



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

Content	Page
General Information	3
Financial Highlights	7
Report from Board of Directors	8
Board of Directors	9
Executive committee	17
Shareholding Structure of Company and subsidiaries	21
Organization Chart	22
Major Shareholders and Dividend Policy	23
Nature of Business	24
Revenue Structure	27
Industrial Outlook and Competitive Environment	28
Risk Factors	32
Corporate Governance Practice	37
Report from Board of Directors Relative to Financial reports	49
Report from Audit Committee	50
Connected Transactions	53
Explanation and Analysis from Management	60
Financial Statements	65

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 199,087,855 (199,087,855 common shares at par value of Baht 1 each) Share registered: 249,525,000 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

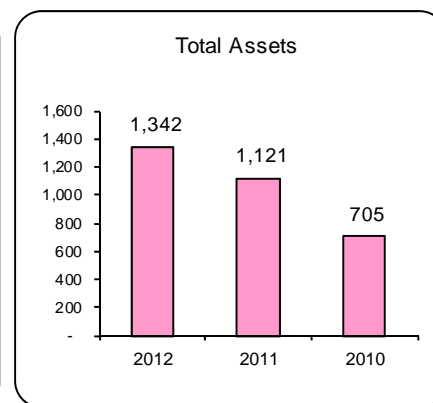
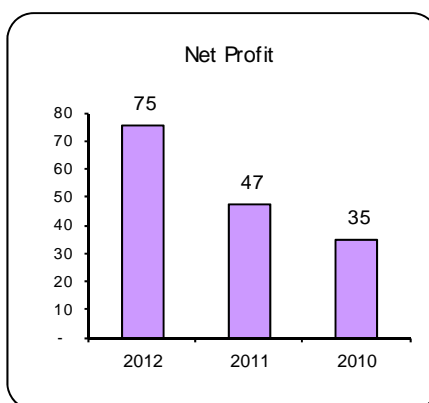
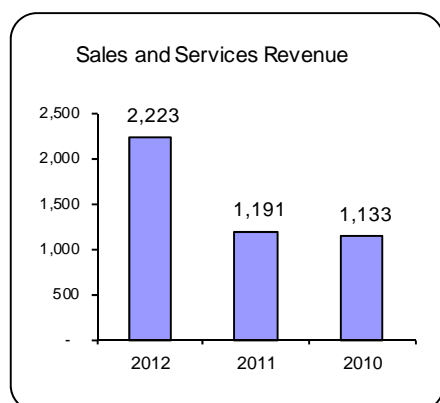
Name	Sino Trading and Services Corporation
Nature of business	Provides of hardware, software and maintenance services with total solution for Enterprise Data Collection and Collation System
Office address	No. 27, Dang Tat street, Tan Dinh Ward, District 1, Ho Chi Minh City, Vietnam Tel : +84-8-38482619 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	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	2012	2011	2010
Unit : Baht Million			
Revenues from sales and services	2,223.01	1,190.90	1,133.13
Gross profit	265.10	217.83	187.76
Net profit	75.29	47.29	34.67
Total assets	1,341.85	1,120.94	705.15
Shareholders' equity	462.89	363.64	255.90
Unit : Baht			
Par value	1.00	1.00	1.00
Earnings per share	0.43	0.42	0.43
Dividends per share	0.37*	0.11	0.15*
Total assets per share	7.60	6.74	8.49
Shareholders' equity per share	2.62	2.19	3.08
Financial ratio			
Net profit margin	4.36%	3.25%	2.91%
Gross profit margin	11.93%	18.30%	16.01%
Net profit / Total assets	7.22%	3.46%	4.92%
Net profit / Shareholders' equity	20.92%	10.65%	13.55%
Debt / Equity	189.89%	208.26%	175.57%

* Propose to AGM 2013 to approve the cash and stock dividend payment from the operating result of 2012.





Report from Board of Directors

In 2012, Thai economy grew very well from domestic demand of the private sector. The consumption increased from the good employment, income and consumer's confidence which are driven by the government investment and continuous private investment for recovering from flood crisis, expanding production capacity serving the domestic demand and improving the production process for reducing labor cost. The economic trend in 2013 is expected to increase gradually in accordance with slight growth of world economic.

The company's operating performance in 2012 grew quite significant. The net profit was Baht 75 million which increased 59% from previous year which is mainly driven by the operating result of subsidiary in Malaysia. The net profit from Thailand operation was Baht 43 million which decreased 23% or Baht 13 million from the previous year. The profit sharing from Malaysia subsidiary was Baht 30 million which increased 350% or Baht 42 million from the previous year. The profit sharing from associate in Vietnam was Baht 2 million.

The significant changes in 2013 are receipt of the license of internet service type 3 from the office of the National Broadcasting and Telecommunications Commission, the cancellation of the operating lease of the optical fiber network (FTTx) contract with Cat Telecom ("CAT") and the signing of Memorandum of Understanding (MOU) with TOT Public Company Limited ("TOT") for the project of marketing cooperation to increase the potentiality of the Hi-Speed internet services to customer in Nakornratchasima and Chiangmai provinces through FTTx network which the Company are ready to provide the internet services to consumer in April 2013.

In 2013, the company expects that the revenue and net profit will increase from the good economics, good customer's demand in retail business and the company's new broadband business. 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 'T' followed by a horizontal line.

(Mr. Thongkam Manasilapapan)
Chief Executive Officer

Board of Directors



Mr. Tan Bak Hong

Chairman

Percentage of Shareholding: 30.46% 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 2012: 5/5 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: 17.69%

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 2012: 5/5 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 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 2012: 4/5 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 2012: 5/5 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 2012: 5/5 times

Note: Mr. Nguyen Quyet Thang has resigned from the Board of Directors on February 27, 2013.

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 2012: 5/5 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 2012: 5/5 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 2012: 5/5 times

Participation in Audit Committees' meeting in year 2012: 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 2012: 4/5 times

Participation in Audit Committees' meeting in year 2012: 4/5 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 Aурpokaiyakul

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 2012: 4/5 times

Participation in Audit Committees' meeting in year 2012: 4/5 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

	<p>Mr. Thongkam Manasilapapan</p> <p>Chief Executive Officer</p> <p>Percentage of Shareholding: 17.69%</p> <p>Authorized director who can sign on behalf of the Company according to the affidavit</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 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 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.



Mr. Kokiatt Kitkaona

Technical Sale Support Director

Percentage of Shareholding: 0%

Specialized experience: expert in EDCCS Technologies

Relationship among management: None

Education:

- Bachelor of Science in Computer Science, Kasetsart University
- Master of Science (Information Technologies), King Mongkut's Institute of Technology Ladkrabang

Work experience:

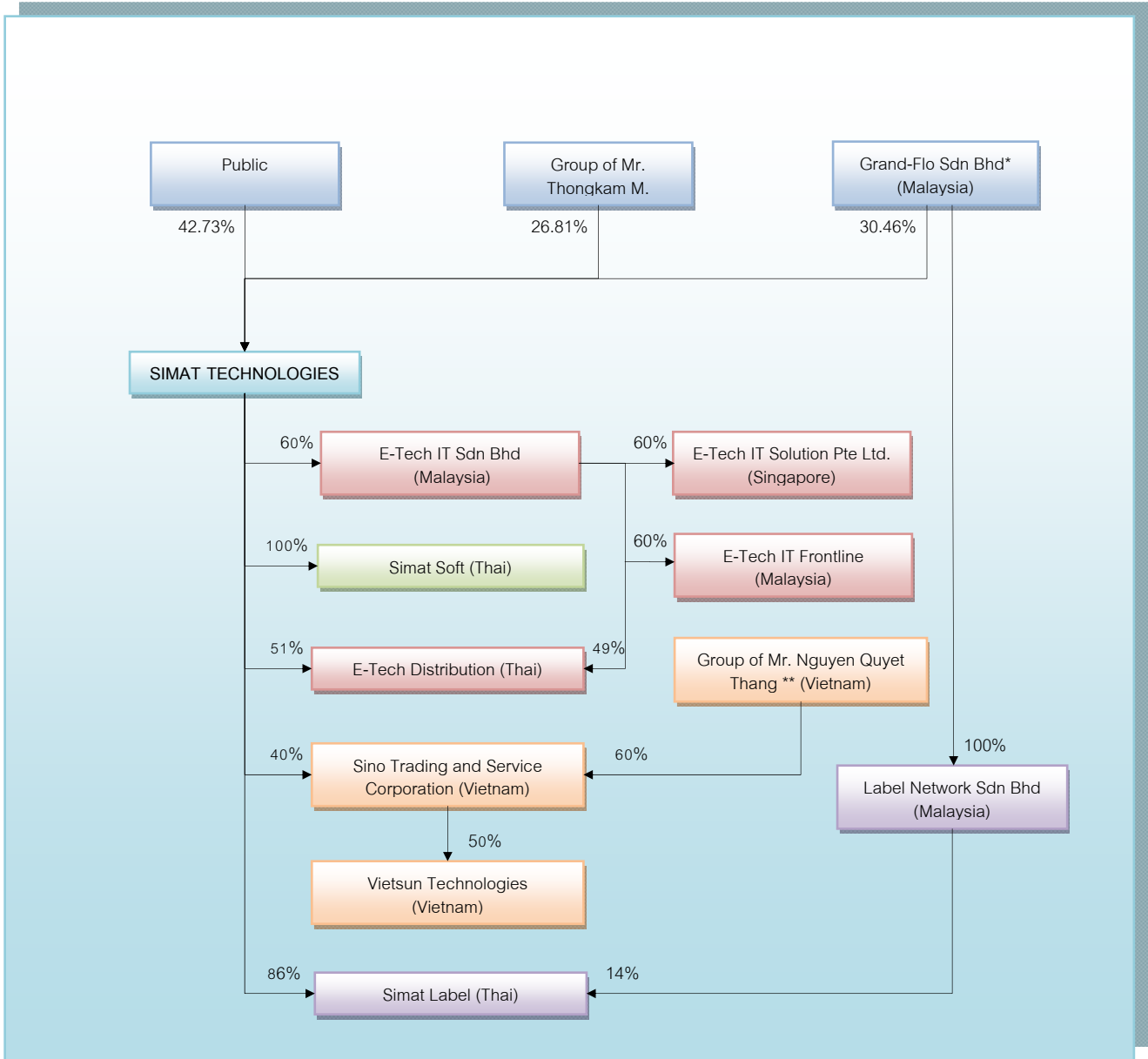
Period	Title	Name of / Company
2007 – present	Technical Sale Support Director	Simat Technologies PCL.
2004 – 2006	Business Development Manager	Simat Technologies PCL.
2002 – 2003	Senior Software Engineering	Simat Technologies PCL.

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 Company	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	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
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 Aurlpokayakul	>																
Mr. Thammanoon Korkiatwanich	/#	/	/	/													
Ms. Narisara Prasertsunk	#	/	/														
Mr. Kokiak Kitkaona	#																

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

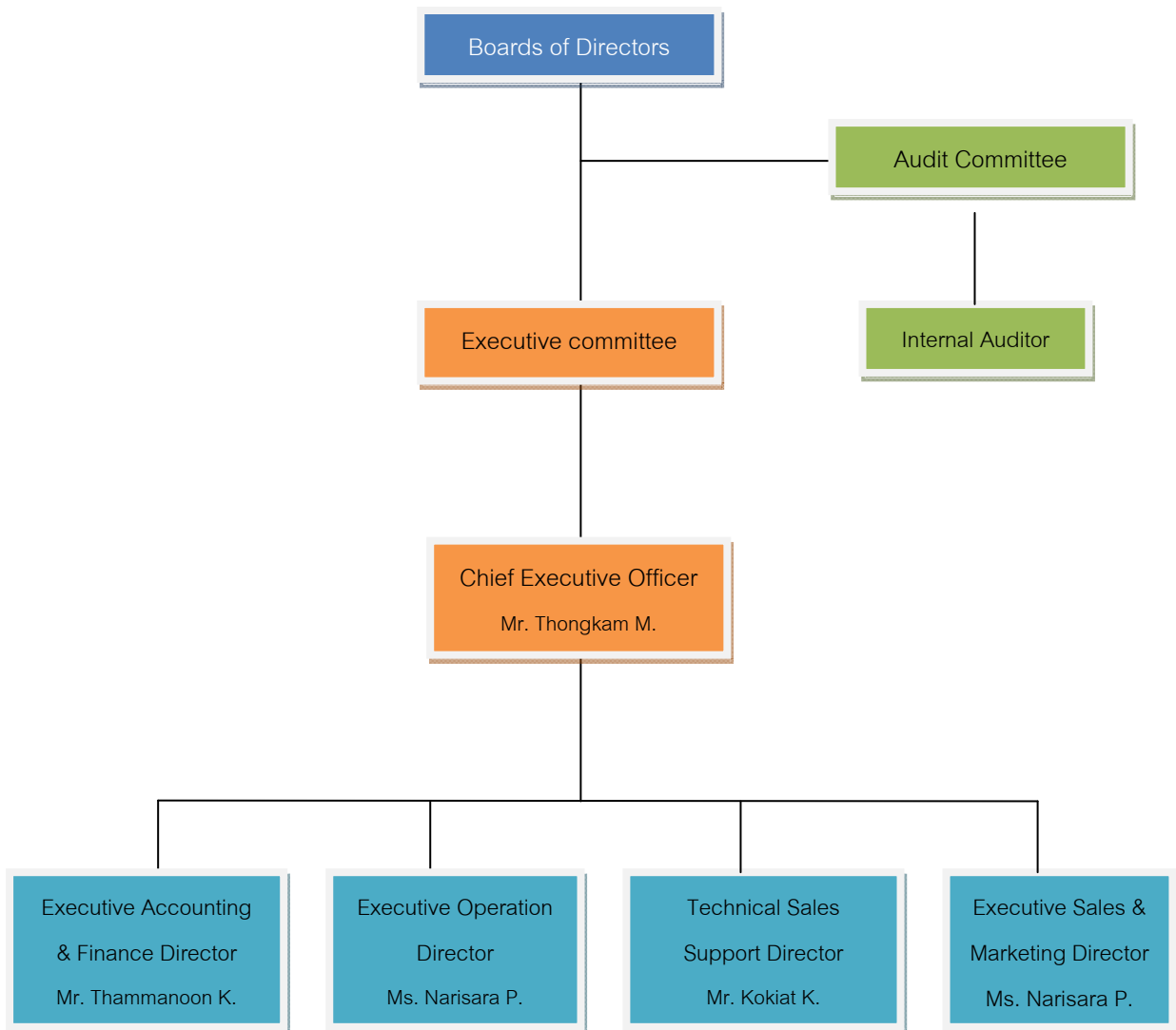
Shareholding Structure of Company and subsidiaries



* 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 Trading and Service (associates)

Organization Chart



- Accounting & Finance
- Admin & Human Resource
- Warehouse
- Sales Coordinate

- Procurement
- Customer Relation
- Customer Service
- Maintenance Service

- Technical Sales Support
- Information Technology
- Programmer

- Sales & Marketing

Major Shareholders and Dividend Policy

Top ten of shareholders and the amount of shares on the closing registration date as of March 26, 2013.

Rank	Shareholders	No. of shares	%
1	The Grand-flo Solution Bhd	60,637,500	30.46
2	Mr. Thongkam Manasilapapan	35,220,303	17.69
3	Ms. Chutikarn Manasilapapan	16,948,623	8.51
4	Mr. Nattapat Rungsan	12,906,400	6.48
5	Thai NDVR Company Limited	9,902,810	4.97
6	Mr. Nattawut Pinto	7,336,431	3.69
7	Ms. Uraiwan Sae-Li	3,003,500	1.52
8	Mr. Sompong Boonthamjinda	2,536,500	1.27
9	Mr. Chakrit Suwannachote	2,469,000	1.24
10	Mr. Suriya Singhakul	2,000,000	1.00
	Other shareholders	46,126,788	23.17
	Total	199,087,855	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.



Business Segment

Enterprise Data Collection Business		Production and Sales of Label Business	Distribution of Computer Hardware in Malaysia	Broadband Business
Sales of Hardware	Software			
Maintenance	Cloud Solution			
Simat Technologies	Simat Soft	Simat Label	Group of E-Tech IT SDN, BHD.	Simat Technologies
The Company	Subsidiary (Holding 100%)	Subsidiary (Holding 86%)	Subsidiary (Holding 60%)	The Company

Remark: Broadband business will start the operation in Quarter 2, 2013

Enterprise Data Collection Business

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.

Manufacturing and sales of label business

Business of Label, manufacturing and sales of sticker and label paper as customer’s order and the main customer group is in Electronic business

Distribution of computer hardware in Malaysia

Distribution of computer hardware to the multinational companies and the government of Malaysia

Broadband business

Broadband business which provides high speed internet through optical fiber network (FTTx) for city of Nakornratchasima and Chiangmai provinces under the brand of “Si-net powered by TOT”

Significant change and development

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. The associate company engages 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. However, the Company just cancelled the contract with CAT Telecom on 22 February 2013 since CAT Telecom did not comply with the condition in contract and the Company will use the FTTx network to provide the internet service to the customer directly.

The Company has just received the license of internet service type 3 from the office of the National Broadcasting and Telecommunications Commission. The license is No. NTC/MM/INT/III/001/2555 with the term of 10 years starting from 19 December 2012 to 18 December 2022.

In 2013, the Company expands to the broadband business to provide the Hi-Speed internet services through FTTx network for the cuty area of Nakornratchasima and Chiangmai provinces under the brand “Si-net powered by TOT” in form of partnership with TOT Public Company Limited.

Revenue Structure

Thailand	Hardware and Software	Maintenance Services	Rental	Label Business	Total
Unit: Thousand Baht					
2012	283,664	81,692	11,113	48,365	424,834
2011	355,531	55,745	7,443	27,352	446,071
2010	276,333	56,049	2,752	24,958	360,092

Vietnam	Hardware and Software	Label Business	Total	% Shareholding
Unit: Thousand Baht				
2012	72,770	9,545	82,315	40
2011	59,455	14,294	73,749	40
2010	69,398	8,956	78,354	40

Malaysia	Sales of Hardware	% Shareholding
Unit: Thousand Baht		
2012	1,798,175	60
2011	744,828	60
2010	833,371	60

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 year 2011 and the forecast of 2012

IT Market	Value (Million Baht)		Market Proportion (%)		Growth (%)	
	2011	2012F	2011	2012F	11/12	11/12
1 Hardware	93,589	112,705	61.0	61.8	2.9	20.4
2 Data Communication	30,542	35,141	19.9	19.3	10.7	15.1
3 Software & Software Services**	29,418	34,481	19.2	18.9	10.1	17.2
Total	153,549	182,327	100	100	4.9	18.7

Remark: * IT Market = Hardware + Data Communication + Software + Software Services

** The Value of software and software services in the table is the production value and exclude the embedded system software

For the year 2013 – 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.

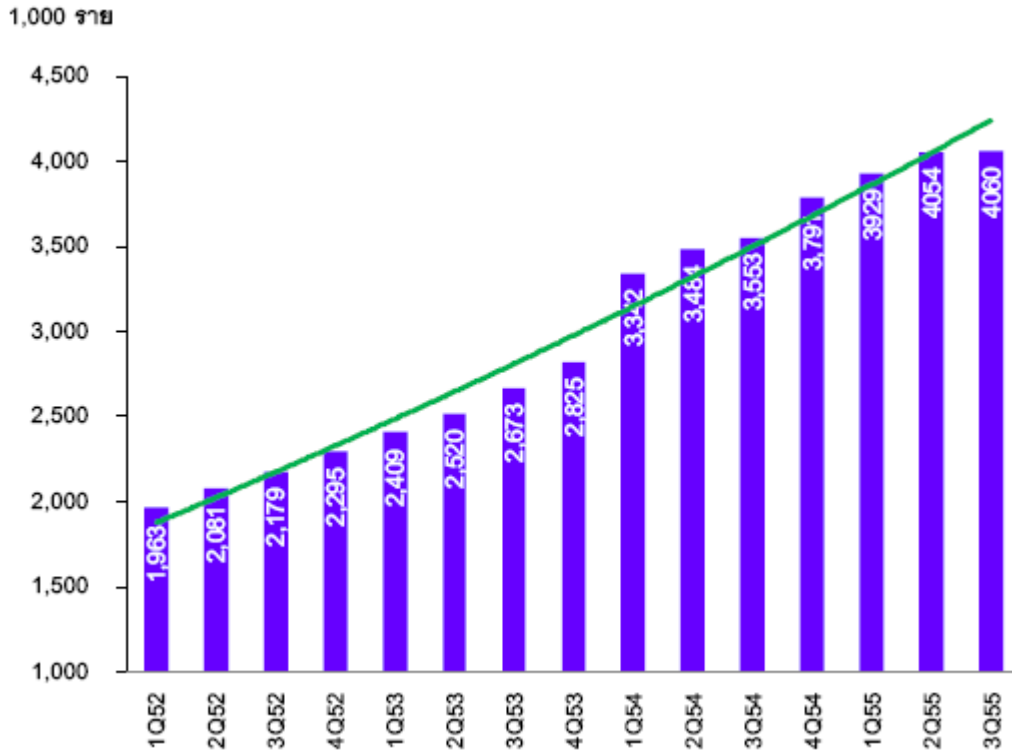
Retail Business Market Trend (the Company's main customer group)

The trend of retail business in year 2013, it is expected to grow at approximately 10 – 12% from prior year which is driven by the domestic demand by the governmental investment such as Rice Pawn Policy, Increase of the minimum labor rate to Baht 300 nationwide, Tax refund for first car which flow cash into the domestic consumption for over 3.5 trillion baht or 35% of total GDP. This also not include the government investment about the flood management of 0.35 trillion baht and the investment in infrastructure for 2 trillion baht which will effect to the people consumption in this year.

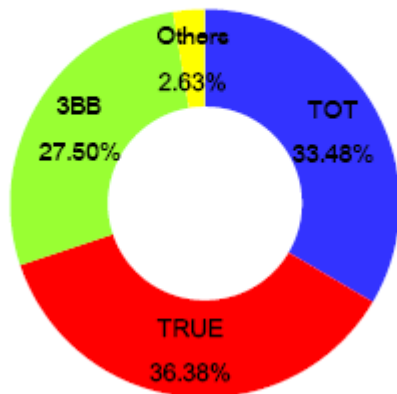
The Broadband Business in Thailand

The main high-speed internet providers are TOT, TRUE and Triple T Broadband and the number of customers for individual and corporate business increasing continuously. As at end of Quarter 2 of 2012, there are registered customers about 4.06 million persons in which increases from the same period of prior year about 14.37% and from the last quarter about 0.25%. The providers are still trying to persuade the customer by offering the bundle services including the telephone package and internet together and some provider gives the promotion to trade off the internet fee with the telephone fee. (Source: NBTC)

	Q3/2012	Q3/2011		Q2/2012	
	(Million users)	Million users	Y-o-Y (%)	Million users	Q-o-Q (%)
No. of user	4.06	3.55	14.37%	4.05	0.25%



Market share of high speed internet as at end of Quarter 3 - 2012



IT Market in Malaysia

IT Market in Malaysia is expected to grow in year 2013 and the market value will be USD 5.6 billion which will increase from year 2012 about 7% 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 focuses 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 in year 2013 and the market value will be approximately USD 2.9 billion which increases about 15% from prior year 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 group

Nature, cause, effect, trend and action taken

- The Company services to the main customer group which is Retail Business about 55% of total revenue in Thailand or 11% of total consolidated revenue.
- If this customer group does not use our services, it will effect to the revenue in Thailand
- At present, the Company has expanded the services to other customer group such as the services of software Cloud Computing to the Transport & Logistic Business group and also the broadband internet services to individual and corporate customers such as hotel and SMEs in Nakornratchasima and Chiangmai which is expected to generate the revenue in Quarter 2, 2013.

Risk from competition

Nature, cause, effect, trend and action taken

- 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 limitation of liquidity

Nature, cause, effect, trend and action taken

- The debt to equity ratio as at 31 December 2012 is 1.90 times which represent that the Company might have the liquidity problem and the cash flow to pay the principal and interest to the financial institutions.
- However, the Company has raised the capital by General Mandate to the specific persons for 16 million shares at the offering price of Baht 7.93 per share and the Company received cash from capital

increase for Baht 127 million in March 2013. The Company will use a portion of this money to pay the loan and another portion as a working capital which will support the liquidity of the Company.

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.

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 2012

By Thai Institute of Director (IOD)

Evaluation topic	Score	
	Simat Technologies	Overall Listed Companies
Shareholder's right	93%	88%
Equally treatment to shareholders	92%	84%
Stakeholder's right	70%	65%
Disclosure and transparency	88%	88%
Board of director's responsibility	57%	63%
Average score	79%	77%

In 2012, 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.

The evaluation result of the AGM Quality Assessment for the year 2012

By Thai Investor Association

Year	Score	
	Simat Technologies	Overall Listed Companies
2012	94.63%	89.43%
2011	92.93%	88.88%
2010	97.50%	86.16%

In 2012, the Company implemented the followings:

- Organized the 2012 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, 2011 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, 2012. 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 10 persons from the total of 10 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 are 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 2012, 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 2012, 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 Chang Island during June 2012 and all employees participated in this activity 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 2012 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 2012, the Company's activities related to society are as follows:

- On October 16, 2012, the Company donated cash Baht 45,000 for "Tesco for Thai" foundation.
- On December 28, 2012, the Company donated cash Baht 22,000 for Pak-Klong-song School in Pratumthani Province,

4. Disclosure and Transparency.

The Company has a policy to pay attention to the disclosure and transparency with regard to the corporate governance. In 2012, 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 2012 (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 2012 is 1,275,000 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 2012, 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 2012, 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 2012, 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 2012, the Board of Directors had 5 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)	5	5
2. Mr. Thongkam Manasilapapan (Director/Chairman of Executive committee)	5	5
3. Mr.Thammanoon Korkiatwanich (Director/Executive committee)	5	5
4. Mr. Tan Bak Leng (Director)	5	4
5. Mr. Tan Chuan Hock (Director)	5	5
6. Mr. Nguyen Quyet Thang (Director)	5	5
7. Mr. Vorachi Charoenprasittiporn (Independent Director)	5	5
8. Dr. Ranchana Rajatanavin (Independent Director / Chairman of Audit Committee)	5	5
9. Mr. Narongrit Rerkpattanapipat (Independent Director / Audit Committee Member)	5	4
10. Ms. Kanwara Aурpokaiyakul (Independent Director / Audit Committee Member)	5	4

The authorized directors who can on 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 2012 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)	110,000 Baht
Audit committee member (2 persons)	176,000 Baht

Total money paid to the Board for year 2012 is 861,000 baht (Year 2011: 899,000 baht).

In year 2012, the Company paid out remunerations to management 4 persons total 9.60 million baht. (Year 2011: 9.14 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 2012, 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 Aurlpokaiyakul	Member of Audit Committee

In 2012, the Audit Committee had 5 meetings and each meeting took approximately 3-4 hours. The attendance of the Audit Committee's as follows:

Name	Total Meeting	Attendance
1. Dr. Ranchana Rajatanavin (Chairman of Audit Committee)	5	5
2. Mr. Narongrit Rerkpattanapipat (Audit Committee Member)	5	4
3. Ms. Kanwara Aurlpokaiyakul (Audit Committee Member)	5	4

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, 2012 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 2012, 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 2013 and to propose this appointment for approval to the Board of Director and the Annual General Shareholders' Meeting for year 2013.

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 2012 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 2012, there are 5 meetings and the statistic of the attendance of meeting for each member is as follow:

Name	Total Meeting	Attendance
1. Dr. Ranchana Rajatanavin (Chairman of Audit Committee)	5	5
2. Mr. Narongrit Rerkpattanapipat (Audit Committee Member)	5	4
3. Ms. Kanwara Aurlpokaiyakul (Audit Committee Member)	5	4

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 2012 and 2011

Conflict of interest person/juristic person	Relationship	Nature of transaction	Transaction value (Baht)		Ending balance (Baht)		Necessity/Reasonableness and Audit Committees' comment
			2012	2011	31 Dec 2012	31 Dec 2011	
Grand-Flo Electronic System Sdn. Bhd.	A subsidiary of Grand-Flo Solution Berhad (100% holding)	Purchase of hardware (A/P-trade)	464,099	998,370	81,570	-	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)	212,436	628,492	890,998	705,232	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)	44,654,863	5,457,465	7,908,173	4,396,923	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)	2,961,754	7,260,680	91,483	43,347	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
Sino Trading and Services Corporation	An associate of the Company (40% holding)	Dividend income (Dividend receivable)	2,214,322	2,004,758	-	-	Dividend for the operating result from associated company.
Label Network	A subsidiary of	Other expenses	-	88,886	-	681,611	Other expenses charged at cost by Label Network were the travelling and accommodation

Conflict of interest person/juristic person	Relationship	Nature of transaction	Transaction value (Baht)		Ending balance (Baht)		Necessity/Reasonableness and Audit Committees' comment
			2012	2011	31 Dec 2012	31 Dec 2011	
Sdn, Bhd.	Grand-Flo Solution Berhad (100% holding)	(A/P-others)					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	230,898	173,592	-	264,401	Simat Label (subsidiary) purchased supplies and samples for label production which buy at market price. Audit committees' comment is that these expenses deemed reasonable.
Grand-Flo Solution Berhad	A major shareholder of the Company (33.17% holding)	Advance (Other receivables)	-	-	40,801	-	The Company paid the legal fee on behalf of Grand-flo Solution which Grand-flo will pay back to the Company.
		Other expenses (A/P-others)	-	29,667	-	299,053	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.
CL Solutions Ltd.	A subsidiary of Grand-flo solution (100% holding)	Purchase of Hardware	206,286	56,940	-	-	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
			2012	2011	31 Dec 2012	31 Dec 2011	
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)	778,001	9,444,788	721,182	314,827	Goods that a subsidiary company in Malaysia sold to Zeal System are the hardware products which sells under normal business condition
		Purchase of Hardware/Goods in transit (A/P – Trade)	58,818	10,069,285	2,931,777	-	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	-	-	-	37,336,845	A subsidiary company in Malaysia received guarantee cash amounting Baht 37.34 million and Baht 38.32 million in year 2012 and 2011, 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	-	-	-	10,163,800	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
			2012	2011	31 Dec 2012	31 Dec 2011	
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.

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

	2012	2011	2010	Change 2012/2011	Portion to total assets	
					2012	2011
BALANCE SHEET: Consolidate (Unit: Million Baht)						
ASSETS						
Current assets						
Cash and cash equivalent	35	31	10	13%	3%	3%
Trade receivables - net	498	366	315	36%	37%	33%
Inventories - net	87	97	89	-10%	6%	9%
Other current assets	46	53	40	-13%	3%	5%
Assets held for sale	-	48	-	-100%	0%	4%
Total current assets	666	595	454	12%	50%	53%
Non-current assets						
Restricted cash	115	96	85	20%	9%	9%
Investment in associate	24	29	29	-17%	2%	3%
Goodwill	45	45	45	0%	3%	4%
Property, plant and equipment	55	55	84	0%	4%	5%
Project cost of Optical Fiber Network in construction	434	298	-	46%	32%	27%
Other non-current assets	3	3	8	0%	0%	0%
Total non-current assets	676	526	251	29%	50%	47%
Total assets	1,342	1,121	705	20%	100%	100%
Liabilities and Shareholders' equity						
Current liabilities						
Bank overdraft and short-term loan	240	317	138	-24%	18%	28%
Trade payables	272	171	182	59%	20%	15%
Amounts due to related parties	48	50	35	-4%	4%	4%
Accrued expenses	76	30	27	153%	6%	3%
Other current liabilities	27	38	28	-29%	2%	3%
Total current liabilities	663	606	410	9%	49%	54%
Non-current liabilities						
Long-term loan - net	207	146	29	42%	15%	13%
Other non-current liabilities	9	5	11	80%	1%	0%
Total non-current liabilities	216	151	40	43%	16%	13%
Total liabilities	879	757	449	16%	65%	68%
Shareholders' equity						
Paid-up share capital	183	166	83	10%	14%	15%
Paid_in capital	69	69	69	0%	5%	6%
Legal reserve and others	17	10	7	70%	1%	1%
Unappropriate retained earnings	153	99	69	55%	11%	9%
The Company's shareholders' equity	422	344	228	23%	31%	31%
Minority interest	41	20	28	105%	3%	2%
Total Shareholders' Equity	463	364	256	27%	35%	32%
Total Liabilities and Shareholders' Equity	1,342	1,121	705	20%	100%	100%

Assets

At end of year 2012, the total assets are Baht 1,342 million which increases from prior year approximately 20% due to the following reasons:

1. Trade accounts receivable increases significantly about 36% from prior year due to, at end of year 2012, the Company has the large amount of sales which occurs at year-end which is the result of the sales of hardware to government of a subsidiary in Malaysia.
2. Asset held for sales in 2011 which are the office building of a subsidiary in Malaysia amounting to Baht 48 million and it was sold in year 2012 already.
3. The project cost under the Optical Fiber Network System is amounting to Baht 434 million which increases about 46% and it is expected to complete and ready to provide internet services in April 2013 and the investment budget is approved at Baht 520 million.

Liabilities

At end of year 2012, the total liabilities were Baht 879 million which increases from prior year approximately 16% due to the following reasons:

1. Bank overdraft and short-term loan from financial institution decreases about 24% due to the decrease in loan from factoring of A/R about Baht 43 million since the Company has sufficient working capital in year 2012 and the decrease in note payable for project of sales of hardware to AOT for Baht 14 million which the Company already received money from this sales.
2. Trade payables increases about 59% from prior year due to, the end of 2012, the Company purchases a large amount hardware which comes from the purchases for sales to government of the subsidiary in Malaysia.
3. Accrued expenses increase about 153% due to the increase of commission expenses of the subsidiary in Malaysia since the sales increases.
4. Long-term loan increases about 42% due to the increases in project cost under the Optical Fiber Network System.

Shareholders' equity

At the end of year 2012, the total shareholders' equity of the Company is Baht 422 million which increases from prior year about Baht 78 million due to the net profit of 2012 and the reserve for share-based payment.

Income statements

Simat Technologies Public Company Limited would like to report the variance in operating result for the year ended 31 December 2012 compared with the year 2011 as follows:

The operating result - consolidated financial statements: For the year ended 31 December	2012 (Million Baht)	2011 (Million Baht)	Diff %
Total revenue	2,223	1,191	87%
Gross profit	265	218	22%
Net profit/(loss) attributable to the Company	75	47	60%
Net profit/(loss) separated by country:			
- Net profit/(loss) from Thailand operation	43	56	(23%)
- Share of profit/(loss) from a subsidiary in Malaysia	30	(12)	(350%)
- Share of profit/(loss) from associates in Vietnam	2	3	(33%)
Total net profit/(loss) attributable to the Company	75	47	60%
Change in revenue and gross profit:			
Revenue			
- From Thailand operation	425	446	(5%)
- From a subsidiary's operation in Malaysia	1,798	745	141%
Total revenue	2,223	1,191	87%
Gross profit			
- From Thailand operation	130	141	(8%)
- From a subsidiary's operation in Malaysia	135	77	75%
Total gross profit	265	218	22%
Change in expenses:			
Selling and Admin exp.			
- From Thailand operation	(79)	(75)	5%
- From a subsidiary's operation in Malaysia	(70)	(82)	(15%)
Total selling and admin exp.	(149)	(157)	(5%)
Finance expense			
- From Thailand operation	(3)	(3)	-
- From a subsidiary's operation in Malaysia	(12)	(12)	-
Total finance expense	(15)	(15)	-

Income statement by business segment

					Million Baht
Year 2012	Enterprise Data		Total Domestic	Distribution of hardware in Malaysia	Total
	Collection Business	Label Business			
Revenue	376.5	48.4	424.8	1,798.2	2,223.0
Cost of sales	(257.2)	(37.5)	(294.7)	(1,663.2)	(1,957.9)
Gross profit	119.2	10.9	130.1	135.0	265.1
Gain (loss) on exchange	1.0	0.0	1.0	0.6	1.6
Other income	0.6	1.7	2.4	7.3	9.6
Profit before expenses	120.8	12.6	133.5	142.8	276.3
Selling expenses	(15.4)	(0.7)	(16.1)	(8.4)	(24.5)
Administrative expenses	(54.7)	(8.1)	(62.8)	(61.6)	(124.4)
Total expenses	(70.1)	(8.7)	(78.8)	(70.0)	(148.8)
Profit before interest and tax	50.7	3.9	54.6	72.9	127.5
Interest expense	(2.2)	(0.5)	(2.6)	(12.0)	(14.6)
Profit sharing from associate	2.0	-	2.0	-	2.0
Profit before tax	50.5	3.4	53.9	60.9	114.8
Income tax	(8.2)	-	(8.2)	(9.8)	(18.0)
Net profit	42.3	3.4	45.8	51.1	96.9
Distribution of profit					
Portion of the Company					75.3
Portion of non-controlling interest					21.6
					96.9

					Million Baht
Year 2011	Enterprise Data		Total Domestic	Distribution of hardware in Malaysia	Total
	Collection Business	Label Business			
Revenue	418.2	27.8	446.1	744.8	1,190.9
Cost of sales	(281.2)	(23.6)	(304.8)	(668.3)	(973.1)
Gross profit	137.0	4.3	141.3	76.6	217.8
Gain (loss) on exchange	0.2	(0.2)	0.1	0.3	0.4
Other income	1.4	0.1	1.5	1.5	3.0
Profit before expenses	138.6	4.2	142.8	78.4	221.2
Selling expenses	(15.1)	(0.2)	(15.3)	(6.5)	(21.8)
Administrative expenses	(53.8)	(6.2)	(60.0)	(75.5)	(135.6)
Total expenses	(68.9)	(6.4)	(75.3)	(82.0)	(157.3)
Profit before interest and tax	69.7	(2.2)	67.5	(3.6)	63.9
Interest expense	(2.3)	(0.3)	(2.6)	(12.4)	(15.0)
Profit sharing from associate	3.2	-	3.2	-	3.2
Profit before tax	70.5	(2.5)	68.0	(16.0)	52.0
Income tax	(9.2)	-	(9.2)	(4.1)	(13.3)
Net profit	61.3	(2.5)	58.8	(20.1)	38.7
Distribution of profit					
Portion of the Company					47.3
Portion of non-controlling interest					(8.6)
					38.7

Summary

The consolidated net profit for the year ended 31 December 2012 is Baht 75 million which increases from the prior year about 60% mainly comes from the operation in Thailand for Baht 43 million which decreases from prior year about 23% or Baht 13 million and the profit sharing from the subsidiary in Malaysia for Baht 30 million which increases highly from prior year about 350% or Baht 42 million and the profit sharing from an associate in Vietnam for Baht 2 million.

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

1. Total revenue for the year 2012 is Baht 2,223 million which increases highly from the prior year about 87% comes from Thailand operation for Baht 425 million which decreases about 5% from prior year and the revenue from the subsidiary in Malaysia for Baht 1,798 million which increases highly from prior year about 141% due to the sales to the government department which are the Malaysian Communications and Multimedia Commission or "MCMC" and the Ministry of Higher Education or "MOHE" which occurs in year 2012.
2. Gross profit for the year 2012 is Baht 265 million which increases about 22% from the prior year due to:
 - From Thailand operation about Baht 130 million which decreases from prior year about 8% due to the decrease in revenue about 5%. The gross profit ratio for the year 2012 and 2011 are 30.6% and 31.6%, respectively.
 - From the subsidiary in Malaysia about Baht 135 million which increases from prior year about 75% due to the high increase in sales about 141%. The gross profit ratio for the year 2012 and 2011 are 7.5% and 10.3%, respectively. The decrease in gross profit ratio is because, in year 2012, the majority of sales come from the sales to government project which the margin is low while, in year 2011, the majority of sales come from the sales to the multinational companies which the margin is higher.
3. Selling and administrative expenses for the year 2012 is Baht 149 million which decreases about 5% from the prior year due to the following reasons:
 - Selling and administrative expenses from the operation in Thailand is Baht 79 million which increases about 5% from the prior year due to the expense of share-based payment in year 2012 about 3.4 million which arises from the issuance of ESOP warrant allotted to director, management and employee of the Company.
 - Selling and administrative expenses from the operation of the subsidiary in Malaysia is Baht 70 million which decreases 15% from the prior year due to the decrease in the allowance for doubtful debt.
4. The Finance expense for the year 2012 is Baht 15 million which has no change from the prior year.

FINANCIAL STATEMENTS AND AUDITOR'S REPORT
SIMAT TECHNOLOGIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
FOR THE YEAR ENDED DECEMBER 31, 2012

Independent Auditor's Report**To the Shareholders and the Board of Directors of****Simat Technologies Public Company Limited and its subsidiaries**

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

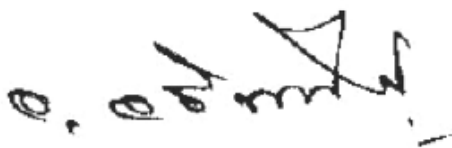
Opinion

In my opinion, the consolidated and separate financial statements referred to above present fairly, in all material respects, the consolidated and separate financial position of Simat Technologies Public Company Limited and its subsidiaries and of Simat Technologies Public Company Limited respectively as at December 31, 2012, and the consolidated and separate results of operations and the consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Emphasis of matters

Without modifying of my opinion, I draw attention to the followings:

- 1 Notes to Financial Statements 6, 7 and 32.2. The director of the oversea subsidiary provides the guarantee to its long outstanding trade receivable of totaling Baht 56.05 million. These are secured by the liability the subsidiary owned to the director as at December 31, 2012 of Baht 36 million, the liability the Company owned to the director of Baht 10 million and the deposit from the director transferred to the Company in February 2013 of Baht 10 million.
- 2 Notes to Financial Statements 32.3. On February 22, 2013, the Company cancelled the service contract for rental of optical fiber cable network equipment in Nakornratchasima and Chiangmai province with CAT Telecom Public Company Limited (“CAT”). As a result, the Company will be the service provider instead of the lessor.



Atipong AtipongSakul

Certified Public Accountant Registration Number 3500

ANS Audit Company Limited

Bangkok, February 27, 2013

SIMAT TECHNOLOGIES PUBLIC COMPANY LIMITED AND SUBSIDIARIES**STATEMENTS OF FINANCIAL POSITION****AS AT DECEMBER 31, 2012 AND 2011**

Unit: Baht					
	Notes	CONSOLIDATED F/S		SEPARATE F/S	
		December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	5	35,352,278	30,826,509	19,368,893	23,108,742
Trade and other receivables - net	6,7,15	543,417,574	419,839,653	72,379,131	174,502,726
Loan to related companies	7	-	-	4,900,000	12,622,260
Inventories - net	8	86,908,119	96,744,722	44,351,702	62,852,155
Non-current asset for sales	11	-	47,656,616	-	-
Total Current Assets		665,677,971	595,067,500	140,999,726	273,085,883
NON-CURRENT ASSETS					
Restricted deposits with banks	9,15,17,19	114,660,516	96,287,356	38,150,146	43,883,642
Investments in associated companies	10	24,398,065	29,237,963	21,273,694	21,273,694
Investments in subsidiary companies	10	-	-	100,592,282	100,592,282
Property, plant and equipment - net	11	44,101,248	37,621,142	18,605,806	14,659,408
Equipment and computer software for lease - net	12	8,252,334	13,742,358	8,252,334	13,742,358
Software development cost for sales	13	2,815,756	3,521,276	2,815,756	3,521,276
Project cost - Optical fiber system	14,17,19	434,242,557	297,825,780	434,242,557	297,825,780
Goodwill	10	44,692,503	44,692,503	-	-
Computer software - net		23,844	40,249	5	33,216
Deposits		2,987,896	2,899,776	1,788,080	1,708,679
Total Non-Current Assets		676,174,719	525,868,403	625,720,660	497,240,335
TOTAL ASSETS		1,341,852,690	1,120,935,903	766,720,386	770,326,218

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, 2012 AND 2011**

		Unit: Baht			
		CONSOLIDATED F/S		SEPARATE F/S	
Notes		December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
LIABILITIES AND EQUITY					
CURRENT LIABILITIES					
	Bank overdraft and short-term loan from				
	financial institution	15	161,877,625	209,491,662	14,441,558
	Trade and other payables	7,16	410,472,168	277,382,648	49,586,653
	Current portion of payable for purchase of				
	investments	7	10,163,800	-	10,163,800
	Current portion of liabilities under				
	financial lease agreements	18	2,167,582	1,746,586	1,817,886
	Current portion of long-term loan from financial				
	institutions	19	78,165,205	107,711,960	78,165,205
	Loan from related company	4	-	-	1,000,000
	Total Current Liabilities		662,846,380	596,332,856	154,175,102
NON-CURRENT LIABILITIES					
	Liabilities under financial lease				
	agreements - net	18	4,874,929	1,795,888	4,723,178
	Payable for purchase of investments	7	-	10,136,400	-
	Long-term loan - net	19	207,340,387	145,558,019	207,340,387
	Provision for employee benefit	20	3,899,873	3,477,127	3,777,722
	Total Non-Current Liabilities		216,115,189	160,967,434	215,841,287
	TOTAL LIABILITIES		878,961,569	757,300,290	370,016,389

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, 2012 AND 2011**

		Unit: Baht			
		CONSOLIDATED F/S		SEPARATE F/S	
	Notes	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
LIABILITIES AND SHAREHOLDERS EQUITY (CONTINUED)					
SHAREHOLDERS EQUITY					
Share capital					
Registered					
Common shares 249,525,000 shares in 2012					
Common shares 218,710,000 shares in 2011,					
Baht 1 par value	21	249,525,000	218,710,000	249,525,000	218,710,000
Issued and fully paid-up					
Common shares 182,821,627 shares in 2012					
Common shares 166,200,000 shares in 2011,					
Baht 1 par value	21	182,821,627	166,200,000	182,821,627	166,200,000
Paid in capital in excess of par value		69,066,094	69,065,344	69,066,094	69,065,344
Reserve for share-based payments	31	3,421,619	-	3,421,619	-
Common shares subscription		266,228	-	266,228	-
Discount on capital from change in proportion of investment in subsidiary company		(2,313,708)	(2,313,708)	-	-
Retained earnings					
Appropriated					
Legal reserve		14,060,115	11,332,369	14,060,115	11,332,369
Unappropriated		152,795,223	98,716,975	127,068,314	93,917,048
Other components of equity					
Currency translation differences		1,218,343	563,222	-	-
Total equity of the parent company		421,335,541	343,564,202	396,703,997	340,514,761
Non-controlling interests		41,555,580	20,071,411	-	-
TOTAL SHAREHOLDERS EQUITY		462,891,121	363,635,613	396,703,997	340,514,761
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY		1,341,852,690	1,120,935,903	766,720,386	770,326,218

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

SIMAT TECHNOLOGIES PUBLIC COMPANY LIMITED AND SUBSIDIARIES**STATEMENTS OF COMPREHENSIVE INCOME****FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

		Unit: Baht			
		CONSOLIDATED F/S		SEPARATE F/S	
	Notes	2012	2011	2012	2011
REVENUES	3,7,24				
Sales		2,066,420,833	1,089,867,165	283,235,018	354,546,948
Services and maintenance income		145,474,957	93,589,222	81,691,578	55,744,972
Rental income		11,113,128	7,443,457	11,113,128	7,443,457
TOTAL REVENUES FROM SALES AND SERVICES		2,223,008,918	1,190,899,844	376,039,724	417,735,377
COST OF SALES AND SERVICES	3,7,24	(1,957,904,360)	(973,068,960)	(277,012,530)	(314,383,470)
Gross profit		265,104,558	217,830,884	99,027,194	103,351,907
Dividend income	10	-	-	31,584,573	23,985,245
Gain on exchange rate		1,551,818	393,492	966,496	235,485
Other income	10	9,634,539	3,008,608	2,793,955	1,581,332
Income before expenses		276,290,915	221,232,984	134,372,218	129,153,969
Selling expenses	7	(24,459,551)	(21,791,110)	(15,323,566)	(15,114,824)
Administrative expenses	7	(124,358,604)	(135,557,816)	(53,883,547)	(52,990,490)
Total expenses		(148,818,155)	(157,348,926)	(69,207,113)	(68,105,314)
Income before financial cost and income tax		127,472,760	63,884,058	65,165,105	61,048,655
Finance cost		(14,629,154)	(15,015,425)	(2,635,407)	(2,558,526)
Equity in net income of associated companies		1,977,985	3,175,528	-	-
Income before income tax		114,821,591	52,044,161	62,529,698	58,490,129
Income tax	29	(17,970,706)	(13,313,142)	(8,169,079)	(9,242,752)
NET INCOME FOR THE YEARS		96,850,885	38,731,019	54,360,619	49,247,377
OTHER COMPREHENSIVE ITEM					
Foreign currency translation differences		576,691	855,706	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEARS		97,427,576	39,586,725	54,360,619	49,247,377
Income (loss) attributable to					
Equity holders of the Company		75,288,286	47,285,461	54,360,619	49,247,377
Non-controlling interests		21,562,599	(8,554,442)	-	-
		96,850,885	38,731,019	54,360,619	49,247,377

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

SIMAT TECHNOLOGIES PUBLIC COMPANY LIMITED AND SUBSIDIARIES**STATEMENTS OF COMPREHENSIVE INCOME****FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

		Unit: Baht			
		CONSOLIDATED F/S		SEPARATE F/S	
	Notes	2012	2011	2012	2011
Total comprehensive income (loss) attributable to					
Equity holders of the Company		75,943,407	47,574,691	54,360,619	49,247,377
Non-controlling interests		21,484,169	(7,987,966)	-	-
		<u>97,427,576</u>	<u>39,586,725</u>	<u>54,360,619</u>	<u>49,247,377</u>
EARNINGS PER SHARE					
	25				
Basic earnings per share		<u>0.43</u>	<u>0.42</u>	<u>0.31</u>	<u>0.44</u>
Diluted earnings per share		<u>0.35</u>	<u>0.41</u>	<u>0.25</u>	<u>0.43</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 THE YEARS ENDED DECEMBER 31, 2012 AND 2011

Unit: Baht

CONSOLIDATED F/S												
Equity attributable to equity holders of the Company												
Notes	Equity attributable to equity holders of the Company						Other components of equity		Total equity of the parent company	Non-controlling interests	Total	
	Paid-up share capital	Paid-in capital in excess of par	Reserve for share-based payment	Common share Subscription	Discount on capital from change in proportion of investment in subsidiary company	Retained earnings	Currency translation differences					
					Legal reserve	Unappropriated						
Balance as at January 1, 2011	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	3,20	-	-	-	-	-	(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 :												
Increase in capital	21	83,100,000	-	-	-	-	-	-	83,100,000	-	83,100,000	
Appropriation for legal reserve	22	-	-	-	-	2,462,369	(2,462,369)	-	-	-	-	
Dividend payment	21,23	-	-	-	-	-	(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
Changes in equity for the year:												
Increase in capital	21	1,500	750	-	-	-	-	-	2,250	-	2,250	
Reserve for share-based payment	31	-	-	3,421,619	-	-	-	-	3,421,619	-	3,421,619	
Common share subscription		-	-	-	266,228	-	-	-	266,228	-	266,228	
Stock dividend	21,23	16,620,127	-	-	-	-	(16,620,127)	-	-	-	-	
Dividend payment	21,23	-	-	-	-	-	(1,862,165)	-	(1,862,165)	-	(1,862,165)	
Appropriation for legal reserve		-	-	-	-	2,727,746	(2,727,746)	-	-	-	-	
Comprehensive income for the year		-	-	-	-	-	75,288,286	655,121	75,943,407	21,484,169	97,427,576	
Balance as at December 31, 2012		182,821,627	69,066,094	3,421,619	266,228	(2,313,708)	14,060,115	152,795,223	1,218,343	421,335,541	41,555,580	462,891,121

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 THE YEARS ENDED DECEMBER 31, 2012 AND 2011

Unit: Baht									
SEPARATE F/S									
	Notes	Paid-up share capital	Paid-in capital in excess of par	Reserve for share-based payment	Common share Subscription	Retained earnings		Other components of equity	Total Equity
						Legal reserve	Unappropriated		
Balance as at January 1, 2011		83,100,000	69,065,344	-	-	8,870,000	62,078,852	-	223,114,196
Effects of changes in accounting policies	3,20	-	-	-	-	-	(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 year :									
Increase in capital	21	83,100,000	-	-	-	-	-	-	83,100,000
Appropriation for legal reserve	22	-	-	-	-	2,462,369	(2,462,369)	-	-
Dividend payment	21,23	-	-	-	-	-	(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
Changes in equity for the year :									
Increase in capital	21	1,500	750	-	-	-	-	-	2,250
Reserve for share-based payment	31	-	-	3,421,619	-	-	-	-	3,421,619
Common share subscription		-	-	-	266,228	-	-	-	266,228
Stock dividend	21,23	16,620,127	-	-	-	-	(16,620,127)	-	-
Dividend payment	21,23	-	-	-	-	-	(1,861,480)	-	(1,861,480)
Appropriation for legal reserve		-	-	-	-	2,727,746	(2,727,746)	-	-
Comprehensive income for the year		-	-	-	-	-	54,360,619	-	54,360,619
Balance as at December 31, 2012		182,821,627	69,066,094	3,421,619	266,228	14,060,115	127,068,314	-	396,703,997

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

SIMAT TECHNOLOGIES PUBLIC COMPANY LIMITED AND SUBSIDIARIES**STATEMENTS OF CASH FLOWS****FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

	Unit: Baht			
	CONSOLIDATED F/S		SEPARATE F/S	
	2012	2011	2012	2011
Cash Flows from Operating Activities				
Income before tax	114,821,591	52,044,161	62,529,698	58,490,129
Adjustments to reconcile net income to net cash provided from (paid by) operating activities:				
Depreciation and amortization	20,639,627	18,818,419	15,154,571	14,289,591
Equity in net income of associated companies	(1,977,985)	(3,175,528)	-	-
Unrealized (gain) loss on foreign exchange rate	(37,767)	633,398	(27,568)	324,649
(Gain) loss on disposal of property and equipment	(4,082,718)	75,934	(485,975)	(131,304)
Allowance for doubtful accounts (reversal)	8,572,855	28,937,376	-	(482,313)
Allowance for obsolete and devaluation of inventories	2,916,373	3,727,356	111,815	1,360,514
Provision for employee benefit	422,746	995,315	300,594	995,315
Compensation expense from share-based payment	3,421,619	-	3,421,619	-
Dividend income	-	-	(31,584,573)	(23,985,245)
Interest expense	14,857,035	15,513,627	2,657,890	2,558,526
Interest income	(3,374,174)	(3,010,865)	(1,798,731)	(1,098,546)
Cash provided from operating activities before changes in operating assets and liabilities :	156,179,202	114,559,193	50,279,340	52,321,316
Decrease (increase) in operating assets:				
Trade and other receivables	(132,119,035)	(95,217,287)	102,155,337	(103,276,976)
Inventories	1,982,668	(13,925,158)	13,451,076	(26,119,757)
Deposit	(88,120)	(240,920)	(79,401)	113,500

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

SIMAT TECHNOLOGIES PUBLIC COMPANY LIMITED AND SUBSIDIARIES**STATEMENTS OF CASH FLOWS (CONTINUED)****FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

	Unit: Baht			
	CONSOLIDATED F/S		SEPARATE F/S	
	2012	2011	2012	2011
Increase (decrease) in operating liabilities:				
Trade and other payables	132,217,271	(2,155,021)	(51,007,079)	55,615,547
Cash received from operations	158,171,986	3,020,807	114,799,273	(21,346,370)
Interest payment	(37,534,292)	(12,195,406)	(25,626,752)	(7,710,471)
Interest received	3,342,294	3,010,865	1,766,851	1,098,546
Income tax payment	(17,051,227)	(8,670,343)	(11,319,029)	(4,743,131)
Net cash provided from operating activities	106,928,761	(14,834,077)	79,620,343	(32,701,426)
Cash flows from investing activities:				
Received dividend from subsidiary	-	-	29,370,251	21,980,487
Received dividend from associated company	2,214,322	2,004,758	2,214,322	2,004,758
Proceeds from sales of investment in associate	4,603,560	-	-	-
(Increase) Decrease in loan to related company	-	1,710,359	7,722,260	(561,421)
(Increase) Decrease in restricted deposit with banks	(18,373,160)	(10,968,832)	5,733,496	(29,133,642)
Cash payment for project cost - optical fiber system for lease	(113,429,840)	(292,673,835)	(113,429,840)	(292,673,835)
Proceeds from disposal of property and equipment	23,841,925	226,880	509,155	226,880
Cash payment for acquisition of equipment	(10,098,425)	(27,588,887)	(2,073,316)	(21,876,437)
Net cash used in investing activities	(111,241,618)	(327,289,557)	(69,953,672)	(320,033,210)

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

SIMAT TECHNOLOGIES PUBLIC COMPANY LIMITED AND SUBSIDIARIES**STATEMENTS OF CASH FLOWS (CONTINUED)****FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

	Unit: Baht			
	CONSOLIDATED F/S		SEPARATE F/S	
	2012	2011	2012	2011
Cash flows from financing activities:				
Cash receipt from increase in share capital	2,250	83,100,000	2,250	83,100,000
Cash receipt from common share subscription	266,228	-	266,228	-
Increase (decrease) in loan from related company	-	-	(1,000,000)	1,000,000
Increase in bank overdraft and short-term loan				
from financial institution - net	(47,614,037)	71,869,718	(69,101,153)	76,102,864
Increase (decrease) in long-term loan from financial instituti	59,839,598	224,582,010	60,336,760	225,168,833
Payments of liabilities under financial				
lease agreements	(2,386,610)	(4,106,102)	(2,049,125)	(1,191,304)
Dividend payment	(1,862,165)	(12,465,513)	(1,861,480)	(12,465,000)
Net cash provided from financing activities	8,245,264	362,980,113	(13,406,520)	371,715,393
Net increase (decrease) in cash and cash equivalents	3,932,407	20,856,479	(3,739,849)	18,980,757
Effect of foreign exchange rate changes	593,362	(411,348)	-	-
Cash and cash equivalents, Beginning of years	30,826,509	10,381,378	23,108,742	4,127,985
Cash and cash equivalents, End of years	35,352,278	30,826,509	19,368,893	23,108,742

Non - cash transactions

For the year ended December 31, 2012

The Company transferred inventories to equipment totaling Baht 4.94 million.

The Company acquired vehicles and equipments for a total cost of Baht 7.78 million of which Baht 5.88 million to be paid by instalments under financial lease agreement and Baht 1.88 million was paid by cash.

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.

SIMAT TECHNOLOGIES PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

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 FOR PRESENTATION 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 Financial Reporting Standards (“TFRS”) 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.

The changes in accounting policies as at January 1, 2011

In the year 2011, the Group has adopted new and revised TFRS which such transition affected the financial statements reflected from the adoption of TAS No. 19 “Employee Benefits”.

New and revised Thai Financial Reporting Standards not yet effective

The Group has not yet adopted the new and revised Thai Financial Reporting Standards as follows:

- a) Thai Accounting Standards (TAS), Thai Financial Reporting Standards (TFRS), Thai Interpretation (TI) and guidelines which are effective for the financial statements for the period beginning on or after January 1, 2013 as follows:

TAS/TFRS/TI/FAP's Announcement	Topic
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
TFRS 8	Operating Segments
TI 10	Government Assistance – 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
No. 34/2555	Accounting Guidance for Transfer and Transferred of Financial Assets

The management of the Group is assessing the impacts of these standards, interpretations and guideline on the financial statements for the period in which they are initially applied.

- b) Thai Financial Reporting Interpretations (TFRI) and TI which are effective for the financial statements for the period beginning on or after January 1, 2014 as follows:

TFRI/TI	Topic
TFRI 4	Determining whether an Arrangement contains a Lease
TFRI 12	Service Concession Arrangements
TFRI 13	Customer Loyalty Programmes
TI 29	Service Concession Arrangements: Disclosures

The management of the Group is assessing the impacts of these 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, 2012	December 31, 2011	
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, 2012 and 2011, the total assets of subsidiaries represent 47.43 percent and 38.46 percent, respectively, of the total assets in the consolidated financial statements, and total revenues of subsidiaries for the years ended December 31, 2012 and 2011 represent 83.08 percent and 64.92 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>Useful life (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.

Income tax reduction

Royal Decree No. 530 B.E. 2554 dated December 14, 2011 grants a reduction in the corporate income tax rate from 30% to 23% on net profit for the first accounting period beginning on or after January 1, 2012, and will be reduced to 20% on net profit for the two consecutive accounting periods beginning on or after January 1, 2013 onwards.

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, 2012 and 2011 of 39.06 million shares and 2.76 million shares, respectively.

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 as well as the guarantee.

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, 2012 and 2011 are as follows:

	Unit: Baht			
	Consolidated financial statement		Separate financial statement	
	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
Cash on hand	218,215	281,064	89,708	141,409
Cash at banks				
Current account	33,654,304	8,335,373	17,799,426	757,261
Saving account	1,461,729	21,964,205	1,461,729	21,964,205
Fixed deposits with maturity				
of less than 3 months	18,030	245,867	18,030	245,867
Total	35,352,278	30,826,509	19,368,893	23,108,742

6 TRADE AND OTHER RECEIVABLES

Trade and other receivables as at December 31, 2012 and 2011 are as follows:

	Unit: Baht			
	Consolidated financial statement		Separate financial statement	
	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
Trade receivables				
- related parties	8,629,354	26,931	44,354	7,768,260
- others	545,437,696	400,936,787	51,629,973	124,863,376
Total	554,067,050	400,963,718	51,674,327	132,631,636
<u>Less</u> Allowance for doubtful accounts	(55,776,586)	(50,130,363)	(127,865)	(127,865)
Trade receivables - net	498,290,464	350,833,355	51,546,462	132,503,771
Other receivables				
- related parties				
Interest receivable	-	-	163,633	1,087,428
Other	40,801	4,704,913	3,079,701	6,496,128
- others				
Deposit	23,137,865	4,022,955	-	-
Accrued income	-	15,552,000	-	15,552,000
Value added tax receivables	14,971,290	15,102,137	14,969,792	14,971,533
Prepaid expenses	2,150,976	3,216,892	1,962,283	3,041,166
Advances to trade customer	2,745,565	17,606,271	580,424	778,151
Others	2,080,613	8,801,130	76,836	72,549
Total other receivables	45,127,110	69,006,298	20,832,669	41,998,955
Total trade and other receivables - net	543,417,574	419,839,653	72,379,131	174,502,726

As at December 31, 2011, the Company discounted trade receivables with a bank amounted of Baht 47.62 million.

Part of deposit of Baht 16.78 million represented cash hold by a bank to secure the banking facilities granted to the subsidiary.

As at December 31, 2012 and 2011 the Group had outstanding balances of trade receivable aged by number of months as follows:

Ages of receivable	Unit: Baht			
	Consolidated financial statement		Separate financial statement	
	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
<u>Trade Receivable – Related Parties</u>				
Not yet due	5,889,738	-	37,664	-
Past due:				
Less than 3 months	2,732,926	-	-	-
Over 3 month but not over 6 month	-	20,094	-	-
Over 12 months	6,690	6,837	6,690	7,768,260
Total trade receivable - related parties	8,629,354	26,931	44,354	7,768,260
<u>Trade Receivable - Other</u>				
Not yet due	285,199,216	168,746,303	49,556,990	87,051,173
Past due:				
Less than 3 months	136,736,536	102,266,896	1,941,640	29,079,041
Over 3 month but not over 6 month	2,448,790	15,017,840	-	108,605
Over 6 month but not over 12 month	8,028,595	12,012,357	-	6,424,547
Over 12 month	113,024,559	102,893,391	131,343	2,200,010
Total	545,437,696	400,936,787	51,629,973	124,863,376
<u>Less</u> Allowance for doubtful accounts	(55,776,586)	(50,130,363)	(127,865)	(127,865)
Total trade receivable other - net	489,661,110	350,806,424	51,502,108	124,735,511
Total trade receivable - net	498,290,464	350,833,355	51,546,462	132,503,771

As at December 31, 2012 and 2011 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	
	December 31, 2012	December 31, 2011
The allowance for doubtful accounts has been provided	55.55	49.93
Guaranteed by the director of the subsidiary amounted to		
Riggit 5.7 million (Note 7 and 32.2)	56.05	36.45
Considered as collectible	1.19	14.31
Total	112.79	100.69

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

7 RELATED PARTIES TRANSACTIONS AND BALANCES

Related parties are those parties linked to the Group and the Company as shareholders or by common shareholders or directors. Transactions with related parties are conducted at prices based on market prices or, where no market price exists, at contractually agreed prices.

Relationships with related parties that control the Company or are being controlled by the Company or have transactions with the Group were as follows:

Name of entities	Country of Incorporation/nationality	Nature of relationships
Simat Soft Co., Ltd.	Thailand	Subsidiary, 100% shareholding, and co-directors are representatives of the Company
Simat Label Co., Ltd.	Thailand	Subsidiary, 85.88% shareholding, and co-directors are representatives of the Company
E-Tech Distribution Ltd.	Thailand	Subsidiary, 51% shareholding, and co-directors are representatives of the Company
E-Tech IT Sdn, Bhd.	Malaysia	Subsidiary, 60% shareholding
E-Tech IT Frontline	Singapore	Indirect subsidiary, 60% shareholding held by E-Tech IT Sdn, Bhd.
E-Tech IT Solution	Malaysia	Indirect subsidiary, 60% shareholding held by E-Tech IT Sdn, Bhd.
Grand-flo Spitvest Sdn, Bhd.	Malaysia	Common director
Kopacklabels Press Sdn, Bhd.	Malaysia	Common director
Zeal System Sdn, Bhd.	Malaysia	Common director
Grand-flo Solution	Malaysia	Common director
Label Network Sdn, Bhd.	Malaysia	Common director
Grand-flo Eletronic Systems Sdn, Bnd	Malaysia	Common director

Sales and purchases of goods and services

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

Balances with related parties as at December 31, 2012 and 2011 are summarized below:

	Unit: Baht			
	Consolidated financial statement		Separate financial statement	
	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
<u>Trade receivable</u>				
Grand-flo Spritvest Sdn, Bhd.	7,908,173	6,837	6,690	6,837
Kopacklabels Press Sdn, Bhd.	-	20,094	-	-
E-Tech IT Sdn, Bhd.	-	-	-	7,761,423
Simat Label Co., Ltd.	-	-	37,664	-
Zeal System Sdn, Bhd.	721,181	-	-	-
Total	8,629,354	26,931	44,354	7,768,260
<u>Other receivable</u>				
Simat Label Co., Ltd.	-	-	407,201	1,021,841
Simat Soft Co., Ltd.	-	-	58,484	45,850
E-Tech IT Sdn, Bhd.	-	-	2,736,848	6,515,865
Grand-flo Solution Bhd.	40,801	-	40,801	-
Grand-flo Spritvest Sdn, Bhd.	-	4,390,086	-	-
Zeal System Sdn, Bhd.	-	314,827	-	-
Total	40,801	4,704,913	3,243,334	7,583,556
<u>Loan to related companies</u>				
Simat Label Co., Ltd.	-	-	4,900,000	5,500,000
E-Tech IT Sdn, Bhd.	-	-	-	7,122,260
Total	-	-	4,900,000	12,622,260

The Company had provided short-term loans to its subsidiary 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, 2012	December 31, 2011	December 31, 2012	December 31, 2011
<u>Trade payable</u>				
Kopacklabels Press Sdn, Bhd.	-	264,401	-	-
Grand – flo Spritvest Sdn, Bhd.	91,483	43,347	25,168	26,030
Simat Soft Co., Ltd.	-	-	4,916,115	15,052,265
Zeal System Sdn, Bhd.	2,931,776	-	-	-
Grand – flo Electronic Systems Sdn, Bhd.	81,570	-	-	-
Total	3,104,829	307,748	4,941,283	15,078,295
<u>Other payable related companies</u>				
Grand – flo Solution Bhd.	-	299,053	-	299,053
Label Network Sdn, Bhd.	-	681,611	-	-
Grand – flo Electronic Systems Sdn, Bhd.	890,998	705,232	830,113	642,262
E-Tech IT Sdn, Bhd.	-	-	-	177,692
Zeal System Sdn, Bhd.	-	1,574,422	-	-
Total	890,998	3,260,318	830,113	1,119,007
<u>Loan from related company</u>				
E-Tech Distribution Ltd.	-	-	-	1,000,000
<u>Other payable related parties</u>				
Mr. Ling Chee Kiat	37,336,845	38,317,093	-	-
Mr. Wong Teck Wei	-	45,319	-	-
Mr. Chong Eng Yeaw	-	1,397,374	-	-
Total	37,336,845	39,759,786	-	-
<u>Payable for purchase of investments</u>				
Portion due within one year				
Mr. Ling Chee Kiat	10,163,800	-	10,163,800	-
Portion due over one year but not over five years				
Mr. Ling Chee Kiat	-	10,136,400	-	10,136,400

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, 2011 of Baht 36.45 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 subsidiary in Malaysia. The Company will pay to the former shares owner who is Mr. Ling Chee Kiat within the year 2012 when the subsidiary can meet the committed profit as indicated in the Share Sale and Purchase agreement. However, Mr. Ling Chee Kiat agrees to use this money payment as the guaranteed debt to guarantee the collection of a long outstanding debtor balance of E-Tech IT Sdn, Bhd. according to the guarantee contract (Note 32.2)

Transactions with related parties for the years ended December 31, 2012 and 2011 are summarized below:

Transactions with related companies	Pricing policy	Unit: Baht			
		Consolidated financial statement		Separate financial statement	
		2012	2011	2012	2011
Sales of inventories	At market price	45,432,864	14,922,347	151,488	2,500
Dividend income	Right to receive dividends	-	-	31,584,573	23,985,245
Interest income	At the rate of 5.85%-7.25%	-	-	649,143	708,949
Purchase of inventories	At market price	3,921,855	18,558,866	280,716	655,189
Software service cost	Mutually agreed price	-	-	22,049,000	34,561,500
Other expenses	At cost	212,436	747,046	212,436	778,122

8 INVENTORIES –NET

Inventories as at December 31, 2012 and 2011 are as follows:

	Unit: Baht			
	Consolidated financial statement		Separate financial statement	
	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
Finished goods	86,634,103	64,729,913	44,540,104	30,271,733
Work in process	616,599	645,889	-	-
Raw materials	2,274,582	1,208,420	-	-
Spare parts	3,412,230	3,113,743	3,412,230	3,113,743
Goods in transit	-	32,955,496	-	32,955,496
Total	92,937,514	102,653,461	47,952,334	66,340,972
<u>Less</u> Allowance for decline				
values of inventories	(6,029,395)	(5,908,739)	(3,600,632)	(3,488,817)
Inventories – net	86,908,119	96,744,722	44,351,702	62,852,155

9 RESTRICTED DEPOSITS WITH BANKS

As at December 31, 2012 and 2011, the Company's fixed deposits totaling Baht 114.66 million and Baht 96.29 million, respectively in consolidated financial statements and Baht 38.15 million and Baht 43.88 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 for the Company and its subsidiaries. These fixed deposits bear interest at 0.95% - 3.30% per annum and 1.00% - 3.00% per annum, respectively.

10 INVESTMENTS IN ASSOCIATED COMPANIES AND SUBSIDIARY COMPANIES

Investments in and associated companies and subsidiary companies as at December 31, 2012 and 2011 are as follows:

		Unit: Thousand Baht							
		Consolidated financial statement							
Type of business		Paid-up capital		% of share holding		Cost method		Equity method	
		Dec 31, 2012	Dec 31, 2011	Dec 31, 2012	Dec 31, 2011	Dec 31, 2012	Dec 31, 2011	Dec 31, 2012	Dec 31, 2011
<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	24,515	25,114
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	-	40.00	-	2,879	-	4,124
Total investment in associated companies						21,274	24,153	24,515	29,238
		Unit: Thousand Baht							
		Separate financial statement							
Type of business		Paid-up capital		% of share holding		Cost method		Cash dividend	
		Dec 31, 2012	Dec 31, 2011	Dec 31, 2012	Dec 31, 2011	Dec 31, 2012	Dec 31, 2011	Dec 31, 2012	Dec 31, 2011
<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	2,214	2,005
Total investments in associated company						21,274	21,274	2,214	2,005
<u>Subsidiary companies</u>									
Simat Soft Co. Ltd.	Produce, develop, modify and sales of software	3,000	3,000	100.00	100.00	3,000	3,000	29,370	21,980
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	31,584	23,985

On September 14, 2012, a subsidiary disposed the investment of High Rich Trading and Services Corporation, a company incorporated in Vietnam of 42,800 shares in amount of USD 150,000 or Baht 4.7 million to Label Network Sdn, Bhd. (Malaysia).

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 67.75 million. 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.

The financial statements for the years ended December 31, 2012 and 2011 of E-Tech IT Sdn. Bhd. were audited by SJ GRANT THORNTON. The aggregate amounts of the subsidiary company as at December 31, 2012 can be summarized as follows:

	Unit: Million Baht	
	2012	2011
Assets	602	401
Liabilities	509	359
Revenues	1,798	745
Net profit (loss)	50	(20)
Net profit (loss) attributable to the Company	30	(12)

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 40% shares of High Rich Trading and Services Corporation, a company incorporated in Vietnam.

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 in the consolidated financial statement for the year period ended December 31, 2012 and 2011 can be summarized as follows:

	Unit: Million Baht	
	2012	2011
Assets	36	38
Liabilities	18	13
Revenues for the year ended December 31,	82	74
Net profit for the year ended December 31,	5	8
Net profit attributable to the Company	2	3

The Company and subsidiaries recorded share of profits from investments using equity method in the consolidated financial statements based on the financial statements of associated companies which were audited by DTL Auditing Company.

11 PROPERTY, PLANT AND EQUIPMENT - NET

During the year ended December 31, 2012, the Company and subsidiary company have following movements in the property, plant and equipment - net:

	Unit: Baht				As at December 31, 2012
	Consolidated financial statement				
	As at January 1, 2012	Movement during the year		Translation adjustment	
	Increase	Decrease			
<u>Cost</u>					
Office equipment	24,262,622	7,508,490	(284,600)	(36,970)	31,449,542
Tools and equipments	18,019,036	4,238,516	(23,870)	-	22,233,682
Furniture and fixture	15,571,336	-	-	470	15,571,806
Motor vehicles	29,023,825	7,500,000	(2,451,000)	(164)	34,072,661
Machineries	18,781,719	1,262,600	-	-	20,044,319
Toal	105,658,538	20,509,606	(2,759,470)	(36,664)	123,372,010
<u>Accumulated depreciation</u>					
Office equipment	(17,425,495)	(3,957,043)	284,597	16,931	(21,081,010)
Tools and equipments	(14,832,490)	(2,435,044)	698	-	(17,266,836)
Furniture and fixture	(11,926,286)	(1,798,391)	-	1,331	(13,723,346)
Motor vehicles	(19,518,724)	(4,488,682)	2,450,996	3,861	(21,552,549)
Machineries	(4,334,401)	(1,312,620)	-	-	(5,647,021)
Total	(68,037,396)	(13,991,780)	2,736,291	22,123	(79,270,762)
Net book balue	37,621,142				44,101,248
<u>net</u>					
Owned assets	32,980,331				34,971,223
Assets under finance leases	4,640,811				9,130,025
Property, plant and equipment - net	37,621,142				44,101,248
Depreciation for the year 2012					13,991,780
Depreciation for the year 2011					13,976,973

For the years ended December 31, 2012, a subsidiary completely processed the sales of land and building, which was presented as non-current asset to a third party totaling Ringgit 5.2 million. The subsidiary recorded gain on sales as other income of Baht 3.60 million in statement of comprehensive income for the year.

As at December 31, 2012 and 2011, the Group's equipment and vehicles amounting to Baht 12.42 million and Baht 23.23 million, respectively, are fully depreciated but still in use.

	Unit: Baht			As at December 31, 2012
	Separate financial statement			
	As at	Movement during the year		
	January 1, 2012	Increase	Decrease	
<u>Cost</u>				
Office equipment	15,666,719	811,656	(284,600)	16,193,775
Tools and equipments	16,813,900	4,172,841	(23,870)	20,962,871
Furniture and fixtures	12,695,634	-	-	12,695,634
Motor vehicles	25,782,846	7,500,000	(2,451,000)	30,831,846
Total	<u>70,959,099</u>	<u>12,484,497</u>	<u>(2,759,470)</u>	<u>80,684,126</u>
<u>Accumulated Depreciation</u>				
Office equipment	(14,127,811)	(815,443)	284,597	(14,658,657)
Tools and equipments	(13,742,097)	(2,352,042)	697	(16,093,442)
Furniture and fixtures	(10,777,749)	(1,431,200)	-	(12,208,949)
Motor vehicles	(17,652,034)	(3,916,234)	2,450,996	(19,117,272)
Total	<u>(56,299,691)</u>	<u>(8,514,919)</u>	<u>2,736,290</u>	<u>(62,078,320)</u>
Net book balue	<u>14,659,408</u>			<u>18,605,806</u>
Equipment - net				
Owned assets	11,180,077			9,475,781
Assets under finnance leases	3,479,331			9,130,025
Equipment - net	<u>14,659,408</u>			<u>18,605,806</u>
Depreciation for the year 2012				<u>8,514,919</u>
Depreciation for the year 2011				<u>9,481,305</u>

As at December 31, 2012 and 2011, the Company's equipment and vehicles amounting to Baht 12.42 million and Baht 23.23 million, respectively, are fully depreciated but still in use.

12 SOFTWARE DEVELOPMENT COST FOR SALE

During the year ended December 31, 2012, the Company and subsidiary company have following movement in software development cost for sale:

	Unit: Baht			
	Consolidated and Separate financial statement			
	As at January 1, 2012	Movement during the year		As at December 31, 2012
	Increase	Decrease		
Cost	40,470,435	410,897	-	40,881,332
Accumulated Depreciation	(26,728,077)	(5,900,921)	-	(32,628,998)
Equipment for lease - net	13,742,358			8,252,334

13 SOFTWARE DEVELOPMENT COST FOR SALES

During the year ended December 31, 2012, the Company has developed software for sales. Movements in software development cost for sales during the year were as follows:

	Unit: Baht			
	Consolidated and Separate financial statement			
	As at January 1, 2012	Movement during the year		As at December 31, 2012
	Increase	Decrease		
Software cost for sales	4,645,845	3,518,731	(4,645,845)	3,518,731
Software under development	3,521,276	-	(3,521,276)	-
Accumulated Depreciation	(1,124,569)	(702,975)	1,124,569	(702,975)
Software development for sales	7,042,552			2,815,756
<u>Less</u> Allowance for impairment	(3,521,276)			-
Software development for sales - net	3,521,276			2,815,756

14 PROJECT COST - OPTICAL FIBER SYSTEM FOR LEASE

Project cost – optical fiber system for lease, which is under installation, as at December 31, 2012 and December 31, 2011 consists of:

	Unit: Baht	
	Consolidated and separate financial statement	
	December 31, 2012	December 31, 2011
Equipment and installation cost	400,287,576	287,498,483
Financial cost	33,954,981	10,327,297
Total	434,242,557	297,825,780

In year 2011, the Company has entered into the service contract for rental of optical fiber cable network equipment in Nakornratchasima and Chiangmai province to CAT Telecom Public Company Limited with the term of 60 months. 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.

The Company is committed to provide service under the contract. However, the commitment of this contract has ended since February 22nd, 2013 (Note 32.3)

Financial cost of Baht 22.99 million and Baht 5.15 million have been capitalized as cost of the project in 2012 and 2011 respectively.

15 BANK OVERDRAFT AND SHORT-TERM LOAN FROM FINANCIAL INSTITUTION

Bank overdraft and short-term loan from financial institution as at December 31, 2012 and 2011 are as follows:

	Unit: Baht			
	Consolidated financial statement		Separate financial statement	
	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
Bank overdraft	6,818,149	21,350,449	-	9,916,117
Trust receipt	155,059,476	130,980,023	14,441,558	16,465,404
Factoring payable	-	42,859,496	-	42,859,496
Promissory notes	-	14,301,694	-	14,301,694
Total bank overdraft and short-term loan from financial institution	161,877,625	209,491,662	14,441,558	83,542,711

Bank overdraft and short-term loan from financial institution as at December 31, 2012 and 2011 bear interest at the rate of 5.18% - 8.60% per annum and 4.10% - 8.60% per annum respectively. These are secured by the pledge 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.

16 TRADE AND OTHER PAYABLES

Trade and other payables as at December 31, 2012 and 2011 are as follow:

	Unit: Baht			
	Consolidated financial statement		Separate financial statement	
	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
Trade payables				
- related parties	3,104,829	307,748	4,941,283	15,078,295
- others	269,322,155	170,911,559	24,821,692	63,463,763
Total trade payables	<u>272,426,984</u>	<u>171,219,307</u>	<u>29,762,975</u>	<u>78,542,058</u>
Other payables				
- related companies	890,998	3,260,318	830,113	1,119,007
- related parties	37,336,845	39,759,786	-	-
- others				
Deferred revenues	18,786,959	15,701,007	11,065,190	9,007,085
Accrued expenses	70,034,001	24,594,127	5,200,559	9,012,484
Accrued income tax	6,299,891	5,380,412	2,087,285	5,237,235
Deposit received	-	14,482,293	-	-
Other	4,696,490	2,985,398	640,531	862,845
Total other payables	<u>138,045,184</u>	<u>106,163,341</u>	<u>19,823,678</u>	<u>25,238,656</u>
Total trade and other payables - net	<u><u>410,472,168</u></u>	<u><u>277,382,648</u></u>	<u><u>49,586,653</u></u>	<u><u>103,780,714</u></u>

17 CREDIT FACILITIES

As at December 31, 2012 and 2011, the Company and its subsidiaries have the credit facilities with financial institution as below:

Type of credit limit	Unit: Million Baht			
	Consolidated financial statement			
	December 31, 2012		December 31, 2011	
	Limit	Interest rate	Limit	Interest rate
Bank overdraft	29	5.18% - 8.60%	29	4.50% - 8.60%
Liabilities under trust receipt agreements, letters of credit, and others	114	3.90% - 8.60%	143	4.10% - 8.60%
Factoring of accounts receivable for governmental project	394	8.10% + 0.15% of sinking fund which allotted from 1.5% of collected	394	8.10% + 0.15% of sinking fund which allotted from 1.5% of collected
Factoring of accounts receivable	105	6.90% - 7.40%	45	7.50%
Forward exchange contract	71	-	73	-
Long-term loans	410	SPRL+0.75% per annum, 7.25% per annum and MLR-2% per annum	455	SPRL+0.75% per annum, 7.25% per annum and MLR-2% per annum

Type of credit limit	Unit: Million Baht			
	Separate financial statement			
	December 31, 2012		December 31, 2011	
	Limit	Interest rate	Limit	Interest rate
Bank overdraft	20	5.18%	20	4.50%
Liabilities under trust receipt agreements, letters of credit, and others	35	3.90%	35	4.10 %
Factoring of accounts receivable	105	6.90% - 7.40%	45	7.50%
Forward exchange contract	41	-	43	-
Long-term loans	410	SPRL+0.75% per annum, 7.25% per annum and MLR-2% per annum	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 and the transfers of the right to receive rental payment under the lease contracts (Note 14).

18 LIABILITIES UNDER FINANCIAL LEASE AGREEMENTS – NET

Liabilities under financial lease agreements as at December 31, 2012 and 2011 are as follows:

	Unit: Baht			
	Consolidated financial statement		Separate financial statement	
	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
Due not later than one year				
Minimum payments	2,545,107	1,930,893	2,174,616	1,552,936
Deferred interest	(377,525)	(184,307)	(356,730)	(141,680)
Liabilities under financial lease – net	<u>2,167,582</u>	<u>1,746,586</u>	<u>1,817,886</u>	<u>1,411,256</u>
Due later than one year but not later than five				
Minimum payments	5,329,867	1,918,534	5,175,849	1,394,038
Deferred interest	(454,938)	(122,646)	(452,671)	(99,622)
Liabilities under financial lease – net	<u>4,874,929</u>	<u>1,795,888</u>	<u>4,723,178</u>	<u>1,294,416</u>

19 LONG-TERM LOANS FROM FINANCIAL INSTITUTION – NET

Long-term loans from financial institution as at December 31, 2012 and 2011 are as follows:

	Unit: Baht			
	Consolidated financial statement		Separate financial statement	
	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
Long-term loans from banks	285,505,592	253,269,979	285,505,592	225,168,833
<u>Le current portion of long-term loans from financial institutions</u>	<u>(78,165,205)</u>	<u>(107,711,960)</u>	<u>(78,165,205)</u>	<u>(106,499,920)</u>
Total long-term loans - net	<u>207,340,387</u>	<u>145,558,019</u>	<u>207,340,387</u>	<u>118,668,913</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 of 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 the first repayment in October 2012. 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 of lease contract of the optical fiber cable network equipment in Nakornratchasima province having with CAT Telecom Public Company Limited. The interest rate is at THBFIX +3.16% per annum and the minimum principal repayment of Baht 1.5 million per month will be made starting the first repayment in September 2012 and Baht 2 million per month from October 2012 to June 2017. 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. The Company entered into the interest rate swap agreements with the bank on the loan credit line amount. The Company is committed to pay a fixed interest rate of 7.25% per annum in exchange for an interest rate at THBFIX +3.16% per annum throughout the term of the loan.

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 this loan guaranteed by the Company and the subsidiary's shareholders for Ringgit 1.81 million and Ringgit 1.20 million. The subsidiary company has already fully repaid the principal and interest in the 2nd quarter of 2012.

20 EMPLOYEE BENEFIT

Movements of the present value of employee benefits obligation for the years ended December 31, 2012 and 2011 are as follows:

	Unit: Baht			
	Post-employment benefit plan			
	Consolidated financial statements		Separate financial statements	
	December 31, 2012	December 31, 2011 (restated)	December 31, 2012	December 31, 2011 (restated)
Employee benefit obligations at beginning				
as at January 1,	3,477,127	2,481,812	3,477,127	2,481,812
Employee benefit expenses in the statements of comprehensive income:				
Current service cost	283,889	901,897	161,738	901,897
Interest from obligation	138,857	93,418	138,857	93,418
Employee benefits paid	-	-	-	-
Actuarial loss	-	-	-	-
Employee benefit obligations at ending				
as at December 31,	3,899,873	3,477,127	3,777,722	3,477,127

Employee benefit obligations in the statement of financial position as at December 31, 2012 and 2011 consisted of:

	Unit: Baht			
	Post-employment benefit plan			
	Consolidated financial statements		Separate financial statements	
	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
Present value of obligation	3,899,873	3,477,127	3,777,722	3,477,127
Fair value of plan assets	-	-	-	-
Employee benefit obligations				
in the statements of financial position	3,899,873	3,477,127	3,777,722	3,477,127

The principal actuarial assumptions used were as follows;

	2012
Discount rate	Estimated from weighted average of yield rate of government bonds as at the end of reporting date that reflects the estimated timing of benefit payments.
Future salary increases	5.00% p.a for all employees
Employee turnover	Age-related scale from 0-95%
Mortality	Estimated from mortality table for the year 2008 of the Office of Insurance Commission.

21 SHARE CAPITAL

21.1 On January 11, 2012, the Company registered the increase of the paid-up share capital from Baht 166,200,000 to Baht 166,201,500 since the warrant holder to purchase the Company's common share (SIMAT-W1) has exercised their right to transform the warrant 1,500 units to the Company's common share of 1,500 shares and the Company received the share payment for Baht 2,250.

21.2 On May 4, 2012, the Company issued the warrants to purchase the Company's ordinary shares offering to directors and employees of the Company (ESOP) of 5,000,000 units with the price of Baht 0.00 per unit, the exercise price at Baht 1.80, warrant term is within 5 years at the rate of one warrant for one share.

21.3 On May 8, 2012, the Company registered the decrease of the registered capital from Baht 218,710,000 to Baht 207,750,000 by deleting the unsold shares of 10,960,000 shares with the par value of Baht 1 each.

21.4 On May 10, 2012, the Company registered the increase of the registered capital from Baht 207,750,000 to Baht 249,525,000 by issuing ordinary shares of 41,775,000 shares with the par value of Baht 1 each in order to accommodate for the issuance of stock dividend of 16,620,150 shares, the right adjustment of warrant (SIMAT-W1) of 4,154,850 shares, the exercise of ESOP warrant of 5,000,000 shares and the capital increase by general mandate of 16,000,000 shares.

21.5 On May 24, 2012, the Company issued the stocks dividend of 16,620,127 shares with a par value of Baht 1 each.

At the Annual Shareholders Meeting for 2012 held on April 27, 2012, the meeting resolved to approve the cancellation of the previous ESOP warrants offering to the Company's director/employee of 2,650,000 units and approved the Company to process according to those mentioned in 21.2 to 21.5 above.

21.6 At the Annual Shareholders Meeting for 2011 held on April 22, 2011, the meeting passed the resolutions as below:

- 21.6.1 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.
- 21.6.2 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.
- 21.6.3 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.
- 21.7 At the Extraordinary Shareholder's Meeting No. 1/2011 held on July 29, 2011, the meeting passed the significant resolutions as below:
- 21.7.1 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.
- 21.7.2 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.
- 21.7.3 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.
- 21.7.4 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 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 2.73 million and Baht 2.46 million during the years 2012 and 2011, respectively. The legal reserve is non - distributable for dividends.

23 DIVIDEND

At the Annual Shareholders Meeting for 2012 held on April 27, 2012, the meeting passed the resolution to pay a stock dividend at ratio of 10 existing share for 1 stock dividend or not exceed 16.62 million shares with a par value of Baht 1 each and to pay cash dividend at the rate of Baht 0.0112 per share or not exceed Baht 1.86 million and the dividend payment was made on May 24, 2012.

At the subsidiary's Annual General Shareholders' Meeting (Simat Soft Co., Ltd.) for the year 2012 held on April 29, 2012, the shareholders passed a resolution to pay cash dividends at the rate of Baht 113.02 per shares totaling Baht 12.90 million.

At the subsidiary's Board of Directors' Meeting (Simat Soft Co., Ltd.) No. 2/2012 held on December 11, 2012, the meeting passed a resolution to pay cash dividends for the profit from January to November 2012 at the rate of Baht 54.90 per shares totaling Baht 16.47 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 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 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.

Significant expenses by nature are as follows:

	Unit: Thousand Baht			
	Consolidated financial statement		Separate financial statement	
	2012	2011	2012	2011
Changes in inventories	(23,290)	23,944	(14,567)	8,926
Purchase of goods	1,912,318	893,641	210,789	222,299
Salary and wages and other employee benefits	85,876	74,435	54,800	44,800
Depreciation and amortisation	20,640	18,818	15,155	14,290
Doubtful Debts (reversal)	8,597	28,742	-	(482)
Impairment loss on inventories	2,925	3,727	112	1,361
Cost of warranty	15,859	15,170	15,859	15,170
Rental expense	9,020	5,895	5,577	4,098
Purchase of software	802	2,370	22,851	36,931
Loss (gain) from disposal of property and equipment	(4,083)	76	(486)	(131)
Share-based payment	3,422	-	3,422	-

Basic and diluted earnings per share are calculated as follows:

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Net profit attributable to shareholders				
of the parent (Baht)	75,288,286	47,285,461	54,360,619	49,247,377
Number of ordinary share outstanding				
at beginning of year	166,200,000	83,100,000	166,200,000	83,100,000
Effect of shares issued during the year	10,353,522	29,824,932	10,353,522	29,824,932
Effect of exercised warrants	1,500	-	1,500	-
Weighted average number of ordinary shares				
outstanding during the year	176,555,022	112,924,932	176,555,022	112,924,932
Basic earnings per share (Baht)	0.43	0.42	0.31	0.44
Number of ordinary shares outstanding (basic)	176,555,022	112,924,932	176,555,022	112,924,932
Effect of warrants to be exercised	39,059,021	2,765,304	39,059,021	2,765,304
Weighted average number of ordinary shares				
outstanding during the year (diluted)	215,614,043	115,690,236	215,614,043	115,690,236
Diluted earnings per share (Baht)	0.35	0.41	0.25	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, 2012 and 2011, the Company and local subsidiaries contributed a total of Baht 0.81 million and Baht 0.50 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 follow:

Unit : Million Baht				
Consolidated financial statement				
2012				
Non – interest				
	Floating rate	Fixed rate	bearing	Total
<u>Financial assets/liabilities</u>				
Cash and cash equivalents	1.46	0.02	33.87	35.35
Restricted deposits with banks	-	114.32	0.34	114.66
Bank overdraft and short-term loan				
from financial instution	161.88	-	-	161.88
Long-term loan from				
financial institution	178.96	106.55	-	285.51

Unit: Million Baht				
Consolidated financial statement				
2011				
Non – interest				
	Floating rate	Fixed rate	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			
	Separate financial statement			
	2012			
	Non – interest			
	Floating rate	Fixed rate	bearing	Total
<u>Financial assets/liabilities</u>				
Cash and cash equivalents	17.89	0.02	1.46	19.37
Restricted deposits with banks	-	37.81	0.34	38.15
Bank overdraft and short-term loan				
from financial institution	14.44	-	-	14.44
Long-term loan from				
financial institution	178.96	106.55	-	285.51

	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 institution	83.54	-	-	83.54
Long-term loan				
financial institution	111.12	114.05	-	225.17

Financial assets with fixed interest rates as of December 31, 2012 and 2011, and the period of time from the balance sheet date to their maturity dates are as follows:

Unit: million Baht					
Consolidated financial statement					
2012					
At call	1 - 6 months	7 - 12 months	Over 1 year	Total	Interest rate
<u>Financial assets/liabilities</u>					
Fixed deposits with banks	-	0.02	-	-	0.02 0.95%-3.18%
Restricted deposits with banks	-	114.32	-	-	114.32 0.95%-3.18%
Long-term loan	-	-	-	106.55	106.55 7.25%

Unit: million Baht					
Consolidated financial statement					
2011					
At call	1 - 6 months	7 - 12 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					
Separate financial statement					
2012					
At call	1 - 6 months	7 - 12 months	Over 1 year	Total	Interest rate
<u>Financial assets/liabilities</u>					
Fixed deposits with banks	-	0.02	-	-	0.02 0.95%-3.18%
Restricted deposits with banks	-	37.81	-	-	37.81 0.95%-3.18%
Long-term loan	-	-	-	106.55	106.55 7.25%

Unit: million Baht					
Separate financial statement					
2011					
At call	1 - 6 months	7 - 12 months	Over 1 year	Total	Interest rate
<u>Financial assets/liabilities</u>					
Fixed deposits with banks	-	0.25	-	-	0.25 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%

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

Segment information is presented in respect of the Group's geographic segments based on the Group's management and internal reporting structure.

Segment results and assets include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise corporate assets and expenses.

In presenting information on the basis of geographical segments, segment revenue is based on the geographic location of customers.

Segment expenses are allocated based on the related revenue from sale of goods.

Segment assets are based on the geographical location of the assets.

Business segments

The Company segmental information is divided into the enterprise data collection, production and sales of label and the distributor of computer hardware in Malaysia as presented in the financial statements for the years ended December 31, 2012 and 2011 as follows:

Unit: Thousand Baht					
Consolidated financial statement					
For the year ended December 31, 2012					
	Production		Distribution		
	Enterprise	and sales of	Total	of computer	
	data collection	label	Domestic	hardware in	Total
				Malaysia	
Revenues	376,469	48,365	424,834	1,798,175	2,223,009
Cost of sales and services	(257,235)	(37,486)	(294,721)	(1,663,184)	(1,957,905)
Gross profit	119,234	10,879	130,113	134,991	265,104
Gain (loss) on exchange rate	966	26	992	560	1,552
Other income	626	1,725	2,351	7,284	9,635
Income before expenses	120,826	12,630	133,456	142,835	276,291
Selling expenses	(15,366)	(684)	(16,050)	(8,409)	(24,459)
Administrative expense	(54,735)	(8,050)	(62,785)	(61,574)	(124,359)
Total expenses	(70,101)	(8,734)	(78,835)	(69,983)	(148,818)
Income before finance cost and income tax	50,725	3,896	54,621	72,852	127,473
Finance cost	(2,192)	(457)	(2,649)	(11,980)	(14,629)
Share of profit of investments in associated companies	1,978	-	1,978	-	1,978
Income before income tax	50,511	3,439	53,950	60,872	114,822
Income tax	(8,169)	-	(8,169)	(9,802)	(17,971)
Net profit	42,342	3,439	45,781	51,070	96,851
Income attributable to Equity holders of the Company					75,288
Non-controlling interests					21,563
					96,851
Total assets	707,116	32,630	739,746	602,107	1,341,853

Unit: Thousand Baht					
Consolidated financial statement					
For the year ended December 31, 2011					
	Enterprise	Production	Total	Distribution	
	data collection	and sales of	Domestic	of computer	Total
		label		hardware in	
				Malaysia	
Revenues	418,235	27,837	446,072	744,828	1,190,900
Cost of sales and services	(281,221)	(23,578)	(304,799)	(668,270)	(973,069)
Gross profit	137,014	4,259	141,273	76,558	217,831
Gain (loss) on exchange rate	235	(157)	78	315	393
Other income	1,371	123	1,494	1,515	3,009
Income before expenses	138,620	4,225	142,845	78,388	221,233
Selling expenses	(15,128)	(207)	(15,335)	(6,456)	(21,791)
Administrative expense	(53,786)	(6,229)	(60,015)	(75,543)	(135,558)
Total expenses	(68,914)	(6,436)	(75,350)	(81,999)	(157,349)
Income before finance cost					
and income tax	69,706	(2,211)	67,495	(3,611)	63,884
Finance cost	(2,348)	(292)	(2,640)	(12,376)	(15,016)
Share of profit of investments					
in associated companies	3,176	-	3,176	-	3,176
Income before income tax	70,534	(2,503)	68,031	(15,987)	52,044
Income tax	(9,243)	-	(9,243)	(4,070)	(13,313)
Net profit	61,291	(2,503)	58,788	(20,057)	38,731
Income attributable to					
Equity holders of the Company					47,285
Non-controlling interests					(8,554)
					38,731
Total assets	690,531	29,339	719,870	401,066	1,120,936

29 INCOME TAX

Income tax for the period is calculated by net profit after adjustment of non-tax allowable expenses or the tax-exempted revenue multiplied by the tax rate as specified by the Revenue Code.

	Unit: Baht			
	Consolidated financial statement		Seperate financial statement	
	2012	2011	2012	2011
Net income before tax	114,821,591	52,044,161	62,529,698	58,490,129
<u>Add</u>				
Non-allowable expenses	22,631,470	37,702,485	8,344,394	5,414,017
Net income (loss) from a subsidiary	(3,368,804)	2,577,060	-	-
<u>Less</u>				
Tax exempted income	(39,944,195)	(6,123,422)	(35,356,358)	(26,933,139)
BOI privilege income from a subsidiary company	(19,382,547)	(32,929,196)	-	-
Net taxable income	74,757,515	53,271,088	35,517,734	36,971,007
Income tax	17,970,706	13,313,142	8,169,079	9,242,752

Income tax rates for the period 2012 and 2011 are as follows:

	2012	2011
The Company and subsidiaries in Thailand	15 - 23%	15 - 30%
Subsidiary in Malaysia	25%	25%

The subsidiary company, Simat Soft Company Limited, obtained promotional privileges from the Board of Investment under the Investment Promotion Act, B.E. 2520 for the business of 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.

30 COMMITMENTS

Service contract commitments with Airports of Thailand Public Company Limited

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. 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.

Service contract commitments with CAT Telecom Public Company Limited

In year 2011, the Company has entered into the service contract for rental of optical fiber cable network equipment in Nakornratchasima and Chiangmai province to CAT Telecom Public Company Limited. The term is 60 months. However, this commitment has ended since February 22nd, 2013 (Note 32.3)

Service contract 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. However, this commitment has ended since February 22nd, 2013 (Note 32.3)

Corporate guarantee

As at December 31, 2012, 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 and interest due to the financial institution.

Bank guarantee

As at December 31, 2012, 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.

Capital commitments

As at December 31, 2012 and 2011, the Company has significant commitment for purchase equipment summarized as follow:

	Unit: Thousands Baht	
	Consolidated and separate financial statement	
	December 31, 2012	December 31, 2011
Contractual amount	520,000	520,000
Payment made	(434,243)	(297,826)
Balance	85,757	222,174

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: Thousands Baht	
	Consolidated financial statement	Separate financial statement
Due within 1 year	5,078	3,807
Due over 1 year but not over 5 years	1,693	1,269
Total	6,771	5,076

31 RESERVE FOR SHARE-BASED PAYMENT

The Company issued and sold the ESOP warrant allocated to Directors/Executives or employees and the details of warrant are as follows:

Type of Warrant	: The warrant to purchase the Company's ordinary shares with specified the holder's name and non-transferable
Issuance and Offering Date	: May 4, 2012
Issuing units	: 5,000,000 units
Term of Warrant	: 5 Years
Exercise Price	: 1.6364 Baht per share
Exercise Ratio	: 1 unit of warrant for 1.10 ordinary shares
Exercise Period	: The holder can exercise the warrant every 1 year from issuing date and not exceed 20% of the total allocated warrants per year. The unexercised warrants can be accumulated to exercise by next year.
Exercise Date	: The last working day of every month throughout the warrant term

As at 31 December 2012, the total outstanding ESOP warrants is 5,000,000 units.

32 Events after the reporting period

- 32.1 The Company registered the paid-up share capital from Baht 182,821,627 to Baht 183,087,855 to the Ministry of Commerce on January 10, 2013 since the warrant holders exercised their rights to purchase the Company's common share for 239,500 units or equivalent to 266,228 shares on December 28, 2012.
- 32.2 On February 22nd, 2013, Mr. Ling Chee Kiat, a director of E-Tech IT Sdn, Bhd. (subsidiary), and the Company jointly do the guarantee contract with the term of 1 year in order to guarantee the collection of a long outstanding debtor balance of E-Tech IT Sdn, Bhd with the guaranteed money of 2 million ringgit or equivalent to Baht 20 million which comprises of the cash of Baht 10 million from Mr. Ling Chee Kiat, already deposited to the Company, and the money for purchase of investments payable to Mr. Ling Chee Kiat (Note 7) which Mr. Ling Chee Kiat agrees to use this money payment as the guaranteed debt.
- 32.3 On February 22nd, 2013, the Company cancelled the service contract for rental of optical fiber cable network equipment in Nakornratchasima and Chiangmai province with CAT Telecom Public Company Limited ("CAT") since CAT has not proceeded the receipt of project according to the condition of the contract and ignored to take any action to comply with the contract although the Company has sent the warning letter to CAT several times. Therefore, the Company reserves the right to cancel the contract and the cancellation letter has been already sent to CAT.
- 32.4 On February 26nd, 2013, the Company signed the Memorandum of Understanding (MOU) with TOT Public Company Limited for the project of marketing cooperation to increase the potentiality of the Hi-Speed internet services in order to be a partnership to provide the hi-speed internet through the fiber network (FTTx) and both parties will sign the sale and purchase of internet account contract within 90 days from the signing date of this MOU.
- 32.5 At the Board of Directors' Meeting No. 1/2013 on February 26th, 2013, the meeting approved the allotment of newly issued shares under a general mandate by issue and offer 16,000,000 newly issued common shares of the Company to the specific persons with the offering price of Baht 7.93 per share and the subscription period is between February 26th, 2013 – March 4th, 2013. The Company shall register the capital increase with the Ministry of Commerce upon receipt of the share payment.
- 32.6 At the Board of Directors' Meeting No. 2/2013 on February 27th, 2013, the meeting approved to propose to the Annual General Shareholder's Meeting for the year 2013 to consider and approve the followings.
- 32.6.1 Issue stock dividend to shareholders not exceeding 66,362,618 shares with the par value of Baht 1 per share at the ratio of 3 existing shares to 1 stock dividend or equivalent to Baht 66,362,618 representing a dividend payment rate of Baht 0.3333 per share and cash dividend at the rate of Baht 0.0371 per share or not exceeding Baht 7,386,000.
- 32.6.2 The capital increase by General Mandate by issuing the new ordinary shares of 18,000,000 shares, at the par value of Baht 1 each to the specific persons.

- 32.6.3 Increase of the registered capital for Baht 102,482,990, divided into 102,482,990 common shares at the par value of Baht 1 each, from the existing registered capital of Baht 249,525,000 to Baht 352,007,990 at the par value of Baht 1 each to accommodate the allocation of the stock dividend, the right adjustment of the warrant (SIMAT-W1), the right adjustment of ESOP warrant and the capital increase by General Mandate.

33 RECLASSIFICATION OF ACCOUNTS

The Group has reclassified certain accounts in the financial statements for the years ended December 31, 2011 to conform to the presentation of the financial statements of this period as follow:

	Unit: Thousands Baht					
	Consolidated financial statements			Separate financial statements		
	Before reclassification	Reclassification	After reclassification	Before reclassification	Reclassification	After reclassification
<u>Statement of comprehensive income</u>						
Management remunerations	17,838	(17,838)	-	9,589	(9,589)	-
Administrative expenses	117,720	17,838	135,558	43,401	9,589	52,990

34 APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved by the Company's authorized directors on February 27, 2013.