license agreement for audio-visual of football match	- 3 years

4.8 Related party transactions

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

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



4.9 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 is 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.

4.10 Foreign currencies

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.

4.11 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. 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 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.

4.12 Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

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



Defined benefit plans

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

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

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

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

For the first-time adoption of TAS 19 Employee Benefits in 2011, the Company elected to recognise the transitional liability, which exceeds the liability that would have been recognised at the same date under the previous accounting policy, retrospectively as though the Company initially recorded these employee benefit expenses.

4.13 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.

4.14 Income Tax

Income tax of the Company and subsidiaries in Thailand 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.

Overseas subsidiaries calculate income tax in accordance with tax rate regulated in tax law of those countries.

4.15 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.

Currency option agreements

Currency option agreements are contracts between two parties whereby the seller grants the buyer a future option to buy (call option) or to sell (put option) foreign currency at an exchange rate stipulated in the agreement. The Company enters into such agreements in order to manage foreign exchange risk.

The notional amounts of cross currency option agreements utilised by the Company to manage foreign exchange risk are not recognised as assets or liabilities upon inception of the agreement, but fees paid by the Company in respect of such agreements (if any) are amortised on a straight line basis over the term of the agreement.



5. Significant accounting judgements and estimates

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

Leases

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

Allowance for doubtful accounts

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

Reducing cost to net realisable value of inventories

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

Allowance for diminution in value of withholding tax deducted at sources

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

Impairment of equity investments

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

Condominium and equipment/Depreciation

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

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



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 the following rates:

	Interest rate
I-Mobile International Co., Ltd.	Cost of fund plus 0.25 percent per annum
I-Mobile Plus Co., Ltd.	Cost of fund plus 0.25 percent per annum

5. Interest on loans from subsidiary companies are charged at the following rates:

	Interest rate
Samart Multimedia Co., Ltd.	Fixed deposit rate (3 months) plus 0.25 percent per annum and average saving deposit rate of the big five commercial banks plus 0.25 percent per annum (2011: Fixed deposit rate (3 months) plus 0.25 percent per annum)
Samart Mobile Services Co., Ltd.	Cost of fund plus 0.25 percent per annum (2011: Cost of fund plus 0.25 percent per annum and Fixed deposit rate (3 months) plus 0.25 percent per annum)
I-Mobile Inter trade Co., Ltd.	Cost of fund plus 0.25 percent per annum (2011: No loans during the year)
I-Mobile Plus Co., Ltd.	No loans during the year (2011: Fixed deposit rate (3 months) 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 5 percent.
7. Fixed assets are sold and purchased at their net book value plus a margin, depending on the condition of fixed assets.
8. Royalty and technical assistance fees are charged at a rate of 0.5 percent and 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 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 are summarised below.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Transactions with parent company				
Sales of goods	1	-	1	-
Service income	1	-	-	-
IT service fee expense	25	35	16	24
Management fee expense	12	12	12	12
Rental and other expenses	30	31	21	24
Transactions with subsidiary companies (eliminated from the consolidated financial statements)				
Sales of goods	-	-	17	67
Purchase of goods	-	-	3,817	3,410
Management fee income	-	-	79	73
Interest income	-	-	28	20
Interest expenses	-	-	7	5
Selling support income	-	-	-	111
Advertising income	-	-	214	175
Other income	-	-	82	64
Other expenses	-	-	5	7
Product design expense	-	-	60	-
Management consultation fee	-	-	20	-
Guarantee fee income	-	-	3	3
Dividend income (Note 14)	-	-	180	135
Transactions with related companies				
Sales of goods	69	5	67	2
Service income	6	3	-	-
Purchase of services	55	55	-	-
Acquisition of fixed assets	1	-	-	-
Other expenses	19	22	6	9



As at 31 December 2012 and 2011, the balances of the accounts between the Company and those related parties were as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Trade accounts receivable – related parties (Note 9)				
Parent company	375	413	–	19
Subsidiary companies	–	–	6,037	29,496
Related companies (related by shareholder)	4,124	4,531	2,421	231
Total trade accounts receivable – related parties	4,499	4,944	8,458	29,746
Amounts due from and advance to related parties (Note 9)				
Subsidiary companies	–	–	394,672	649,770
Related companies (related by shareholder)	40	5,350	40	5,350
Total amounts due from and advance to related parties	40	5,350	394,712	655,120
Trade accounts payable – related parties (Note 19)				
Parent company	41	–	41	–
Subsidiary companies	–	–	1,045,718	952,046
Related companies (related by shareholder)	557	636	22	261
Total trade accounts payable – related parties	598	636	1,045,781	952,307
Amounts due to and advance from related parties (Note 19)				
Parent company	1,583	2,112	542	949
Subsidiary companies	–	–	394,800	230,195
Related companies (related by shareholder)	1,875	4,490	461	2,305
Total amounts due to and advance from related parties	3,458	6,602	395,803	233,449

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

As at 31 December 2012 and 2011, the balance 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 2011	Increase during the year	Decrease during the year	Balance as at 31 December 2012
Short-term loans to related parties	Related by				
I-Mobile International Co., Ltd.	Subsidiary	457,780	88,500	(204,580)	341,700
I-Mobile Plus Co., Ltd.	Subsidiary	96,000	100,000	–	196,000
Total		553,780	188,500	(204,580)	537,700
Short-term loans to related parties	Related by				
Samart Multimedia Co., Ltd.	Subsidiary	261,650	470,000	(611,650)	120,000
Samart Mobile Services Co., Ltd.	Subsidiary	55,000	165,000	(100,000)	120,000
I-Mobile Inter trade Co., Ltd.	Subsidiary	–	20,000	(20,000)	–
Total		316,650	655,000	(731,650)	240,000

Directors and management's benefits

During the years ended 31 December 2012 and 2011, 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	
	2012	2011	2012	2011
Short-term employee benefits	21.0	23.5	20.5	23.0
Post-employment benefits	0.1	0.1	0.1	0.1
Total	21.1	23.6	20.6	23.1

Agreements with related parties

Long-term rental agreement

The Company and its subsidiary companies entered into a three-year sub-office space rental agreement with Samart Corporation Public Co., Ltd., its parent company, for use in their operations. The Company and its subsidiary companies have to pay monthly rental fees approximately Baht 0.6 million (Separate financial statements: Baht 0.5 million per month).

The commitment under the operating lease agreements with the related party was disclosed in Note 36.1 to the financial statements.

Service and management agreement

- a) In January 2012, the Company entered into a one-year management agreement with Samart Corporation Public Co., Ltd., the parent company, under which the Company has to pay a monthly service fee of Baht 1 million.
- b) 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 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 of approximately Baht 0.5 million.
- c) In May 2011, the Company and four subsidiary companies (Samart Multimedia Co., Ltd., I-Mobile International Co., Ltd., Samart Mobile Services Co., Ltd. and I-Mobile Plus Co., Ltd.) entered into five-year information technology management agreements with Samart Corporation Public Co., Ltd., the parent company. The Company and its subsidiary companies have to pay a monthly service fees totally approximately Baht 2.1 million (Separate financial statements: Baht 1.4 million per month).
- d) In June 2011, 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 36.2.2 to the financial statements.



Transfer of 3G mobile phone network services to subsidiary company

On 12 May 2010, a meeting of the Board of Directors of the Company passed a resolution approving the transfer of the Company's contract to provide 3G mobile phone network under TOT Public Company Limited's 3G mobile phone network services project, named i-mobile 3GX, to I-Mobile Plus Co., Ltd., a subsidiary company. The transfer allowed the project to be managed as a separate business. On 25 August 2010, the subsidiary company received a license to operate a type one telecommunication business.

On 1 February 2011, the Company entered into an agreement transferring rights and obligations under a memorandum of understanding relating to the project for a 3G mobile phone network with I-Mobile Plus Co., Ltd. whereby the subsidiary company agreed to assume all rights and obligations under the memorandum of understanding between TOT Public Company Limited and the Company dated 27 November 2009, and the amendment to the memorandum of understanding dated 1 December 2010, commencing from 16 February 2011. The subsidiary company agreed to pay the Company net value of approximately Baht 74.3 million for the transfer of the rights and obligations, which was the net book value at the transfer date of this project's assets and liabilities which were invested by the Company.

In addition, the Company and I-Mobile Plus Co., Ltd. entered into an agreement transferring rights and obligations under a memorandum of understanding relating to the project for a 3G mobile phone network with TOT Public Company Limited, whereby the Company agreed to transfer all right and obligations under the memorandum to its subsidiary company and the subsidiary company agreed to assume the rights, duties, obligations and responsibilities of the Company with TOT Public Company Limited under the memorandum. In addition, the subsidiary company committed to comply with all conditions of the memorandum in place of the Company, commencing from 16 February 2011. TOT Public Company Limited agreed to the Company's transfer of all rights and obligations under the memorandum to its subsidiary company.

7. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Cash	590	1,057	348	873
Bank deposits	410,176	436,313	242,910	231,379
Total cash and bank deposits	410,766	437,370	243,258	232,252
Less: Restricted bank deposits	(104,670)	(104,961)	(103,042)	(103,365)
Cash and cash equivalents	306,096	332,409	140,216	128,887

As at 31 December 2012, bank deposits carried interests between 0.13 and 0.75 percent per annum (2011: between 0.75 and 2.70 percent per annum).



8. Temporary investments

As at 31 December 2012 and 2011, the Company had temporary investments in trading securities as follows:

(Unit: Thousand Baht)

Common stock	Consolidated financial statements/Separate financial statements					
	2012			2011		
	No. of shares (Thousand Shares)	Cost	Fair value	No. of shares (Thousand Shares)	Cost	Fair value
Ascon Construction Plc.	5,323	34,458	-	5,323	34,458	-
Diamond Building Products Plc.	1,000	7,309	7,350	-	-	-
S.E.C. Auto Sales and Services Plc.	1,000	3,146	-	1,000	3,146	-
Living Land Capital Plc.	2,010	2,434	623	2,010	2,434	482
Siam Inter Multimedia Plc.	350	852	777	-	-	-
Rich Asia Steel Plc.	-	-	-	1,000	1,805	510
Total		48,199	8,750		41,843	992
Less: Change in value		(39,449)			(40,851)	
Total temporary investments in trading securities		8,750			992	

Movements of the temporary investments in trading securities account for the year ended 31 December 2012 and 2011 were summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Balance as at beginning of the year	992	102,137	992	14,871
Purchase during the year	17,114	9,445	17,114	9,445
Disposals during the year:				
Proceed from sales	(13,634)	(10,800)	(13,634)	(8,347)
Gain (loss) on disposals	2,876	(1,098)	2,876	(1,098)
Total	(10,758)	(11,898)	(10,758)	(9,445)
Gain (loss) on change in value	1,402	(14,880)	1,402	(13,879)
Reclassification of investment (Note 15)	-	(83,812)	-	-
Balance as at end of the year	8,750	992	8,750	992



9. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Trade accounts receivable – related parties (Note 6)				
<i>Aged on the basis of due dates</i>				
Not yet due	2,183	4,894	1,799	950
Past due				
Up to 3 months	2,277	11	3,427	12,880
3 – 6 months	-	-	52	1,066
6 – 12 months	-	-	203	12,325
Over 12 months	39	39	2,977	2,525
Total trade accounts receivable – related parties	4,499	4,944	8,458	29,746
Trade accounts receivable – unrelated parties				
<i>Aged on the basis of due dates</i>				
Not yet due	1,263,090	1,266,807	1,158,719	1,121,468
Past due				
Up to 3 months	1,342,369	834,492	1,322,409	704,240
3 – 6 months	563,615	926,503	557,564	855,109
6 – 12 months	16,960	273,526	297	211,424
Over 12 months	28,315	32,303	-	19,303
Total	3,214,349	3,333,631	3,038,989	2,911,544
Less: Allowance for doubtful accounts	(35,203)	(31,555)	(148)	(19,361)
Total trade accounts receivable – unrelated parties, net	3,179,146	3,302,076	3,038,841	2,892,183
Total trade accounts receivable – net	3,183,645	3,307,020	3,047,299	2,921,929
Other receivables				
Amounts due from and advance to related parties (Note 6)	40	5,350	394,712	655,120
Accrued service income	103,220	83,478	-	-
Other receivables – unrelated parties	23,318	19,116	16,005	7,931
Sales promotion receivables	19,623	25,819	1,117	2,100
Less: Allowance for diminution in value of other receivables and sales promotion receivables	(3,904)	(2,164)	(1,854)	(1,438)
Total other receivables – net	142,297	131,599	409,980	663,713
Trade and other receivables – net	3,325,942	3,438,619	3,457,279	3,585,642



10. Short-term loans

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Short-term loans to related parties (Note 6)	-	-	537,700	553,780
Short-term loans to unrelated party	-	14,000	-	-
Short-term loans to employees	65	1,219	39	947
Total short-term loans	65	15,219	537,739	554,727

Short-term loans to unrelated party

As at 31 December 2012, I-Sport Co., Ltd., a subsidiary company, received short-term loans repayment of Baht 14 million from Siam Sport Syndicate Public Co., Ltd. which the loan was carried interest at fixed deposit rate (3 months) plus 0.25 percent per annum.

Short-term loans to employees

These represent short-term loans to those of their employees who were affected by flooding. The loans are interest-free and repayable monthly over one year.

11. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories-net	
	2012	2011	2012	2011	2012	2011
Finished goods	424,338	456,872	(47,033)	(39,272)	377,305	417,600
Supplies	234,236	304,637	(1,169)	(846)	233,067	303,791
Goods in transit	71,284	380	-	-	71,284	380
Total	729,858	761,889	(48,202)	(40,118)	681,656	721,771

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories-net	
	2012	2011	2012	2011	2012	2011
Finished goods	427,372	424,053	(41,840)	(31,607)	385,532	392,446
Supplies	229,679	219,792	(1,169)	(846)	228,510	218,946
Goods in transit	71,276	331	-	-	71,276	331
Total	728,327	644,176	(43,009)	(32,453)	685,318	611,723



12. Other current assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Withholding tax deducted at sources (Note 12.1)	84,982	77,345	25,176	14,914
Advance for purchase of inventories	74,694	164,104	10,603	5,272
Input tax refundable	22,623	18,428	-	1,306
Prepaid expenses	16,974	17,936	3,171	1,636
Advance for purchase of equipment	-	56,259	-	-
Others	33,354	25,838	38,905	21,869
Less: Allowance for diminution in value of advance for purchase of inventories	(5,234)	(5,234)	(4,681)	(4,325)
Total other current assets - net	227,393	354,676	73,174	40,672

12.1 Withholding tax deducted at sources

The balances of withholding tax deducted at sources as at 31 December 2012 and 2011, aged on years, were summarised below.

(Unit: Thousand Baht)

Year	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
2009	-	12,792	-	-
2010	10,504	40,605	9,600	9,600
2011	31,150	33,948	5,314	5,314
2012	43,327	-	10,262	-
Total	84,982	77,345	25,176	14,914

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 2012, the subsidiary companies received the refund of the withholding tax of 2009 and 2010 totaling approximately Baht 29 million (2011: the Company received the refund of the withholding tax of 2009 totaling approximately Baht 9 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 which obtain from the banks.

14. Investments in subsidiaries

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

(Unit: Thousand Baht)

Company's name	Paid-up capital		Shareholding percentage		Cost		Dividend received during the year	
	2012	2011	2012 Percent	2011 Percent	2012	2011	2012	2011
Samart Mobile Services Co., Ltd.	490,000	490,000	97.4	97.4	43,917	43,917	-	-
Samart Multimedia Co., Ltd.	200,000	200,000	100	100	219,525	219,525	-	-
I-Mobile International Co., Ltd.	125,000	125,000	100	100	125,000	125,000	-	15,000
Brain Source Co., Ltd.	1,000	1,000	100	100	999	999	179,874	119,916
I-Mobile Plus Co., Ltd.	100,000	100,000	100	100	100,000	100,000	-	-
Total					489,441	489,441	179,874	134,916

14.1 Establishment of new company

On 1 June 2012, a meeting of the Board of Directors of Samart Multimedia Co., Ltd., a subsidiary company, passed a resolution approving the establishment of a new company named Entertainment Tree Co., Ltd. with a registered share capital of Baht 5 million. The business operations of the new company comprise production, sale and provision of all kinds of entertainment-related content through multiple channels; television, telephone, internet, satellite and various means of communication, for both domestic and international markets. It also provides equipment and network installation services, together with a full range of facilities and other related services. The subsidiary company has a 45 percent shareholding. It registered the establishment of such new company with the Ministry of Commerce on 14 June 2012.

Samart Multimedia Co., Ltd. treats its investment in Entertainment Tree Co., Ltd. as investment in a subsidiary since it has control and sets policies for operation and financial management over such company.

14.2 Cancellation the establishment of new companies

14.2.1 On 9 August 2007, a meeting of the Board of Directors of the Company passed a resolution approving the establishment of new companies in Thailand and overseas in order to provide international call services.

Subsequently, on 16 December 2011, the Company's Board of Directors passed a resolution approving the cancellation of the establishment of such companies due to changes in key factors affecting the investment.

14.2.2 On 13 November 2008, a meeting of the Company's Board of Directors passed a resolution authorising I-Mobile International Co., Ltd., a subsidiary company, to establish representative office in India to support business expansion by providing sales and marketing support and appointing a mobile phone representative to distribute mobile phones and provide mobile content.

Subsequently, on 16 December 2011, the Company's Board of Directors passed a resolution approving the cancellation of the establishment of such company due to changes in key factors affecting the investment.



14.3 Liquidation

14.3.1 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.

14.3.2 On 22 February 2011, an extraordinary meeting of the shareholders of I-Mobile International Co., Ltd. and I-Mobile Inter trade Co., Ltd., the subsidiary companies, passed a resolution approving the liquidation of Samart I-Mobile (Middle East) FZCO, another subsidiary company. The subsidiary company registered its dissolution with Jebel Ali Free Zone of United Arab Emirates on 10 March 2011.

15. Other long-term investments

On 9 September 2011, a meeting of the Board of Directors of Samart Multimedia Co., Ltd., a subsidiary company, passed a resolution approving the reclassification of investment in Siam Sport Syndicate Public Co., Ltd. from trading investments to other long-term investments. The reclassification was made because the subsidiary company intends to invest for the long-term as business partnership and for commercial benefit. Therefore, the subsidiary recorded the value of other long-term investments of fair value as at the reclassification date.

Movements of other long-term investments account during the year ended 31 December 2012 and 2011 were summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	
	2012	2011
Net book value at beginning of the year	88,456	-
Reclassification of investments (fair value as reclassification date)	-	83,812
Disposals during the year:		
Proceed from sales	(5,788)	-
Less: Gain on sales	1,423	-
Total	(4,365)	-
Gain (loss) on changes in value of available-for-sale investments	(5,132)	4,644
Net book value at end of the year	78,959	88,456

16. Equipment

(Unit: Thousand Baht)

	Consolidated financial statements						
	Condominium	Network equipment and network improvement	Furniture, fixture and office equipment	Motor vehicles	Equipment for rent	Assets under installation	Total
Cost							
31 December 2010	11,512	661,075	764,446	64,692	22,011	142,606	1,666,342
Additions/Transfer in	-	58,380	218,025	14,753	-	11,101	302,259
Disposals/Transfer out	-	(27)	(70,786)	(15,236)	-	(145,282)	(231,331)
Exchange differences on translation of financial statements in foreign currencies	-	-	105	1	-	-	106
31 December 2011	11,512	719,428	911,790	64,210	22,011	8,425	1,737,376
Additions/Transfer in	-	57,663	22,536	6,942	-	171,680	258,821
Disposals/Transfer out	-	-	(5,890)	(14,482)	-	(8,575)	(28,947)
Exchange differences on translation of financial statements in foreign currencies	-	-	(4)	7	-	-	3
31 December 2012	11,512	777,091	928,432	56,677	22,011	171,530	1,967,253
Accumulated depreciation							
31 December 2010	432	357,643	529,484	42,728	17,510	-	947,797
Depreciation for the year	572	76,151	110,598	9,016	-	-	196,337
Accumulated depreciation of assets disposed and transferred out	-	(17)	(12,178)	(13,624)	-	-	(25,819)
Exchange differences on translation of financial statements in foreign currencies	-	-	(84)	-	-	-	(84)
31 December 2011	1,004	433,777	627,820	38,120	17,510	-	1,118,231
Depreciation for the year	572	79,025	100,098	9,400	-	-	189,095
Accumulated depreciation of assets disposed and transferred out	-	-	(4,778)	(9,535)	-	-	(14,313)
Exchange differences on translation of financial statements in foreign currencies	-	-	24	7	-	-	31
31 December 2012	1,576	512,802	723,164	37,992	17,510	-	1,293,044
Allowance for impairment loss							
31 December 2011	-	67,640	96	-	4,501	-	72,237
31 December 2012	-	67,640	96	-	4,501	-	72,237
Net book value							
31 December 2011	10,508	218,011	283,874	26,090	-	8,425	546,908
31 December 2012	9,936	196,649	205,172	18,685	-	171,530	601,972
Depreciation for the year							
2011 (Baht 77 million included in cost of services, and the balance in selling expenses and administrative expenses)							196,337
2012 (Baht 80 million included in cost of services, and the balance in selling expenses and administrative expenses)							189,095



(Unit: Thousand Baht)

	Separate financial statements				
	Condominium	Furniture, fixture and office equipment	Motor Vehicles	Assets under installation	Total
Cost					
31 December 2010	11,512	648,552	40,072	142,000	842,136
Additions/Transfer in	-	150,115	11,025	8,244	169,384
Disposals/Transfer out	-	(61,172)	(9,348)	(143,618)	(214,138)
31 December 2011	11,512	737,495	41,749	6,626	797,382
Additions/Transfer in	-	12,967	4,886	82,742	100,595
Disposals/Transfer out	-	(4,326)	(7,615)	(6,993)	(18,934)
31 December 2012	11,512	746,136	39,020	82,375	879,043
Accumulated depreciation					
31 December 2010	432	450,371	26,969	-	477,772
Depreciation for the year	572	88,247	6,152	-	94,971
Accumulated depreciation of assets disposed and transferred out	-	(4,143)	(7,799)	-	(11,942)
31 December 2011	1,004	534,475	25,322	-	560,801
Depreciation for the year	572	76,306	6,514	-	83,392
Accumulated depreciation of assets disposed and transferred out	-	(4,294)	(6,311)	-	(10,605)
31 December 2012	1,576	606,487	25,525	-	633,588
Net book value					
31 December 2011	10,508	203,020	16,427	6,626	236,581
31 December 2012	9,936	139,649	13,495	82,375	245,455
Depreciation for the year					
2011 (All depreciation included in selling expenses and administrative expenses)					94,971
2012 (All depreciation included in selling expenses and administrative expenses)					83,392

The Company has pledged assets at net book value approximately Baht 10 million (2011: Baht 11 million) as collateral against long-term loan facilities received from financial institution.

As at 31 December 2012, 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 844 million (2011: Baht 704 million) (Separate financial statements: Baht 441 million, 2011: Baht 334 million).

Assets held under finance lease agreements

In 2012 the Company acquired vehicles under finance lease agreements with an aggregate cost of Baht 2 million (2011: the Company and its subsidiary acquired vehicles under finance lease agreements with an aggregate cost of Baht 9 million; Separate financial statements: Baht 6 million).

As at 31 December 2012, the Company and its subsidiary companies had vehicles under finance lease agreements with net book values amounting to approximately Baht 7 million (2011: Baht 7 million) (Separate financial statements: Baht 6 million, 2011: Baht 6 million).



17. Intangible assets

(Unit: Thousand Baht)

	Consolidated financial statement				
	Right under the advertising agreement	Computer software	Right under the distribution agreement	Right under license agreement for audio-visual of football match	Total
Cost					
31 December 2010	27,500	15,352	4,531	-	47,383
Additions	-	31,294	-	8,587	39,881
Exchange differences on translation of financial statements in foreign currencies	-	372	-	-	372
31 December 2011	27,500	47,018	4,531	8,587	87,636
Additions	-	41,080	-	-	41,080
Exchange differences on translation of financial statements in foreign currencies	-	-	-	-	-
31 December 2012	27,500	88,098	4,531	8,587	128,716
Accumulated amortisation					
31 December 2010	11,650	1,750	230	-	13,630
Amortisation	11,650	4,684	2,265	2,862	21,461
Exchange differences on translation of financial statements in foreign currencies	-	43	-	-	43
31 December 2011	23,300	6,477	2,495	2,862	35,134
Amortisation	4,200	13,396	2,036	2,862	22,494
Exchange differences on translation of financial statements in foreign currencies	-	82	-	-	82
31 December 2012	27,500	19,955	4,531	5,724	57,710
Net book value					
31 December 2011	4,200	40,541	2,036	5,725	52,502
31 December 2012	-	68,143	-	2,863	71,006

Rights under the advertising agreement

During the year 2009, Take A Look Co., Ltd., a subsidiary company, entered into an agreement with a company to sell LED Screen. The installation and transfer had already been completed and such company had to make cash payment of Baht 19.5 million and granted the right to advertise on the LED Screen with the value of Baht 27.5 million. Thus the total sales value of the equipment was Baht 47 million. In addition, the subsidiary company was obliged to comply with the conditions in the agreement, such as provision of equipment repair and maintenance, for a period of three years.

Subsequently, on 28 December 2009, the subsidiary company entered into a memorandum with Samart Multimedia Co., Ltd., another subsidiary company, to transfer the rights and obligations under the LED Screen sales and advertising agreements. Therefore, all rights and obligations under such agreements had fallen upon Samart Multimedia Co., Ltd. since the date of entry into the memorandum of agreement which were consist of:

- 1) Samart Multimedia Co., Ltd. received the airing right to promote and advertise products and services for the Company and other two unrelated companies.



- 2) Samart Multimedia Co., Ltd. was obliged to comply with the conditions in the agreements, such as provision of equipment repair and maintenance, for a period of three years.

As a result, Samart Multimedia Co., Ltd. was required to make a payment of Baht 25.3 million to Take A Look Co., Ltd. so Samart Multimedia Co., Ltd. recorded the Right under the advertising agreement in the consolidated financial statements under the caption of intangible asset with the value of Baht 27.5 million.

Moreover, Take A Look Co., Ltd. and Samart Multimedia Co., Ltd. entered into a memorandum of agreement with other shareholder of Take A Look Co., Ltd. to jointly assume responsibility for the rights, duties, and obligations arising from Take A Look Co., Ltd. entering into the screen sales agreement. If any claim is made or any action taken that causes Take A Look Co., Ltd. or Samart Multimedia Co., Ltd. to pay compensation or be held responsible, the other shareholding company of Take A Look Co., Ltd. shall be jointly responsible for the damages in proportion to its shareholding. Such contractual liability ceased on 31 December 2012.

Right under distribution agreement

During the year 2010, I-Mobile Plus Co., Ltd., a subsidiary company, entered into a distributor agreement with a company. Under the conditions of the agreement, the subsidiary company paid a fee for to be an distributor for two years period and is to pay a fixed fee based on sale volume, and comply with conditions stipulated in the agreement. The Company has guaranteed the subsidiary company's compliance with the agreement.

Right under license agreement for audio-visual of football match

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

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

(Unit: Thousand Baht)

	Interest rate (percent per annum)		Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011	2012	2011
Bank overdrafts	7.78	7.50 - 7.90	29,438	26,327	13,499	16,768
Short-term loans from banks	4.00 - 4.85	4.80 - 6.00	471,000	1,357,042	471,000	1,203,000
Trust receipts						
Baht	3.65 - 4.10	3.78 - 5.55	1,285,997	861,120	1,285,997	861,120
US dollars	1.69 - 1.70	1.62 - 1.94	9,955	122,646	-	57,899
Total			1,796,390	2,367,135	1,770,496	2,138,787

Bank overdrafts of the Company are secured by the pledge of some bank deposits. Bank overdrafts of subsidiary companies are secured by the Company.

Some short-term loans from banks and trust receipts of the Company are secured by the pledge of some bank deposits and cross-guaranteed by the Company and subsidiary companies.

Short-term loans from banks and trust receipts of the subsidiary companies are secured by the Company, the pledge of some bank deposits of the Company and cross-guaranteed by the Company and subsidiary companies.



19. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Trade accounts payable				
Trade accounts payable – related parties (Note 6)	598	636	1,045,781	952,307
Trade accounts payable – unrelated parties	804,900	635,472	88,868	72,162
Total trade accounts payable	805,498	636,108	1,134,649	1,024,469
Other payables				
Amount due to and advance from related parties (Note 6)	3,458	6,602	395,803	233,449
Other payables – unrelated parties	179,161	189,744	100,168	101,639
Accrued expenses	2,544	2,358	2,544	2,358
Total other payables	185,163	198,704	498,515	337,446
Total trade and other payables	990,661	834,812	1,633,164	1,361,915

20. Short-term loans

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Short-term loans from related parties (Note 6)	-	-	240,000	316,650
Short-term loan from unrelated party	495	495	-	-
Total short-term loans	495	495	240,000	316,650

Short-term loan from unrelated party

As at 31 December 2012, Take A Look Co., Ltd., a subsidiary company, had obtained short-term loan of Baht 0.5 million (2011: Baht 0.5 million) from Master Ad Public Co., Ltd. which carries interest at Minimum Loan Rate (MLR) plus 1 percent per annum. This loan is due at call.

21. Long-term loan

As at 31 December 2012 and 2011, the outstanding balance of long-term loan from banks consisted of:

(Unit: Thousand Baht)

	Consolidated financial statements/ Separate financial statements	
	2012	2011
In March 2010, the Company entered into an agreement with a local commercial bank granting a new loan amounting to Baht 12.42 million, on which interest is charged at the Minimum Loan Rate (MLR) minus 1.25 percent per annum. The loan is repayable in 120 monthly installments, with the first of these due in April 2010 and is to be repaid in full within March 2020.	8,756	9,771
Less: Current portion	(1,087)	(1,003)
Long-term loan, net of current portion	7,669	8,768



This loan is secured by mortgage of condominium and the transfer of the beneficiary rights under insurance policy for condominium to the bank.

Movements in the long-term loan account during the years ended 31 December 2012 and 2011 were summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements/ Separate financial statements	
	2012	2011
Balance at beginning of the year	9,771	10,751
Less: Repayment	(1,015)	(980)
Balance at end of the year	8,756	9,771

22. Liabilities under finance lease agreements

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Liabilities under finance lease agreements	8,779	10,737	7,282	6,949
Less: Deferred interest expense	(736)	(1,172)	(605)	(799)
Total	8,043	9,565	6,677	6,150
Less: Portion due within one year	(1,687)	(1,670)	(1,218)	(790)
Liabilities under finance lease agreements - net of current portion	6,356	7,895	5,459	5,360

The Company and its subsidiaries have entered into the finance lease agreements with leasing companies for rental of motor vehicles for use in their operations, whereby they are committed to pay rental on a monthly basis. The terms of the agreements are generally between 1 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	
	2012	2011	2012	2011	2012	2011
Future minimum lease payments	2,027	2,104	6,752	8,633	8,779	10,737
Deferred interest expenses	(340)	(434)	(396)	(738)	(736)	(1,172)
Present value of future minimum lease payments	1,687	1,670	6,356	7,895	8,043	9,565

(Unit: Thousand Baht)

	Separate financial statements					
	Less than 1 year		1 - 5 years		Total	
	2012	2011	2012	2011	2012	2011
Future minimum lease payments	1,507	1,098	5,775	5,851	7,282	6,949
Deferred interest expenses	(289)	(308)	(316)	(491)	(605)	(799)
Present value of future minimum lease payments	1,218	790	5,459	5,360	6,677	6,150

23. Other current liabilities

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Advance received from customers	18,759	251	-	-
Unearned revenue from telephone service	13,170	15,860	-	-
Undue output tax	9,316	24,274	19,961	33,681
Valued added tax payable	2,226	2,915	366	-
Others	24,701	13,390	11,275	7,927
Total other current liabilities	68,172	56,690	31,602	41,608

24. Provision for long-term employee benefits

Provision for long-term employee benefits, which is compensations on employees' retirement, was as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Defined benefit obligation at beginning of the year	16,618	14,505	11,874	11,641
Current service cost	1,718	1,518	1,134	1,069
Interest cost	732	595	537	477
Actuarial loss	823	-	634	-
Decrease due to transfer of employees within the group	-	-	-	(1,313)
Defined benefit obligation at end of the year	19,891	16,618	14,179	11,874

Long-term employee benefit expenses included in the profit or loss was as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Current service cost	1,718	1,518	1,134	1,069
Interest cost	732	595	537	477
Decrease due to transfer of employees within the group	-	-	-	(1,313)
Total expense recognised in profit or loss	2,450	2,113	1,671	233
Line items under which such expenses are included in profit or loss				
Cost of services	148	139	-	-
Selling expenses	1,455	1,189	1,045	156
Administrative expenses	847	785	626	77



Total actuarial losses recognised in the other comprehensive income of the Company and its subsidiaries as at 31 December 2012 amounted to Baht 1 million (2011: Nil) (Separate financial statements: Baht 1 million (2011: Nil)).

Principal actuarial assumptions at the valuation date were as follows:

	Consolidated financial statements		Separate financial statements	
	2012 (% per annum)	2011 (% per annum)	2012 (% per annum)	2011 (% per annum)
Discount rate	4.1	4.1	4.1	4.1
Future salary increase rate (depending on age of employees)	4.0 – 6.0	4.0 – 6.0	4.0 – 6.0	4.0 – 6.0
Staff turnover rate	0 – 20	0 – 20	0 – 20	0 – 20

Amounts of defined benefit obligation for the current and previous two periods are as follows:

(Unit: Thousand Baht)

	Defined benefit obligation	
	Consolidated financial statements	Separate financial statements
Year 2012	19,891	14,179
Year 2011	16,618	11,874
Year 2010	14,505	11,641

25. Warrants

On 24 April 2008, the Annual General Meeting of the Company's shareholders passed a resolution to issue 140 million warrants, the offering price per unit is Baht 0, to the Company's directors and the employees of the Company and its subsidiaries. The exercise ratio is 1:1 and the exercise price is Baht 2 per 1 ordinary share. Warrants to be allocated to the Company's directors and the employee of the Company and its subsidiaries will be divided into 5 certificates with 5 years maturity from the issuance date. Each certificate will have the same date of issuance, offering and expiration with different exercise period as shown in the following detail. Each warrant holders can split exercise or fully exercise their right of the amount allocated for each certificate.

Certificate No. 1 will represent 10% of total number of allocated warrants which is entitled to exercise since the first day of the exercise period until the expired date of warrants.

Certificate No. 2 will represent 15% of total number of warrants allocated which is entitled to exercise after the end of the first year that the warrants are issued until the expired date of warrants.

Certificate No. 3 will represent 20% of total number of warrants allocated which is entitled to exercise after the end of the second year that the warrants are issued until the expired date of warrants.

Certificate No. 4 will represent 25% of total number of warrants allocated which is entitled to exercise after the end of the third year that the warrants are issued until the expired date of warrants.

Certificate No. 5 will represent 30% of total number of warrants allocated which is entitled to exercise after the end of the fourth year that the warrants are issued until the expired date of warrants.

On 27 April 2009, the Annual General Meeting of the Company's shareholders passed a resolution to approve the revision of the exercise price of the warrants offering to the Company's directors and the employees of the Company and its subsidiaries from Baht 2 per share to be Baht 1.7 per share.

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

Movement of warrants are summarised below.

(Number of unit: Thousand units)

Warrants issuance to	Balance as at 31 December 2011	Exercised during the year	Balance as at 31 December 2012
Directors	48,050	-	48,050
Employees	50,900	(2,635)	48,265
Total	98,950	(2,635)	96,315

(Number of unit: Thousand units)

Warrants issuance to	Balance as at 31 December 2010	Exercised during the year	Balance as at 31 December 2011
Directors	48,050	-	48,050
Employees	50,900	-	50,900
Total	98,950	-	98,950

26. Statutory reserve

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



27. Other income

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Advertising and management fee income	-	-	309,693	84,757
Selling support income	44,747	24,421	41,555	91,325
Gain on exchange	13,314	5,514	21,504	978
Interest income	4,126	4,624	30,666	22,437
Gain on sales of equipment	2,210	3,134	1,174	1,777
Dividend income from subsidiaries (Note 14)	-	-	179,874	134,916
Gain on disposal of temporary investments in trading securities (Note 8)	2,876	-	2,876	-
Gain on change in value of temporary investments in trading securities (Note 8)	1,402	-	1,402	-
Gain on disposal of available-for-sale investments (Note 15)	1,423	-	-	-
Others	31,631	44,068	19,367	16,578
Total other income	101,729	81,761	608,111	352,768

28. Expenses by nature

Significant expenses by nature were as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Marketing expenses	679,442	440,795	216,865	105,715
Salaries and wages and other employee benefits	361,554	369,692	198,695	225,678
Depreciation and amortisation	189,095	234,719	83,392	94,971
Rental expenses from operating lease agreements	88,332	115,273	65,647	91,216
Loss on change in value of temporary investments in trading securities (Note 8)	-	14,880	-	13,879
Loss on disposal of temporary investments in trading securities (Note 8)	-	1,098	-	1,098
Changes in inventories	102,935	163,102	13,206	135,370
Purchase finished goods for sales	4,925,531	3,533,799	5,385,320	3,627,589

29. Other expenses

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Loss on change in value of temporary investments in trading securities (Note 8)	-	14,880	-	13,879
Loss on disposal of temporary investments in trading securities (Note 8)	-	1,098	-	1,098
Reserve for doubtful accounts	36,755	3,852	1,031	-
Others	17,797	-	-	-
Total other expenses	54,552	19,830	1,031	14,977

30. Finance cost

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Interest expenses on:				
Bank loans, overdrafts and trust receipts	108,208	98,290	100,183	89,051
Loans from related parties	-	-	6,877	4,814
Liabilities under finance lease agreements and others	761	782	548	713
Total interest expenses	108,969	99,072	107,608	94,578
Bank charges	14,591	16,022	6,943	9,286
Total finance cost	123,560	115,094	114,551	103,864

31. Earnings per share

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

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

31.1 Weighted average number of ordinary shares

As at 31 December 2012 and 2011, the weighted average number of ordinary shares in the consolidated and separate financial statements were calculated as follows:

(Unit: Thousand shares)

	Consolidated/Separate financial statements	
	2012	2011
Balance brought forward	4,301,300	4,301,300
Add: Weighted average number of ordinary shares in issue during the year	2,635	-
Weighted average number of ordinary shares	4,303,935	4,301,300



31.2 Reconciliation of basic and diluted earnings per share

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

	Consolidated financial statements					
	Profit for the year		Weighted average number of ordinary shares		Earnings per share	
	2012 (Thousand Baht)	2011 (Thousand Baht)	2012 (Thousand shares)	2011 (Thousand shares)	2012 (Baht)	2011 (Baht)
Basic earnings per share						
Profit attributable to equity holders of the Company	165,819	83,666	4,301,424	4,301,300	0.039	0.019
Effect of dilutive potential ordinary shares						
Warrants offering to the Company's directors and the employees of the Company and its subsidiaries: 96,315,000 warrants (2011: 98,950,000 warrants)			18,788	13,126		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of warrants to ordinary shares	165,819	83,666	4,320,212	4,314,426	0.038	0.019

	Separate financial statements					
	Profit for the year		Weighted average number of ordinary shares		Earnings per share	
	2012 (Thousand Baht)	2011 (Thousand Baht)	2012 (Thousand shares)	2011 (Thousand shares)	2012 (Baht)	2011 (Baht)
Basic earnings per share						
Profit attributable to equity holders of the Company	201,397	82,665	4,301,424	4,301,300	0.047	0.019
Effect of dilutive potential ordinary shares						
Warrants offering to the Company's directors and the employees of the Company and its subsidiaries: 96,315,000 warrants (2011: 98,950,000 warrants)			18,788	13,126		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of warrants to ordinary shares	201,397	82,665	4,320,212	4,314,426	0.047	0.019

32. Dividends

Dividends	Approved by	Total dividends (Thousand Baht)	Dividend per share (Baht)	Paid on
Final dividends for 2010	Annual General Meeting of the shareholders on 21 April 2011	86,026	0.02	10 May 2011
Total for 2011		86,026	0.02	
Final dividends for 2011	Annual General Meeting of the shareholders on 27 April 2012	43,013	0.01	10 May 2012
Total for 2012		43,013	0.01	

33. 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 266 million for the year ended 31 December 2012 (2011: Baht 239 million) was revenues from promoted operations.



34. Segment information

The Company and its subsidiaries' business operations involve three principal segments: Mobile Business, Infotainment and Multimedia; and Mobile virtual network operator. These operations are carried on two geographical segments: Domestic and Foreign. Below is the consolidated financial information for the years ended 31 December 2012 and 2011 by segment.

(Unit: Million Baht)

	Foreign		Domestic						Elimination of intersegment transactions		Consolidated financial statements	
	Mobile Business		Mobile Business		Infotainment and		Mobile virtual					
					Multimedia		network operator					
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Sales and service income												
Sales and service income from third parties												
- Local sales and service income	-	-	5,513	4,754	1,047	973	100	115	-	-	6,660	5,842
- Overseas sales and service income	141	973	63	96	-	-	-	-	-	-	204	1,069
Sales and service income from related parties	3,251	3,029	698	665	8	12	5	2	(3,885)	(3,699)	77	9
Total sales and service income	3,392	4,002	6,274	5,515	1,055	985	105	117	(3,885)	(3,699)	6,941	6,920
Cost of sales and service	3,245	3,861	5,456	4,692	902	851	82	55	(4,062)	(3,864)	5,623	5,595
Gross profit	147	141	818	823	153	134	23	62	177	165	1,318	1,325
Unallocated income (expenses):												
Other income											102	82
Selling expenses											(728)	(827)
Administrative expenses											(337)	(354)
Other expenses											(55)	(20)
Finance cost											(124)	(115)
Income tax expenses											(9)	(6)
Non-controlling interests of the subsidiaries											(1)	(1)
Profit for the year											166	84

(Unit: Million Baht)

	Foreign		Domestic						Elimination of intersegment transactions		Consolidated financial statements	
					Infotainment and Multimedia		Mobile virtual network operator					
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Assets												
Trade accounts receivable – net	745	667	3,709	3,799	87	132	18	47	(1,375)	(1,338)	3,184	3,307
Inventories – net	5	106	685	612	1	–	6	17	(16)	(13)	681	722
Equipment – net	5	6	253	251	209	234	135	56	–	–	602	547
Others	209	367	2,883	3,217	471	610	114	86	(2,702)	(3,157)	975	1,123
Total assets	964	1,146	7,530	7,879	768	976	273	206	(4,093)	(4,508)	5,442	5,699

Transfer prices between business segments are set out in Note 6 to the financial statements.

35. 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, will be paid to employees upon termination in accordance with the fund rules. During the year 2012, the Company and its subsidiary companies contributed Baht 10 million (Separate financial statements: Baht 6 million) (2011: Baht 9 million, Separate financial statements: Baht 7 million) to the fund.

36. 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:

36.1 Operating lease commitments

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



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

(Unit: Million)

Currency	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Baht				
Payable:				
In up to 1 year	27	29	21	24
In over 1 and up to 5 years	26	22	19	16
Malaysian Ringgit				
Payable:				
In up to 1 year	-	1	-	-
In over 1 and up to 3 years	-	1	-	-
Hong Kong Dollars				
Payable:				
In up to 1 year	-	1	-	-
In over 1 and up to 2 years	-	1	-	-

36.2 Guarantees

36.2.1 Bank guarantees

As at 31 December 2012, there were outstanding bank guarantees issued by banks on behalf of the Company and its subsidiaries of approximately Baht 30.69 million (2011: Baht 22.40 million) (Separate financial statements: Baht 13.17 million; 2011: Baht 4.72 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	
	2012	2011	2012	2011
Performance guarantees	30.22	21.93	13.00	4.55
Guarantee electricity use, among others	0.47	0.47	0.17	0.17
	30.69	22.40	13.17	4.72

36.2.2 Guarantees to related parties

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

(Unit: Million Baht)

	Guaranteed facilities	
	2012	2011
Samart I-Mobile (Malaysia) Sdn. Bhd.	102	152
Samart Mobile Services Co., Ltd.	55	55
Samart Multimedia Co., Ltd.	115	117
I-Mobile Inter trade Co., Ltd.	20	20
Pt. Samart I-Mobile Indonesia	154	159
Samart Multimedia Co., Ltd. and Samart Interactive Media Co., Ltd. (joint use the same facilities with the Company)	10	10
Samart Mobile Services Co., Ltd., I-Mobile International Co., Ltd., I-Mobile Inter trade Co., Ltd. and Samart I-Mobile (Hong Kong) Ltd. (joint use the same facilities with the Company)	1,739	1,766
Samart I-Mobile (Hong Kong) Ltd. (joint use the same facilities with the Company)	2,985	2,985
Samart I-Mobile (Hong Kong) Ltd., Samart Mobile Services 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	-
Samart I-Mobile (Hong Kong) Ltd., Samart Mobile Services Co., Ltd. and I-Mobile International Co., Ltd. (joint use the same facilities with the Company)	-	495
Brain Source Co., Ltd. (joint use the same facilities with the Company)	150	150
Samart Multimedia Co., Ltd. (joint use the same facilities with the Company)	140	140
I-Mobile Plus Co., Ltd.	10	10
I-Sport Co., Ltd.	5	5

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



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

(Unit: Million Baht)

	Cross - guaranteed credit facilities		Facilities used	
	2012	2011	2012	2011
The Company, I-Mobile International Co., Ltd. and Samart Mobile Services Co., Ltd.	2,985	2,985	982	1,157
The Company and I-Mobile Inter trade Co., Ltd. (This is part of the credit facilities of Baht 2,985 million)	2,000	2,000	-	34
The Company, I-Mobile International Co., Ltd., Samart Mobile Services Co., Ltd. and Samart I-Mobile (Hong Kong) Ltd.	1,000	1,000	498	197
The Company and I-Mobile Plus Co., Ltd.	6	6	6	6

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

36.3 Commitments in uncalled portions of investments

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

	Currency	Amount (Million)	
		2012	2011
The local subsidiary companies	Baht	97	97
The overseas subsidiary company	Malaysian ringgit	3	3

36.4 Other commitments

36.4.1 Samart Multimedia Co., Ltd., a subsidiary company, entered into an agreement with the TOT Public Company Limited to provide an Audiotext System for a period of 15 years, commencing 29 September 1999. The subsidiary company is obliged to comply with certain conditions as stated in the agreement and has to pay a network connection fee of Baht 1 million per annum.

36.4.2 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.

In addition, 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.

36.4.3 On 20 December 2011, Samart I-Mobile Public Co., Ltd. entered into an agreement with Dialog Axiata Public Co., Ltd. to together provide International Roaming services to TOT's 3G network for a period of 3 years, with the term of the agreement to begin when 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.

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.

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

37. Financial instruments

37.1 Financial risk management

The Company and its subsidiaries' financial instruments, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade and other receivables, loans, investments; and short-term and long-term loans. The financial risks associated with these financial instruments and how they are managed are described below.

Credit risk

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

Interest rate risk

The Company and its subsidiaries' exposure to interest rate risk relates primarily to their cash at banks, bank overdrafts, short-term and long-term borrowings. Most of the Company and its subsidiaries' financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

Significant financial assets and liabilities classified by type of interest rates are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date.



(Unit: Million Baht)

	Consolidated financial statements									
	Fixed interest rates				Floating interest rate		Non-interest bearing		Total	
	Within 1 year		1-5 years							
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Financial assets										
Cash and cash equivalents	-	95	-	-	287	225	19	12	306	332
Temporary investments in trading securities	-	-	-	-	-	-	9	1	9	1
Trade and other receivables	-	-	-	-	-	-	3,326	3,439	3,326	3,439
Short-term loans	-	-	-	-	-	14	-	1	-	15
Restricted bank deposits	105	105	-	-	-	-	-	-	105	105
Other long-term investments	-	-	-	-	-	-	79	89	79	89
	105	200	-	-	287	239	3,433	3,542	3,825	3,981
Financial liabilities										
Bank overdrafts	-	-	-	-	29	26	-	-	29	26
Short-term loans from banks	471	1,357	-	-	-	-	-	-	471	1,357
Trust receipts										
- Baht	1,286	861	-	-	-	-	-	-	1,286	861
- US Dollars	10	123	-	-	-	-	-	-	10	123
Trade and other payables	-	-	-	-	-	-	991	835	991	835
Short-term loans	-	-	-	-	1	1	-	-	1	1
Long-term loan	-	-	-	-	9	10	-	-	9	10
Liabilities under finance lease agreements	-	-	8	10	-	-	-	-	8	10
	1,767	2,341	8	10	39	37	991	835	2,805	3,223

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



(Unit: Million Baht)

	Separate financial statements									
	Fixed interest rates				Floating interest rate		Non-interest bearing		Total	
	Within 1 year		1-5 years							
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Financial assets										
Cash and cash equivalents	-	95	-	-	129	33	11	1	140	129
Temporary investments	-	-	-	-	-	-	9	1	9	1
Trade and other receivables	-	-	-	-	-	-	3,457	3,586	3,457	3,586
Short-term loans	-	-	-	-	538	554	-	1	538	555
Restricted bank deposits	103	103	-	-	-	-	-	-	103	103
	103	198	-	-	667	587	3,477	3,589	4,247	4,374
Financial liabilities										
Bank overdrafts	-	-	-	-	13	17	-	-	13	17
Loans from banks	471	1,203	-	-	-	-	-	-	471	1,203
Trust receipts										
- Baht	1,286	861	-	-	-	-	-	-	1,286	861
- US Dollars	-	58	-	-	-	-	-	-	-	58
Trade and other payables	-	-	-	-	-	-	1,633	1,362	1,633	1,362
Short-term loans	-	-	-	-	240	317	-	-	240	317
Long-term loan	-	-	-	-	9	10	-	-	9	10
Liabilities under finance lease agreements	-	-	7	6	-	-	-	-	7	6
	1,757	2,122	7	6	262	344	1,633	1,362	3,659	3,834

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

Foreign currency risk

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

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

	Consolidated financial statements		Separate financial statements		Exchange rate as at 31 December	
	2012	2011	2012	2011	2012	2011
	(Million)		(Million)		(Baht per 1 foreign currency unit)	
Financial assets						
US dollar	17.24	22.22	4.49	6.49	30.4857	31.5505
Euro	-	0.01	-	-	-	40.7150
Financial liabilities						
US dollar	37.22	29.75	24.49	11.38	30.7775	31.8319
Singapore dollar	-	0.01	-	-	-	24.6141



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

1) Forward exchange contracts

The Company and its subsidiaries in Thailand

Foreign currency	Consolidated financial statements (Million)	Separate financial statements (Million)	Contractual exchange rate (Baht per 1 foreign currency unit)	Contractual maturity date
As at 31 December 2012				
Bought amount				
US dollar	14.47	14.47	30.6425 – 30.9568	January – July 2013
Sold amount				
US dollar	10.5	4.78	30.8800 – 32.1800	January – July 2013

Foreign currency	Consolidated financial statements (Million)	Separate financial statements (Million)	Contractual exchange rate (Baht per 1 foreign currency unit)	Contractual maturity date
As at 31 December 2011				
Bought amount				
US dollar	5.30	5.30	31.3449 – 31.9300	January – July 2012
Sold amount				
US dollar	15.93	4.17	30.1100 – 31.3800	January – June 2012

Subsidiary in Malaysia

Foreign currency	Amount (Million)	Contractual exchange rate (Malaysian ringgit per 1 foreign currency unit)	Contractual maturity date
As at 31 December 2012			
No outstanding forward exchange contract			
As at 31 December 2011			
Bought amount			
US dollar	1.82	3.1752	March 2012

2) Currency option contracts

	Currency	Bought amount (Million)	Strike rate (Baht per unit of foreign currency)	Delivery date
Sell put option				
As at 31 December 2012	No outstanding currency option contract			
As at 31 December 2011	US dollar	5	30.90 – 31.05	April – June 2012

If, on the maturity date, the reference exchange rate is lower than strike rate, the Company is obligated to buy US dollars at strike rate.

As at 31 December 2012, the Company has no outstanding currency option contract (2011: Fair value of sell put option contracts are lower than trade date of Baht 0.27 million).

37.2 Fair values of financial instruments

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

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

38. 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 2012, the Group's debt-to-equity ratio was 1.1:1 (2011: 1.4:1) and the Company's was 1.8:1 (2011: 2.0:1).

39. Approval of financial statements

These financial statements were authorised for issue by the Company's authorised directors on 22 February 2013.



Audit Fee

1. Audit Fee

In 2012, the Company and subsidiaries paid audit fee to the Company's auditor, Ernst & Young Office Limited amounting to Baht 1,400,000 and 1,650,000 respectively, and out of pocket expenses relating to audit work such as traveling expenses, photo copy expenses and others totaling Baht 187,951. In addition, the Company's subsidiaries in other countries paid audit fees to auditors, Ernst & Young Office Limited, in their countries.

2. Non-Audit Fee

Brain Source Co., Ltd., a 99.99% stake hold by the Company, paid professional fee to Ernst & Young Office Limited for the review of compliance with conditions stipulated in the investment promotion certificate for the period ended December 31, 2012 submitted to BOI totaling Baht 120,000.



Directors, Management and Company Secretary

Directors, Management and Company Secretary as at December 31, 2012

Name-Surname / Position	Age	Education	% of Shareholding	Relationship	Working Experience last 5 years		
					During	Position	Company
1. Professor Suphachai Phisitvanich • Chairman of the Board • Independent Director • Audit Committee Member	73	- Ph.D. honorary in Accounting, Thammasart University - Master Degree in MBA, Ohio State University, U.S.A - Bachelor degrees in Accounting and Commerce, Thammasart University - National Defence course (Class 32), National Defence College of Thailand - Director Certification Program (DCP), Thai Institute of Directors Association (IOD)	0.075	-	2005 - Present 2009 - Present 2010 - Present 2009 - Present 2007 - Present 2006 - Present 2003 - May 2010 1994 - Present	Chairman of the Board of Directors and Independent Director Audit Committee Member Chairman of the Board of Directors Independent Director Chairman of the Board of Directors Chairman of the Board of Directors Chairman of the Board of Directors and Chairman of the Audit Committee Director, Chairman of the Audit Committee, Chairman of the Corporate Governance Committee and Risk Management Committee	Samart I-Mobile Plc. Samart I-Mobile Plc. Aira Capital Co., Ltd. CP All Plc. Aira Securities Plc. Sena Golden Sand Co., Ltd. Matching Studio Plc. Bangkok Expressway Plc.
2. Dr. Chotivud Chayavadhanangkur • Independent Director • Chairman of Audit Committee • Chairman of the Corporate Governance Committee • Nominating and Compensation Committee Member	66	- Doctorate of Ph.D. in Electrical Engineering, University of Minnesota, USA - Master Degree in M.S. Electrical Engineering, University of Minnesota, USA - Bachelor Degree in Engineering (1st Class Honour), Chulalongkorn University - Director Accreditation Program (DAP), Thai Institute of Directors Association (IOD)	-	-	2009 - Present 2003 - 2009 2003 - Present 2008 - Present 2005 - Present 2005 - Present 2005 - Present 2003 - Present	Chairman of the Audit Committee Audit Committee Member Independent Director Chairman of the Corporate Governance Committee Nominating and Compensation Committee Member Director Director Chairman of the Board of Directors	Samart I-Mobile Plc. Samart I-Mobile Plc. Samart I-Mobile Plc. Samart I-Mobile Plc. Samart I-Mobile Plc. Greens Spot Co., Ltd. BITIC Co., Ltd. Bangkok Servex Co., Ltd.



Name-Surname / Position	Age	Education	% of Shareholding	Relationship	Working Experience last 5 years		
					During	Position	Company
3. Mr. Kunthit Arunyananda • Independent Director • Audit Committee Member • Chairman of the Nominating and Compensation Committee • Corporate Governance Committee Member	47	- Mini MBA, Business Administration, Thammasat University - Bachelor Degree in Accounting, The Rajamongkol Institute of Technology - Director Certification Program (DCP), Thai Institute of Directors Association (IOD)	-	-	2009 - Present	Chairman of the Nominating and Compensation Committee	Samart I-Mobile Plc.
					2008 - 2009	Nominating and Compensation Committee Member	Samart I-Mobile Plc.
					2003 - Present	Independent Director and Audit Committee Member	Samart I-Mobile Plc.
					2008 - Present	Corporate Governance Committee Member	Samart I-Mobile Plc.
					2005 - 2008	Chairman of the Corporate Governance Committee	Samart I-Mobile Plc.
					2001 - Present	Director	Sam Nak-Ngan A.M.C. Co., Ltd.
4. Mr. Charoenrath Vilailuck • Authorized Director	53	- Bachelor Degree in Electrical Engineering, The University of Newcastle, Australia - Chief Executive Course for Urban Development Management (Class 1), Urban Green Development Institute Bangkok - National Defence Course for the Joint State-Private Sectors (Class 18), National Defence College of Thailand - Director Certification Program (DCP) and Director Accreditation Program (DAP), Thai Institute of Directors Association (IOD)	-	Mr. Watchai's and Mr. Thananan's elder brother	2005 - Present	Director	Samart I-Mobile Plc.
					1993 - Present	Director	Samart Corporation Plc
					2008 - Present	Chairman of the Risk Management Committee	Samart Corporation Plc
					2006 - 2008	Vice Chairman of Risk Management Committee	Samart Corporation Plc
					1995 - Present	Executive Chairman & CEO	Samart Corporation Plc
					1996 - Present	Director	Samart Telecom Plc.
					1993 - Present	Director	Vilailuck International Holding Co., Ltd.
					Present	Director	Subsidiaries and Related Companies (as shown in The Position of Directors of the Company in Subsidiaries and Related Companies)

Name-Surname / Position	Age	Education	% of Shareholding	Relationship	Working Experience last 5 years		
					During	Position	Company
5. Mr. Watchai Vilailuck	50	<ul style="list-style-type: none"> - Bachelor Degree in Accounting, Thammasat University - Certificate of Strategic Planning & Implementation Program, University of Michigan Business School (Executive Education Center), USA - Certificate of Management Program from United Kingdom - National Defence Course for the Joint State-Private Sectors (Class 21), National Defence College of Thailand - Director Accreditation Program (DAP), Thai Institute of Directors Association (IOD) - Leadership Program (Class 11), Capital Market Academy (CMA) - The Programme for Senior Executive on Justice Administration Batch 15, National Justice Academy 	0.011	Mr. Charoenrath's younger brother and Mr. Thananan's elder brother	2003 - Present 2005 - Present Sep. 2012 - Present 1993 - Present 2004 - Present 2000 - Present 2000 - Present 1996 - Present 1993 - Present Present	Director and CEO Chairman of the Risk Management Committee Acting Managing Director - Service Provider Business Director Chief Operating Member of Risk Management Committee President Executive Chairman Director Director Director	Samart I-Mobile Plc. Samart I-Mobile Plc. Samart I-Mobile Plc. Samart Corporation Plc. Samart Corporation Plc. Samart Corporation Plc. Samart Telcom Plc. Samart Telcom Plc. Vilailuck International Holding Co., Ltd. Subsidiaries and Related Companies (as shown in The Position of Directors of the Company in Subsidiaries and Related Companies)



Name-Surname / Position	Age	Education	% of Shareholding	Relationship	Working Experience last 5 years		
					During	Position	Company
6. Mr.Thanaran Vilailuck • Authorized Director • President • Executive Director • Risk Management Committee Member • Acting Managing Director-Mobile Business	46	- Master Degree in Engineering, University of Florida, USA - Bachelor Degree in Engineering, Kasetsart University - Director Accreditation Program (DAP), Thai Institute of Directors Association (IOD)	-	Mr. Charoenrath's and Mr. Watchai's younger brother	2003 - Present 2006 - Present 2005 - Present Sep.2012-Present 2009 - Present 2007 - Present 2006 - Present 2011 - Present 1993-Present Present	Director and Executive Director President Risk Management Committee Member Acting Managing Director-Mobile Business Risk Management Committee Member Executive Director President of Mobile Business LOB Director Director Director	Samart I-Mobile Plc. Samart I-Mobile Plc. Samart I-Mobile Plc. Samart I-Mobile Plc. Samart Corporation Plc. Samart Corporation Plc. Samart Corporation Plc. Siam Sport Syndicate Plc. Vilailuck International Holding Co., Ltd. Subsidiaries and Related Companies (as shown in The Position of Directors of the Company in Subsidiaries and Related Companies)
7. Mr. Jong Diloksombat • Authorized Director • Executive Director • Corporate Governance Committee Member • Risk Management Committee Member	53	- Master Degree in System Science, University of Louisville, USA - Bachelor Degree in Electrical Engineering, Chulalongkorn University - Certificate of Strategic Planning & Implementation Program, University of Michigan Business School (Executive Education Center), USA - Director Accreditation Program (DAP), Thai Institute of Directors Association (IOD)	-	-	2003 - Present 2012 - Present 2012 - Present 2012 - Present 2003 - Jan. 2012 2006 - 2008 2005 - Present 2009 - Present Present	Director and Executive Director Director Executive Director President and Corporate Governance Committee Member Chairman of the Risk Management Committee Executive Director Chief Operating Officer Nominating and Compensation Committee Member Corporate Governance Committee Member and Risk Management Committee Member Risk Management Committee Member Director	Samart I-Mobile Plc. Samart Telcoms Plc. Samart Telcoms Plc. Samart Corporation Plc. Samart I-Mobile Plc. Samart I-Mobile Plc. Samart I-Mobile Plc. Samart Corporation Plc. Subsidiaries and Related Companies (as shown in The Position of Directors of the Company in Subsidiaries and Related Companies)

Name-Surname / Position	Age	Education	% of Shareholding	Relationship	Working Experience last 5 years		
					During	Position	Company
8. Mr. Azwan Khan bin Osman Khan • Director	43	- Bachelor Degree in Electrical Engineering (1st Class Honours), Imperial College of Science & Technology, University of London, United Kingdom	-	-	2008 - Present 2008 - 2010 2008 - Present Present	Director Director Group Chief Strategy Officer Director	Samart I-Mobile Plc. Samart Corporation Plc. Axiata Group Berhad Subsidiaries and Related Companies of Axiata Group Berhad Celcom (Malaysia) Berhad
9. Mr. Annis bin Sheikh Mohamed • Director • Nominating and Compensation Committee Member	41	- Bachelor Degree in Business Administration University of Wisconsin - Madison, USA	-	-	July 2011 - Present Sept 2005 - June 2011	Head of Corporate Development Head of Investment Banking	Axiata Group Berhad Kuwait Finance House (M) Bhd
10. Mr. Lai Ki Tong • Executive Vice President	58	- Professional Qualification, Institute of Chartered Secretaries and Administration, United Kingdom - Director Accreditation Program (DAP), Thai Institute of Directors Association (IOD)	-	-	2011 - Present 2005 - Present 2003 - 2010 2004 - 2010 2006 - 2008 2006 - 2007	Executive Vice President Director Executive Vice President Risk Management Committee Member Director Nominating and Compensation Committee Member	Samart I-Mobile Plc. Samart I-Mobile (Malaysia) Sdn.Bhd. Samart Corporation Plc. Samart Corporation Plc. TM International Cambodia Co., Ltd. Samart I-Mobile Plc.



Name-Surname / Position	Age	Education	% of Shareholding	Relationship	Working Experience last 5 years		
					During	Position	Company
11. Mr. Pracha Phathayakorn • Executive Vice President	50	<ul style="list-style-type: none"> - Master Degree in Business Administration, Sasin Graduate Institute of Business Administration of Chulalongkorn University - Bachelor Degree in Accounting, Chulalongkorn University - Investment Banking License - Association of Securities Companies - Director Certification Program (DCP) and Director Accreditation Program (DAP) Thai Institute of Directors Association (IOD) - Monitoring the System of Internal Control and Risk Management (MIR) - Monitoring the Internal Audit Function (MIA) - Monitoring the Quality of Financial Reporting (MFR) - Audit Committee Program (ACP) 	-	-	2012 - Present May 2012 - Present 2011 - Present 2005 - 2011 2005 - 2011	Executive Vice President Risk Management Committee Member Executive Vice President (Finance and Accounting) Independent Director and Audit Committee President	Samart I-Mobile Plc. Samart Corporation Plc. Samart Corporation Plc. Eternity Grand Logistic Plc. Paresa Corporation Co., Ltd.
12. Mr. Subhasiddhi Rakkasikorn • Managing Director - Multimedia Business, Seconded to be Managing Director, Samart Multimedia Co., Ltd.	43	<ul style="list-style-type: none"> - Bachelor degrees in Marketing, Assumption University of Thailand (ABAC) - Young Executive Development Program, Faculty of Commerce and Accountancy, Thammasat University - Accounting Management, Faculty of Commerce and Accountancy, Chulalongkorn University 	-	-	2010 - Present 2007-2009 2003-2006 Present	Managing Director General Manager Assistant Vice President - Marketing & Marketing Communication Director	Samart Multimedia Co., Ltd. Samart Multimedia Co., Ltd. Samart Info Media Co., Ltd. Subsidiaries and Related Companies (as shown in The Position of Directors of the Company in Subsidiaries and Related Companies)

The Position of Directors and Management of the Company in Subsidiaries and Related Companies as at December 31, 2012

Director and Executive Director	Company		Subsidiaries												Related Companies																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																												
	1	SIM	SMS	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																		

Remarks 1. x = Chairman / = Director // = Executive Director /// = Audit Committee/Independent Director # = Management

2. Consist of:

- 1. SIM = Samart I-Mobile Pcl.
- 2. SMS = Samart Mobile Services Co., Ltd.
- 3. BUG = Samart Multimedia Co., Ltd.
- 4. IMI = I-Mobile International Co., Ltd.
- 5. IMIT = I-Mobile Inter trade Co., Ltd.
- 6. SIMM = Samart I-Mobile (Malaysia) Sdn. Bhd.
- 7. SIMI = PT. Samart I-Mobile Indonesia
- 8. SIMH = Samart I-Mobile (Hong Kong) Ltd.
- 9. SIAM = Samart Interactive Media Co., Ltd.
- 10. TAL = Take A Look Co., Ltd.
- 11. I-Sport = I-Sport Co., Ltd.
- 12. BS = Brain Source Co., Ltd.
- 13. ENI = Entertainment Tree Co., Ltd.
- 14. IMP = I-Mobile Plus Co., Ltd.
- 15. SC = Samart Corporation Pcl.
- 16. STC = Samart Telecoms Pcl.
- 17. SCT = Samart Comtech Co., Ltd.
- 18. SBS = Samart Broadband Services Co., Ltd.
- 19. OTO = One to One Contacts Co., Ltd.
- 20. SE = Samart Engineering Co., Ltd.
- 21. PN = Posnet Co., Ltd.
- 22. SCS = Samart Communication Service Co., Ltd.
- 23. SIF = Samart Infonet Co., Ltd.
- 24. SAET = Samart Ed-Tech Co., Ltd.
- 25. SR&D = Samart Research & Development Co., Ltd.
- 26. SUT = Samart U-Trans Co., Ltd.
- 27. SEC = Suvarabhumi Environment Care Co., Ltd.
- 28. CATS = Cambodia Air Traffic Service Co., Ltd.
- 29. KPP = Kampot Power Plant Co., Ltd.
- 30. CS = Cambodia Samart Co., Ltd.
- 31. CIO = Contact -In-One Co., Ltd.
- 32. TTN = Thai Trade Net Co., Ltd.
- 33. STW = Smartware Co., Ltd.
- 34. SIH = Samart Inter Holding Co., Ltd.
- 35. SRT = Samart Raditech Co., Ltd.
- 36. OTOPRO = One To One Professional Co., Ltd.
- 37. PTN = Portal Net Co., Ltd.
- 38. SDT = Samart Digital TV Co., Ltd.
- 39. VIH = Vitalluck International Holding Co., Ltd.

3. ⁽¹⁾ Direct held by Samart Multimedia Co., Ltd.

⁽²⁾ Direct held by I-Mobile International Co., Ltd.

⁽³⁾ Appointed as the Company's Directors and Nominating and Compensation Committee member on December 17, 2012

Board of Directors and Committees as at December 31, 2012

Directors / Committees' Members	Board of Directors	Executive Committee	Audit Committee	Risk Management Committee	Corporate Governance Committee	Nominating and Compensation Committee
1. Prof. Suphachai Phisitvanich	X		/			
2. Dr. Chotivid Chayavadhanangkur	/		X		X	/
3. Mr. Kunthit Arunyananda	/		/		/	X
4. Mr. Charoenrath Vilailuck	/					
5. Mr. Watchai Vilailuck	/	X		X		
6. Mr. Thananan Vilailuck	/	/		/		
7. Mr. Jong Diloksombat	/	/		/	/	
8. Mr. Azwan Khan bin Osman Khan	/					
9. Mr. Annis bin Sheikh Mohamed	/					/
10. Mr. Sirichai Rasameechan				/		/
11. Mr. Pairote Varophas					/	
12. Mr. Dhilokpat Nisamaneevong				/		
13. Mr. Teerawut Kreepanich				/		

Remarks X = Chairman / = Director



General Information

Name	: Samart I-Mobile Public Company Limited
Location of Headquarters	: 99/3 Moo 4, 33rd Floor, Software Park Building, Chaengwattana Road, Klong Gluar, Pak-kred, Nonthaburi 11120
Registered Capital	: Baht 444,000,000 divided into 4,440,000,000 ordinary shares, Baht 0.10 per share
Issued and paid up Capital	: Baht 430,393,500 divided into 4,303,935,000 ordinary shares, Baht 0.10 per share
Registration No	: 0107546000318
Website	: www.i-mobilephone.com
Telephone No	: 0-2502-6000
Fax No	: 0-2502-6870

References

Company Registrar	: Thailand Securities Depository Co., Ltd. The Stock Exchange of Thailand Building 62 Rajadapisek Road, Klongtoey, Bangkok 10110 Telephone No : 0-2229-2888 Fax No : 0-2654-5427
Auditor	: Ms. Kamontip Lertwitworatēp Certified Public Accountant C.P.A. License No.4377 Ernst & Young Office Limited 33rd Floor, Lake Rajada Office Complex 193/136-137 Rajadapisek Road, Klongtoey, Bangkok 10110 Telephone No : 02-264-0777 Fax No : 02-264-0789-90



**“i-mobile” brand handset
is the number one
Thai brand handset
by offering
quality products**



We aim to develop mobile handset that incorporate the world's leading technology including the development of content and application to create innovative products to consumers with the ultimate standards of services.

“i-mobile” brand handset is the number one Thai brand handset by offering quality products and features of over 300 styles since 2004 with units sold of over 20,000,000 to meet all needs of customers.

i-mobile