



Vision

We aim to be a leader in Information Technology solutions provider in Thailand

Mission

- To provide high quality products and solutions that offer both performance and value for money
- To provide services compatible to International Standards
- To constantly strive to meet and/or exceed our customer satisfaction through quality of products and services
- To establish a successful business relationship beyond expectations with our customers and partners
- To continuously invest in training and upgrading the skill-sets of our employees

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General Information

Company

Name	Simat Technologies Public Company Limited
Nature of business	Provides of hardware, software and maintenance services with total solution for Enterprise Data Collection and Collation System
Office address	No. 123 Soi Chalongkrung 31, Ladkrabang Industrial Estate, Chalongkrung road, Lamplatew sub-district, Ladkrabang district, Bangkok 10520 Tel : (66) 0 2326 0999 Fax : (66) 0 2326 1014
Registration date	Registered as public Company on 18 July 2006 Register no. 0107549000122 Listed in the Stock Exchange of Thailand (MAI) on 12 December 2007
Paid-up share capital	Baht 166,201,500 (166,201,500 common shares at par value of Baht 1 each) Share registered: 218,710,000 common shares
Registrar	Thailand Securities Depository Co., Ltd. The Stock Exchange of Thailand Building, 62 Rachadapisek Road, Klongtoey, Bangkok 10110
Auditor	Mr. Atipong Atipongsakul, CPA license no. 3500 or Mr. Sathien Vongsanan, CPA license no. 3495 or Mr. Vichai Ruchitanont, CPA license no. 4054 ANS Audit Co., Ltd. No. 100/31-32, 16 th floor, 100/2 Vongvanich Bldg. Tower B, Rama 9 road, Huaykwang, Bangkok 10310 Tel : (66) 0 2645 0109 Fax : (66) 0 2645 0110
Investor relation coordinator	Mr. Thammanoon Korkiatwanich Tel : (66) 0 2326 0999 ext. 1211 Fax : (66) 0 2326 1014
Company website	www.simat.co.th

Subsidiary companies

Name	Simat Soft Company Limited
Nature of business	Develop application programs for mobile computer (integrated mobile computing solution provider) for data storage system in organization
Office address	No. 123 Soi Chalongkrung 31, Ladkrabang Industrial Estate, Chalongkrung road, Lamplatew sub-district, Ladkrabang district, Bangkok 10520 Tel : (66) 0 2326 0999 Fax : (66) 0 2326 1014
Registration date	Registered as Company limited on 31 August 2006 Register no. 0105549104791
Paid-up share capital	Baht 3,000,000 (300,000 common shares at par value of Baht 10 each) Share registered: 300,000 shares
% of share holding by Company	100%

Name	Simat Label Company Limited
Nature of business	Production and sales of sticker, label, barcode paper and related supplies
Office address	No. 123 Soi Chalongkrung 31, Ladkrabang Industrial Estate, Chalongkrung road, Lamplatew sub-district, Ladkrabang district, Bangkok 10520 Tel : (66) 0 2326 0999 Fax : (66) 0 2326 1014
Registration date	Registered as Company limited on 9 April 2008 Register no. 0105551041025
Paid-up share capital	Baht 34,000,000 (3,400,000 common shares at par value of Baht 10 each) Share registered: 3,400,000 common shares
% of share holding by Company	86%

Name	E-Tech Distribution Company Limited
Nature of business	Sales of computer hardware and accessories
Office address	No. 123 Soi Chalongkrung 31, Ladkrabang Industrial Estate, Chalongkrung road, Lamplatew sub-district, Ladkrabang district, Bangkok 10520 Tel : (66) 0 2326 0999 Fax : (66) 0 2326 1014
Registration date	Registered as Company limited on 13 March 2009 Register no. 0105552026640
Paid-up share capital	Baht 1,250,000 (500,000 common shares at par value of Baht 10 each and paid-up 25%) Share registered: 500,000 shares
% of share holding by Company	51% by Company and 49% by E-Tech IT Sdn., Bhd. (a subsidiary)

Subsidiary companies

Name	E-Tech IT Sdn., Bhd. (Malaysia)
Nature of business	Sales of computer hardware, software and accessories and IT support services
Office address	No.15, Jalan Astaka, U8/83 Bukit Jelutong Industrial Park Bukit Jelutong, 40150 Shah Alam, Selangor, Malaysia Tel : (603) 78462338 Fax : (603) 78466328
Registration date	Registered as Company limited in 1997 Register no. 425254-X
Paid-up share capital	Ringgit 6,000,000 (6,000,000 common shares at par value of Ringgit 1 each) Share registered: 10,000,000 common shares
% of share holding by Company	60%

Name	E-Tech IT Solution Pte Ltd. (Singapore)
Nature of business	Sales of computer hardware and software
Office address	Manhattan House, 151 Chin Swee Road #06-01, Singapore 169876 Tel : 63372163
Registration date	Registered as Company limited in 2006 Register no. 200612012E
Paid-up share capital	Singapore dollar 100,000 (100,000 common shares at par value of Singapore dollar 1 each) Share registered: 100,000 shares
% of share holding by subsidiary company	60% by E-Tech IT Sdn., Bhd.

Name	E-Tech IT Frontline Sdn, Bhd. (Malaysia)
Nature of business	Sales of computer hardware and accessories
Office address	Third Floor, No. 79 (Room A), Jalan SS 21/60, Damansara Utama, 47400 Petaling Jaya, Selangor, Malaysia โทรศัพท์ : (603) 78462338 โทรสาร : (603) 78466328
Registration date	Registered as Company limited in 2010 Register no. 908982-M
Paid-up share capital	Ringgit 100,000 (100,000 common shares at par value of Ringgit 1 each) Share registered: 100,000 shares
% of share holding by subsidiary company	60% by E-Tech IT Sdn., Bhd.

Associate companies

Name	Sino Trading and Services Corporation
Nature of business	Provides of hardware, software and maintenance services with total solution for Enterprise Data Collection and Collation System
Office address	No. 27, Dang Tat street, Tan Dinh Ward, District 1, Ho Chi Minh City, Vietnam Tel : +84-8-38482619 Fax : +84-8-38437064
Registration number	4103012126
Paid-up share capital	VND 6,300,000,000 (630,000 common shares at par value of VND 10,000 each)
% of share holding by Company	40%

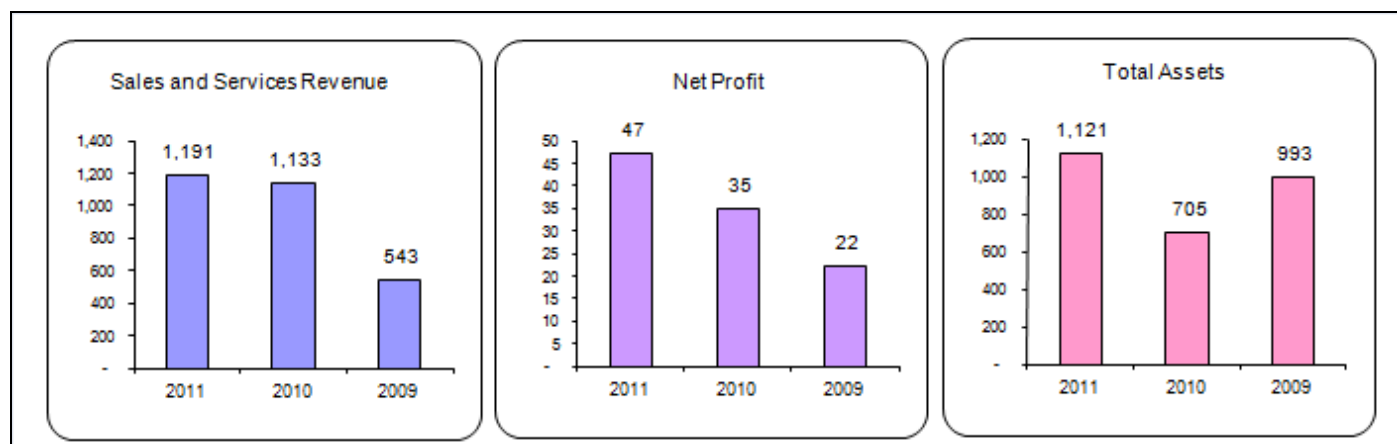
Name	High Rich Trading and Services Corporation
Nature of business	Production and sales of sticker, label, barcode paper and related supplies
Office address	No. 27, Dang Tat street, Tan Dinh Ward, District 1, Ho Chi Minh City, Vietnam Tel : +84-8-8482619 Fax : +84-8-8437064
Registration number	4103012125
Paid-up share capital	VND 1,070,000,000 (107,000 common shares at par value of VND 10,000 each)
% of share holding by subsidiary company	40% by Simat Label Company Limited

Name	Vietsun Technologies And Investment Joint Stock Company
Nature of business	Consulting, service and sales agent of computer program
Office address	No. 26, 266 Le Thanh Nghi Street, Dong Tam Ward, Hai Ba Trung District, Ha Noi City, Vietnam Tel : +84-4-39449096 or +84-4-39447569 Fax : +84-4-39448107
Registration number	0102552472
Paid-up share capital	VND 400,000,000 (40,000 common shares at par value of VND 10,000 each)
% of share holding by associate company	50% by Sino Trading and Services Corporation

Financial Highlights

Consolidated Financial Statements	2011	2010	2009
Unit : Baht Million			
Revenues from sales and services	1,190.90	1,133.13	543.19
Gross profit	217.83	187.76	103.24
Net profit	47.29	34.67	21.97
Total assets	1,120.94	705.15	993.38
Shareholders' equity	363.64	255.90	196.17
Unit : Baht			
Par value	1.00	1.00	1.00
Earnings per share	0.42	0.43	0.29
Dividends per share	0.01*	0.15*	0.05*
Total assets per share	6.74	8.49	13.24
Shareholders' equity per share	2.19	3.08	2.61
Financial ratio			
Net profit margin	3.97%	3.06%	4.04%
Gross profit margin	18.30%	16.01%	19.01%
Net profit / Total assets	4.22%	4.92%	2.21%
Net profit / Shareholders' equity	13.01%	13.55%	11.20%
Debt / Equity	208.26%	175.57%	406.38%

* Propose to AGM 2012 to approve the cash and stock dividend payment from the operating result of 2011.





Report from Board of Directors

In 2011, Thai economy faces the unexpected events especially the flood crisis at the end of the year and this made the economy expansion drop to 1.5% while year 2010, Thai economy grows approximately 7.8%. For year 2012, Thai economy is expected to grow approximately 3.5 – 4.8% and the market of retail business which is the main business of our customer is expected to grow around 5 – 7%.

However, the operating result for the year 2011 increases significantly about 34% from prior year especially the operating result from Thailand operation increased highly about 87% from prior year because the customer in retail business increases their many branches during the end of the year. The profit from Thailand operation is 55.6 million baht and recognizes the profit sharing from the associate in Vietnam 3.2 million baht and recognizes the loss from the subsidiary in Malaysia 11.8 million baht.

In 2011, the Company has significant changes. In the mid of year, the Company expands its business to Telecommunication by investment in the Optical Fiber Network System (FTTx) for lease to CAT Telecom Public Company Limited in the area of Nakornratchasima and Chiangmai provinces for 5 years and the Company will generate the rental revenue from this project about 850 million baht for the 5 years. The project is expected to complete and started the revenue recognition in Quarter 2 of year 2012.

Moreover, in year 2011, the Company has launched the new software product called “SKY FROG” which the Company has researched and developed for Logistic and Transport business. SKY FROG is the software solution using Cloud Computing Technology to manage the logistic and transport (Proof of Delivery: POD) (see more details in www.skyfrog.net) and expected to generate revenue in Quarter 2 of year 2012.

For the year 2012, the Company expects that revenue and net profit will grow up well according to the good economic trend and the retail market trend. The Company and its employees will dedicate to work hard to achieve the target net profit and for the highest benefit of shareholders and stakeholders.

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(Mr. Tan Bak Hong)
Chairman

A handwritten signature in black ink, consisting of a large, stylized initial 'M' followed by a horizontal line.

(Mr. Thongkam Manasilapapan)
Chief Executive Officer

Board of Directors



Mr. Tan Bak Hong

Chairman

Percentage of Shareholding: 33.17% indirectly through Grand-flo Solution Berhad

Authorized director who can sign on behalf of the Company according to the affidavit

Specialized experience: expert in EDCCS Technologies

Relationship among management: Brother of Mr. Tan Bak Leng

Participation in Board of Directors' meeting in year 2011: 5/8 times

Education:

- Bachelor of Engineering University of Malaya
- Training in Director Accreditation Program (DAP), Thai Institute of Directors

Work experience:

Period	Title	Name of / Company
2004 – present	Chairman	Simat Technologies PCL.
2004 – present	Director	Grand-Flo System Pte.,Ltd.
2003 – present	Managing Director	Grand-Flo Solution Berhad
1996 – present	Managing Director	Grand-Flo Electronic System Sdn, Bhd
2006 – present	Director	Grand-flo Spritvest
2006 – present	Director	Data Centrix
2007 – present	Director	Grand-flo RFID
2008 – present	Director	Group of Label Network
2008 – present	Director	Simat Label
2008 – present	Director	Group of CL Solution
2008 – present	Director	Sino and High Rich Trading & Service Corp.
2009 – present	Director	E-Tech IT Sdn., Bhd.
2009 – present	Director	E-Tech Distribution
2010 – present	Director	E-Tech IT Solution Pte., Ltd.



Mr. Thongkam Manasilapapan

Deputy Chairman

Percentage of Shareholding: 19.26%

Authorized director who can sign on behalf of the Company according to the affidavit

Specialized experience: expert in EDCCS Technologies

Relationship among management: None

Participation in Board of Directors' meeting in year 2011: 8/8 times

Education:

- Bachelor of Engineering (Civil Engineering), South East Asia University
- Certificate of Managing Information System (Cert. MIS) University of California), USA
- Executive MBAs, Chulalongkorn University
- Training in Director Accreditation Program (DAP), Thai Institute of Directors

Work experience:

Period	Title	Name of / Company
1999 – present	Deputy Chairman / CEO	Simat Technologies PCL.
2006 – present	Director	Simat Soft Co., Ltd.
2005 – present	Director	Grand-Flo Solution Berhad
1995 – present	Director	S. Siri Transport Co., Ltd.
2008 – present	Director	Simat Label Co., Ltd.
2008 – present	Director	Sino and High Rich Trading & Service Corp.
2009 – present	Director	E-Tech IT Sdn., Bhd.
2009 – present	Director	E-Tech Distribution



Mr. Tan Bak Leng

Director

Percentage of Shareholding: 0%

Authorized director who can sign on behalf of the Company according to the affidavit

Specialized experience: expert in EDCCS Technologies

Relationship among management: Brother of Mr. Tan Bak Hong

Participation in Board of Directors' meeting in year 2011: 4/8 times

Education:

- Diploma in Electronic Engineering French Singapore Institute
- Training in Director Accreditation Program (DAP), Thai Institute of Directors

Work experience:

Period	Title	Name of / Company
2004 – present	Director	Simat Technologies PCL.
1996 – present	Director	Grand-Flo Electronic System Sdn,Bhd
2004 – 2011	Director	Grand-Flo Solution Berhad



Mr. Tan Chuan Hock

Director

Percentage of Shareholding: 0%

Specialized experience: expert in finance and business acquisition

Relationship among management: None

Participation in Board of Directors' meeting in year 2011: 5/8 times

Education:

- Member of Malaysian Institute of Accountant and Malaysian Institute of Taxation
- Member of Association of Chartered Certified Accountants ("ACCA")
- Training in Director Accreditation Program (DAP), Thai Institute of Directors

Work experience:

Period	Title	Name of / Company
2004 – present	Director	Simat Technologies PCL.
2004 – present	Director	Grand-Flo Solution Berhad



Mr. Nguyen Quyet Thang

Director

Percentage of Shareholding: 0%

Specialized experience: expert in EDCCS Technologies

Relationship among management: None

Participation in Board of Directors' meeting in year 2011: 4/8 times

Education:

- Bachelor of Computer Science, University of Technologies Ho Chi Minh City

Work experience:

Period	Title	Name of / Company
1996 – present	Managing Director	Sino Trading & Services (Associate)
2003 – present	Director	High Rich Trading & Services (Associate)
2009 – present	Director	Simat Technologies PCL.
2007 – present	Director/CEO	Vietsun Technologies And Investment Joint Stock Company



Mr. Thammanoon Korkiatwanich

Director

Percentage of Shareholding: 0%

Authorized director who can sign on behalf of the Company according to the affidavit

Specialized experience: expert in accounting, finance and financial audit

Relationship among management: None

Participation in Board of Directors' meeting in year 2011: 8/8 times

Education:

- BBA (Accounting), Assumption University
- MBA, National Institute of Development Administration (NIDA)
- Certified Public Accountant, License no. 7331

Work experience:

Period	Title	Name of / Company
2010 – present	Director	Simat Technologies PCL.
2006 – present	Executive Accounting & Finance Director	Simat Technologies PCL
2008 - present	Director	Simat Label Co., Ltd.
2009 – present	Director	Simat Soft Co., Ltd.
2009 - present	Director	E-Tech Distribution Co., Ltd.
2005– 2006	Audit Manager	PriceWaterHouseCoopers ABAS Limited
1999 - 2005	Audit Assistant	PriceWaterHouseCoopers ABAS Limited



Mr. Vorachi Charoenprasittiporn

Independent Director

Percentage of Shareholding: 0%

Specialized experience: expert in business management

Relationship among management: None

Participation in Board of Directors' meeting in year 2011: 7/8 times

Education:

- BBA, Thammasat University
- MBA, University of Wisconsin – Milwaukee
- Training in Director Accreditation Program (DAP), Thai Institute of Directors

Work experience:

Period	Title	Name of / Company
2007– present	Director	Simat Technologies PCL.
2004 – present	Director	Idex Technologies Co., Ltd.
2003 - present	Director	Orisoft (Thailand) Co., Ltd.
1999 – Mar'09	Director	Polsiri International Co., Ltd.
2009 – present	Director	Breadtalk (Thailand) Co., Ltd.
Feb'10 – present	Director	Taster Food (Thailand) Co., Ltd.
2010 – present	Director	Techbond (Thailand) Co., Ltd.

Nature of relationship

Number of Company's share holding: None

To have/have not interest in Parent / Subsidiary / Associate or juristic person with Conflict of interest at present and during the past 2 years

- As the director participated in management, employee, worker or consultant who receives the salary: None
- As the professional service provider: None
- Business relationship: None

Act as a Director/Others at present

- *Other Listed Companies: None*
- *Non-Listed Companies: 5 companies*
- *Other juristic person with Conflict of interest: None*



Ranchana Rajatanavin, Ph.D.

Independent Director / Chairman of Audit Committee

Percentage of Shareholding: 0%

Specialized experience: expert in finance and banking

Relationship among management: None

Participation in Board of Directors' meeting in year 2011: 7/8 times

Participation in Audit Committees' meeting in year 2011: 5/5 times

Education:

- BBA (Finance and Banking), Ramkhamheng University
- M.B.A. (Business Administration) Salem State College, Massachusetts, U.S.A.
- Ph.D. (International Business) Concentration: Finance and Marketing, Asian Institute of Technology, Thailand
- Training in Director Accreditation Program (DAP), Thai Institute of Directors

Work experience:

Period	Title	Name of / Company
2007 – present	Chairman of Audit Committee	Simat Technologies PCL.
Jun'09 - present	Director of Business Incubator	Sripathum University
2005 – May'09	Head of Finance and Banking	Faculty of Business Administrative, Sripathum University
2004 – 2005	Professor of Finance and Banking	Faculty of Business Administrative, Sripathum University

Nature of relationship

Number of Company's share holding: None

To have/have not interest in Parent / Subsidiary / Associate or juristic person with Conflict of interest at present and during the past 2 years

- As the director participated in management, employee, worker or consultant who receives the salary: None
- As the professional service provider: None
- Business relationship: None

Act as a Director/Others at present

- *Other Listed Companies: None*
- *Non-Listed Companies: None*
- *Other juristic person with Conflict of interest: None*



Mr. Narongrit Rerkpattanapipat

Independent Director / Audit Committee

Percentage of Shareholding: 0%

Specialized experience: expert in financial audit and accounting standards

Relationship among management: None

Participation in Board of Directors' meeting in year 2011: 7/8 times

Participation in Audit Committees' meeting in year 2011: 5/5 times

Education:

- BBA (Accounting), Assumption University
- Certified Public Accountant, License no. 8093
- Training in Director Accreditation Program (DAP), Thai Institute of Directors

Work experience:

Period	Title	Name of / Company
2008 – present	Audit Committee	Simat Technologies PCL.
2005 – present	Senior Audit Manager	PriceWaterHouseCoopers ABAS Limited
1999 - 2005	Audit Assistant	PriceWaterHouseCoopers ABAS Limited

Nature of relationship

Number of Company's share holding: None

To have/have not interest in Parent / Subsidiary / Associate or juristic person with Conflict of interest at present and during the past 2 years

- As the director participated in management, employee, worker or consultant who receives the salary:
None
- As the professional service provider: None
- Business relationship: None

Act as a Director/Others at present

- Other Listed Companies: None
- Non-Listed Companies: None
- Other juristic person with Conflict of interest: None



Ms. Kanwara Aurlpokaiyakul

Independent Director / Audit Committee

Percentage of Shareholding: 0%

Specialized experience: expert in banking

Relationship among management: None

Participation in Board of Directors' meeting in year 2011: 7/8 times

Participation in Audit Committees' meeting in year 2011: 5/5 times

Education:

- Bachelor of Management, Uttaradit Rajabhat University
- Training in Director Accreditation Program (DAP), Thai Institute of Directors

Work experience:

Period	Title	Name of / Company
2008 – present	Audit Committee	Simat Technologies PCL.
2010 - present	Manager	Kasikorn Bank – Sukhumvit 18 Branch
2009 - 2010	Manager	Kasikorn Bank – Sukhumvit 15 Branch
1991 – 2008	Assistant Manager	Kasikorn Bank – Sukhumvit 15 Branch

Nature of relationship

Number of Company's share holding: None

To have/have not interest in Parent / Subsidiary / Associate or juristic person with Conflict of interest at present and during the past 2 years

- As the director participated in management, employee, worker or consultant who receives the salary:
None
- As the professional service provider: None
- Business relationship: None

Act as a Director/Others at present

- *Other Listed Companies: None*
- *Non-Listed Companies: None*
- *Other juristic person with Conflict of interest: None*

Executive committee



Mr. Thongkam Manasilapapan

Chief Executive Officer

Percentage of Shareholding: 19.26%

Authorized director who can sign on behalf of the Company according to the affidavit

Specialized experience: expert in EDCCS Technologies

Relationship among management: None

Education:

- Bachelor of Engineering (Civil Engineering), South East Asia University
- Certificate of Managing Information System (Cert. MIS) University of California), USA
- Executive MBAs, Chulalongkorn University
- Director Accreditation Program (DAP), Thai Institute of Directors

Work experience:

Period	Title	Name of / Company
1999 – present	Deputy Chairman / CEO	Simat Technologies PCL.
2006 – present	Director	Simat Soft Co., Ltd.
2005 – present	Director	Grand-Flo Solution Berhad
1995 – present	Director	S. Siri Transport Co., Ltd.
2008 – present	Director	Simat Label Co., Ltd.
2008 – present	Director	Sino and High Rich Trading & Service Corp.
2009 – present	Director	E-Tech IT Sdn., Bhd.
2009 – present	Director	E-Tech Distribution



Mr. Thammanoon Korkiatwanich

Executive Accounting and Finance Director

Percentage of Shareholding: 0%

Specialized experience: expert in accounting, finance and financial audit

Relationship among management: None

Education:

- BBA (Accounting), Assumption University
- MBA, National Institute of Development Administration (NIDA)
- Certified Public Accountant, License no. 7331

Work experience:

Period	Title	Name of / Company
2006 – present	Director / Executive Accounting & Finance Director	Simat Technologies PCL.
2008 – present	Director	Simat Label Co., Ltd.
2009 – present	Director	Simat Soft Co., Ltd.
2009 - present	Director	E-Tech Distribution Co., Ltd.
2005 – 2006	Audit Manager	PriceWaterHouseCoopers ABAS Limited
1999 – 2005	Audit Assistant	PriceWaterHouseCoopers ABAS Limited



Ms. Narisara Prasertsang

Executive Operation Director

Percentage of Shareholding: 0.02%

Specialized experience: expert in EDCCS Technologies


Relationship among management: None

Education:

- Bachelor of Computer Science, Mahidol University International College
- MA Business Studies, University of Sunderland, United Kingdom

Work experience:

Period	Title	Name of / Company
2007 – present	Executive Operation Director	Simat Technologies PCL.
2008 – present	Director	Simat Label Co., Ltd.
2009 - present	Director	Simat Soft Co., Ltd.
2006 – 2007	Senior Marketing Manager	Simat Technologies PCL.
2005 – 2006	Territory Account Manager	Symbol Technologies Asia, Inc
2003 - 2005	CRM Manager	Simat Technologies PCL.

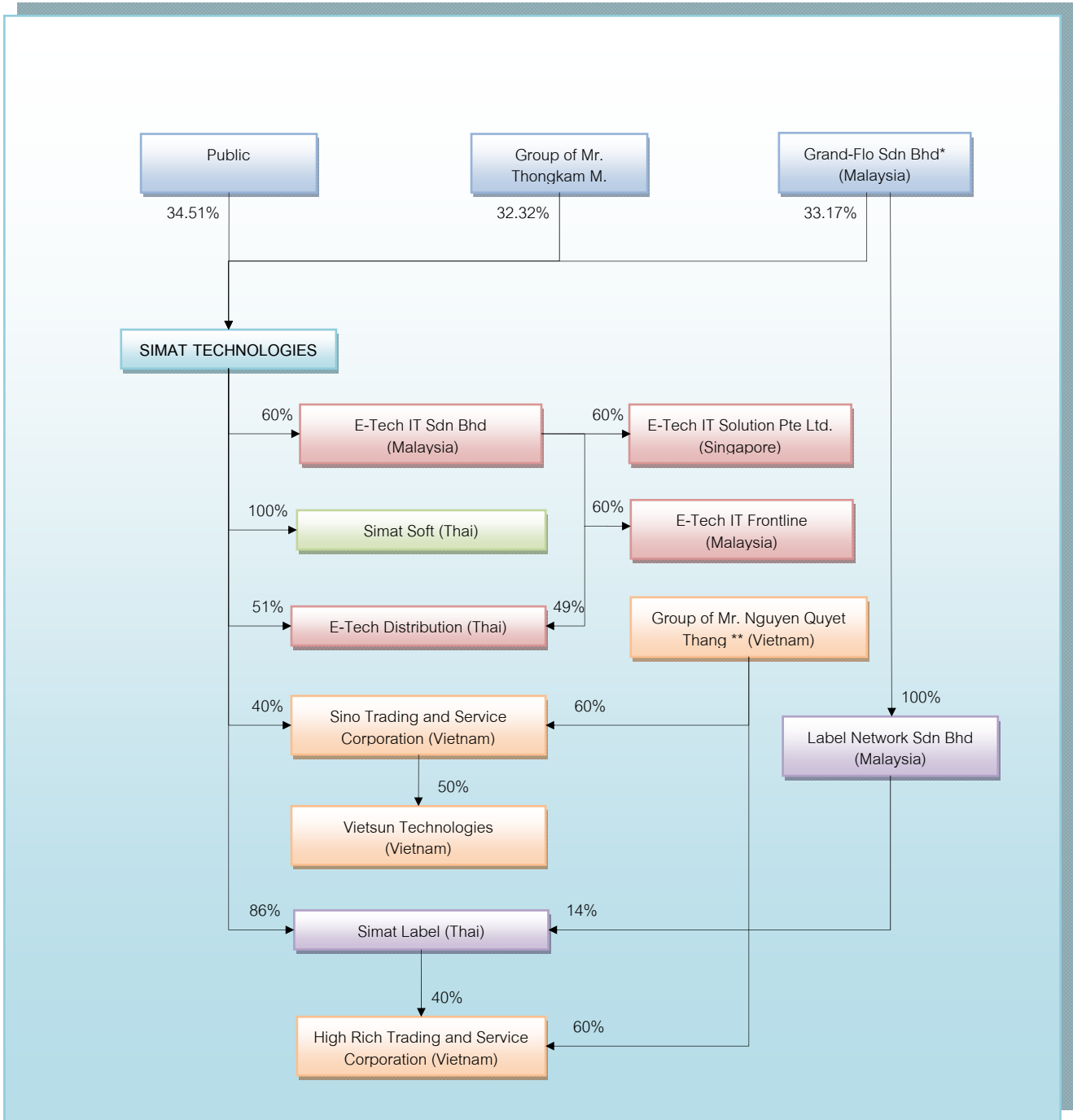
	<p>Mr. Kokiatt Kitkaona</p> <p>Technical Sale Support Director</p> <p>Percentage of Shareholding: 0%</p> <p>Specialized experience: expert in EDCCS Technologies</p> <p>Relationship among management: None</p>	
	<p>Education:</p> <ul style="list-style-type: none"> - Bachelor of Science in Computer Science, Kasetsart University - Master of Science (Information Technologies), King Mongkut's Institute of Technology Ladkrabang 	
<p>Work experience:</p>		
Period	Title	Name of / Company
2007 – present	Technical Sale Support Director	Simat Technologies PCL.
2004 – 2006	Business Development Manager	Simat Technologies PCL.
2002 – 2003	Senior Software Engineering	Simat Technologies PCL.

Information of Directors or Executive committee who act as Directors, Management and Controller in subsidiary companies, associate companies and related companies

Name of Company	Company	Subsidiary Companies					Associate Companies		Related Companies									
		Thailand			Malaysia		Singapore	Vietnam		Malaysia							China	Thailand
		Simat Soft	Simat Labels	E-Tech IT Distribution	E-Tech IT Sdn., Bhd.	E-Tech IT Frontline	E-Tech IT Solution PTE	Sino Trading and Services	High Rich Trading and Services	Grand-Flo Solution Bhd	Grand-Flo System Pte	Grand-Flo Electronic System Pte	Grand-Flo Spritvest	Data Centrix	Grand-Flo RFID	Label Network group companies	CL Solution group companies	S. Sini Transport
Mr. Tan Bak Hong	X	/	/	/		<	/	/	/#	/	/#	/	/	/	/	/		
Mr. Thongkam Manasilapapan	/#	/#	/#	/#	/	<	/	/	/									/
Mr. Tan Bak Leng	/										/							
Mr. Tan Chuan Hock	/								/									
Mr. Nguyen Quyet Thang	/						/#	/#										
Mr. Worachai Charoonprasitporn	>																	
Dr. Ranchana Rachatanavin	>																	
Mr. Narongrit Rerkpattanapipat	>																	
Ms. Kanwara Aurlpokaiyakul	>																	
Mr. Thammanoon Korkiatwanich	/#	/	/	/														
Ms. Narisara Prasertsunk	#	/	/															
Mr. Kokiati Kitkaona	#																	

Remarks / = Director X = Chairman # = Executive committees > = Independent Director < = Controller

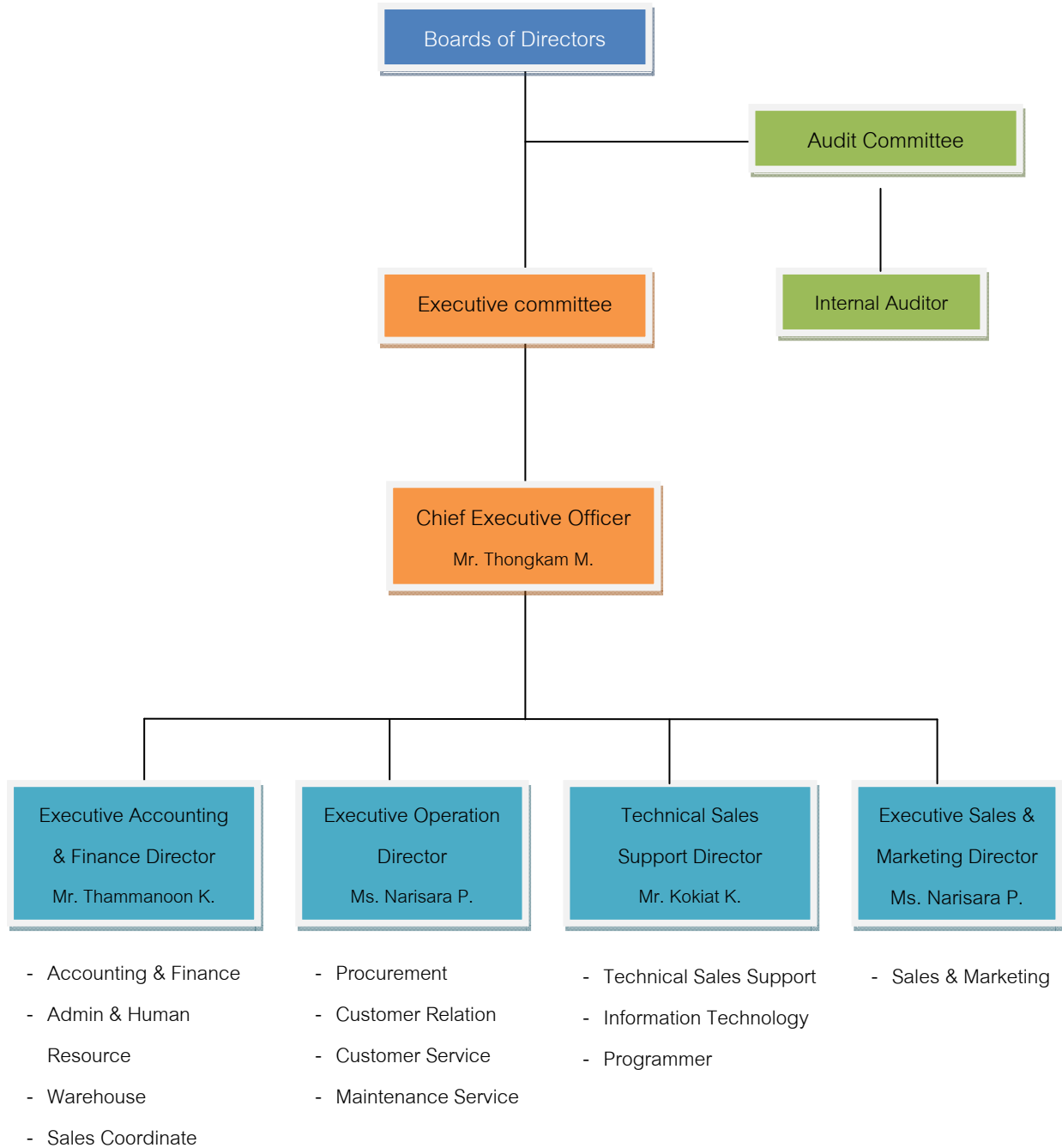
Shareholding Structure of Company and subsidiaries



* Mr. Tan Bak Hong (Chairman) indirectly holds 33.17% through Grand-flo Solution Berhad

** Mr. Nguyen Quyet Thang (Director) holds 60% of total shares of Sino and High Rich (associates)

Organization Chart



Major Shareholders and Dividend Policy

Top ten of shareholders and the amount of shares on the closing registration date as of March 14, 2012.

Rank	Shareholders	No. of shares	%
1	The Grand-flo Solution Bhd	55,125,000	33.17
2	Mr. Thongkam Manasilapapan	32,018,458	19.26
3	Ms. Chutikarn Manasilapapan	20,757,658	12.49
4	Mr. Nattawut Pinto	3,687,656	2.22
5	Mr. Nutthinun Suksomphong	3,169,900	1.91
6	Mr. Chakrit Suwannachote	2,128,900	1.28
7	Mr. Surapun Pattanapitoon	2,225,000	1.34
8	Mr. Piyanut Sinchai	2,000,000	1.20
9	Mr. Nelson Boon Wai Yong	1,766,000	1.06
10	Mr. Pornchai Torcharoensook	1,700,000	1.02
	Other shareholders	41,622,928	25.04
	Total	166,201,500	100.00

Simat Technologies Public Company Limited has a policy to declare dividends to shareholders at the rate of not less than 50 percent of net profit after deduction of corporate income tax and reserves according to the law. However, the Company may declare dividends at the rate lower than what was mentioned above if it is necessary for the Company to use such net profit for expansion of the Company's operation.

Nature of Business

**Whether you are in
Retail****Whether you are in
Logistic****Whether you are in
Manufacturing etc.**

Principal businesses of the Company are a mobile computers provider and an integrated mobile computing solution provider for Enterprise Data Collection and Collation System (“EDCCS”) which is connectable with Enterprise Resource Planning (“ERP”) systems of customers’ company such as SAP, Oracle, BAAN, and etc. The benefits of EDCCS system to the Company’s customers are:

- (1) receiving more useful and more accurate data for decision making such as information concerning inventory, raw material, etc., which will help with time, workforce, goods, and resources management, reduce paper usage, increase efficiency and productivity of organization, and
- (2) providing real time information to resources management which enables customers to utilize their resources more effectively.

The EDCCS system that the Company provides at the present time is the data recording and processing system with barcode technology. The Company is currently in the process of developing a market for Radio Frequency Identification (“RFID”) system, a wireless technology using radio frequency to identify attribute of particular item. It is a market with a tendency to grow rapidly both domestically and internationally.

The Company provides hardware device, software programs development, and EDCCS-related system maintenance. At the present time, products and services of the Company can be divided into:

- (1) Group of hardware products and software sold together with said hardware. Principal hardware products that the Company provides are mobile or hand-held computers and devices that support barcode and RFID technologies. Hardware devices that the Company provides have operating system for stand-alone usage. The Company has developed particularized software which is MobileNet system. This software enables hand-held computers of the Company to connect with customer's database and other computers from long distance. Typically, the Company will sell MobileNet together with hardware of the Company.
- (2) Group of software products such as software related to the EDCCS system which the Company had developed for particular customers, for example, software for warehouse management system, sale force automation system, as well as also other system software which was designed based on the need of particular customers (customized software).
- (3) Business of maintenance service providing for hardware device and software sold by the Company and also maintenance of customers' computer devices used with products sold by the Company.
- (4) Business of Label, manufacturing and sales of sticker and label paper as customer's order. This business will create value-added to the Company's Barcode printer hardware and generate recurring income as the products are supplies for customer use regularly.

In 2005, the Company expanded its business by having a strategic foreign partner, Grand-Flo Solution Berhad ("Grand-Flo"), a company which is involved in EDCCS information technology development business registered in the stock exchange of Malaysia (MASDAQ Market of Bursa Malaysia Berhad). At present, Grand-Flo holds the Company's share 36.75 percent shares of registered capital. Grand-Flo was supporting the Company providing cash flows to the Company and as well as providing technologies exchange which enhanced the pre-exist systems provided by the Company. This resulted in the tremendous growth of the Company.

In 2006, the Company established Simat Soft Company Limited ("Subsidiary") in which the Company holds 99.99 percent of its shares. It has transferred the entire software developing business to Simat Soft which had obtained privileges from the Board of Investment of Thailand (BOI) exempting it from corporate income tax from such business for 8 years because the Board of Investment of Thailand (BOI) in cooperation with the Software Industry Promotion Agency (SIPA) has a policy to promote software development for the government and private sectors to support the increase of information technology industry.

In 2008, the Company established Simat Label Company Limited ("Subsidiary") in which the Company holds 60 percent of its shares. This subsidiary engages in business of manufacturing and sales of sticker, label, barcode paper and related supplies which will create the value-added to the Company's Barcode printer hardware and generate recurring income as the products are supplies for customer use regularly. Later in 2009, the percentage of shareholding by the Company in Simat Label increased from 60% to 80% as Simat Label raised its capital from Baht 12 million to Baht 24 million.

In 2008, the Company also expands its business to Vietnam by investing in Sino Trading and Services Corporation ("Associate") in which the Company holds 40% of its shares and High Rich Trading and Services Corporation ("Associate") in which Simat Label Company Limited holds 40% of its shares. Both associate companies engage the same business as the Company. This will help the Company expanding its market to Vietnam which has the high level of economic growth.

In 2009, the Company established E-Tech Distribution Company Limited ("Subsidiary") (Formerly "Simat E-Tech (Thailand) Limited) in which the Company holds 51% of its shares and the remaining 49% held by E-Tech IT Sdn., Bhd. This subsidiary engages in business of sales of computer hardware about the Point of sales system.

During the end of year 2009, the Company expanded its business in Malaysia by acquiring 60% of total shares or 2,400,000 shares of E-Tech IT Sdn., Bhd. This subsidiary engages in business of sales of computer hardware, software and accessories and IT support services in Malaysia and the major end customers are government sector.

In 2010, the Company established E-Tech IT Frontline Sdn., Bhd. ("Subsidiary") in which a subsidiary, E-Tech IT Sdn., Bhd., holds 60% of its shares. This subsidiary engages in business as the distributor of computer hardware for Auto Identification and Point of Sales system in order to expand business in other product lines in Malaysia.

In 2011, the Company expands its business into Telecommunication by investment in the Optical Fiber Network System for operating lease to CAT Telecom Public Company Limited in the area of Nakornratchasima and Chiangmai Province for 5 years by using the high speed technology through FTTx and PON Technology

Revenue Structure



Thailand	Hardware & software sales	Maintenance services	Rental of equipment	Label business	Total
Unit: '000 Baht					
2011	355,531	55,745	7,443	27,352	446,071
2010	276,333	56,049	2,752	24,958	360,092
2009	158,307	45,626	3,659	18,556	226,148

Vietnam	Hardware & software sales	Label business	Total	% of shareholding	Share of profit from associate
Unit: '000 Baht					
2011	59,455	14,294	73,749	40	3,176
2010	69,398	8,956	78,354	40	3,775
2009	56,780	11,307	68,087	40	3,864

Malaysia	Total sales for the year	% of shareholding
Unit: '000 Baht		
2011	744,828	60
2010	833,371	60
2009	*1,306,272	60

* The Company acquired the subsidiary in Malaysia in December 2009

Industrial Outlook and Competitive Environment

IT Market in Thailand

Thailand Information Technologies market can be divided into 3 major categories:

- (1) Computer hardware market which comprise of all kinds of computer devices such as desktop computer, notebook, printer, scanner, monitor, etc.,
- (2) Computer software market which refers to the computer program market, both in form of packaged software program and programs developed for specific purposes (outsourced software),
- (3) Computer services market such as computer lease, hardware consultant, data analysis, database related activities, and other activities related to computer.

Value of Thailand IT Market during 2009 – 2010 and the forecast of 2011

IT Market	Value (Million Baht)			Market Proportion (%)			Growth (%)	
	2009	2010	2011F	2009	2010	2011F	09/10	10/11
Hardware	80,869	91,596	100,511	37	36	34	13	10
Software	64,365	72,400	84,233	29	29	29	13	16
Service	48,372	60,390	75,560	21	24	26	25	25
Network equipment	27,546	29,281	32,935	13	11	11	6	13
Total	221,152	253,667	293,239	100	100	100	15	16

Source: National Science and Technology Development Agent (NSTDA)

For the year 2012 – 2016, Thailand IT market is expected to grow approximately 11% with the following factors:

- The IT service market is well growing continuously while the hardware market is growing at the decreasing rate as IT services will increasingly take a major role in the economic system especially the services in System Integration and Network services which comprises of more than 60% of the total IT service market.
- The trend to change from the purchase of computer hardware to leasing or hire purchase which can help the organization to easily change the computer hardware according to the technological change.
- The investment in IT by government sector is the major factor to the market growth as the government has the policy to enhance and develop Thai people to access the technology thoroughly.
- The investment trend in the Cloud Computing is increasing as it is the integral system of both hardware and software sharing by using the processing through internet system which can help to

reduce cost and the users do not need to use the high efficiency computer or pay money for software but there is the service expense for the actual use.

Products of the Company are niche products for which the customer base is large organizations which need to improve their management system to be more efficient, for example, large-scale retail business, large consumer product businesses, logistic businesses, and certain government agencies. The Company is aware of the potential of the size of the target customer market. This has a potential for considerably more expansion such as manufacturing related industry business, etc.

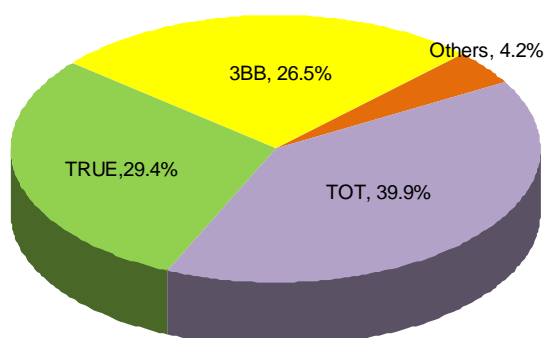
Business of the Company is an integrated information technology service for data storage and management focusing on mobile computers usage. Furthermore, most of the customers need continuous servicing, particularly in the aspect of long-term maintenance. Therefore a company that provides integrated solutions to its customers has advantages in business expansion and customer base maintenance.

Retail Business Market Trend (the Company's main customer group)

- The trend of retail business in year 2012, it is expected to grow at approximately 5 – 7% from prior year and the Modern Trade especially Department stores, Discount stores and Convenient stores will play a major role to drive the market as they are expanding their investment and developing the marketing strategies to stimulate the consumer continuously. The Modern Trade will increase their market share to 50-55% from prior year (45%).
- The market is intensely competing as the existing and the new players invest more in retail business to expand their area coverage in order that the access their target market. This will result in the increase of the small store such as convenient stores.
- The growing of the customer in retail business will significantly support the increase in sales of the Company. The Company's main customers in retail business are Tesco Lotus and CP All.

Competitive environment in broadband internet market for the Company's investment in FTTx for lease to CAT Telecom

Currently, the market of internet service providers (ISPs) mainly focus on ADSL network. There are 3 main ISPs, namely TOT, TRUE and 3BB, covering about 90% of total market share. TOT and TRUE are the ISPs that have their own backbone network. 3BB uses TT&T's base-line network, although 3BB does not have its own network. So, all of those 3 ISPs can provide service of broadband internet (ADSL) to customers covering the most areas of the country.



Reference: The Office of Policy and Rule Development, The National Telecommunications Commission, Data as of the end of Q3, 2010

According to the National Broadband Policy, there must be an investment in broadband internet that its internet speed is faster than that of ADSL. This is the origin of new technology such as FTTx technology. So, from this point of time, competitive environment mentioned in the previous paragraph may significantly change in the near future due to FTTx technology does not require base-line network. Instead, FTTx technology requires ISP to invest in fiber optic network. So, the competitive advantage of ISP is from 2 main things (1) the capability of each ISP to invest and expand FTTx network (2) pricing strategy of each ISP.

The capability to expand the FTTx network of each ISPs is key success factor to increase their market share. ISPs should investigate the area that they want to install the FTTx network whether that area already has the FTTx network offered by other ISPs. This is an indication of the level of competition in that area. However, CAT Telecom is at risk of an intense competition, but the Company doesn't involve anything in that competition as the Company will definitely receive the rental fee of FTTx network system, amounting of 430 Bath per port.

As a result of the change in the consumer behavior of internet users such as the need of receiving and sending a lot of big file size and more high speed internet connection then it makes the old low speed internet technology, such as Dial Up and ADSL, out of date. So, Investment to install the FTTx network, which is the network that can provide more high speed internet connection than the current ADSL about 10 times, will satisfy the need of customers at present and also in near future.

IT Market in Malaysia

IT Market in Malaysia is expected to grow in year 2011 and the market value will be USD 5.2 billion which will increase from year 2010 (USD 4.9 billion) as the demand remains growing high although the economy grows at moderate level. The IT service market will have a high opportunity to grow very high as the Malaysia government focus to be the IT hub of this region. The government focus to respond the IT demand for IT services including the Cloud Computing services for SME businesses and also the supply of computer hardware for education projects.

The major market segments are government sector, telecom business and financial institution such as Islamic bank. (Source: Business Monitor International)

E-Tech IT Sdn., Bhd. (subsidiary) in Malaysia believe in the philosophy “To fulfill the client’s need with the customization services for both separate unit and the total system by the expert team”. Moreover, the Company can fulfill the client with limited capital by services providing reliable finance institutions and the logistic and warehouse management. These services are the key strategy to make the sustainable growth.

IT Market in Vietnam

IT market in Vietnam is expected to grow approximately 17% in year 2012 and expects to grow at average 16% during 2012 – 2016 and the market value will be approximately USD 4.9 billion within 2016 due to the growth in the usage of personal computers, the growth in economy and the government investment in IT.

(Source: Business Monitor International)

Risk Factors

Risk from relying on major customer

- The Company services a major customer, Ek-Chai Distribution System Company Limited (“Tesco Lotus”), an operator of large-scale retail store Tesco Lotus. The Company has revenue from selling to this customer at high portion. Therefore, if this customer cancels products and services purchased from the Company, this may cause the total revenue of the Company to reduce significantly.
- Ek-Chai Distribution System Company Limited has purchased and concluded maintenance service with the Company since 2005 and has continuously ordered products from the Company. The Company has servicing points spreading over all regions which can provide services to all branches of Tesco Lotus. This Results in customer satisfaction with the speed of services provided and good relationship with the Company consistently. Because of large-scale retail stores like Tesco Lotus has a complex management system, it is rarely possible that there will be other competitor comes and supplants the Company since it will take time to study and improve servicing system to be compatible with customer’s system. This makes the Company believes that this customer will continuously purchase products and services from the Company for a long time. However, the Company has planned to expand their customer base in order to reduce relying on an individual customer. The Company estimated that revenue proportion of Tesco Lotus will reduce.

Risk from enforcement of the Retail-Wholesale Act

- Currently, the Judicial Council is working on improving a draft of the Retail-Wholesale Act which will result in regulation of all kinds of retail-wholesale business. (Essential details of a draft of the Retail-Wholesale Act are in the second part regarding industry situation.) As soon as the Act comes into force, it will directly affect branch expansion of retail business operators who are principal customers of the Company. Branch expansion will be regulated by consideration of the retail-wholesale business committee who will evaluate factors such as appropriateness with respect to the population effects on community and environment, etc. This may cause slowdown in the branch expansion rate of the operators. At the present time, some proportions of the Company’s revenue come from branch expansion of customers in retail business. Therefore, the entry into force of the Act may affect revenue growth of the Company which comes from customers’ branch expansion.
- Nevertheless, the Company is well aware of the effect from an enforcement of the Act. Therefore, the Company has been preparing for market expansion to manufacturing industry and also expanding new customer base. Moreover, the Company’s income from retail businesses does not come from branch expansion of customers only, but include purchasing of new products for replacement of defective or obsolete products whereby customers normally purchase new products for replacement every 5-8 years. Therefore, when the Act becomes effective, the management believes that growth rate of the

Company may slow down slightly but not significantly since it will be compensated by incomes from new customers.

Risk from relying on a major supplier

- The Company ordered merchandise, particularly, mobile computers, from a major manufacturer, Motorola Technologies Inc. ("Motorola") equal to approximately 50 percent of total purchasing amount. This creates risk from relying on a major supplier. In any event, there are many mobile or hand-held computer product manufacturers in the world market that can produce products with quality equal to Motorola's products. The Company however, chose to purchase Motorola's products by taking into account products' quality, durability, appearance of products, and usage specification that matched its customers' needs. Besides, Motorola is a major manufacturer of mobile or hand-held computer in the United States which distributed under "Motorola" trademark and has a worldwide customer base. Currently, Motorola is an affiliated company and one of the three principal businesses of Motorola Inc. Accordingly, the Company anticipates that Motorola will continue with the manufacturing of their products. The Company was appointed by Motorola as a distributor and was accredited as a sole premier business partner in Thailand which allows the Company to have purchasing discount and also assistance in the aspect of technology trainings necessary and related to the products. The Company has good relationship and has concluded a products purchasing agreement with Motorola and began to continuously purchase since 2005. Therefore, the Company believes that Motorola will continue to be a product provider to the Company in the future.

Risk relating to having a related company, who is also a major shareholder of the Company, operating in the same business

- The Company and a major shareholder, Grand-Flo Solution Berhad ("Grand-Flo"), located in Malaysia, could be regarded as competing in the same business since both companies are involved in mobile computers providing and development of application programs for integrated solution for mobile computers for organization data storage system. Moreover, three directors from Grand-Flo hold director positions of the Company.
- The Company and Grand-Flo have clearly determined scope of their business operations. Both parties have entered into a business cooperation agreement (details are in the second part, in the topic of Related Parties Transactions) which provided that the Company will have principal businesses in Thailand while Grand-Flo will operate businesses in Malaysia, Singapore, and Indonesia. Both parties agreed not to operate their business in other party's territory. For business expansion in foreign countries other than aforesaid territories, the party seeking to expand the investment seeker will offer the other party equal percentage of capital and management participation. The offerree is entitled to accept or deny the investment or reduce the percentage of joint investment.

- In any case, the management believes that relationship between the Company and Grand-Flo will be based on mutual support. Currently, the Company and Grand-Flo have engaged in technologies exchange, customer referral, and joint products purchasing for lower price which promote efficiency of business operations of both companies.

Risk from competition

- Currently, the business of providing integrated solution for information technology for data storage and management by using mobile computer is highly competitive since competitors can easily enter into the business especially in hand-held computers trading. This may be an obstacle to business expansion of the Company.
- Nevertheless, even though the entry into the hand-held computers trading business is easy, a newcomer which has small customer base may be disadvantaged by raw material purchasing price which make it difficult to compete in the market. In addition, a company that has integrated solution services, specifically software developing and maintenance, will have more advantages in maintaining and expanding customer base. At the present time, there are only two competitors which have integrated solution services similar to the Company. The Company however has advantages in its ability to generate profit, service coverage throughout the country, relationships with distributors, etc. This assures that the Company will have good potentials to compete continuously in this industry in the future.

Risk from infringement of software programs developed by the Company

- Distribution of products other than equipments is the software that the Company developed to sell together with various hardwares so the copyright of the software may be violated.
- Such programs were developed from the need of particular customers; therefore copyright infringement for commercial purpose is unlikely to occur. Only the authorized employees can access to the Source Code of the software.

Currency exchange risk

- The Company purchased goods from foreign countries at high volumes. The Company does not enter into a Currency Forward Contract for all purchasing of goods, but will do so only when the currency exchange is unstable. Nonetheless, impact from currency fluctuation did not have significant effect to the overall turnover of the Company in the past.

Risk from granting credit to customers

- The Company has a large number of customers. To grant them the credit term, the Company will consider their fame, financial status, payment history and the business status by setting the payment term ranging between 30-90 days which are the general practice among companies of the similar business. The delay of payment or bad debt may be likely to occur therefore the Company set up the allowance for doubtful account policy and procedure by considering the ability to pay of each individual debtor. The Company will review the allowance of doubtful account on quarterly basis and will record the provision according to the fact.

Risk factor of subsidiary's business in Malaysia

- Risk associated with low margin business

The nature of subsidiary's business in Malaysia emphasizes on the sales and services to large clients with high volume, resulting in low gross margin about 5 – 7% which may impact the performance significantly. The management was aware of the associated risk and adjusted the marketing strategy by focusing on providing sales and services with more value-added.

- Risk from the dependency on government projects

At present, total revenue under subcontractor for government projects is approximately 75% of total revenue with the following risks:

- (1) The volatility of income

The revenue of subsidiary could be volatile, depending on amount and size of projects granted. In the event that the government stimulates delays or cancels projects related to information technology, future revenue of the Group may be fluctuated accordingly. However, management believed that the need for information technology from the government would be going on, both for installation and improvement services. In addition, the projects servicing to government units are mostly on contract for 3-year period. Therefore, a subsidiary would be able to manage the procurement of new projects to replace the expiring ones. Moreover, a subsidiary has planned to decrease its dependency on government by emphasizing on large private corporate in banking, financial and insurance sectors, including educational institution.

(2) The long outstanding trade receivables

Generally, government has a relatively long period to complete a certain process on project delivery and payment. A subsidiary had a long collection period of 120 - 160 days. The further delay of receivables payment may cause the subsidiary lacking of working capital, adversely affecting its liquidity and increasing interest payment. However the management improved the handling of government projects by sending team to overview installation process including document supports, which fasten job delivery.

■ Risk associate with the capital structure

From a subsidiary's the specific nature of service where most of its working capital depends upon bank financial support, as a result, its main source of fund comes from liabilities and this results in the very high debt to equity ratio. Despite the recent interest coverage ratio is still positive, in the event that future performances decline, the debt coverage may be negatively affected.

Good Corporate Governance Practice

Good Corporate Governance Practice

The Board of Directors strongly believes that good corporate governance is one of the important factors that help ensure the success of the Company and enable the Company to grow constantly and sustainably. The policy on Corporate Governance is therefore adopted so that Company's director, management and employees can use it as the guidelines. In 2011, the Company implemented the followings:

1. Corporate Governance Policy.

The Corporate Governance policy of the Company has been adopted in accordance with the Good Corporate Governance outlined by the Stock Exchange of Thailand in 2006. This Corporate Governance Policy comprised of (see details at the Company's website)

- General policy
- Rights of Shareholders
- Equitable Treatment of Shareholders
- Roles and Rights of Stakeholders
- Disclosure and transparency
- Internal Control and Risk management
- Responsibilities of the Board

2. Rights of Shareholders and Equitable Treatment of Shareholders.

Shareholders are the owners of the Company and control the Company by appointing the Board of Directors to act as their representatives. Shareholders are eligible to make decisions on any significant corporate changes. Basic rights of Shareholders are buy, sell or transfer shares, share in profit of the Company, obtain of relevant and adequate information of the Company in a timely manner, participate and vote in the shareholders meeting to appoint or remove members, appoint the independent auditor, make decision of dividend payment and other matters that affect the Company such as increase or decrease of capital and amendment to the Company's Article of Association etc. The Company upholds the principle of equitable treatment of shareholders so that all shareholders will be treated equally and fairly. The Company also encourages shareholders to exercise their rights.

The evaluation result of corporate governance for listed companies of Simat Technologies PCL. for the year 2011

By Thai Institute of Director (IOD)

Evaluation topic	Score	
	Simat Technologies	Overall Listed Companies
Shareholder's right	90%	90%
Equally treatment to shareholders	88%	85%
Stakeholder's right	71%	61%
Disclosure and transparency	87%	89%
Board of director's responsibility	60%	64%
Average score	79%	77%

In 2011, the Company was evaluated the corporate governance by IOD and the evaluation result was 79% which is higher than the average score of total listed companies.

In 2011, the Company implemented the followings:

- Organized the 2010 annual shareholders' meeting at the Company's meeting room no. 123 Soi Chalongkrung 31, Ladkrabang industrial estate, Chalongkrung road, Lamplatew, Ladkrabang, Bangkok. The Company arranged the vans to make shareholders convenient for travelling.
- Sent a letter to the stock Exchange of Thailand on November 23, 2010 as well as posted the information on the Company's website, informed the shareholders that the Company has provided opportunity to shareholders to add agendas for the meeting in advance before the meeting takes place and to propose the nominate suitable persons to be elected as the Company's directors in accordance with the Company procedure. Shareholder can propose to add agendas or nominated director to the Company by sending a letter to the Investor Relation Coordinator within February 15, 2011. The Company also informed the shareholders that there is no any shareholder proposed the Company any additional agenda or nominated director within such period.
- Distributed the notice calling for shareholders meeting 14 days in advance and attached with agendas and other relevant documents such as minutes of last shareholders meeting, the annual report, preliminary information of the directors who are due to retire and are nominated to directorship for another term and the new director, preliminary information of the auditor, articles of association that relevant to this meeting, proxy form and letter advising the documents needed for attending the meeting and map of the meeting venue.
- Chairman, Chairman of the Audit Committee, Chief Executive Officer and other directors together 11 persons from the total of 11 persons attended the meeting and listen to the opinions of shareholders on various issues.

- Before the meeting, in accordance with the agendas stipulated in the notice calling for the meeting, Chairman of the meeting had informed shareholders regarding the procedure of the meeting and the voting method for each agenda, which approved unanimously by the shareholders.
- Chairman of the meeting had run the meeting in accordance with the agendas stipulated in the notice calling for the meeting. Provided equal opportunities to shareholders to check the Company's performance as well as to ask, give opinions and provide recommendations. The Company had written down all the major points in the minutes of meeting so that shareholders can investigate them accordingly.
- The voting is by using the ballot for every agenda.
- In order to run the meeting transparently and comply with the good practice of AGM by Securities and Exchange Commission, the Company assigned the lawyer firm, "Thosatham Company Limited", to be in charge of proceeding the AGM transparently and to comply with law and the Company's Articles of Association. The Chairman invited 1 shareholder to act as the witnesses in counting the votes with the inspector.
- The Company had prepared the minutes of shareholders meeting covered all the major points correctly and accurately. The Company forwarded the minutes of meeting to the Stock Exchange of Thailand as well as disclosed the minutes of meeting on the Company's website within 14 days after the date of the meeting.
- The Company had adopted the safeguard and investigation system for the use of internal information for inappropriate personal gain. All directors and management must report the changes in holding of the Company's securities to the Security Exchange Commission. All directors, management and employees who involved in the internal information are prohibited to disclose such information to outsider people or people whose job is not involved with the information. Also, all directors, management and employees who involved with the preparation of the financial reports are prohibited to sell or buy the Company's securities one month before the information is disclosed to the public.

The Company pays attention to the policy to disclose correct and accurate information regularly and on time. The Company had disclosed information and other Company's news to shareholders, investors and other people who are interest in the above-mentioned through various channels provided by the Stock Exchange of Thailand and through the Company's website www.simat.co.th. In addition, the Company has established the Investor Relations office in order to communicate with shareholders, investors and other people who are interested in the above-mentioned. The Investor Relation Office can be contacted through the Coordinator, Mr. Thammanoon Korkiatwanich Tel 02-326-0999 ext. 1211 or E-mail thammanoon@simat.co.th.

3. Roles and Rights of Stakeholders.

Stakeholders of the Company will be treated fairly in accordance with their legal rights as specified in relevant laws. The Board of Directors will not do anything in violation of stakeholders' legal rights. Stakeholders include, but are not limited to shareholders, employees, customers, suppliers, competitors, independent auditors and community in the neighborhood of the Company, etc. The Company has adopted the Codes of Conduct so

that directors, management and employees can use it as guidelines in running the Company's business. This Codes of Conduct are comprised of

- Introduction
- Policy and Guidelines on Conflict of Interests
- Policy and Guidelines Relative to Shareholders
- Policy and Guidelines Relative to Employees
- Policy and Guidelines Relative to Customers
- Policy and Guidelines Relative to Partners
- Policy and Guidelines Relative to Creditors
- Policy and Guidelines Relative to Competitors
- Policy and Guidelines Relative to Independent Auditors
- Policy and Guidelines Relative to Social and Environment
- Implementation and Enforcement

(See details of Codes of Conduct at the Company's website)

In 2011, the Company implemented the Codes of Conduct as follows:

3.1 Policy and Guidelines Relative to Shareholders.

The Company treated all shareholders equally and fairly as per the details mentioned in the Rights of Shareholders and Equitable Treatment of Shareholders (see details at the Company's website)

3.2 Policy and Guideline Relative to Employees

The Company strongly believes that employees are the most valuable resources of the Company, it therefore encourage employees to learn and develop their skills continuously. The Company has provided fair and suitable remunerations to employees by comparing with other companies that have similar size and similar nature of business. Besides, The Company has provided sufficient welfares to employees that reflect the current circumstances. In 2011, the Company had implemented the followings for the employees:

- In addition to salaries and bonuses that the Company paid to the employees which close to those paid by other companies with similar size and similar nature of business , the Company has arranged to have the Provident Fund for all employees and Group Life Assurance and Group Accident Insurance for onsite service employees.
- The Company had organized various training courses both in in-house and abroad to improve knowledge and skill of the employees in order to improve the competitive potentiality. There are more than half of the total employees of the Company attended the training.
- The Company had organized the Orientation Course to all new employees so that they know the policy, corporate culture and operating practices.
- The Company arranged the Walk Rally activities at Hua Hin during May 2011 and all employees participated in this activities to harmonize people in the organization.

3.3 Policy and Guidelines relative to Customers.

The Company realizes the importance of customers to the success of the Company business. It therefore provided diverse and complete ranges of Hardware equipments such as mobile computers, barcode equipments and other hardware related to the Enterprise Data Collection and Collation System which has the high level of quality so that customers can source any kinds of hardware that suit to the customer's need and its operating system. The Company had also provided various kinds of services such as leasing of equipments and the annual maintenance service agreement, etc. so that customers can fully benefit from the Company. In addition, the Company has designed and developed software, which is applied to the mobile computers and other relevant equipments, that provide user-friendly and suitability to customer's operation and able to connect to the customer's IT system in order to give highest satisfaction to customers.

3.4 Policy and Guidelines relative to Partners.

The Company has treated partners fairly and equally under the basis of mutual benefit and exchanged with them the true and correct information as well as strictly complied with all conditions of the agreement made with them. In addition, the Company provided supports and assistance to them in the development of new products and services. All directors, management and employees are prohibited to ask or receive any improper benefit from partners.

3.5 Policy and Guidelines Relative to Creditors

The Company has treated creditors fairly and equally, provided correct, true and on time information to creditors as well as strictly complied with all conditions of the agreement made with them.

3.6 Policy and Guidelines Relative to Competitors

The Company has treated competitors fairly by adhering to the generally accepted practices. Avoid the abusing of confidential information and the breach of righteous rights of the competitors, as well as the dishonest way to destroy competitors.

3.7 Policy and Guidelines Relative to Independent Auditors

The Company realizes the importance of the Independent Auditors as the key mechanism of shareholders in auditing the Management's performance and to ensure that the financial reports are correct, complete and reliable and has given full supports to the Independent Auditors by providing them correct and complete information, as well as providing them convenience during their auditing process. The financial statements for the year 2011 were audited by the Independent Auditor and the Independent auditor expressed an unqualified opinion to the Company's financial statements on the auditor's report.

3.8 Policy and Guidelines Relative to Social and Environment

The Company strongly believes that our business will grow constantly and sustainably only when the social by overall is peaceful and environment is sustainable. The Company therefore realizes the need to be a good corporate citizen as well as to be responsible to the society and environment by providing appropriate contributions in various forms that are suitable and compatible with the Company resources and capabilities. The Company believes that the contributions to society may not necessarily spend a lot of money at each time but rather do it on a regular basis and compatible with the Company's resources as well as let the employee to participate. The Company also believes that good corporate social responsibility programs should have interaction between the givers and the receivers so that the program can proceed smoothly and continuously. The Company has provided contributions to communities nearby and far from the Company. The Company has considered the contributions based on necessity and appropriateness such as donate the computer equipments to schools and temples, etc. In 2011, the Company's activities related to society are as follows:

- On October 7, 2011, the Company donated cash Baht 85,000 for "Tesco for Thai" foundation.

4. Disclosure and Transparency.

The Company has a policy to pay attention to the disclosure and transparency with regard to the corporate governance. In 2011, The Company had disclosed information both the financial information and other information correctly, accurately, transparently and on time, in accordance with the regulations of the stock Exchange Commission and the Stock Exchange of Thailand as follows:

- Had forwarded the financial reports and other reports such as the change of directors and change in securities of the Company held by each director etc. to SEC and Stock Exchange of Thailand within the given time set forth by them.
- Had disclosed the financial status and other information such as nature of business, competitive environment, business risk, the number of security of the Company held by each director and management, the connected transactions and the implementation of the Corporate Governance policy. Etc. in the annual report and in the Form 56-1
- Had disclosed the financial information and other information correctly and accurately in the Company's website www.simat.co.th
- The Company has established the Investor Relations office so that shareholders and other persons can contact at

Mr. Thammanoon Korkiatwanich

Tel : 02-326-0999 ext. 1211

Fax: 02-326-1014

E-mail: thammanoon@simat.co.th

- The Board of Directors had selected the Independent Auditors who are independent and have no conflict of interests with the Company and the auditors have been approved by S.E.C. The Company has appointed the auditors from ANS Audit Co., Ltd. As the Company's auditor for the year 2010 (who is the Company's new auditor) as recommended by the Audit committee as follows:
Mr. Atipong Atipongsakul, CPA license no. 3500 or
Mr. Sathien Vongsanan, CPA license no. 3495 or
Mr. Vichai Ruchitanont, CPA license no. 4054
The audit fee for year 2011 is 1,150,000 Baht which is the rate close to the fee paid by other companies with similar size and similar nature of business,
The Company audited financial reports have been audited by the Independent Auditor and the independent auditor expressed an unqualified opinion.
- The Company has adopted the safeguard and investigation system for the use of internal information for inappropriate personal gain. All directors management and the employees involved in the internal information are prohibited to disclose such information are prohibited to disclose such information to outside people or people whose job are not involved with the information. Also, all directors, management and employees involved in the preparation of the financial reports are prohibited to sell or buy the Company's securities one month before the information is disclosed to the public.

5. Internal Control and Risk Management

The Company has paid attention to the internal control and risk management system, and has adopted the Operating Manual so that employees can use it as guideline. In addition, The Company has set up the Internal Audit Department, reported directly to the Audit Committee and the Chief Executive Officer as a mechanism to reinforce the internal control system and the internal audit system as well as to follow up and ensure that there is improvement and correction of the flaws found from the audit to improve the efficiency and reduced risk from the operation, In 2011, the Company has implemented the followings:

- Had reviewed the Charter of Internal Auditor and updated them accordingly.
- Had reviewed the Operating Manual and updated them accordingly.
- Had updated and improved the Accounting and Inventory software program so that the internal control can be made more effectively.
- It is the Company's policy that the connected transactions or the transactions that may cause conflict of interests must be appropriately considered by the people who have no interest in the transactions and must be reviewed by the Audit Committee.
- The Company has policy on risk management for various matters which have been stipulated in the Operating Manual such as the accounts receivable management, inventory management, currency exposure management etc. which were explained in the Company's annual report and form 56-1 regarding to the risk exposure and risk management. In 2011, the Company has also made appropriate insurance on the Company's inventories and other major property, the Company has also implemented the group accident insurance and group life assurance for the employees.

6. Responsibilities of the Board

The Board of directors is responsible to shareholders in carrying out the Company's business in compliance with the laws and regulations of the Stock Exchange Commission and the Stock Exchange of Thailand, the objectives and articles of association the Company as well as the resolutions of shareholders meeting. The Board of Directors shall perform duties in good faith, with due diligence and care, and for the best interest of the Company and shareholders. In 2011, the Board of Directors has performed its duties as follows.

6.1 Leadership and Vision

The Board of Directors has participated in the adoption of the Company's vision, strategic direction and annual operating budget including to oversee and control the management to operate the Company in accordance with the policy and business plan to increase wealth of the Company and grow the business constantly and sustainably. In addition the Board of Directors has established the Audit Committee to oversee the financial reports, interest, internal control system, risk management system, the selection of independent auditor and to oversee that the Company has operated business in compliance with relevant laws and regulations.

6.2 Board Structure and Qualification

- Currently, the Board of Directors is composed of 10 persons: 2 directors who are Executive committee, 4 Independent directors and 4 directors who are not Executive committee.
- The Board has 4 independent directors and 3 of them are also Audit Committee members.
- The chairman and the Chief Executive Officer is not the same person.
- The Company Secretary also acts as the Secretary of the Board.
- The retired directors may be eligible for re-election. There is no limit for number of terms of being the Company director which is subject to the approval of shareholders.
 - The executive directors must not be the directors in other public companies more than 5 companies. The holding of directorship in other companies mentioned above must be informed to the Board and approved by the Board.
- Executive Director is an executive who is appointed as a member of the Board, Non-executive Director is a director who has no position in the Company's management team, and the Independent Director is a director who has no position in the Company's management team and must meet the qualification outlined by the Stock Exchange Commission and the Stock Exchange of Thailand (see details of the definition and qualification of directors in the Corporate Governance Policy at the Company's website)

6.3 Board of Directors' Meeting and Directors' Remuneration

- The Board of Directors has had regular meeting every quarter and may have additional meeting when it is necessary. In every meeting, the Board had clearly fixed the agenda and had sent the notice calling for the meeting which more than 7 days in advance so that the Board of Directors shall have sufficient time to study the information. Minutes of meeting had been written correctly and accurately, and the minutes of meeting that

certified by the Board had been kept properly so that the Board of Directors and other involved persons can investigate them accordingly. In 2010, the Board of Directors had 8 meetings and each meeting took approximately 3 hours and the attendance of the Board of Directors is as follows:

Name	Total Meeting	Attendance
1. Mr. Tan Bak Hong (Chairman)	8	5
2. Mr. Thongkam Manasilapapan (Director/Chairman of Executive committee)	8	8
3. Mr. Thammanoon Korkiatwanich (Director/Executive committee)	8	8
4. Mr. Tan Bak Leng (Director)	8	4
5. Mr. Tan Chuan Hock (Director)	8	5
6. Mr. Nguyen Quyet Thang (Director)	8	4
7. Mr. Vorachi Charoenprasittiporn (Independent Director)	8	7
8. Dr. Ranchana Rajatanavin (Independent Director / Chairman of Audit Committee)	8	7
9. Mr. Narongrit Rerkpattanapipat (Independent Director / Audit Committee Member)	8	7
10. Ms. Kanwara Aurlpokayakul (Independent Director / Audit Committee Member)	8	7

The authorized directors who can act on behalf of the Board of Directors are the signature of two out of four director number 1 to number 4 and affix the Company seal. Details of the roles, duties and responsibilities can be seen from the Report Form 56-1 and from the Company's website www.simat.co.th

- The Board of Directors had fixed the meeting date in advance since the beginning of the year so that all directors and management can schedule their time efficiently.
- Chairman of the Board and Chief Executive Officer had considered the agendas together.
- Chairman of the Board had provided equal opportunity to each director to express his opinions, and the director who has interest in any agenda must leave the meeting room during the consideration of the agenda.
- The Company had paid out the remuneration to directors in 2011 in the form of gratuity and meeting Allowance as follows.

Chairman of the Board (1 person)	240,000 Baht
Directors who are management of the Company (2 persons)	0 Baht
Director who is management of associate company (1 person)	0 Baht
Foreign Directors who are not Executive committee (2 persons)	240,000 Baht
Independent Director who is not audit committee (1 person)	95,000 Baht
Chairman of audit committee (1 person)	120,000 Baht
Audit committee member (2 persons)	204,000 Baht

Total money paid to the Board for year 2011 is 899,000 baht (Year 2010: 720,000 baht).

In year 2011, the Company paid out remunerations to management 4 persons total 8.21 million baht. (Year 2010: 10.61 million baht)

6.4 Board Self Assessment and Development of Board and Management.

- The Board of Directors has policy to encourage directors and management to constantly develop knowledge and skill. In 2011, Directors and management had regularly participated in various training programs and seminars, such as Executive Accounting and Finance Director attended the training program on Accounting Standards and Practices organized by the Federation of Accounting profession. Company Secretary and the Investor Relations Coordinator attended various training programs organized by the Investor Relations Association and the Stock Exchange of Thailand. The Chief Executive Officer and Managing Director had attended the training program on Sales Conference with Partners and Related Companies in foreign countries.

6.5 Sub-Committees

The Board of Directors has appointed the Executive committee and Audit Committee to assist the Board in managing the Company by clearly stipulation the duties and responsibilities of each sub-committee. At present, the Company has not established the Remuneration Committee. However, the Company has adopted the consideration for the remuneration of directors and top management by comparing to the remuneration paid by other companies of similar size and similar nature of business.

Executive committees

The Executive committee comprised of

Mr. Thongkam Manasilapapan	Chief Executive Officer
Mr. Thammanoon Korkiatwanich	Executive Accounting and Finance Director
Ms. Narisara Prasertsunk	Executive Operation Director
Mr. Kokiak Kitkaona	Technical Sale Support Director

The Executive committee has regular meeting to consider and manage the Company to grow constantly in accordance with the policy and strategic direction set forth by the Board. The Executive committee had performed its duties and responsibilities as per the following details:

1. Approve payment or become guarantor for the payment for the Company's normal business transactions within the limit or not more than 50 million Baht.
2. Appoint or remove officer of the Company whose rank not higher than the Managing Director.
3. Prepare and establish the policy and strategic direction of the Company for the approval of Board of Director.
4. Establish the Organization Chart and the Management Structure of the Company covering the selection, training, employment and termination of employee of the Company
5. Establish business plan and management authorities, approve the annual business budget and management the Company business in accordance with the business plan and business strategy, and in compliance with the policy and strategic direction approved by Board of Directors
6. Perform other duties assigned by Board of Directors.

In case that any Executive Director or its related parties have any interest in any transaction or matter directly affect the Company, the Executive Director must not participate in the decision making process on such issues.

Audit Committee

The audit committee comprised of

Dr. Ranchana Rajatanavin	Chairman of Audit Committee
Mr. Naronrit Rerkpattanapipat	Member of Audit Committee
Ms. Kanwara Aurlpokaikayakul	Member of Audit Committee

In 2011, the Audit Committee had 5 meetings and each meeting took approximately 3-4 hours. The attendance of the Audit Committee's as follows:

Name - Surname	The statistic of the attendance of meeting				
	1/2011 25 Feb	2/2011 11 Apr	3/2011 12 May	4/2011 11 Aug	5/2011 11 Nov
Dr. Ranchana Rajatanavin	✓	✓	✓	✓	✓
Mr. Naronrit Rerkpattanapipat	✓	✓	✓	✓	✓
Ms. Kanwara Aurlpokaikayakul	✓	✓	✓	✓	✓

The Audit Committee had performed the following duties to oversee the management's work according to the role and responsibilities as assigned by the Board.

1. To verify that the Company has an accurate and adequate financial statements.
2. To verify that the Company has proper and effective internal control and internal audit system and to consider the independence of the internal audit division or any division responsible to internal audit.
3. To verify that the Company complies with the Securities and Exchange Acts, the regulations of the Stock Exchange, or any laws regarding to the business of the Company.

4. To consider, select and propose appointment and remuneration of the auditor who is independent to the Company and to attend the meeting, which has no management's joining, with auditor at least once a year.
5. To consider the connected transaction or conflict of interest transaction and ensure that they are comply with the rules and regulations of the Stock Exchange and are reasonable and most beneficial to the Company.
6. To prepare the Audit Committee's report for disclosure in the annual report of the Company which such report must be signed by the Chairman of Audit Committee.
7. To conduct any other works as assigned by the Board of Directors with consent from the Audit Committee.

Report from Board of Directors Relative to Financial Report

The Board of Directors is responsible for the Company's financial reports and the details appeared in the annual report. The financial reports are prepared in accordance with the generally accepted accounting standards in Thailand, by adopting the appropriate accounting policy and consistent implementation as well as due judgment and best estimation in the financial reports preparation, including the sufficient note and explanation of the financial reports. In addition, the Board of Directors has provided the appropriate and efficient internal control and risk management system to ensure that the financial reports are correct, complete and sufficient to safeguard the Company's assets as well as to protect frauds.

The Board of Directors has appointed the Audit Committee to oversee the Company's accounting policy and the accuracy of the financial reports, including the review of the Company's internal control system and internal audit system, the details of which can be seen from the Audit Committee's report included in the annual report. In addition, the Company's financial reports were audited by the independent auditor of ANS Audit Co., Ltd. The report of the independent auditor is included in the annual report.

The Board of Directors has the opinion that the Company's overall internal control system is satisfactory and can be assured that the financial reports of Simat Technologies Public Company Limited and its subsidiaries for the year ended December 31, 2011 are accurate and fairly stated, as well as in compliance with the relevant laws and regulations.



(Mr. Tan Bak Hong)
Chairman



(Mr. Thongkam Manasilapapan)
Chief Executive Officer

Report from Audit Committee

Audit Committee of Simat Technologies Public Company Limited is composed of the 3 Independent Directors in accordance with the qualifications and rules stipulated by The Stock Exchange of Thailand are as follows:

- | | |
|-----------------------------------|-----------------------------|
| 1. Dr. Ranchana Rajatanavin | Chairman of Audit Committee |
| 2. Mr. Narongrit Rerkpattanapipat | Member of Audit Committee |
| 3. Ms. Kanwara Aurlpokaiyakul | Member of Audit Committee |

Dr. Ranchana Rajatanavin and Mr. Narongrit Rerkpattanapipat are the member who is knowledgeable to review the financial statements as Dr. Ranchana is an expert and consultant in finance and banking major of Sripatum university and Mr. Narongrit is a Certified Public Accountant.

The scopes of authority and function of the audit committee are as follows:

1. To verify that the Company has an accurate and adequate financial statements.
2. To verify that the Company has proper and effective internal control and internal audit system and to consider the independence of the internal audit division or any division responsible to internal audit.
3. To verify that the Company complies with the Securities and Exchange Acts, the regulations of the Stock Exchange, or any laws regarding to the business of the Company.
4. To consider, select and propose appointment and remuneration of the auditor who is independent to the Company and to attend the meeting, which has no management's joining, with auditor at least once a year.
5. To consider the connected transaction or conflict of interest transaction and ensure that they are comply with the rules and regulations of the Stock Exchange and are reasonable and most beneficial to the Company.
6. To prepare the Audit Committee's report for disclosure in the annual report of the Company which such report must be signed by the Chairman of Audit Committee.
7. To conduct any other works as assigned by the Board of Directors with consent from the Audit Committee.

In year 2011, the Audit Committee of the Company has opinions regarding to the following matters:

The Accuracy and Reliability of Financial Reports

The Committee considered the auditor's report, quarterly reviewed financial statements and the annual financial statements audited by the Company's auditor and has an opinion that the Company's financial reports are accurate, complete and reliable.

The Adequacy of Internal Control System

The Committee evaluated the adequacy of the Company's internal control system including the consideration of the internal audit report and has an opinion that the Company's internal control system is adequate, appropriate and satisfactory.

The Compliance with Laws and Relevant regulations

The Committee considered the Company's operation and has an opinion that the Company complies with the Securities and Exchange Acts, the regulations of the Stock Exchange, or any laws regarding to the Company's business correctly and appropriately.

The Appropriateness of Auditor

The Committee considered the independence and appropriateness of auditor and their remuneration and has the resolution to propose to appoint Mr. Atipong Atipongsakul, CPA license no. 3500 or Mr. Sathien Vongsanan, CPA license no. 3495 or Mr. Vichai Ruchitanont, CPA license no. 4054 from ANS Audit Co., Ltd. as the auditor of the Company and subsidiaries for the year 2012 and to propose this appointment for approval to the Board of Director and the Annual General Shareholders' Meeting for year 2012.

Transaction that may cause Conflict of Interest

The Committee considered the connected transactions or transaction that may cause conflict of interest every quarter and has an opinion that the connected transactions for the year 2011 were in the ordinary business condition, reasonable and most beneficial to the Company. In addition, the Committee has not found any transaction that may cause Conflict of Interest which may materially affect the Company's financial position and operating result.

Meeting and Attendance of meeting of Audit Committee

During the year 2011, there are 5 meetings and the statistic of the attendance of meeting for each member is as follow:

Name - Surname	The statistic of the attendance of meeting				
	1/2011 25 Feb	2/2011 11 Apr	3/2011 12 May	4/2011 11 Aug	5/2011 11 Nov
Dr. Ranchana Rajatanavin	✓	✓	✓	✓	✓
Mr. Naronrit Rerkpattanapipat	✓	✓	✓	✓	✓
Ms. Kanwara Aurlpokaiyakul	✓	✓	✓	✓	✓

Comment or Notice from performing on duty

The Committee has not found or noticed any transaction or action that may materially affect the Company's financial position and operating result.



Ranchana Rajatanavin, Ph.D.
Chairman of Audit Committee

Connected transactions

Connected transactions in which occurred during the year 2011 and 2010

Conflict of interest person/juristic person	Relationship	Nature of transaction	Transaction value (Baht)		Ending balance (Baht)		Necessity/Reasonableness and Audit Committees' comment
			2011	2010	31 Dec 2011	31 Dec 2010	
Grand-Flo Electronic System Sdn. Bhd.	A subsidiary of Grand-Flo Solution Berhad (100% holding)	Sales of Hardware (A/R-trade)	-	1,076,112	-	235,120	Goods that a subsidiary company in Malaysia sold to Grand-flo are the hardware products which sells under normal business condition
		Purchase of hardware (A/P-trade)	998,370	1,098,110	-	986,996	Goods that a subsidiary company in Malaysia purchased from Grand-flo are the hardware products to be sold to customer which purchases under normal business condition
		Other expenses (A/P-others)	-	-	705,232	59,932	Other expenses charged at cost by Grand-flo were the accommodation expenses regarding to the arrangement of sales conference or any other trainings at Malaysia. Audit committees' comment is that these expenses deemed reasonable.
Grand-flo Spritvest Sdn. Bhd.	A subsidiary of Grand-Flo Solution Berhad (100% holding)	Sales of Hardware (A/R-trade)	5,457,465	847,493	4,396,923	285,746	Goods that the Company and a subsidiary company in Malaysia sold to Grand-flo are the hardware products which sells under normal business condition
		Purchase of Hardware (A/P-Trade)	7,260,680	4,012,316	43,347	1,682,232	Goods that the Company and a subsidiary company in Malaysia purchased from Grand-flo are the hardware products to be sold to customer which purchases under normal business condition

Conflict of interest person/juristic person	Relationship	Nature of transaction	Transaction value (Baht)		Ending balance (Baht)		Necessity/Reasonableness and Audit Committees' comment
			2011	2010	31 Dec 2011	31 Dec 2010	
Sino Trading and Services Corporation	An associate of the Company (40% holding)	Purchase of Hardware	-	-	-	-	It was the purchase at market price of new product in order to make the new market. Audit committees' comment is that these purchases deemed reasonable.
		Consulting fee (Other A/R)	-	-	-	208,809	It was the expenses to be reimbursed as the Company's consultant provided the marketing services in Vietnam and the Company charges this expense equal to the actual payment. Audit committees' comment is that these purchases deemed reasonable.
		Dividend income (Dividend receivable)	2,004,758	4,057,204	-	1,633,663	Dividend for the operating result from associated company.
Label Network Sdn, Bhd.	A subsidiary of Grand-Flo Solution Berhad (100% holding)	Other expenses (A/P-others)	88,886	66,214	681,611	568,942	Other expenses charged at cost by Label Network were the travelling and accommodation expenses of the Malaysian technician from Label Network came to Simat Label for training about the production and technologies in order to improve the efficiency of the production process. The expense items include air freight and hotel expenses. Audit committees' comment is that these expenses deemed reasonable.
Kopacklabels Press Sdn., Bhd.	A subsidiary of Label Network (100% holding)	Sales (Trade A/R)	20,094	-	20,094	-	Simat Label (subsidiary) sold goods which sell at market price. Audit committees' comment is that these sales deemed reasonable.
		Purchase of supplies	173,592	-	264,401	79,679	Simat Label (subsidiary) purchased supplies and samples for label production which buy at market price. Audit committees' comment is that these expenses deemed reasonable.

Conflict of interest person/juristic person	Relationship	Nature of transaction	Transaction value (Baht)		Ending balance (Baht)		Necessity/Reasonableness and Audit Committees' comment
			2011	2010	31 Dec 2011	31 Dec 2010	
Grand-Flo Solution Berhad	A major shareholder of the Company (33.17% holding)	Software development cost sharing (Intangible asset)	-	1,313,249	299,053	358,013	The Company and Grand-fl made a software cost sharing agreement by pooling programmers of both companies to joint development of Warehouse Management System software. The total cost incurred from both parties will be responsible by each party 50%. Audit committees' comment is that these costs deemed reasonable since it help reducing the software cost and enhance the efficiency of software.
		Other expenses (A/P-others)	29,667	162,693	-	-	Other expenses charged at cost by Grand-flo were the accommodation expenses such as hotel and air fare that the Director from Grand-flo come to attend the Board meeting. Audit committees' comment is that these expenses deemed reasonable.
		Sales of Hardware	-	90,733	-	-	Goods that a subsidiary company in Malaysia sold to Grand-flo are the hardware products which sells under normal business condition
		Purchase of Hardware	-	10,256	-	-	Goods that a subsidiary company in Malaysia purchased from Grand-flo are the hardware products to be sold to customer which purchases under normal business condition
Grand-Flo Engineering Supply & Services SB	Director (Mr. Tan Bak Hong) is the major shareholder	Sales of Hardware	-	29,633	-	-	Goods that a subsidiary company in Malaysia sold to Grand-flo are the hardware products which sells under normal business condition
CL Solutions Ltd.	A subsidiary of Grand-flo solution (100% holding)	Purchase of Hardware	56,940	238,128	-	-	Goods that a subsidiary company in Malaysia purchased from CL Solution are the hardware products to be sold to customer which purchases under normal business condition.

Conflict of interest person/juristic person	Relationship	Nature of transaction	Transaction value (Baht)		Ending balance (Baht)		Necessity/Reasonableness and Audit Committees' comment
			2011	2010	31 Dec 2011	31 Dec 2010	
High Rich Trading and Services Corporation	An associate of the Company (40% indirectly holding through a subsidiary)	Loan to associate company	-	-	-	1,710,359	<p>In Nov' 09, the Company lend to High Rich Trading & Services Corporation (associate) USD 57,000 or Baht 2 million at interest rate of 6% per annum. The repayment period is within 2 years and Quarterly interest payment.</p> <p>Due to High Rich Trading & Services Corporation, which is held 40% by Simat Label (subsidiary), would like to expand its production capacity by purchasing a new machine costing USD 188,400 from Malaysia in order to support the increase in customer's order. The source of machine funding came from loan from the Company USD 57,000 or 30% and loan from the major shareholders (Mr. Nguyen Quyet Thang and Mrs. Nguyen Thi Thang) USD 131,400 or 70% of machine value. The term and condition of loan from the Company would be the same as loan from major shareholder.</p> <p>This transaction is considered as connected transaction as Financial Support due to High Rich is held 60% by a Director of the Company who is Mr. Nguyen Quyet Thang and Mrs. Nguyen Thi Thang is his wife. However, audit committees' comment is that these expenses deemed reasonable because it can prove that this transaction is fair and no conflict of interest as the Company lend money only 30% which is lower than the percentage of shareholding (40%). In addition, the term and interest rate are the same condition as High Rich borrowed from the major shareholders and the interest rate is close to the current MOR rate which is the rate that the Company is given by the financial institution. Therefore, this transaction is fair and no conflict of interest.</p>
		Int. income (other A/R)	-	107,330	-	117,300	Interest income incurred from loan to High Rich at interest rate 6% per annum.

Conflict of interest person/juristic person	Relationship	Nature of transaction	Transaction value (Baht)		Ending balance (Baht)		Necessity/Reasonableness and Audit Committees' comment
			2011	2010	31 Dec 2011	31 Dec 2010	
Zeal System Sdn., Bhd.	Mr. Chong Eng Yeau Director of subsidiary (E-Tech IT Solution) is a director of Zeal System	Sales of Hardware (A/R – Trade)	9,444,788	1,764,097	314,827	1,179,016	Goods that a subsidiary company in Malaysia sold to Zeal System are the hardware products which sells under normal business condition
		Purchase of Hardware (A/P – Trade)	10,069,285	4,665,365	-	2,213,610	Goods that a subsidiary company in Malaysia purchased from Zeal System are the hardware products to be sold to customer which purchases under normal business condition
Mr. Ling Chee Kiat	Director and shareholder of E-Tech IT (subsidiary)	Guarantee and loan from director with no interest charge	-	-	38,317,093	30,133,210	A subsidiary company in Malaysia received guarantee cash amounting Baht 38.32 million and Baht 30.13 million in year 2011 and 2010, respectively to guarantee the long outstanding debtor balance and the remaining is the loan from director with no interest charge. The major transaction is the guarantee money from the minority shareholder, Mr. Ling Chee Kiat, that uses this money to guarantee for the long outstanding debtor balance which incurs before the Company acquired this subsidiary. Audit committees' comment is that this transaction deemed reasonable since it protect the benefit of the shareholders.
		Payable for purchase of investment	-	-	10,136,400	9,888,800	Payable for purchase of investment occurs from the Company invested in a subsidiary company in Malaysia. This payment will be paid by installments according to the profit guarantee period condition as specified in the share purchase agreement. Audit committees' comment is that this transaction deemed reasonable and already approved by shareholders.

Conflict of interest person/juristic person	Relationship	Nature of transaction	Transaction value (Baht)		Ending balance (Baht)		Necessity/Reasonableness and Audit Committees' comment
			2011	2010	31 Dec 2011	31 Dec 2010	
Mr. Cheng Ping Liong	Director of Grand-flo Solution	Loan from director with no interest charge	-	-	-	4,825,350	A subsidiary company in Malaysia received loan from related person with no charge of interest. Audit committees' comment is that this transaction deemed reasonable since it protect the benefit of the shareholders.
Mr. Wong Tech Wei	Director and Shareholder of E-Tech IT (subsidiary)	Loan from director with no interest charge	-	-	45,319	-	A subsidiary company in Malaysia received loan from related person with no charge of interest. Audit committees' comment is that this transaction deemed reasonable since it protect the benefit of the shareholders.
Mr. Chong Eng Yeaw	Director and Shareholder of E-Tech Solution (subsidiary)	Loan from director with no interest charge	-	-	1,397,371	-	A subsidiary company in Malaysia received loan from related person with no charge of interest. Audit committees' comment is that this transaction deemed reasonable since it protect the benefit of the shareholders.
Mr. Nguyen Quyet Thang	Director and shareholder of Sino (associate company)	Payable for purchase of investment	-	-	-	3,502,252	Payable for purchase of investment occurs from the Company invested in an associate company in Vietnam. This payment will be paid by installments according to the profit guarantee period condition as specified in the share purchase agreement. Audit committees' comment is that this transaction deemed reasonable and already approved by shareholders.
Mrs. Nguyen Thi Thang	A wife of Nguyen Quyet Thang and shareholder of High Rich (associate company)	Payable for purchase of investment	-	-	-	618,045	Payable for purchase of investment occurs from the subsidiary company (Simat Label) invested in an associate company in Vietnam. This payment will be paid by installments according to the profit guarantee period condition as specified in the share purchase agreement. Audit committees' comment is that this transaction deemed reasonable and already approved by shareholders.

Measures or Procedures for Related Transaction Approval

The approval of related transactions shall be in accordance with the laws regarding securities and the stock exchange and regulations, notifications, orders or rules of SET. A person who may have any conflict of interest in the related transactions shall not be allowed to participate in an approval of such transactions.

However, it is necessary for the Company to sell and buy products to/from a related company, therefore, the Board of Directors has established a pricing policy for such transaction as follows:

- (1) Purchases of products from a related company shall comply with the normal trade practice with appropriate prices and conditions. However, the purchasing price shall not be higher than the price that the Company can purchase from other distributors.
- (2) Sale of products to a related company shall comply with the normal trade practice. The Company will sell products to the related company at the price equal to cost plus contribution margin which is not lower than the profit that the Company can make from selling products to other customers.
- (3) Sale of products to a related company, in case that the products are obsolete and cannot be sold to other customers, the Company shall sell such products at the market price of products similar conditions at that time. Selling of obsolete products shall be determined upon the necessity and in the interest of the Company.
- (4) Trading of goods and services between the Company and the related company, in case that there is a joint purchasing from a distributor in order to get a lower price. Such goods and services shall be traded among themselves at the cost price plus transportation cost, tax or other actual necessary expenses.

Related transactions that may occur will have similar conditions with the normal trade practice with reference to appropriate prices and market conditions. However, the Company and/or the Company group shall invite the Audit Committee and/or independent directors to comment on the price including the necessity and appropriateness of such transaction. If there is any transaction related to any person who might has a conflict of interest with the Company in the future, the Company shall perform in accordance with regulations, notifications, and/or rules of the Office of the SEC and/or the SET. The Company may invite an independent specialist or an auditor of the Company to make a comment on such transaction to supplement the Board of Directors or shareholders determination, depending on the circumstance. At all events, the Company group will disclose related transactions in the supplementary notes to the financial statement which is audited by the auditor of the Company.

Financial Analysis and Explanation

Balance Sheet

Consolidated F/S (Unit: Million Baht)	2011	2010	Change	Portion on total assets	
				2011	2010
Assets					
Current assets					
Cash and cash equivalent	31	10	199%	3%	1%
Accounts receivable – Trade, net	366	315	16%	33%	45%
Inventories, net	97	89	9%	9%	13%
Other current assets	53	40	31%	5%	6%
Asset held for sale	48	-	n/a	4%	0%
Total current assets	595	454	31%	53%	64%
Non-current assets					
Restricted deposits with banks	96	85	13%	9%	12%
Investments in associate	29	29	1%	3%	4%
Goodwill	45	45	1%	4%	6%
Plant, property and equipment, net	55	84	-34%	5%	12%
Project cost - Optical fiber system for lease	298	-	n/a	27%	0%
Other non-current assets	3	8	-64%	0%	1%
Total non-current assets	526	251	110%	47%	36%
Total assets	1,121	705	59%	100%	100%
Liabilities and Shareholder's equity					
Current liabilities					
Bank overdraft and short-term loan from financial institution	317	138	130%	28%	20%
Accounts payable – Trade, net	171	182	-6%	15%	26%
Amounts due to related persons	50	35	43%	4%	5%
Accrued expenses	30	27	10%	3%	4%
Other current liabilities	38	28	36%	3%	4%
Total current liabilities	606	410	48%	54%	58%
Non-current liabilities					
Loan from financial institution, net	146	29	409%	13%	4%
Other non-current liabilities	5	11	-55%	0%	2%
Total non-current liabilities	151	40	280%	13%	6%
Total liabilities	757	449	69%	68%	64%
Shareholder's equity					
Paid-up share capital					
83,100,000 ordinary shares with par value of 1 baht	166	83	100%	15%	12%
Paid-in share capital in excess of par	69	69	0%	6%	10%
Legal reserve and other reserves	10	7	46%	1%	1%
Unappropriated	99	69	44%	9%	10%
Shareholders' equity of the Company	344	228	51%	31%	32%
Minority interest	20	28	-29%	2%	4%
Total shareholder's equity	364	256	42%	32%	36%
Total liabilities and shareholder's equity	1,121	705	59%	100%	100%

Assets

At end of year 2011, the total assets are Baht 1,121 million which increases from prior year approximately 59% due to the following reasons:

1. Trade accounts receivable increases significantly about 16% due to the Company has a lot of sales volume as the result of the increase in branch expansion of the customer in retail business and orders to replace the damaged equipments from the flood crisis during the end of the year 2011.
2. The project cost under the Optical Fiber Network System has occurred in year 2011 approximately Baht 298 million. This investment in the Optical Fiber Network System is for operating lease to CAT Telecom Public Company Limited in area of Nakhonratchasima and Chiangmai province for 5 years which is during in construction process.

Liabilities

At end of year 2011, the total liabilities were Baht 757 million which increases from prior year approximately 69% due to the following reasons:

1. Bank overdraft and short-term loan from financial institution increases significantly about Baht 179 million or 130% due to, in year 2011, the Company has several investment such as the investment in the Optical Fiber Network System for operating lease to CAT Telecom Public Company Limited and the sales of equipments to AOT Airport of Thailand therefore the Company needs to have more short-term loan facilities in order to support the working capital and the investment in such projects.
2. Long-term loan increases significantly about Baht 117 million or 409% due to, in year 2011, the Company has investment in the Optical Fiber Network System. This project is supported by the long-term loan from financial institutions.

Shareholders' equity

At the end of year 2011, the total shareholders' equity of the Company is Baht 344 million which increases from prior year about Baht 116 million due to the increase in share capital amounting to Baht 83 million and the net profit for year 2011 about Baht 47 million deducted by the cash dividend for Baht 12.5 million.

Income statements

The operating result - consolidated financial statements: For the year ended 31 December	2011 (Million Baht)	2010 (Million Baht)	Diff %
Total revenue	1,191	1,193	(0.2%)
Gross profit	218	188	16%
Net profit/(loss) attributable to the Company	47	35	34%
Net profit/(loss) separated by country:			
- Net profit/(loss) from Thailand operation	55.6	30.6	82%
- Share of profit/(loss) from a subsidiary in Malaysia	(11.8)	0.6	(2,100%)
- Share of profit/(loss) from associates in Vietnam	3.2	3.8	(16%)
Total net profit/(loss) attributable to the Company	47	35	34%
Change in revenue and gross profit:			
Revenue			
- From Thailand operation	446	360	24%
- From a subsidiary's operation in Malaysia	745	833	(11%)
Total revenue	1,191	1,193	(0.2%)
Gross profit			
- From Thailand operation	141	107	32%
- From a subsidiary's operation in Malaysia	77	81	(5%)
Total gross profit	218	188	16%
Change in expenses:			
Selling and Admin exp.			
- From Thailand operation	(75)	(72)	4%
- From a subsidiary's operation in Malaysia	(82)	(61)	34%
Total selling and admin exp.	(157)	(133)	18%
Finance expense			
- From Thailand operation	(3)	(1)	200%
- From a subsidiary's operation in Malaysia	(12)	(23)	(48%)
Total finance expense	(15)	(24)	(38%)

Net profit separate by the operation of each country

Year 2011 (Million Baht)		Associates in	Subsidiary in	
Country	Thailand	Vietnam	Malaysia	Net Profit
Revenue	446	74	745	
Net Profit (Loss)	56	8	(20)	
% of shareholding (%)		40%	60%	
Net profit of the Company	56	3.2	(12)	47
Portion of profit	118%	7%	(25%)	100%

Year 2010 (Million Baht)		Associates in	Subsidiary in	
Country	Thailand	Vietnam	Malaysia	Net Profit
Revenue	360	78	833	
Net Profit (Loss)	30	9	1	
% of shareholding (%)		40%	60%	
Net profit of the Company	30	3.8	0.6	35
Portion of profit	87%	11%	2%	100%

Summary

The consolidated net profit for the year ended 31 December 2011 is Baht 47 million which increases from the prior year about 34% mainly occurs from the increase in net operating profit from the operation in Thailand especially the high increase in the last quarter as the result of the increase in branch expansion of the customer in retail business and their high volume orders to replace the damaged equipments from the flood crisis during the end of the year. The net profit from Thailand operation is about Baht 55.6 million and the Company recognizes the share of loss from the subsidiary in Malaysia about Baht 11.8 million and the share of profit from the associates in Vietnam about Baht 3.2 million.

The details of the change in revenue and net profit are as follows:

1. Total revenue for the year 2011 is Baht 1,191 million which decreases a little bit from the prior year about 0.2% due to the increase in revenue from Thailand operation about 24% as the high sales to customer in retail business at the last quarter while the revenue of the subsidiary in Malaysia decreases about 11%.

2. Gross profit for the year 2011 is Baht 218 million which increases about 16% from the prior year because the increase in the gross profit from Thailand operation about 32%.
3. Selling and administrative expenses for the year 2011 is Baht 157 million which increases about 18% from the prior year due to the following reasons:
 - Selling and administrative expenses from the operation in Thailand is Baht 75 million which increases a little bit about 4% from the prior year due to the increase in marketing expenses such as the consulting fee for improving and developing the Company's sales and marketing departments.
 - Selling and administrative expenses from the operation of the subsidiary in Malaysia is Baht 82 million which increases 34% from the prior year because there is an increase in the allowance for doubtful account of one debtor amounting to Baht 25 million whose age of debt over 1 year. The subsidiary sold hardware equipments to this debtor under the governmental project and this debtor is waiting for the payment from the government. Anyway, the Management still follow up very closely and continuously on the collection of this debtor.
4. The Finance expense for the year 2011 is Baht 15 million which decreases 38% from the prior year due to the decrease in finance expense of the subsidiary in Malaysia about 48% as the result of the change in the revenue structure as the reduction in governmental project that payment is delay and the increase in the project of the multinational companies with the faster payment. This change makes the subsidiary can improve the debt collection faster and help reducing the loan burden and the finance expense significantly.

FINANCIAL STATEMENTS AND AUDITOR'S REPORT
SIMAT TECHNOLOGIES PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARIES
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

Auditor's Report

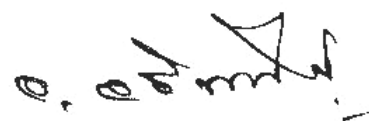
To the Shareholders and the Board of Directors of
Simat Technologies Public Company Limited and its subsidiaries

I have audited the consolidated statements of financial position of Simat Technologies Public Company Limited and its subsidiaries as at December 31, 2011 and 2010 and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the years then ended. I have also audited the separate statements of financial position of Simat Technologies Public Company Limited as at December 31, 2011 and 2010 and the related separate statements of comprehensive income, changes in shareholders' equity and cash flows for the years then ended. The Company's management is responsible for the correctness and completeness of information presented in these financial statements. My responsibility is to express an opinion on these financial statements based on my audits. The financial statements for the years ended December 31, 2011 and 2010 of an overseas subsidiary were audited by other auditor, whose reports have been finished to me. My opinion on the Company's consolidated and separate financial statements for the years ended December 31, 2011 and 2010 insofar as they relate to the amounts included for this subsidiary, are based solely on the reports of that auditor. The overseas subsidiary reflect the total assets as at December 31, 2011 and 2010 of approximately Baht 356.10 million and Baht 420.32 million, respectively, total revenues for the years then ended of approximately Baht 744.83 million and Baht 833.37 million, respectively, and the net income (loss) for the years then ended December 31, 2011 and 2010, of Baht (20.06) million and Baht 1.46 million, respectively. The financial statements for the years ended December 31, 2011 and 2010 of two overseas associated companies were also audited by other auditors, whose reports have been furnished to me. My opinion on the consolidated financial statements for the years ended December 31, 2011 and 2010, insofar as they relate to the amounts included for these associates, are based solely on the reports of those other auditors. The consolidated financial statements include the investments in such associated companies by the equity method of Baht 29.24 million and Baht 28.79 million, respectively, in the consolidated statements of financial position as at December 31, 2011 and 2010 and the equity in net profits in such companies of Baht 3.18 million and Baht 3.78 million, respectively in the consolidated statements of comprehensive income.

I conducted my audits in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audits and the reports of the other auditors referred to in the preceding paragraph provide a reasonable basis for my opinion.

In my opinion, based on my audits and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the consolidated financial positions of Simat Technologies Public Company Limited and its subsidiaries as at December 31, 2011 and 2010 and the consolidated results of their operations and their cash flows for the years then ended, and the separate financial positions of Simat Technologies Public Company Limited as at December 31, 2011 and 2010 and the results of its operations and its cash flows for the years then ended, in conformity with generally accepted accounting principles.

Without qualifying my opinion, I draw attention to Note 2 to the financial statements, during the year ended December 31, 2011, The Company and its subsidiaries have adopted new and revised Thai Financial Reporting Standards, which are issued by the Federation of Accounting Professions and effective for the financial statements for the period beginning on or after January 1, 2011, for the preparation and presentation of these financial statements. The consolidated and separate financial statements for the year ended December 31, 2010 which have been presented herewith for comparative purposes are newly presented in conformity with the financial statements for the year ended December 31, 2011. The Company and its subsidiaries have adjusted obligations incurred from the employee benefits as of December 31, 2010 according to the application of TAS 19 by reflecting to the retained earnings brought forward on January 1, 2011.



(Atipong Atipong Sakul)

Certified Public Accountant

Registration Number 3500

ANS Audit Company Limited

Bangkok, February 29, 2012

SIMAT TECHNOLOGIES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2011 AND 2010

(Unit : Baht)

	Notes	CONSOLIDATED		SEPARATE F/S	
		December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	5	30,826,509	10,381,378	23,108,742	4,127,985
Trade and other receivables - net	6, 7, 16	419,839,653	353,551,243	174,502,726	70,961,937
Loan to related companies	7	-	1,710,359	12,622,260	11,712,249
Inventories - net	8	96,744,722	88,724,165	62,852,155	40,270,157
Non-current asset for sales	11	47,656,616	-	-	-
Total Current Assets		595,067,500	454,367,145	273,085,883	127,072,328
NON-CURRENT ASSETS					
Restricted deposits with banks	9, 16, 18, 20	96,287,356	85,318,524	43,883,642	14,750,000
Investments in associated companies	10	29,237,963	28,786,905	21,273,694	21,273,694
Investments in subsidiary companies	10	-	-	100,592,282	100,592,282
Property, plant and equipment - net	11, 18, 20	37,621,142	83,748,588	14,659,408	15,431,363
Equipment and computer software					
for lease - net	12	13,742,358	989,921	13,742,358	989,921
Software development cost for sales	13	3,521,276	4,449,936	3,521,276	4,449,936
Project cost - Optical fiber system for lease	14	297,825,780	-	297,825,780	-
Goodwill	10	44,692,503	44,692,503	-	-
Computer software - net	15	40,249	140,562	33,216	100,369
Deposits		2,899,776	2,658,856	1,708,679	1,595,179
Total Non-Current Assets		525,868,403	250,785,795	497,240,335	159,182,744
TOTAL ASSETS		1,120,935,903	705,152,940	770,326,218	286,255,072

The accompanying notes form an integral part of these financial statements.

SIMAT TECHNOLOGIES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2011 AND 2010

(Unit : Baht)

	Notes	CONSOLIDATED		SEPARATE F/S	
		December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
LIABILITIES AND EQUITY					
CURRENT LIABILITIES					
Bank overdraft and short-term loan from					
financial institution	16, 18	209,491,662	137,621,942	83,542,711	7,439,847
Trade and other payables	17	277,382,648	262,629,825	103,780,714	39,729,155
Current portion of payable for purchase of					
investments	7	-	4,120,297	-	3,502,252
Current portion of liabilities under hire purchase					
and financial lease agreements	19	1,746,586	3,932,475	1,411,256	1,025,025
Current portion of long-term loan from financial					
institutions	20	107,711,960	1,210,178	106,499,920	-
Loan from related company	7	-	-	1,000,000	-
Total Current Liabilities		596,332,856	409,514,717	296,234,601	51,696,279
NON-CURRENT LIABILITIES					
Liabilities under hire purchase and financial					
lease agreements - net	19	1,795,888	2,375,419	1,294,416	1,555,797
Payable for purchase of investments	7	10,136,400	9,888,800	10,136,400	9,888,800
Long-term loan - net	20	145,558,019	27,477,791	118,668,913	-
Provision for employee benefit	21	3,477,127	-	3,477,127	-
Total Non-Current Liabilities		160,967,434	39,742,010	133,576,856	11,444,597
TOTAL LIABILITIES		757,300,290	449,256,727	429,811,457	63,140,876

The accompanying notes form an integral part of these financial statements.

SIMAT TECHNOLOGIES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2011 AND 2010

(Unit : Baht)

	Notes	CONSOLIDATED		SEPARATE F/S	
		December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
LIABILITIES AND SHAREHOLDERS EQUITY (CONTINUED)					
SHAREHOLDERS EQUITY					
Share capital					
Registered					
Common shares 218,710,000 shares in 2011 and 88,700,000 shares in 2010, Baht 1 par value	22	218,710,000	88,700,000	218,710,000	88,700,000
Issued and fully paid-up					
Common shares 166,200,000 shares in 2011 and 83,100,000 shares in 2010, Baht 1 par value	22	166,200,000	83,100,000	166,200,000	83,100,000
Paid in capital in excess of par value		69,065,344	69,065,344	69,065,344	69,065,344
Discount on capital from change in proportion of investment in subsidiary company		(2,313,708)	(2,313,708)	-	-
Retained earnings					
Appropriated					
Legal reserve	23	11,332,369	8,870,000	11,332,369	8,870,000
Unappropriated		98,716,975	68,841,208	93,917,048	62,078,852
Other components of equity					
Currency translation differences		563,222	273,992	-	-
Total equity of the parent company		343,564,202	227,836,836	340,514,761	223,114,196
Non-controlling interests		20,071,411	28,059,377	-	-
TOTAL EQUITY		363,635,613	255,896,213	340,514,761	223,114,196
TOTAL LIABILITIES AND EQUITY		1,120,935,903	705,152,940	770,326,218	286,255,072

The accompanying notes form an integral part of these financial statements.

SIMAT TECHNOLOGIES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

FOR EACH OF THE YEARS ENDED DECEMBER 30, 2011 AND 2010

(Unit : Baht)

	Notes	CONSOLIDATED		SEPARATE F/S	
		2011	2010	2011	2010
REVENUES	7, 28				
Sales		1,089,867,165	1,133,132,227	354,546,948	276,467,826
Services and maintenance income		93,589,222	57,579,647	55,744,972	56,049,628
Rental income		7,443,457	2,752,263	7,443,457	2,752,263
TOTAL REVENUES FROM SALES AND SERVICES		1,190,899,844	1,193,464,137	417,735,377	335,269,717
COST OF SALES AND SERVICES	7, 29	(973,068,960)	(1,005,700,996)	(314,383,470)	(245,079,140)
Gross profit		217,830,884	187,763,141	103,351,907	90,190,577
Dividend income	7	-	-	23,985,245	25,173,057
Gain (loss) on exchange rate		393,492	(426,439)	235,485	(916,095)
Other income		3,008,608	9,479,388	1,581,332	1,325,281
Income before expenses		221,232,984	196,816,090	129,153,969	115,772,820
Selling expenses	7	(21,791,110)	(13,755,280)	(15,114,824)	(8,397,521)
Administrative expenses	7	(117,720,234)	(98,376,305)	(43,401,440)	(48,523,702)
Management remunerations		(17,837,582)	(21,107,144)	(9,589,050)	(10,610,870)
Total expenses		(157,348,926)	(133,238,729)	(68,105,314)	(67,532,093)
Income before financial expenses and income tax		63,884,058	63,577,361	61,048,655	48,240,727
Financial expenses		(15,015,425)	(23,792,807)	(2,558,526)	(447,237)
Equity in net income of associated companies		3,175,528	3,775,181	-	-
Income before income tax		52,044,161	43,559,735	58,490,129	47,793,490
Income tax	30	(13,313,142)	(8,816,995)	(9,242,752)	(4,656,708)
NET INCOME FOR THE PERIOD		38,731,019	34,742,740	49,247,377	43,136,782
OTHER COMPREHENSIVE ITEM					
Foreign currency translation differences		855,706	638,614	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		39,586,725	35,381,354	49,247,377	43,136,782
Income attributable to					
Equity holders of the Company		47,285,461	34,666,015	49,247,377	43,136,782
Non-controlling interests		(8,554,442)	76,725	-	-
		38,731,019	34,742,740	49,247,377	43,136,782

The accompanying notes form an integral part of these financial statements.

SIMAT TECHNOLOGIES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

FOR EACH OF THE YEARS ENDED DECEMBER 30, 2011 AND 2010

(Unit : Baht)

	Notes	CONSOLIDATED		SEPARATE F/S	
		2011	2010	2011	2010
Total comprehensive income attributable to					
Equity holders of the Company		47,574,691	34,944,824	49,247,377	43,136,782
Non-controlling interests		(7,987,966)	436,530	-	-
		<u>39,586,725</u>	<u>35,381,354</u>	<u>49,247,377</u>	<u>43,136,782</u>
BASIC EARNINGS PER SHARE	25				
Basic earnings per share		<u>0.42</u>	<u>0.43</u>	<u>0.44</u>	<u>0.54</u>
Diluted earnings per share		<u>0.41</u>	<u>-</u>	<u>0.43</u>	<u>-</u>

The accompanying notes form an integral part of these financial statements.

SIMAT TECHNOLOGIES PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS EQUITY
FOR EACH OF THE YEARS ENDED DECEMBER 30, 2011 AND 2010

(Unit : Baht)

CONSOLIDATED F/S										
Equity attributable to equity holders of the Company										
	Notes	Paid-up share capital	Paid-in capital in excess of par	Discount on capital from change in proportion of investment in subsidiary company	Retained earnings		Currency translation differences	Total equity of the parent company	Non-controlling interests	Total
					Legal reserve	Unappropriated				
Balance as at January 1, 2010		75,000,000	49,266,890	(1,541,937)	7,463,607	39,517,071	(4,817)	169,700,814	26,464,979	196,165,793
Changes in equity for the year 2010 :										
Increase in capital	22	8,100,000	19,798,454	-	-	-	-	27,898,454	386,097	28,284,551
Appropriation for legal reserve	23	-	-	-	1,406,393	(1,406,393)	-	-	-	-
Dividends payment	24	-	-	-	-	(3,935,485)	-	(3,935,485)	-	(3,935,485)
Comprehensive income for the year		-	-	-	-	34,666,015	278,809	34,944,824	436,530	35,381,354
Discount on capital from change in proportion of investment in subsidiary company		-	-	(771,771)	-	-	-	(771,771)	771,771	-
Balance as at December 31, 2010		83,100,000	69,065,344	(2,313,708)	8,870,000	68,841,208	273,992	227,836,836	28,059,377	255,896,213
Effects of changes in accounting policies	3	-	-	-	-	(2,481,812)	-	(2,481,812)	-	(2,481,812)
Balance after adjusted		83,100,000	69,065,344	(2,313,708)	8,870,000	66,359,396	273,992	225,355,024	28,059,377	253,414,401
Changes in equity for the year 2011 :										
Increase in capital	22	83,100,000	-	-	-	-	-	83,100,000	-	83,100,000
Appropriation for legal reserve	23	-	-	-	2,462,369	(2,462,369)	-	-	-	-
Dividends payment	24	-	-	-	-	(12,465,513)	-	(12,465,513)	-	(12,465,513)
Comprehensive income for the year		-	-	-	-	47,285,461	289,230	47,574,691	(7,987,966)	39,586,725
Balance as at December 31, 2011		166,200,000	69,065,344	(2,313,708)	11,332,369	98,716,975	563,222	343,564,202	20,071,411	363,635,613

The accompanying notes form an integral part of these financial statements.

SIMAT TECHNOLOGIES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS EQUITY

FOR EACH OF THE YEARS ENDED DECEMBER 30, 2011 AND 2010

(Unit : Baht)

	Notes	SEPARATE F/S					Total Equity
		Paid-up share capital	Paid-in capital in excess of par	Retained earnings		Total other components of equity	
				Legal reserve	Unappropriated		
Balance as at January 1, 2010		75,000,000	49,266,890	7,463,607	24,283,453	-	156,013,950
Changes in equity for the year 2010 :							
Increase in capital	22	8,100,000	19,798,454	-	-	-	27,898,454
Appropriation for legal reserve	23	-	-	1,406,393	(1,406,393)	-	-
Dividends payment	24	-	-	-	(3,934,990)	-	(3,934,990)
Comprehensive income for the year		-	-	-	43,136,782	-	43,136,782
Balance as at December 31, 2010		83,100,000	69,065,344	8,870,000	62,078,852	-	223,114,196
Effects of changes in accounting policies	2	-	-	-	(2,481,812)	-	(2,481,812)
Balance after adjusted		83,100,000	69,065,344	8,870,000	59,597,040	-	220,632,384
Changes in equity for the period 2011 :							
Increase in capital	22	83,100,000	-	-	-	-	83,100,000
Appropriation for legal reserve	23	-	-	2,462,369	(2,462,369)	-	-
Dividends payment	24	-	-	-	(12,465,000)	-	(12,465,000)
Comprehensive income for the year		-	-	-	49,247,377	-	49,247,377
Balance as at December 31, 2011		166,200,000	69,065,344	11,332,369	93,917,048	-	340,514,761

The accompanying notes form an integral part of these financial statements.

SIMAT TECHNOLOGIES PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR EACH OF THE YEARS ENDED DECEMBER 30, 2011 AND 2010

(Unit : Baht)

	CONSOLIDATED		SEPARATE F/S	
	2011	2010	2011	2010
Cash Flows from Operating Activities				
Income before tax	52,044,161	43,559,735	58,490,129	47,793,490
Adjustments to reconcile net income to net cash provided from (paid by) operating activities:				
Depreciation and amortization	18,818,419	14,473,419	14,289,591	11,693,851
Equity in net income of associated companies	(3,175,528)	(3,775,181)	-	-
Unrealized loss on foreign exchange rate	633,398	-	324,649	1,222,772
Loss (gain) on disposal of equipment	75,934	117,617	(131,304)	(75,895)
Allowance for doubtful accounts (reversal)	28,937,376	(55,345)	(482,313)	-
Allowance for obsolete and devaluation of inventories	3,727,356	9,652,436	1,360,514	-
Provision for employee benefit	995,315	813,595	995,315	368,009
Dividend income	-	-	(23,985,245)	(25,173,057)
Interest expense	15,513,627	(2,336,629)	2,558,526	(859,314)
Interest income	(3,010,865)	24,171,287	(1,098,546)	447,237
Cash provided from operating activities before changes in operating assets and liabilities :	114,559,193	86,620,934	52,321,316	35,417,093
Decrease (increase) in operating assets:				
Trade and other receivables	(95,217,287)	207,522,616	(103,276,976)	(24,322,235)
Inventories	(13,925,158)	116,288,643	(26,119,757)	(17,766,838)
Deposit	(240,920)	920,744	113,500	761,500

The accompanying notes form an integral part of these financial statements.

SIMAT TECHNOLOGIES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS (CONTINUED)

FOR EACH OF THE YEARS ENDED DECEMBER 30, 2011 AND 2010

(Unit : Baht)

	CONSOLIDATED		SEPARATE F/S	
	2011	2010	2011	2010
Increase (decrease) in operating liabilities:				
Trade and other payables	(2,155,021)	(118,950,212)	55,615,547	(20,346,844)
Cash received from (used in) operations	3,020,807	292,402,725	(21,346,370)	(26,257,324)
Interest payment	(7,043,461)	(25,897,257)	(2,558,526)	(444,166)
Interest received	3,010,865	2,337,726	1,098,546	860,411
Income tax payment	(8,670,343)	(14,090,894)	(4,743,131)	(3,933,757)
Net cash provided from (used in) operating activities	(9,682,132)	254,752,300	(27,549,481)	(29,774,836)
Cash flows from investing activities:				
Received dividend from subsidiary company	-	-	21,980,487	21,115,852
Received dividend from associated company	2,004,758	2,423,542	2,004,758	2,423,542
(Increase) decrease in loan to related company	1,710,359	-	(561,421)	(10,946,329)
(Increase) decrease in restricted deposit with banks	(10,968,832)	(14,675,263)	(29,133,642)	(3,750,000)
Cash payment for project cost - optical fiber system for lease	(297,825,780)	-	(297,825,780)	-
Proceeds from disposal of equipment	226,880	-	226,880	-
Cash payment for acquisition of equipment	(27,588,887)	(27,196,323)	(21,876,437)	(3,837,518)
Cash payment for acquisition of computer software	-	(1,904,753)	-	(1,904,753)
Net cash used in investing activities	(332,441,502)	(41,352,797)	(325,185,155)	3,100,794

The accompanying notes form an integral part of these financial statements.

SIMAT TECHNOLOGIES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS (CONTINUED)

FOR EACH OF THE YEARS ENDED DECEMBER 30, 2011 AND 2010

(Unit : Baht)

	CONSOLIDATED		SEPARATE F/S	
	2011	2010	2011	2010
Cash flows from financing activities:				
Cash receipt from increase in share capital	83,100,000	27,898,454	83,100,000	27,898,454
Increase in loan from related company	-	-	1,000,000	-
Increase (decrease) in bank overdraft and short-term loan				
from financial institution	71,869,718	(246,671,612)	76,102,864	3,525,613
Increase in long-term loan from financial institution	224,582,010	-	225,168,833	-
Payments of liabilities under hire purchase and				
financial lease agreements	(4,106,102)	(4,810,183)	(1,191,304)	(2,061,428)
Dividend payment	(12,465,513)	(3,935,485)	(12,465,000)	(3,934,990)
Proceeds from share capital of subsidiaries companies				
from non-controlling interests	-	386,097	-	-
Net cash provided from (used in) financing activities	362,980,113	(227,132,729)	371,715,393	25,427,649
NET INCREASE (DECREASE) IN CASH AND				
CASH EQUIVALENTS				
	20,856,479	(13,733,226)	18,980,757	(1,246,393)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	(411,348)	629,705	-	-
CASH AND CASH EQUIVALENTS - BEGINNING				
OF PERIOD	10,381,378	23,484,899	4,127,985	5,374,378
CASH AND CASH EQUIVALENTS - END OF PERIOD	30,826,509	10,381,378	23,108,742	4,127,985

Non - cash transactions

For the year ended December 31, 2011

The Company transferred inventories to equipment totaling Baht 2.18 million.

The Company acquired vehicles for a total cost of Baht 1.65 million of which Baht 1.32 million to be paid by instalments under financial lease agreement and Baht 0.33 million was paid by cash

For the year ended December 31, 2010

The Company transferred inventories to equipment totaling Baht 5.33 million.

The cost of software development remains unpaid totalling Baht 0.36 million.

The Company acquired vehicle for a total cost of Baht 1.67 million of which Baht 1.42 million to be paid by instalments under financial lease agreement and Baht 0.25 million was paid by cash.

The subsidiary acquired freehold land and building of Baht 28.69 million under term loan from financial institution.

The company invested in the subsidiary by offsetting with the amount due from related company of Baht 4 million and loan to related company of Baht 6 million.

The accompanying notes form an integral part of these financial statements.

SIMAT TECHNOLOGIES PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
FOR EACH OF THE YEARS ENDED DECEMBER 31, 2011 AND 2010

1 GENERAL INFORMATION

The Company registered its incorporation with the Ministry of Commerce as a limited company in the year 1999. The Company registered the changes of its status to a public company and the change of its name to “Simat Technologies Public Company Limited” with the Ministry of Commerce on July 18, 2006. The Company is engaged in the trading of computer hardware, software and network accessories and computer information technology system development.

On December 12, 2007, the Stock Exchange of Thailand approved the trading of the Company’s securities on the Stock Exchange of Thailand.

The Company’s registered head office is located at 123 Soi Chalongkrung 31, Ladkrabang Industrial Estate, Chalongkrung Road, Lamplatew sub-district, Ladkrabang district, Bangkok.

2 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The accompanying financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”) including related interpretations and guidelines promulgated by the Federation of Accounting Professions (“FAP”) in conformity with generally accepted accounting principles in Thailand.

The presentation of the financial statements has been made in compliance with the stipulations of the Notification of the Department of Business Development dated September 28, 2011, issued under the Accounting Act B.E. 2543.

The accompanying financial statements have been prepared in the Thai language and expressed in Thai Baht. Such financial statements have been prepared for domestic reporting purposes. For the convenience of the readers not conversant with the Thai language, an English version of the financial statements has been provided by translating from the Thai version of the financial statements.

The preparation of the financial statements in conformity with Thai Federation Reporting Standard requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying amounts of assets and liabilities that are not readily apparent from other sources. Subsequent actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, and in the period of the revision and future periods, if the revision affects both current and future periods.

Transition to new and revised TFRS

During 2010 and 2011, the Federation of Accounting Professions (“FAP”) has issued Notifications, mandating the use of new and revised Thai Accounting Standards (“TAS”), Thai Financial Reporting Standards (“TFRS”), Thai Financial Reporting Interpretation (“TFRI”), Thai Accounting Standards Interpretation (“TI”) and announcements which are effective for the financial statements for the period beginning on or after January 1, 2011 as follows:

<u>TAS/TFRS/TFRI/TI/FAP’s Announcements</u>	<u>Topic</u>
TAS 1 (revised 2009)	Presentation of Financial Statements
TAS 2 (revised 2009)	Inventories
TAS 7 (revised 2009)	Statement of Cash Flows
TAS 8 (revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2009)	Events After the Reporting Period
TAS 11 (revised 2009)	Construction Contracts
TAS 16 (revised 2009)	Property, Plant and Equipment
TAS 17 (revised 2009)	Leases
TAS 18 (revised 2009)	Revenue
TAS 19	Employee Benefits
TAS 23 (revised 2009)	Borrowing Costs
TAS 24 (revised 2009)	Related Party Disclosures
TAS 26	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2009)	Consolidated and Separate Financial Statements
TAS 28 (revised 2009)	Investments in Associates
TAS 29	Financial Reporting in Hyperinflationary Economies
TAS 31 (revised 2009)	Interests in Joint Ventures
TAS 33 (revised 2009)	Earnings per Share
TAS 34 (revised 2009)	Interim Financial Reporting
TAS 36 (revised 2009)	Impairment of Assets
TAS 37 (revised 2009)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2009)	Intangible Assets

<u>TAS/TFRS/TFRI/TI/FAP's Announcements</u>	<u>Topic</u>
TAS 38 (revised 2009)	Intangible Assets
TAS 40 (revised 2009)	Investment Property
TFRS 2	Share – Based Payments
TFRS 3 (revised 2009)	Business Combinations
TFRS 5 (revised 2009)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6	Exploration for and Evaluation of Mineral Resources
TFRI 15	Agreements for the Construction of Real Estate
TI 31	Revenue – Barter Transactions Involving Advertising Services
Announcement No. 16/2554	Disclosure Guidance on Related Party Transactions with Government
Announcement No. 17/2554	Transitional Procedures for Other Long-term Employee Benefits
Announcement No. 18/2554	Accounting Guidance on Revaluation of Assets
Announcement No. 19/2554	Accounting Guidance for Condominiums

During 2011, the Group has adopted new and revised TFRS which are effective for the financial statements for the period beginning on or after January 1, 2011. Such transition affected the presentation of the consolidated and separate financial statements for the year ended December 31, 2010 which have been presented herewith for comparative purposes in conformity with the presentation of the financial statements for the year ended December 31, 2011 and effected the Company/Group's overall financial position and financial performance as follows:

TAS 1 (revised 2009) – Presentation of Financial Statements

Under the revised standard, a set of financial statements comprises:

- Statement of financial position;
- Statement of comprehensive income;
- Statement of changes in equity
- Statement of cash flows; and
- Notes to the financial statements

Comparative information has been re-presented so that it is also in conformity with the revised standard. Since the change in accounting policy only impacts presentation aspects, there is no impact on reported profit (loss) or earnings (loss) per share.

The change of TAS 19 – Employee Benefits

The management of the Group has determined that the liability incurred from the employee benefits as at January 1, 2011 for post-employment benefits is the amount of Baht 1.31 million in the consolidated financial statements and the separate financial statements. The Group applied a transitional provision that such liability is recognized and accounted for immediately in retained earnings at the transition date.

The effect of such change is summarized as follows:

	(Unit: Thousands Baht)
	Consolidated financial statements and Separate financial statements
<hr/>	
<u>The statements of financial position as at January 1, 2011</u>	
Increase in employee benefit liability	2,482
Decrease in retained earnings	(2,482)

Adoption of new and revised Thai Financial Reporting Standards effected the future period

During 2010 and 2011, the Federation of Accounting Professions (“FAP”) has issued new and revised Thai Accounting Standards (“TAS”), Thai Interpretations (“TI”) which are effective for the financial statements for the period beginning on or after January 1, 2013 as follows:

<u>TAS/TI</u>	<u>Topic</u>
TAS 12	Income Taxes
TAS 20 (revised 2009)	Accounting for Government Grants and Disclosures of Government Assistance
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rate
TI 10	Government Assistance – In Case of No Specific Relation to Operating Activities
TI 21	Income Taxes – Recovery of Revalued Non-Depreciable Assets
TI 25	Income Taxes – Changes in the Tax Status of an Enterprise or its Shareholders

The management of the Company is assessing the impacts of these standards and interpretations on the financial statements for the year in which they are initially applied.

Basis of preparation of consolidation financial statements

The consolidated financial statements include the financial statements of Simat Technologies Public Company Limited and subsidiaries as follow:

Subsidiary companies	Percentage of shareholding		Type of businesses
	December 31, 2011	December 31, 2010	
Simat Soft Co., Ltd.	100.00	100.00	Production, development, modifying and sales of computer software.
Simat Label Co., Ltd.	85.88	85.88	Wholesaler for barcode, productions and RFID, papers and related supplies.
E-Tech Distribution Ltd.	51.00	51.00	Sales of hardware, software and maintenance service for the point of sales system
E-Tech IT Sdn, Bhd. (Malaysia)	60.00	60.00	Sales of computer hardware, software and maintenance services
The subsidiaries held by E-Tech IT Sdn, Bhd. (Malaysia)			
E-Tech IT Frontline (Singapore)	60.00	60.00	Providing softwae consultancy services and wholesaler of computer.
E-Tech IT Solution (Malaysia)	60.00	60.00	Trading of computer hardware, software and related equipment.

As at December 31, 2011 and 2010, the total assets of subsidiaries represent 38.46 percent and 70.13 percent, respectively, of the total assets in the consolidated financial statements, and total revenues of subsidiaries for the years ended December 31, 2011 and 2010 represent 64.92 percent and 72.56 percent, respectively, of the total revenues in the consolidated financial statements.

Significant inter-company transactions with subsidiaries included in the consolidated financial statements have been eliminated.

3 SIGNIFICANT ACCOUNTING POLICIES

Revenues and expenses recognition

Sale is recognized when delivery has taken place and the transfer of risks and rewards has been completed.

Service income is recognized when service has been rendered and the amount of the revenue can be measured.

Revenue on sales and installation of systems is recognized by the percentage of completion method.

Rental income, other income, and expenses are recognized on an accrual basis.

Cash and cash equivalents

Cash and cash equivalents represent cash on hand and deposits with bank with maturities of less than three months without restriction of usage or obligation.

Trade accounts receivable

Trade accounts receivable are carried at anticipated realizable value. An estimate is made for doubtful receivables based on a review of all outstanding amounts at the year end. Bad debts are written-off during the year in which they are identified.

Inventories

Inventories are stated at the lower of cost or net realizable value. Cost is determined on the moving-average basis. Net realizable value is the estimated selling price in the ordinary course of the business less the estimated costs necessary to make the sale.

Investment in subsidiary and associate companies

Investments in associated companies are accounted for in the consolidated financial statements by the equity method of accounting. Investment in subsidiary and associated companies are accounted for in the separate financial statements by the cost method of accounting, and adjusted impairment, if any. Provisions for impairment are taken up in the accounts to adjust the value of investment whenever necessary.

Property, plant and equipment

Property, plant and equipment are stated at cost. Cost is measured by the cash or cash equivalent price of obtaining the asset that bring the asset to the location and condition necessary for its intended use. Building and equipment is presented in the balance sheet at cost less accumulated depreciation and allowance for impairment of assets.

The Company and subsidiary depreciate its building and equipment by the straight – line method over their estimated useful lives as follows:

	<u>Years</u>
Building	50
Office equipment	1 - 10
Tools and equipments	3 - 5
Furniture and fixtures	5 - 10
Motor vehicles	5
Machineries	5 - 15

Gains and losses on disposal of assets are determined by reference to their carrying amount and are taken into account in determining operating profit.

Expenditure for additions, renewals and betterment are capitalized. Repair and maintenance costs are recognized as expenses when incurred.

Equipment and computer software for lease

Equipment and computer software for lease are stated at cost, net of accumulated amortization.

Amortization is calculated on the straight-line method over their agreement.

Software development cost for sales

Software development cost for sales is recognized at cost, comprising various related direct expenses of acquisition.

Amortization is charged to the statement of comprehensive income using the straight-line method for 5 years.

Goodwill

Goodwill in a business combination represents the excess of the cost of acquisition over the fair value of share of the identifiable net assets which the Company acquired. Goodwill is measured at cost and impairment is considered when there is an indication.

Computer programs

Computer program are stated at cost, net of accumulated amortization.

Amortization is calculated on the straight-line method over their estimated useful lives of 3 years.

Leases – where the Company and subsidiary are the lessee

Leases of equipment where the Group assumes substantially all the benefits and risks of ownership are classified as finance leases. Finance leases are capitalized at the estimated present value of the underlying lease payments or the present value of the lease payments, whichever is lower. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the outstanding balance. The lease payment obligation under the lease agreement, net of financial interest payment, is recorded as liability under finance lease. The interest element of the finance charge is charged to operations over the lease period. The equipment acquired under finance leasing contract is depreciated over the useful life of the asset. Leases of assets under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged to statements of comprehensive income on a straight – line basis over the period of the lease. When an operating lease is terminated before expiry date of the lease period, any payment required to be made to the lessor by way of penalty is recognized as an expense in the period in which termination takes place.

Employee benefits

Short-term benefits

The Group recognizes salaries, wages, bonus and social security contribution as expenses on an accrual basis.

Post-employment benefits – defined benefit plan

The employee benefits liabilities in relation to the severance payment under the labor law are recognized as a charge to results of operations over the employee's service period. It is calculated by the estimation of the amount of future benefit to be earned by the employee in return for the service provided to the Group through the service period up to the retirement age and the amount is discounted to determine the present value. The reference discount rate is the yield rate of government bonds as at the reporting date. The calculation is based on the actuarial technique using the Projected Unit Credit Method.

When the actuarial assumptions are changed, the Group recognizes actuarial gains or losses in the profit or loss in the period in which they arise.

Foreign currency transactions

Transactions in foreign currencies are recorded in Baht at the rates prevailing at the transaction dates. Outstanding balances of assets and liabilities denominated in foreign currencies, at the financial statements date are translated into Baht at the rates of exchange in effect at that date. Translation gains or losses are credited or charged to the statement of comprehensive income each year.

Financial statements of foreign subsidiary

The financial statements of a subsidiary in foreign currency are translated into Baht for consolidation as follows:

Asset and liabilities	- At closing rate
Share capital	- At the rate the transaction is executed
Income and expense	- At average rate of exchange during the year
Cumulative translation	- Shown under shareholder's equity in the consolidated financial statements

The above rates should not be construed that all assets, liabilities, income and expenses can be actually realized at those rates.

Provident fund

The Company and local subsidiaries have established a registered provident fund contributed by employees and by the Company for which assets are held in a separate trustee fund and managed by fund manager.

The Company contributions are charged to the statement of comprehensive income in the period which they relate.

Income tax

The Company and subsidiaries recognize tax obligations on a tax basis based on the conditions described in the Revenue Code.

Earnings per share and diluted earnings per share

Earnings per share are determined by dividing the net income for the year by the weighted average number of shares outstanding during the year .

Diluted earnings per share are calculated by dividing the net profit for the year by the weighted average number of ordinary shares including the effect of increased shares from exercise warrants for the years ended December 31, 2011 of 2.76 million shares.

Segment information

Segment information is presented in respect of the Company and subsidiary businesses. The primary format, business segments, is based on the Company and subsidiary management and internal reporting structure.

4 CRITICAL ACCOUNTING ESTIMATES, ASSUMPTION AND JUDGMENT

Estimates, assumption and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Impairment of receivables

The Company and subsidiaries account for allowance for doubtful accounts equal to the estimated collection losses that may be incurred in the collection of receivables. The estimated losses are based on historical collection experience couple with a review of outstanding receivables at the financial statements date.

Allowance for obsolete, slow-moving and defective inventories

The Company and subsidiaries maintain an allowance for obsolete, slow-moving and defective inventories to reflect impairment of inventories. The allowance is based on consideration of inventory turnover and deterioration of each category.

Impairment of investment

Management reviews the impairment of investments in subsidiary and associate companies by considering the operating result and the future business plan of the subsidiary and associate companies. Such consideration is based on Management's judgement.

Impairment of goodwill

The Company reviews goodwill from investments in subsidiary and associated companies to determine whether it is impaired or not. The recoverable amounts of cash-generating units are determined based on value-in-use calculations. These calculations require the use of estimates.

Impairment of assets

The Company and subsidiaries consider asset as impaired when there is an indication that an asset may be impaired. If any such indication exists when there has been a significant decline in the fair value, the Company and subsidiaries make an estimate of the asset recoverable amount. The determination of recoverable amount is requires judgment. An impairment loss is recognized as an expense in the statement of comprehensive income.

Equipment and computer software

Management determines the estimated useful lives and residual values for the Company's equipment and computer software. Management will revise the depreciation charge where useful lives and residual values previously estimated have changed or subject to be written down for their technical obsolescence or no longer in used.

Leases

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

5 CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at December 31, consisted of:-

	(Unit: Baht)			
	Consolidated financial statement		Separate financial statement	
	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
Cash on hand	281,064	163,930	141,409	102,968
Cash at banks				
Current account	8,335,373	9,034,764	757,261	2,842,333
Saving account	21,964,205	1,114,963	21,964,205	1,114,963
Fixed deposits with maturity of				
less than 3 months	245,867	67,721	245,867	67,721
Total	<u>30,826,509</u>	<u>10,381,378</u>	<u>23,108,742</u>	<u>4,127,985</u>

6 TRADE RECEIVABLE

Trade receivable as at December 31, consisted of:-

(Unit: Baht)

	Consolidated financial statement		Separate financial statement	
	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
Trade receivables				
- related parties	26,931	1,699,882	7,768,260	7,388,052
- others	400,936,787	334,118,496	124,863,376	51,587,207
Total	400,963,718	335,818,378	132,631,636	58,975,259
<u>Less</u> Allowance for doubtful accounts	(50,130,363)	(20,898,997)	(127,865)	(610,178)
Trade receivables - net	350,833,355	314,919,381	132,503,771	58,365,081
Other receivables				
- related parties				
Dividend receivable	-	1,633,663	-	1,633,663
Other	4,704,913	326,109	7,583,556	7,197,304
- others				
Deposit	4,022,955	8,780,902	-	-
Accrued income	15,552,000	-	15,552,000	-
Value added tax receivables	15,102,137	512,943	14,971,533	240,031
Prepaid expenses	3,216,892	4,112,035	3,041,166	2,938,582
Advances to trade customer	17,606,271	13,830,930	778,151	518,499
Others	8,801,130	9,435,280	72,549	68,777
Total other receivables	69,006,298	38,631,862	41,998,955	12,596,856
Total trade and other receivables - net	419,839,653	353,551,243	174,502,726	70,961,937

As at December 31, 2011, the Company discounted trade receivables with a bank amounted of Baht 42.86 million. The Company has factoring facility lines with the bank totaling Baht 45 million.

As at December 31, 2011 and 2010, the Group had outstanding balances of trade receivable aged by number of months as follows:

(Unit: Baht)

Ages of receivable	Consolidated financial statement		Separate financial statement	
	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
<u>Trade Receivable – Related Parties</u>				
Past due:				
Less than 3 months	-	1,699,882	-	7,388,052
Over 3 month but not over 6 month	20,094	-	-	-
Over 12 months	6,837	-	7,768,260	-
Total	26,931	1,699,882	7,768,260	7,388,052
<u>Trade Receivable - Other</u>				
Not yet due	168,746,303	164,156,601	87,051,173	29,524,774
Past due:				
Less than 3 months	102,266,896	61,651,420	29,079,041	21,556,090
Over 3 month but not over 6 month	15,017,840	6,171,175	108,605	-
Over 6 month but not over 12 month	12,012,357	10,787,639	6,424,547	-
Over 12 month	102,893,391	91,351,661	2,200,010	506,343
Total	400,936,787	334,118,496	124,863,376	51,587,207
<u>Less</u> Allowance for doubtful accounts	(50,130,363)	(20,898,997)	(127,865)	(610,178)
Trade receivable - net	350,806,424	313,219,499	124,735,511	50,977,029
Trade receivable - net	350,833,355	314,919,381	132,503,771	58,365,081

As at December 31, 2011 and 2010, part of the past due receivable of over 12 months represented the trade receivable of a subsidiary company in Malaysia as follows:

	Unit: million Baht	
	2011	2010
The allowance for doubtful accounts has been provided	49.93	20.21
Guaranteed by the director of the subsidiary amounted to Ringgit 3.7 million and Ringgit 2.8 million respectively (Note 7)	36.45	28.95
Considered as collectible	14.31	41.60
Total	100.69	90.76

The management of subsidiary is confident of receiving full settlement from the debtor, therefore no further allowance for doubtful account has been made.

7 TRANSACTIONS WITH RELATED COMPANY

The Company has certain transactions with its related parties. A portion of the Company's assets, liabilities, revenues and expenses arose from transactions with the related parties which are directly and indirectly related through common shareholding and/or directorships.

Sales and purchases of goods and services

Sales and purchases of goods from related parties are made under the conditions and terms of general trade practice, with prices approximate the market.

Balances with related parties as at December 31, 2011 and 2010 are summarized below:

(Unit: Baht)

	Consolidated financial statement		Separate financial statement	
	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
<u>Trade receivable</u>				
Grand – flo Electronic Systems				
Sdn, Bhd.	-	235,120	-	-
Grand-flo Spritvest Sdn, Bhd.	6,837	285,746	6,837	6,502
Kopacklabels Press Sdn, Bhd.	20,094	-	-	-
E-Tech IT Sdn, Bhd.	-	-	7,761,423	7,381,550
Zeal System Sdn, Bhd.	-	1,179,016	-	-
Total	26,931	1,699,882	7,768,260	7,388,052
<u>Dividend receivable</u>				
Sino Trading – Services				
Corporation	-	1,633,663	-	1,633,663
<u>Other receivable</u>				
Simat Label Co., Ltd.	-	-	1,021,841	928,047
Simat Soft Co., Ltd.	-	-	45,850	40,651
Sino Trading – Services				
Corporation	-	208,809	-	208,809
High Rich Trading – Services				
Corporation	-	117,300	-	117,300
E-Tech IT Sdn, Bhd.	-	-	6,515,865	5,902,497
Grand-flo Spritvest Sdn, Bhd.	4,390,086	-	-	-
Zeal System Sdn, Bhd.	314,827	-	-	-
Total	4,704,913	326,109	7,583,556	7,197,304

(Unit: Baht)

	Consolidated financial statement		Separate financial statement	
	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
<u>Loan to related companies</u>				
Simat Label Co., Ltd.	-	-	5,500,000	1,000,000
High Rich Trading – Services Corporation	-	1,710,359	-	1,710,359
E-Tech IT Sdn, Bhd.	-	-	7,122,260	9,001,890
Total	-	1,710,359	12,622,260	11,712,249

The Company had provided short – term loans to its subsidiary and related company for use as working capital. Such loans bear interest rate at 5.85% - 7.25% per annum.

(Unit: Baht)

	Consolidated financial statement		Separate financial statement	
	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
<u>Trade payable</u>				
Grand – flo Electronic Systems Sdn, Bhd.	-	986,996	-	-
Kopacklabels Press Sdn, Bhd.	264,401	79,679	-	-
Grand – flo Spritvest Sdn, Bhd.	43,347	1,682,232	26,030	12,177
Simat Soft Co., Ltd.	-	-	15,052,265	3,596,805
Simat Label Co., Ltd.	-	-	-	132,680
E-Tech IT Sdn, Bhd.	-	-	-	48,571
E-Tech Frontline Sdn, Bhd.	-	-	-	96,948
Zeal System Sdn, Bhd.	-	2,213,610	-	-
Total	307,748	4,962,517	15,078,295	3,887,181

(Unit: Baht)

	Consolidated financial statement		Separate financial statement	
	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
<u>Other payable related companies</u>				
Grand – flo Solution Bhd.	299,053	358,013	299,053	358,013
Label Network Sdn, Bhd.	681,611	568,942	-	-
Grand – flo Electronic Systems				
Sdn, Bhd.	705,232	59,932	642,262	-
Simat Label Co., Ltd.	-	-	-	188,095
E-Tech IT Sdn, Bhd.	-	-	177,692	60,813
Zeal System Sdn, Bhd.	1,574,422	-	-	-
Total	3,260,318	986,887	1,119,007	606,921
<u>Other payable related parties</u>				
Mr. Ling Chee Kiat	38,317,093	30,133,210	-	-
Mr. Cheng Ping Liong	-	4,825,350	-	-
Mr. Wong Teck Wei	45,319	-	-	-
Mr. Chong Eng Yeaw	1,397,374	-	-	-
Total	39,759,786	34,958,560	-	-
<u>Payable for purchase of investments</u>				
Portion due within one year				
Mr. Nguyen Quyet Thang	-	3,502,252	-	3,502,252
Mrs. Nguyen Thi Thang	-	618,045	-	-
Total	-	4,120,297	-	3,502,252
Portion due over one year but not over five years				
Mr. Ling Chee Kiat	10,136,400	9,888,800	10,136,400	9,888,800
Total	10,136,400	9,888,800	10,136,400	9,888,800

Part of other payable to related parties consists of deposit from director of a subsidiary (Mr. Ling Chee Kiat) totaling Ringgit 3.7 million or Baht 36.45 million (As at December 31, 2010 of Baht 28.95 million) placed with the subsidiary to guarantee the collection of some long outstanding debtor balances of E-Tech IT Sdn, Bhd. (“a subsidiary”) as agreed in the memorandum at the acquisition date and to secure the past due accounts receivable recoverable as agreed in the memorandum the director has with the Company and the remaining amounts are the advance from directors which is interest-free and has no fixed term of repayment.

Above payable for purchase of investments occurred from the Company's investment in associated companies in Vietnam and a subsidiary in Malaysia. The Company and its subsidiary will pay to the former shares owners by installments when the associated companies and the subsidiary can meet the committed profit as indicated in the Share Sale and Purchase agreement. The management believes that associated companies and the subsidiary could meet the committed profit as indicated in such agreement. For the year 2010, the guaranteed profit of the subsidiary was not met, however the Company and the former shareholders have mutually agreed to extend the repayment to the financial year 2012, with the condition of achievement of the profit guarantee of the subsidiary as confined in the supplemental agreement.

Transactions with related parties for the years ended December 31, 2011 and 2010 are summarized below:

(Unit: Baht)

Transactions with related companies	Pricing policy	Consolidated financial statement		Separate financial statement	
		2011	2010	2011	2010
Sales of inventories	At market price	14,922,347	3,593,609	2,500	7,895,662
Dividend received	At cost	-	-	23,985,245	25,173,057
Interest income	At the rate of 5.85% - 7.25%	-	107,330	708,949	798,056
Purchase of inventories	At market price	18,558,866	5,706,285	655,189	21,102,000
Software service cost	Mutually agreed price	-	-	34,561,500	17,719,500
Purchase of assets	Mutually agreed price	-	1,313,249	-	2,262,655
Other expenses	At cost	747,046	228,907	778,122	223,506

8 INVENTORIES –NET

Inventories as at December 31, consisted of:-

(Unit: Baht)

	Consolidated financial statement		Separate financial statement	
	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
Finished goods	64,729,913	88,909,552	30,271,733	39,336,447
Work in process	645,889	224,927	-	-
Raw materials	1,208,420	514,663	-	-
Spare parts	3,113,743	2,975,152	3,113,743	2,975,152
Goods in transit	32,955,496	86,860	32,955,496	86,860
Total	102,653,461	92,711,154	66,340,972	42,398,459
<u>Less Allowance for decline values of</u>				
inventories	(5,908,739)	(3,986,989)	(3,488,817)	(2,128,302)
Inventories – net	96,744,722	88,724,165	62,852,155	40,270,157

9 RESTRICTED DEPOSITS WITH BANKS

As at December 31, 2011 and 2010, the Company's fixed deposits totaling Baht 96.29 million and Baht 85.32 million, respectively, in consolidated financial statements and Baht 43.88 million and Baht 14.75 million, respectively, in separate financial statements have been placed with banks as collaterals for bank overdrafts facilities, short - term loan, long-term loan, factoring of trade receivables, forward exchange contracts and letter of guarantees. These fixed deposits bear interest at 1.00% - 3.00% per annum and 0.95% - 3.10% per annum, respectively.

10 INVESTMENTS IN ASSOCIATED COMPANIES AND SUBSIDIARY COMPANIES

Investments in and associated companies and subsidiary companies as at December 31, consisted of:-

Type of business	Consolidated financial statement (Unit: Thousand Baht)								
	Paid-up capital		% of share holding		Cost method		Equity method		
	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010	
<u>Associated companies</u>									
Sino Trading – Services Corporation (shares held by Simat Technologies PCL.)	Trading of computer hardware, software and network and network accessories and computer information technology system development	12,600	12,600	40.00	40.00	21,274	21,274	25,114	24,503
High Rich Trading and Services Corporation (shares held by Simat Label Co., Ltd.)	Wholesaler for barcode, productions and RFID, papers and related supplies	2,140	2,140	40.00	40.00	2,879	3,599	4,124	4,284
Total investment in associated companies						24,153	24,873	29,238	28,787
Type of business	Separate financial statement (Unit: Thousand Baht)								
	Paid-up capital		% of share holding		Cost method		Cash dividend		
	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010	
<u>Associated company</u>									
Sino Trading – Services Corporation	Trading of computer hardware, software and network and network accessories and computer information technology system development	12,600	12,600	40.00	40.00	21,274	21,274	2,005	4,057
Total investments in associated company						21,274	21,274	2,005	4,057
<u>Subsidiary companies</u>									
Simat Soft Co. Ltd.	Produce, develop, modify and sales of software	3,000	000	100.00	100.00	3,000	3,000	21,980	21,116
Simat Label Co. Ltd.	Wholesaler for barcode, productions and RFID, papers and related supplies	34,000	34,000	85.88	85.88	29,200	29,200	-	-
E-Tech Distribution Co., Ltd.	Sales of hardware, software and maintenance service for the point of sales system	1,250	1,250	51.00	51.00	638	638	-	-
E-Tech IT Sdn, Bhd.	Sales of computer hardware, software and maintenance	57,003	57,003	60.00	60.00	67,754	67,754	-	-
Total investments in subsidiary companies						100,592	100,592	21,980	21,116

On September 20, 2010 and May 12, 2009, Simat Label Company Limited (“Subsidiary”) registered the increase of share capital amounting to Baht 10 million and Baht 12 million, respectively, in which the Company invested in all shares increased.

On June 30, 2010, E-Tech IT Sdn, Bhd. (subsidiary) raised its share registered from Ringgit 5 million to Ringgit 10 million and the shareholders approved the share dividend at the ratio of 1 share for every 2 shares holdings which increased the paid-up share capital from Ringgit 4 million to Ringgit 6 million.

On August 13, 2010, E-Tech IT Sdn, Bhd., a subsidiary in Malaysia, invested in E-Tech IT Frontline Sdn, Bhd. (Malaysia) of 60,000 shares equivalent to 60% of the registered capital of such company of RM 60,000.

On December 1, 2009, the Company invested in common share of E-Tech IT Sdn, Bhd. (Malaysia) of 2,400,000 shares equivalent to 60% of the registered capital of such company at cost of Baht 68 million to be paid by cash to the former shareholders of E-Tech IT Sdn, Bhd. This investment incurred the goodwill of Baht 44.69 million. The Company will treat the goodwill arising from acquisition as impaired when there is a significant or prolonged decline in the fair value below their cost. The determination of what is “significant” or “prolonged” requires management judgment.

On March 13, 2009, the Company invested in E-Tech Distribution Co., Ltd., at 51% of paid-up share capital, and the remaining 49% is held by E-Tech IT Sdn, Bhd. (“subsidiary”).

On November 11, 2008, the Company purchased a 40% share of Sino Trading – Services Corporation, a company incorporated in Vietnam and on November 30, 2008, a subsidiary company purchased a 40% shares of High Rich Trading and Services Corporation, a company incorporated in Vietnam. Such associated companies will support the expansion of the Company and subsidiary company’s businesses in Vietnam. The purchase prices for share capital of those associated companies were based on the appraisals of the Vietnamese financial advisor. The Company will treat investments in subsidiary companies as impaired when there has been a significant or prolonged decline in the fair value below their cost. The determination of what is “significant” or “prolonged” requires management judgment.

The shares of associated companies are not publicly listed on a stock exchange and hence published price quotes are not available. The aggregate amounts of the associated companies as at December 31, 2011 can be summarized as follows:

(Unit: Baht)

	2011		2010	
	Consolidated financial statement	Separate financial statement	Consolidated financial statement	Separate financial statement
Assets as at December 31	37,908,209	28,761,501	44,139,035	33,704,429
Liabilities as at December 31	12,842,504	8,659,606	19,806,285	13,016,369
Revenues for the year	73,749,015	59,454,944	78,354,331	69,702,998
Net profit for the year	7,938,819	6,539,741	9,437,954	8,892,034
Net profit attributable to the Company	3,175,528	2,615,896	3,775,181	3,556,814

The share of profits from investments will be recorded by using equity method in the consolidated financial statements and such profits have been included since the Company and its subsidiary acquired the associated companies.

11 PROPERTY, PLANT AND EQUIPMENT – NET

During the year ended December 31, 2011, the Company and subsidiary company have following movements in the property, plant and equipment:

(Unit : Thousand Baht)

	Consolidated financial statement				As at December 31, 2011
	As at	Movement during the year		Translation	
	January 1, 2011	Increase	Decrease	adjustment	
<u>Cost</u>					
Land	6,445	-	(6,608)	163	-
Building	41,498	-	(42,547)	1,049	-
Office equipment	18,977	5,243	-	43	24,263
Tools and equipments	15,552	2,582	(115)	-	18,019
Furniture and fixture	15,221	313	-	37	15,571
Motor vehicles	23,805	5,684	(532)	66	29,023
Machineries	18,087	695	-	-	18,782
Total	139,585	14,517	(49,802)	1,358	105,658
<u>Accumulated depreciation</u>					
Building	(420)	(861)	1,292	(11)	-
Office equipment	(14,996)	(2,405)	-	(24)	(17,425)
Tools and equipments	(11,400)	(3,452)	-	19	(14,833)
Furniture and fixture	(9,746)	(2,171)	-	(9)	(11,926)
Motor vehicles	(16,200)	(3,827)	532	(24)	(19,519)
Machineries	(3,073)	(1,261)	-	-	(4,334)
Total	(55,835)	(13,977)	1,824	(49)	(68,037)
Net book balue	83,750				37,621
Property, plant and equipment - net					
Owned assets	69,651				32,980
Assets under finance leases	14,099				4,641
Property, plant and equipment - net	83,750				37,621
Depreciation for the year 2011					13,977
Depreciation for the year 2010					13,950

The gross amount of fully depreciated equipments that are still in use as at December 31, 2011 and 2010, amounted to Baht 23.23 million and Baht 16.57 million, respectively.

On September 30, 2010, the subsidiary company in Malaysia acquired land and building used as the subsidiary's office from the third party totaling Baht 47.87 million and mortgaged this land and building as collateral for the long-term loan (Note 18). On December 30, 2011, the subsidiary entered into land and building sales agreement with a third party totaling Ringgit 5.2 million. Presently it is in the process of preparation of related agreement. The subsidiary, therefore, presents these land and building as non-current assets held for sales.

Effective from January 1, 2010, a subsidiary company has changed the estimated useful lives of machineries from 10 years to 5 – 15 years by using prospective adjustments. The changes resulted in a decrease in depreciation for the year ended December 31, 2011 and 2010 in the consolidated financial statements in the amount of Baht 0.62 million.

(Unit : Thousand Baht)

	Separate financial statement			As at December 31, 2011
	As at	Movement during the year		
	January 1, 2011	Increase	Decrease	
<u>Cost</u>				
Office equipment	15,101	566	-	15,667
Tools and equipments	14,374	2,555	(115)	16,814
Furniture and fixtures	12,695	1	-	12,696
Motor vehicles	20,631	5,684	(532)	25,783
Total	62,801	8,806	(647)	70,960
<u>Accumulated Depreciation</u>				
Office equipment	(13,086)	(1,041)	-	(14,127)
Tools and equipments	(10,391)	(3,371)	19	(13,743)
Furniture and fixtures	(8,964)	(1,814)	-	(10,778)
Motor vehicles	(14,929)	(3,256)	532	(17,653)
Total	(47,370)	(9,482)	551	(56,301)
Net book balue	15,431			14,659
Equipment - net				
Owned assets	11,440			11,180
Assets under finance leases	3,991			3,479
Equipment - net	15,431			14,659
Depreciation for the year 2011				9,482
Depreciation for the year 2010				9,975

The gross amount of the Company's fully depreciated equipments that are still in use as at December 31, 2011 and 2010, amounted to Baht 23.23 million and Baht 16.57 million, respectively.

12 EQUIPMENT AND COMPUTER SOFTWARE FOR LEASE - NET

During the year ended December 31, 2011, the Company and subsidiary company have following movement in equipment and computer software for lease.

(Unit : Thousand Baht)

	Consolidated and Separate financial statement			As at December 31, 2011
	As at January 1, 2011	Movement during the year		
		Increase	Decrease	
Cost	23,905	16,565	-	40,470
Accumulated Depreciation	(22,915)	(3,813)	-	(26,728)
Equipment for lease - net	990			13,742

13 SOFTWARE DEVELOPMENT COST FOR SALES

During the year, the Company has developed software for sales. Movements in software development cost for sales during the year were as follows:

(Unit : Thousand Baht)

	Consolidated and Separate financial statement			As at December 31, 2011
	As at January 1, 2011	Movement during the year		
		Increase	Decrease	
Software cost for sales	4,646	-	-	4,646
Software under development	-	3,521	-	3,521
Accumulated Depreciation	(196)	(929)	-	(1,125)
Software development for sales	4,450			7,042
<u>Less</u> Allowance for impairment	-			(3,521)
Software development for sales - net	4,450			3,521

14 PROJECT COST - OPTICAL FIBER SYSTEM FOR LEASE

Project cost –optical fiber system for lease, which are under installation, consists of:

(Unit: Million Baht)

	Consolidated financial statement		Separate financial statement	
	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
Equipment and installation cost	288	-	288	-
Financial cost	10	-	10	-
Total	298	-	298	-

On June 13, 2011, the Company has entered into the service contract for rental of optical fiber cable network equipment in Chiangmai province to CAT Telecom Public Company Limited. The term is 60 months with the monthly rental service fee of Baht 6,450,000 each. The Company is committed to provide service under the contract. The Company also transfers the right to receive rental payment under the contract as collateral for long-term loan from financial institution (Note 20).

On June 10, 2011, the Company has entered into the service contract for rental of optical fiber cable network equipment in Nakornratchasima province to CAT Telecom Public Company Limited. The term is 60 months with the monthly rental service fee of Baht 7,740,000 each. The Company is committed to provide service under the contract. The Company also transfers the right to receive rental payment under the contract as collateral for long-term loan from financial institution (Note 20).

Both projects were approved by the Extraordinary Shareholder's Meeting No. 1/2011 dated July 29, 2011, with the total cost of project not exceeding Baht 520 million.

15 COMPUTER SOFTWARE - NET

During the year ended December 31, 2011, the Company and subsidiary company have following movement in computer software:

(Unit : Thousand Baht)

	Consolidated financial statement			
	As at	Movement during the year		As at
	January 1, 2011	Increase	Decrease	December 31, 2011
Cost	2,910	-	-	2,910
Accumulated Amortization	(2,769)	(101)	-	(2,870)
Computer software - net	141			40

(Unit : Thousand Baht)

	Separate financial statement			As at December 31, 2011
	As at January 1, 2011	Movement during the year		
		Increase	Decrease	
Cost	3,784	-	-	3,784
Accumulated Depreciation	(3,684)	(67)	-	(3,751)
Computer software - net	100			33

16 BANK OVERDRAFT AND SHORT-TERM LOAN FROM FINANCIAL INSTITUTION

Bank overdraft and short-term loan from financial institution as at December 31, consisted of:-

(Unit: Thousand Baht)

	Consolidated financial statement		Separate financial statement	
	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
Bank overdraft	21,350	23,585	9,916	-
Trust receipt	130,980	114,037	16,465	-
Factoring payable	42,859	-	42,859	-
Promissory notes	14,303	-	14,303	7,440
Total bank overdraft and short-term loan from financial institution	209,492	137,622	83,543	7,440

Bank overdraft and short-term loan from financial institution as at December 31, 2011 and 2010 bear interest at the rate of 4.10% - 8.60% per annum and 3.50% - 10.22% per annum respectively. These are secured by the pledged of the Company and subsidiary's fixed deposits, accounts receivable factoring arrangement and joint and several guaranteed by the subsidiary's directors and the Company.

As at December 31, 2011, the Company's transferred right of collections on its trade receivable amounted of Baht 42.86 million, as collateral for loans from a financial institution.

17 TRADE AND OTHER PAYABLES

Trade and other payables as at December 31, consisted of:-

(Unit: Baht)

	Consolidated financial statement		Separate financial statement	
	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
Trade payables				
- related parties	307,748	4,962,517	15,078,295	3,887,181
- others	170,911,559	176,798,608	63,463,763	21,284,895
Total trade payables	171,219,307	181,761,125	78,542,058	25,172,076
Other payables				
- related companies	3,260,318	986,887	1,119,007	606,921
- related parties	39,759,786	34,958,560	-	-
- others				
Deferred revenues	15,701,007	13,253,831	9,007,085	7,769,303
Accrued expenses	24,594,127	26,422,354	9,012,484	5,034,736
Accrued income tax	5,380,412	737,614	5,237,235	737,614
Deposit received	14,482,293	-	-	-
Other	2,985,398	4,509,454	862,845	408,505
Total other payables	106,163,341	80,868,700	25,238,656	14,557,079
Total trade and other payables - net	277,382,648	262,629,825	103,780,714	39,729,155

18 CREDIT FACILITIES

As at December 31, 2011 and 2010, the Company has the credit facilities with financial institution as below:

(Unit: Million Baht)

Type of credit limit	Consolidated financial statement			
	December 31, 2011		December 31, 2010	
	Limit	Interest rate	Limit	Interest rate
Bank overdraft	29	4.50% - 8.60%	37	2.95% - 10.22%
Liabilities under trust receipt agreements, letters of credit, and others	143	4.10% - 8.60%	188	3.50% - 9.45%
Factoring of accounts receivable for governmental project	394	8.10% + 0.15% of sinking fund which allotted from 1.5% of collected	386	7.80% + 0.15% of sinking fund which allotted from 1.5% of collected
Factoring of accounts receivable	45	7.50%	-	-
Forward exchange contract	73	-	69	-
Long-term loans	425	SPRL+0.75% per annum, 7.25% per annum and MLR-2% per annum	-	-

(Unit: Million Baht)

Type of credit limit	Separate financial statement			
	December 31, 2011		December 31, 2010	
	Limit	Interest rate	Limit	Interest rate
Bank overdraft	20	4.50%	25	2.95%
Liabilities under trust receipt agreements, letters of credit, and others	35	4.10 %	30	3.50 %
Factoring of accounts receivable	45	7.50%	-	-
Forward exchange contract	43	-	40	-
Long –term loans	425	SPRL+0.75% per annum, 7.25% per annum and MLR-2% per annum	-	-

All credit facilities are collateralized by the pledges of the company's and the subsidiary's fixed deposits, guaranteed by the Company's and the subsidiary's directors as well as the mortgage of the subsidiary's land and building and the transfers of the right to receive rental payment under the lease contracts (Note 14).

19 LIABILITIES UNDER HIRE PURCHASE AND FINANCIAL LEASE AGREEMENTS

Liabilities under financial lease agreements as at December 31, consisted of:-

(Unit : Baht)

	Consolidated financial statement		Separate financial statement	
	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
Due not later than one year				
Minimum payments	1,930,893	4,221,291	1,552,936	1,172,978
Deferred interest	(184,307)	(288,816)	(141,680)	(147,953)
Liabilities under financial lease –				
net	<u>1,746,586</u>	<u>3,932,475</u>	<u>1,411,256</u>	<u>1,025,025</u>
Due later than one year but not later than five				
Minimum payments	1,918,534	2,522,428	1,394,038	1,638,254
Deferred interest	(122,646)	(147,009)	(99,622)	(82,457)
Liabilities under financial lease –				
net	<u>1,795,888</u>	<u>2,375,419</u>	<u>1,294,416</u>	<u>1,555,797</u>

20 LONG-TERM LOAN FROM FINANCIAL INSTITUTION – NET

Long-term loan from financial institution as at December 31, consisted of:-

(Unit: Thousand Baht)

	Consolidated financial statement		Separate financial statement	
	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
Long-term loans from banks	253,270	28,688	225,169	-
<u>Less</u> current portion of long-term				
loan from financial institutions	(107,712)	(1,210)	(106,500)	-
Total long - term loan - net	<u>145,558</u>	<u>27,478</u>	<u>118,669</u>	<u>-</u>

On September 9, 2011, the Company entered into the loan agreement with a financial institution for the loan amount of Baht 210 million for the operating lease contract of the optical fiber cable network equipment in Chiangmai province having with CAT Telecom Public Company Limited. The interest rate is at SPRL + 0.75% per annum and the principal repayment of Baht 5.23 million per month will be made starting after 8 months. This loan is secured by the fixed deposit of Baht 21 million, the transfer of the right to receive the rental payment under the operating lease contract and the personal guarantee by the Company's Chief Executive Officer and the Management of Well Done IT Services Co., Ltd., a Co-partner in this project.

On June 17, 2011, the Company entered into the loan agreement with a financial institution for the loan amount of Baht 200 million for the operating lease contract of the optical fiber cable network equipment in Nakornratchasima province having with CAT Telecom Public Company Limited. The interest rate is at fixed rate of 7.25% per annum and the principal repayment of Baht 6 million per month will be made starting the first repayment in March 2012 till the final repayment in December 2014. The first drawdown of Baht 114 million has been withdrawn on June 27, 2011 and the second drawdown of Baht 86 million will be able to withdraw after the delivery of equipment for 100% to CAT Telecom Public Company Limited. This loan is secured by the transfer of the right to receive the rental payment under the operating lease contract and the personal guarantee by the Company's Chief Executive Officer and the Management of Well Done IT Services Co., Ltd., a Co-partner in this project.

On April 20, 2011, the Company entered into the loan agreement with a financial institution for the loan amount of Baht 15.30 million with the interest rate MLR – 2.00 per annum and the principal repayment of Baht 864,560 per month will be made starting the first repayment in July 2011 till the final repayment in December 2012. This loan is secured by the pledge of the Company's fixed deposits amount of Baht 3.06 million and transfer of the right to receive the rental payment under the operating lease contract of the E-mail system having with Airport of Thailand Public Company Limited.

On March 5, 2010, the subsidiary company in Malaysia entered into a loan agreement for Ringgit 3.01 million with a financial institution in Malaysia with the interest rate at BLR -1.25 per annum. The monthly repayment installment equals to Ringgit 22,720 per month and the last installment due in March 2025. The land and building had been mortgaged as collateral for the loan (Note 11).

As at December 31, 2011 and 2010, the long-term loan from the financial institution of the subsidiary company was guaranteed by the Company and the subsidiary's shareholders for Ringgit 1.81 million and Ringgit 1.20 million, respectively.

22 SHARE CAPITAL

- 22.1 At the Extraordinary Shareholder's Meeting No. 1/2011 held on July 29, 2011, the meeting passed the significant resolutions as below:
- 22.1.1 Approved the issuance and offering of 83,100,000 shares at a par value of Baht 1 per share to the existing shareholders of the Company, at the subscription ratio of 1 existing share to 1 newly issued share at the offering price of Baht 1 per share. On August 23, 2011, the Company already received this capital increase of Baht 83.10 million.
 - 22.1.2 Approved the issuance and allocation of free warrant of 41,550,000 units to the existing shareholders who subscribe for the rights offering and are allotted the right offering shares, at the subscription ratio of 2 newly issued share to 1 warrant at the offered price of Baht 0 per unit, with an exercise ratio of 1 unit of the warrant to 1 new ordinary share at an exercise price of Baht 1.50 per share. These warrants were approved to be traded on the Stock Exchange of Thailand on August 29, 2011.
 - 22.1.3 Approved the capital increase by General Mandate by issuing and offering of 8,310,000 shares at a par value of Baht 1 per share to the private placement.
 - 22.1.4 Approved the increase of the Company's registered capital from Baht 85,750,000 to Baht 218,710,000 by issuing ordinary shares of 132,960,000 shares with the par value of Baht 1 each in order to accommodate for share issuance for the existing shareholders, the exercise of warrant issued for existing shareholders and the shares issuance to the private placement. The Company registered the change of registered capital with the Ministry of Commerce on August 11, 2011.
- 22.2 At the Annual Shareholders Meeting for 2011 held on April 22, 2011, the meeting passed the resolutions as below:
- 22.2.1 Approved the issuance of warrants to purchase the Company's ordinary shares offering to directors and employees of the Company amounting to 2,650,000 units with the price of Baht 0.00 per unit, the exercise price at Baht 3.48, warrant term is within 5 years and offering period is within 1 year following the approval of shareholders at the rate of one warrant for one share.
 - 22.2.2 Approved the decrease of the Company's registered capital from Baht 88,700,000 to Baht 83,100,000 by deleting the unsold shares of 5,600,000 shares with the par value of Baht 1 each. The Company registered the change of registered capital with the Ministry of Commerce on May 3, 2011.
 - 22.2.3 Approved the increase of the Company's registered capital from Baht 83,100,000 to Baht 85,750,000 by issuing ordinary shares of 2,650,000 shares with the par value of Baht 1 each in order to accommodate for the exercise of warrant. The Company registered the change of registered capital with the Ministry of Commerce on May 3, 2011.

22.3 At the Extraordinary Shareholder's Meeting No. 1/2010 on June 23, 2010, the shareholders passed a resolution to approve the increase in share registered from Baht 78,700,000 to Baht 88,700,000 (88.7 million shares at par value of Baht 1). The Company registered the capital increase on June 28, 2010. The Company had offering for sale of new ordinary shares through Private Placement on July 6-7, 2010 for the total of 4,400,000 shares and already received shares payment from the investors totaling Baht 17.91 million and registered the change of paid up capital to Baht 83,100,000 with the Ministry of Commerce on July 8, 2010.

23 LEGAL RESERVE

Under the Public Company Limited Act B.E. 2535, the Company is required to set aside at least 5% of its net profit after deduction of deficit (if any) as a legal reserve until the reserve reaches 10% of the registered capital. The Company made additional appropriation for legal reserve of Baht 2.46 million and Baht 1.41 million during the years 2011 and 2010, respectively. The legal reserve is non - distributable for dividends.

24 DIVIDEND

At the subsidiary's Board of Directors' Meeting (Simat Soft Co., Ltd.) No. 2/ 2011 held on December 13, 2011, the Board passed a resolution to pay the interim cash dividends from the net profit for the period of January – November 2011 at Baht 70.02 per shares, totaling Baht 21.00 million.

At the subsidiary's Annual General Shareholders' Meeting (Simat Soft Co., Ltd.) for the year 2011 held on April 30, 2011, the shareholders passed a resolution to pay cash dividends for the remaining net profit for the year 2010 at Baht 3.25 per shares, totaling Baht 0.98 million.

At the Annual Shareholders Meeting for 2011 held on April 22, 2011, the meeting passed the resolution to pay a dividend from the net profit for the year 2010 at Baht 0.15 per share, totaling Baht 12.47 million.

At the subsidiary's Board of Directors' Meeting (Simat Soft Co., Ltd.) No. 3/ 2010 held on December 13, 2010, the Board passed a resolution to pay the interim cash dividends from the net profit for the period of August – November 2010 at Baht 21.14 per shares, totaling Baht 6.34 million.

At the subsidiary's Board of Directors' Meeting (Simat Soft Co., Ltd.) No. 2/ 2010 held on September 7, 2010, the Board passed a resolution to pay the interim cash dividends from the net profit for the period of January – July 2010 at Baht 27.31 per shares, totaling Baht 8.19 million.

At the Company's Annual General Shareholders' Meeting for the year 2010 held on April 29, 2010, the shareholders passed a resolution to pay cash dividends from the net profit for the period ended December 31, 2009 at Baht 0.05 per shares, totaling Baht 3.93 million.

At the subsidiary's Annual General Shareholders' Meeting (Simat Soft Co., Ltd.) for the year 2010 held on March 18, 2010, the shareholders passed a resolution to pay cash dividends from the net profit for the period ended December 31, 2009 at Baht 21.93 per shares, totaling Baht 6.58 million.

25 BASIC AND DILUTED EARNINGS PER SHARE

Basic and diluted earnings per share are calculated as follows:

	(Unit : Baht)			
	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Net income attributable to shareholders of the parent (Baht)	47,285,461	34,666,015	49,247,377	43,136,782
Number of ordinary shares outstanding	112,924,932	79,975,000	112,924,932	79,975,000
Basic earnings per share (Baht)	0.42	0.43	0.44	0.54
Number of ordinary shares outstanding (basic)	112,924,932	79,975,000	112,924,932	79,975,000
Effect of warrants were exercised	2,765,304	-	2,765,304	-
Weighted average number of ordinary shares outstanding during the year (diluted)	115,690,236	79,975,000	115,690,236	79,975,000
Diluted earnings per share (Baht)	0.41	-	0.43	-

26 PROVIDENT FUND

On June 20, 2006, the Company and local subsidiaries and their employees jointly established a provident fund plan as approved by the Ministry of Finance in accordance with the Provident Fund Act B.E. 2530. The fund is contributed to by employees and the Company and its subsidiaries at the rate of 3 percent of employee salaries. The provident fund will be paid to the employees upon termination of employments in accordance with the rules of the fund. The fund is managed by TISCO Asset Management Company Limited.

During the years ended December 31, 2011 and 2010, the Company and local subsidiaries contributed a total of Baht 0.50 million and Baht 0.28 million, respectively.

27 DISCLOSURE OF FINANCIAL INSTRUMENTS

Foreign Currency Risk

The Company and subsidiaries have exposure to foreign currency risks relating primarily to accounts payable. The Company and subsidiaries do not entered forward exchange contracts for trading or speculation purpose.

Interest Rate Risk

The interest rate risk is related to future movements in market interest rates that will affect the results of the Company and subsidiary's operations and their cash flows. The Company and subsidiaries have exposure to interest rate risk concerning primarily with deposits with bank and borrowing from financial institution as follows:

(Unit : Million Baht)

	Consolidated financial statement			
	2011			
	Floating rate	Fixed rate	Non – interest bearing	Total
<u>Financial assets/liabilities</u>				
Cash and cash equivalents	21.96	0.25	8.62	30.83
Restricted deposits with banks	-	90.22	6.07	96.29
Bank overdraft and short-term loan				
from financial instution	209.49	-	-	209.49
Long-term loan from				
financial institution	139.22	114.05	-	253.27

(Unit : Million Baht)

	Consolidated financial statement			
	2010			
	Floating rate	Fixed rate	Non – interest bearing	Total
<u>Financial assets/liabilities</u>				
Cash and cash equivalents	1.11	0.07	9.20	10.38
Restricted deposits with banks	-	85.32	-	85.32
Bank overdraft and short-term loan				
from financial instution	132.67	-	-	132.67
Long-term loan from				
financial institution	28.69	-	-	28.69

(Unit : Million Baht)

Separate financial statement				
2011				
Non – interest				
	Floating rate	Fixed rate	bearing	Total
<u>Financial assets/liabilities</u>				
Cash and cash equivalents	21.96	0.25	0.90	23.11
Restricted deposits with banks	-	37.82	6.07	43.89
Bank overdraft and short-term loan				
from financial instution	83.54	-	-	83.54
Long-term loan	111.12	114.05	-	225.17

(Unit : Million Baht)

Separate financial statement				
2010				
Non – interest				
	Floating rate	Fixed rate	bearing	Total
<u>Financial assets/liabilities</u>				
Cash and cash equivalents	1.11	0.07	2.95	4.13
Restricted deposits with banks	-	14.75	-	14.75
Bank overdraft and short-term loan				
from financial instution	7.44	-	-	7.44

Financial assets with fixed interest rates as of December 31, 2011 and 2010, and the period of time from the balance sheet date to their maturity dates are as follows:

(Unit : million Baht)

Consolidated financial statement						
2011						
7 - 12						
At call	1 - 6 months	months	Over 1 year	Total	Interest rate	
<u>Financial assets/liabilities</u>						
Fixed deposits with banks	-	0.25	-	-	0.25	1.00%-3.00%
Restricted deposits with banks	-	90.22	-	-	90.22	1.00%-3.00%
Long-term loan	-	24.00	36.00	54.05	114.05	7.25%

(Unit : million Baht)

Consolidated financial statement						
2010						
7 - 12						
At call	1 - 6 months	months	Over 1 year	Total	Interest rate	
<u>Financial assets/liabilities</u>						
Fixed deposits with banks	-	0.07	-	-	0.07	0.95%-3.10%
Restricted deposits with banks	-	85.32	-	-	85.32	0.95%-3.10%

(Unit : million Baht)

Separate financial statement						
2011						
7 - 12						
At call	1 - 6 months	months	Over 1 year	Total	Interest rate	
<u>Financial assets/liabilities</u>						
Fixed deposits with banks	-	0.07	-	-	0.07	1.75%
Restricted deposits with banks	-	37.82	-	-	37.82	1.75%
Long-term loan	-	24.00	36.00	54.05	114.05	7.25%

(Unit : million Baht)

Separate financial statement						
2010						
7 - 12						
At call	1 - 6 months	months	Over 1 year	Total	Interest rate	
<u>Financial assets/liabilities</u>						
Fixed deposits with banks	-	0.07	-	-	0.07	0.95%
Restricted deposits with banks	-	14.75	-	-	14.75	0.95%

Credit Risk

The Company provides credit term on many trade transactions. The Company manages its exposure to credit risk by closely monitoring collection of accounts receivable and focusing on overdue accounts. The Company will consider the provision for accounts receivable on amounts which may prove to be uncollectible. Currently, the Company does not expect major or significant losses from the collection of accounts receivable except the amount the allowance for doubtful accounts had been provided.

Fair value of Financial Instruments

The following methods and assumptions are used to estimate a fair value of each class of the Company's financial instruments.

- Financial assets are shown at estimated fair value.
- Financial liabilities are shown at the book value which is considered fair value because such liabilities will be matured in short-term and long-term loan bears the floating interest rate. Long term loan, which bears the fixed interest rate, has repayment period within 3 years.

28 FINANCIAL INFORMATION BY SEGMENT

The Company segmental information is divided into the hardware and software sale, service and rental income as presented in the financial statements for the years ended December 31, 2011 and 2010 as follows:

(Unit : Thousand Baht)

	Consolidated financial statement					
	2011					
	Sales of computer hardware and software	Services and maintenance income	Rental income	Total Domestic	Subsidiary's business in Malaysia	Toal
Revenues	382,883	55,745	7,443	446,071	744,828	1,190,899
Cost of sales and services	(269,410)	(31,187)	(4,201)	(304,798)	(668,270)	(973,068)
Gross profit	113,473	24,558	3,242	141,273	76,558	217,831
Gain on exchange rate				79	314	393
Other income				1,494	1,514	3,008
Selling and administrative expenses				(75,349)	(81,999)	(157,348)
Finance cost				(2,640)	(12,376)	(15,016)
Share of profit of investments in associated companies				3,176	-	3,176
Income tax				(9,243)	(4,070)	(13,313)
Net profit				58,790	(20,059)	38,731
Total assets	719,607	25,228	20,004	764,839	356,097	1,120,936

(Unit : Thousand Baht)

Consolidated financial statement

	2010					
	Sales of computer hardware and software	Services and maintenance income	Rental income	Total Domestic	Subsidiary's business in Malaysia	Toal
Revenues	301,291	56,049	2,752	360,092	833,371	1,193,463
Cost of sales and services	(225,903)	(26,038)	(1,008)	(252,949)	(752,751)	(1,005,700)
Gross profit	75,388	30,011	1,744	107,143	80,620	187,763
Gain (loss) on exchange rate				(746)	320	(426)
Other income				1,013	8,466	9,479
Selling and administrative expenses				(72,578)	(60,660)	(133,238)
Finance cost				(663)	(23,130)	(23,793)
Share of profit of investments in associated companies				3,775	-	3,775
Income tax				(4,657)	(4,160)	(8,817)
Net profit				33,287	1,456	34,743
Total assets	266,838	16,282	1,717	284,837	420,316	705,153

(Unit: Thousand Baht)

	Separate financial statement			
	2011			
	Sales of computer hardware and software	Services and maintenance income	Rental income	Total
Revenues	354,547	55,745	7,443	417,735
Cost of sales and services	(278,995)	(31,187)	(4,201)	(314,383)
Gross profit	75,552	24,558	3,242	103,352
Gain on exchange rate				235
Other income				1,581
Dividend income				23,985
Selling and administrative expenses				(68,105)
Interest expense				(2,558)
Income tax				(9,243)
Net profit				49,247
Total assets	725,094	25,228	20,004	770,326

(Unit: Thousand Baht)

	Separate financial statement			
	2010			
	Sales of computer hardware and software	Services and maintenance income	Rental income	Total
Revenues	276,735	55,782	2,752	335,269
Cost of sales and services	(218,032)	(26,038)	(1,008)	(245,078)
Gross profit	58,703	29,744	1,744	90,191
Loss on exchange rate				(916)
Other income				1,325
Dividend income				25,173
Selling and administrative expenses				(67,532)
Interest expense				(447)
Income tax				(4,657)
Net profit				43,137
Total assets	268,256	16,282	1,717	286,255

29 EXPENSES BY NATURE

Significant expenses by nature are as follows:

(Unit : Thousand Baht)

	Consolidated financial statement		Separate financial statement	
	2011	2010	2011	2010
Changes in inventories	23,944	(120,060)	8,926	(13,778)
Purchase of goods	893,641	872,811	222,299	205,009
Salary and wages and other employee benefits	74,435	72,720	44,800	43,824
Depreciation and amortisation	18,818	15,463	14,290	11,694
Doubtful Debts (reversal)	28,742	9,652	(482)	-
Cost of warranty	15,170	11,512	15,170	11,512
Rental expense	5,895	6,973	4,098	3,659
Purchase of software	2,370	431	36,931	18,151

30 INCOME TAX

(Unit: Thousand Baht)

	Consolidated financial statement		Separate financial statement	
	December 31,2011	December 31,2010	December 31,2011	December 31,2010
Net income before tax	52,044	43,559	58,490	47,793
<u>Add</u>				
Non-allowable expenses	37,703	19,388	5,414	4,354
Net loss from a subsidiary	2,577	4,221	-	-
<u>Less</u>				
Tax exempted income	(6,124)	(11,369)	(26,933)	(28,864)
BOI privilege income from a subsidiary company	(32,929)	(15,511)	-	-
Net taxable income	53,271	40,288	36,971	23,283
Income tax	13,313	8,817	9,243	4,657

The subsidiary company, Simat Soft Company Limited, obtained promotional privileges from the Board of Investment under the Investment Promotion Act, B.E. 2520 for enterprise software and digital content pursuant to investment promotion certificate No. 1992 (7) /2549 dated October 11, 2006. Such subsidiary is exempted from corporate income tax on profits from the promoted activity for a period of eight years commencing from the first date of commercial income.

31 COMMITMENTS

Service contract commitments with Airports of Thailand Public Company Limited

On July 13, 2011, the Company has entered into the sales contract for time attendance system to Airports of Thailand Public Company Limited. The sales value Baht 28.80 million. The Company also transfers the right to receive rental payment under the contract as collateral for loan from financial institution (Note 20). As at December 31, 2011, the Company recognized the revenue of 94% of contracted value according to the percentage of completion.

On February, 24 2011, the Company has entered into the service contract for rental of e-mail system to Airports of Thailand Public Company Limited. The term is 36 months with the monthly rental service fee of Baht 864,560 each. The Company is committed to provide service under the contract. The Company also transfers the right to receive rental payment under the contract as collateral for long-term loan from financial institution (Note20).

Service contact commitments with CAT Telecom Public Company Limited

On June 13, 2011, the Company has entered into the service contract for rental of optical fiber cable network equipment in Chiangmai province to CAT Telecom Public Company Limited. The term is 60 months. (Note 14)

On June 10, 2011, the Company has entered into the service contract for rental of optical fiber cable network equipment in Nakornratchasima province to CAT Telecom Public Company Limited. The term is 60 months. (Note 14)

Service contact commitments with Welldone IT Service Company Limited

On June 1, 2011, the Company has entered into the service contract for maintenance of optical fiber cable network equipment in Chiangmai and Nakornratchasima province with Welldone IT Service Company Limited. The term is 5 years and the Company has commitment to pay service fee of Baht 9.95 million per annum for each provinces.

Corporate guarantee

As at December 31, 2011, the Company provides the corporate guarantee to the financial institution of the subsidiary company in Malaysia and the guarantee amount will not exceed 60 - 100% of the subsidiary's debt due to the financial institution.

Bank guarantee

As at December 31, 2011 and 2010, the Company had outstanding bank guarantee issued on behalf of the Company and for which it is contingently liable to its customers under the condition of sales agreement of Baht 16.02 million and Baht 5.74 million, respectively.

Capital commitments

As at December 31, 2011, the Company has significant commitment for purchase equipment summarized as follow:

	(Unit : Million Baht)
	Consolidated and separate financial statement
Contractual amount	534
Payment made	(298)
Balance	236

Operating lease commitments

The Company and its subsidiaries have commitments under long-term lease and service agreements, mainly relating to the rental of offices. Summarized below are the future rental and service fees under the agreements:

	(Unit : Thousand Baht)			
	Consolidated financial statement		Separate financial statement	
	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
Due within 1 year	5,078	1,544	3,807	1,157
Due over 1 year but not over 5 years	6,771	-	5,076	-
Total	11,849	1,544	8,883	1,157

32 RECLASSIFICATION OF ACCOUNTS

The Group has reclassified certain accounts in the financial statements for the year ended December 31, 2010 to conform to the presentation of the financial statements of this year as follow:

(Unit:Thousands Baht)

	Consolidated financial statements			Separate financial statements		
	Before reclassification	Reclassification	After reclassification	Before reclassification	Reclassification	After reclassification
<u>Statements of Financial Position</u>						
Trade and other receivables - net	-	353,551	353,551	-	710,962	70,962
Trade receivable - net	314,919	(314,919)	-	58,365	(58,365)	-
Dividends receivable	1,634	(1,634)	-	1,634	(1,634)	-
Other receivable to related companies	326	(326)	-	7,197	(7,197)	-
Other current assets	36,672	(36,672)	-	3,766	(3,766)	-
Trade and other payables	-	262,630	262,630	-	39,729	39,729
Trade payable	181,761	(181,761)	-	25,172	(25,172)	-
Deferred revenue	13,254	(13,254)	-	7,769	(7,769)	-
Other payable from related companies	987	(987)	-	607	(607)	-
Other payable from related parties	34,959	(34,959)	-	-	-	-
Accrued income tax	738	(738)	-	738	(738)	-
Accrued expense	26,422	(26,422)	-	5,035	(5,035)	-
Accrued dividend	19	(19)	-	19	(19)	-
Other current liabilities	4,491	(4,491)	-	390	(390)	-

33 SUBSEQUENT EVENTS

The Company registered the paid-up share capital from Baht 166,200,000 to Baht 166,201,500 to the Ministry of Commerce on January 11, 2012 since the warrant holders exercised their rights to purchase the Company's common share for 1,500 units or equivalent to 1,500 shares on December 30, 2011.

34 APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved by the Company's directors on February 29, 2012.