



Vision

We aim to be a leader in the business of providing the Total Information Technology solution Services in Thailand to develop the sustainable business and to grow together with the development of Thailand's Information Technologies to become modern and growth and to develop the telecommunication infrastructure to accommodate the people for using internet and access to information rapidly in order to improve the competitive potentiality of the country with the principle of good governance and social responsibility.

Mission

- To expand the capability of the fiber optic network in Nakornratchasima and Chiangmai to accommodate the consumer to use the hi-speed internet service with quality and stability and to expand the network to service in other provinces
- To develop the software "Cloud Solution" to provide service for the Transport and Logistic business and other businesses such as service business
- To expand the customer base of the Total IT Solution Service to cover the retail business and increase the maintenance service coverage throughout the country
- To develop the label product to become high quality and meet specific qualification required by customer in electric appliance and electronic business
- To expand to the relevant business by merger and acquisition

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General Information

Company

Name	Simat Technologies Public Company Limited
Nature of business	To provide total Information Technologies services including sales of hardware, software development and nationwide maintenance services and To provide high-speed internet through fiber optic network
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 275,974,021 (275,974,021 common shares at par value of Baht 1 each) Share registered: 352,007,990 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 Ms. Nuntawan Pathomwattanakij Tel : (66) 0 2326 0999 ext. 1211, 1213 Fax : (66) 0 2326 1014
Company website	www.simat.co.th

Subsidiary companies

Name	Simat Soft Company Limited
Nature of business	Develop program computer
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	To provide services of design, develop and conversion of printed objects with glue for customer in manufacturers of electric appliance and electronics with provision and development of specific raw materials and design of production process to meet the specific requirements of the customer need
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	Simat Telecom Company limited (Formerly "E-Tech Distribution")
Nature of business	To provide maintenance services of fiber optic network
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	100%

Subsidiary companies

Name	E-Tech IT Sdn., Bhd. (Malaysia)
Nature of business	Wholesale of computer equipments including computer, notebook, printer and others with big project sales such as government or multinational companies in Malaysia. Sales is done directly or through System Integrator or SI
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 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 โทรศัพท์ : (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 and maintenance services
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%

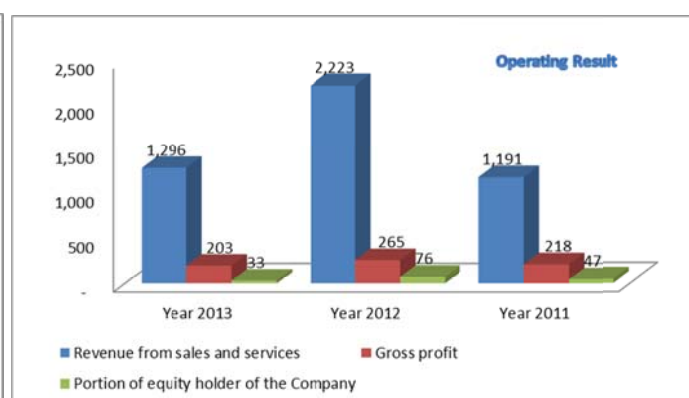
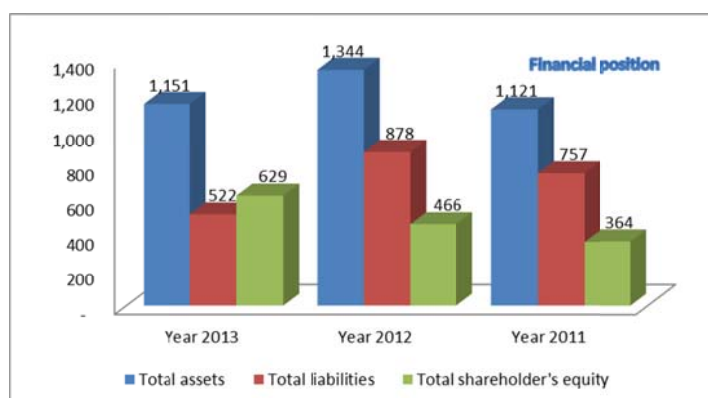
Associate companies

Name	Visun Technologies And Investment Joint Stock Company
Nature of business	Sales of hardware and maintenance service
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	2013	2012	2011
Unit : Baht Million			
Revenues from sales and services	1,296	2,223	1,191
Gross profit	203	265	218
Net profit	33	76	47
Total assets	1,151	1,344	1,121
Shareholders' equity	629	466	364
Unit : Baht			
Par value	1	1	1
Earnings per share	0.12	0.30	0.42
Dividends per share	0.11*	0.37	0.11
Total assets per share	4.15	7.60	6.74
Shareholders' equity per share	2.27	2.62	2.19
Financial ratio			
Net profit margin	3%	4%	3%
Gross profit margin	16%	12%	18%
Net profit / Total assets	3%	7%	3%
Net profit / Shareholders' equity	6%	21%	11%
Debt / Equity	83%	190%	208%

* Propose to AGM 2014 to approve the cash and stock dividend payment from the operating result of 2013





Report from Board of Directors

In 2013, Thai economy grew only 2.9% which declines from prior year from the weak of domestic demand. At the first half-year, Thai economy expands from the government's economic stimulus measures, positive employment factor, revenue and the consumer confidence level is at good level and the continuous investment from private sector. However, the second half-year, the economy slows down from the shrinkage of domestic demand. Moreover, the economic and politic situation is highly uncertain which causes the household to spend carefully and the delay of entrepreneur's investment.

The company's operating performance in 2013 declines significantly from prior year due to the loss from the new business segment which is the broadband internet business as this business has just started and the number of customer is still little and the profit from the operation of the subsidiary in Malaysia decreases because there was an election in Malaysia in year 2013 causes the government project to delay while the subsidiary had a lot of orders from the government project in year 2012.

In 2014, with the uncertainty of Thai politics, the company expects that the operating result from the main business, which is the total IT solution business may not grow while the label business and the wholesale of computer equipment of the subsidiary in Malaysia will grow well from the recovery of customer in export business and the growth of ICT market in Malaysia. Anyway, the new business which is the broadband internet still generates operating loss since the number of customer will not reach the break-even point. However, the Company has a plan to proceed the marketing with the major telecommunication provider to cooperate in providing internet service through the Company's fiber optic network and expects that the number of customer will grow rapidly and also expects that the broadband business will become the main business and generate wealth and sustainable growth to the Company in the near future.

In 2014, 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.

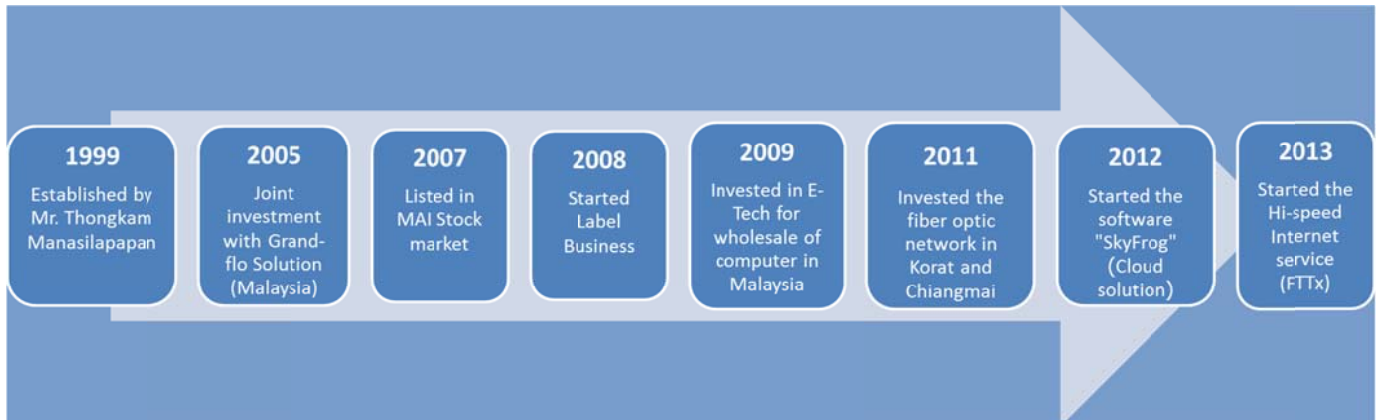
A handwritten signature in black ink, appearing to be 'Tan Bak Hong'.

(Mr. Tan Bak Hong)
Chairman

A handwritten signature in black ink, appearing to be 'Thongkam Manasilapapan'.

(Mr. Thongkam Manasilapapan)
Chief Executive Officer

Significant Change and Development



In 1999, the Company is established by Mr. Thongkam Manasilapapan under the name "Simat Mobile Computer" which engages in sales of mobile computer business and then the business expands to become the Total Information Technology Solution Services under the name "Simat Technologies Public Company Limited".

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). 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 2007, the Company is listed in the MAI Stock Exchange.

In 2008, the Company established Simat Label Company Limited ("Subsidiary") in which the Company holds 86 percent of its shares at present. This subsidiary engages in business of manufacturing and sales of label products.

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 for expanding its market to Vietnam.

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 2011, the Company expands its business into Telecommunication by investment in the Optical Fiber Network in the area of Nakornratchasima and Chiangmai Province.

In 2012, the Company developed the Cloud Solution Software for Transport and Logistic Business with copyright and under trademark “SKY FROG”.

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”.

Board of Directors



Mr. Tan Bak Hong

Chairman

Percentage of Shareholding: 19.98% 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 2013: 7/7 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: 21.58%

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 2013: 7/7 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 2013: 7/7 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 2013: 5/7 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. Natthawut Pinto

Director

Percentage of Shareholding: 3.04%

Specialized experience: expert in stock investment and investor relation

Relationship among management: None

Participation in Board of Directors' meeting in year 2013: 3/3 times

Education:

- Bachelor of Humanity in English Program, Chiangmai University

Work experience:

Period	Title	Name of / Company
2013 – present	Director	Simat Technologies PCL.
2004 - present	Investor	Independent Investor



Mr. Thammanoon Korkiatwanich

Director

Percentage of Shareholding: 0.07%

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 2013: 7/7 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 2013: 7/7 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 2013: 7/7 times

Participation in Audit Committees' meeting in year 2013: 4/4 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 2013: 7/7 times

Participation in Audit Committees' meeting in year 2013: 4/4 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
2013 – present	Chief Financial Officer	TPM Holding Co., Ltd.
2008 – present	Audit Committee	Simat Technologies PCL.
2005 – 2013	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 Aurlpokayakul

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 2013: 6/7 times

Participation in Audit Committees' meeting in year 2013: 3/4 times

Education:

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

Work experience:

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

Nature of relationship

Number of Company's share holding: None

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

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

Act as a Director/Others at present

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

Executive committee



Mr. Thongkam Manasilapapan

Chief Executive Officer

Percentage of Shareholding: 21.58%

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

Specialized experience: expert in EDCCS Technologies

Relationship among management: None

Education:

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

Work experience:

Period	Title	Name of / Company
1999 – present	Deputy Chairman / CEO	Simat Technologies PCL.
2006 – present	Director	Simat Soft Co., Ltd.
2005 – present	Director	Grand-Flo Solution Berhad
1995 – present	Director	S. Siri Transport Co., Ltd.
2008 – present	Director	Simat Label Co., Ltd.
2008 – present	Director	Sino 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: 0.07%

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: 0.98%

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: 0.01%

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

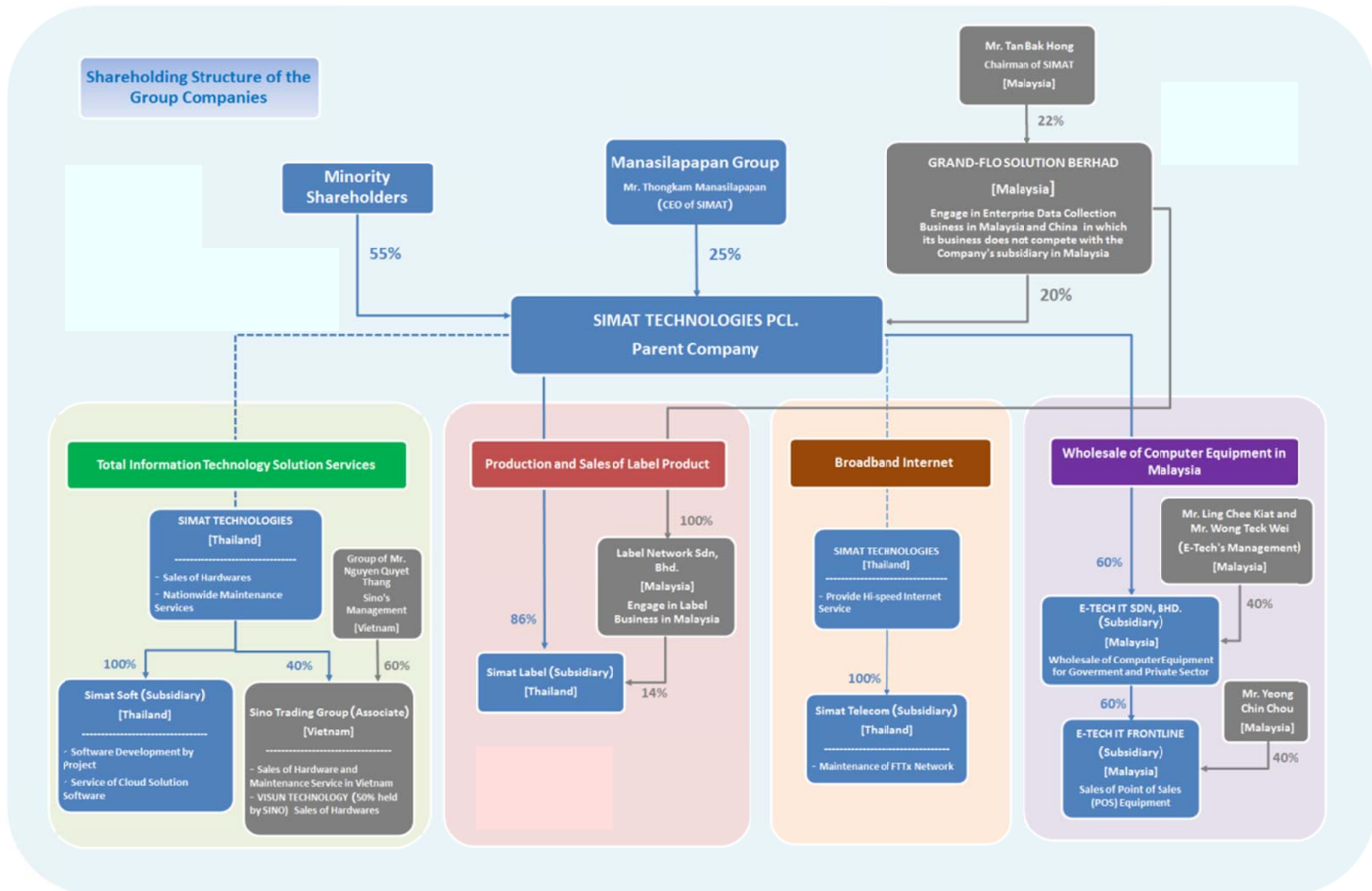
Work experience:

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.

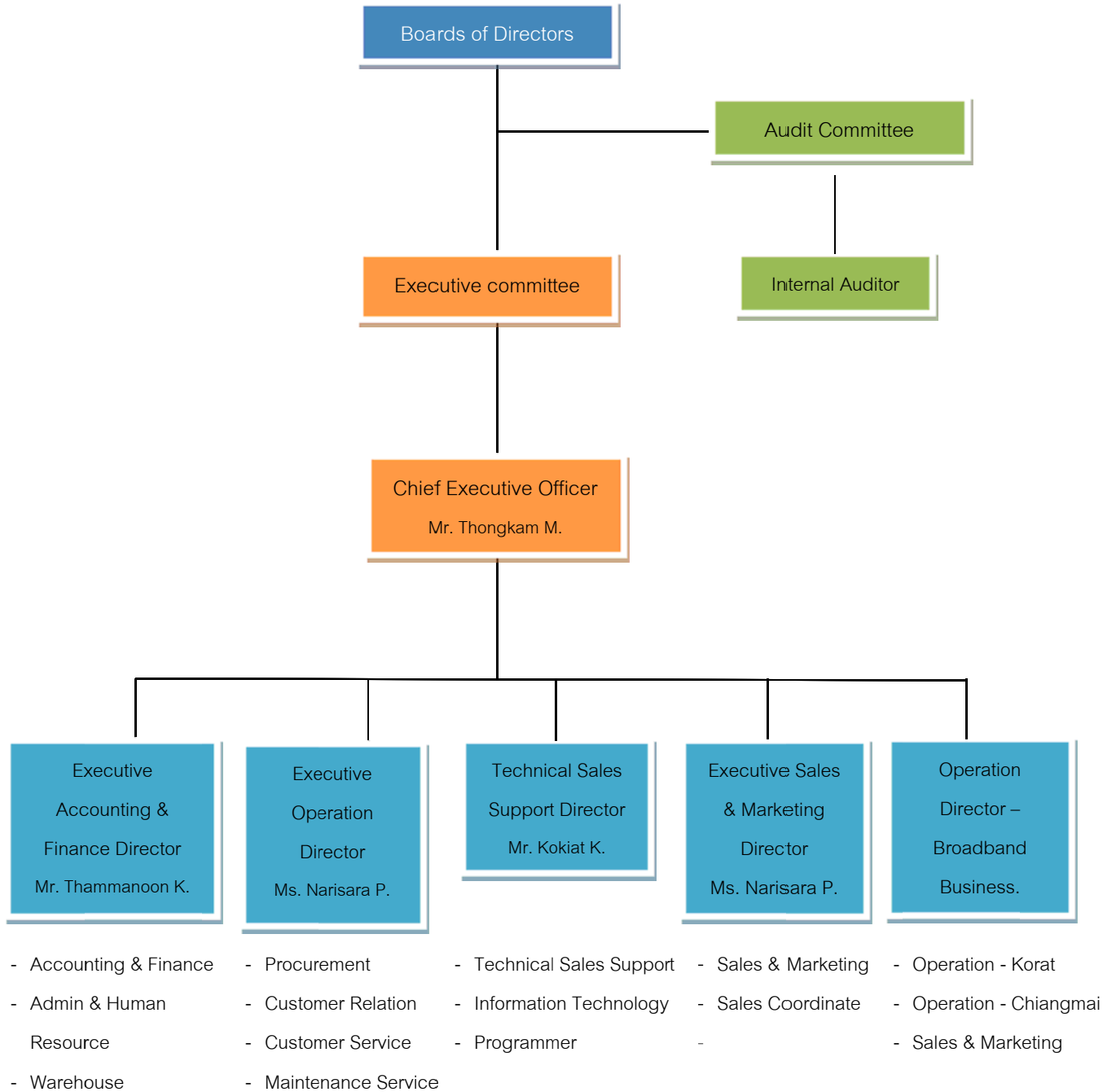
Information of Directors or Executive committee who act as Directors, Management and Controller in subsidiary companies, associate companies and related companies

Name of Company	Company	Subsidiary Companies					Associate Company	Related Companies								
		Thailand			Malaysia			Vietnam	Malaysia						China	Thailand
		Simat Soft	Simat Labels	E-Tech IT Distribution	E-Tech IT Sdn., Bhd.	E-Tech IT Frontline			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. Natthawut Pinto	/															
Mr. Worachai Charoonprasitporn	>															
Dr. Ranchana Rachatanavin	>															
Mr. Narongrit Rerkpattanapipat	>															
Ms. Kanwara Aurlpokaiyakul	>															
Mr. Thammanoon Korkiatwanich	/#	/	/	/												
Ms. Narisara Prasertsunk	#	/	/													
Mr. Kokiak Kitkaona	#															

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



Organization Chart



Major Shareholders and Dividend Policy

Top ten of shareholders and the amount of shares on the closing registration date as of March 17, 2014.

Rank	Shareholders	No. of shares	%
1	Mr. Thongkam Manasilapan	59,811,952	21.58
2	GRAND-FLO SOLUTION BERHAD	55,383,332	19.98
3	Mr. Nattapat Rangsan	17,444,600	6.29
4	Thai NDVR Co., Ltd.	13,919,454	5.02
5	Mr. Natthawut Pinto	10,036,308	3.62
6	Ms. Chutikarn Manasilapapan	9,368,182	3.38
7	Mr. Suriya Singhakul	5,841,233	2.11
8	Mr. Worapong Ladsena	3,674,460	1.33
9	Mr. Chakrit Suwannachote	3,375,500	1.22
10	Mr. Nares Ngam-Apichon	3,166,666	1.14
	Others	95,203,374	34.34
	Total	277,225,061	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.

Details of Dividend	Year 2013*	Year 2012	Year 2011	Year 2010
Earnings per Share**	0.12	0.30	0.42	0.43
Dividend per Share (Total)	0.11112	0.3704	0.1112	0.15
Category:				
Share Dividend	0.10000	0.333	0.1000	-
Cash Dividend	0.01112	0.0371	0.0112	0.15
Dividend to Net Profit Ratio (%) (Dividend/Consolidated Net Profit)	0.98	0.96	0.39	0.36

* Proposed to AGM 2014 on April 28, 2014 for approval

** Basic Earnings per Share

Nature of Business

Business segment	Country	Operate by	% Holding	Nature of business	Nature of revenue and profit	Main customer group
Total Information Technologies Solution Services	Thailand	Parent Company	-	To provide total Information Technologies services including sales of hardware, software development and nationwide maintenance services	Revenue from sales of hardwares increases as the branch expansion increase of main customer group in retail business and the replacement of equipment / Fixed revenue from the maintenance contract / Project base revenue from both government and private project / With total solution including software development and nationwide maintenance services, profit is higher than sales of hardware only	Retail/ Transport and logistic/ FMCG / Manufacturing/ Government project
		Simat Soft (Subsidiary)	100%			
	Vietnam	SINO TRADING Group (Associate)	40%	Sales of hardwares and maintenance services		
Production and Sales of Label Product	Thailand	Simat Label (Subsidiary)	86%	To provide services of design, develop and conversion of printed objects with glue for customer in manufacturers of electric appliance and electronics with provision and development of specific raw materials and design of production process to meet the specific requirements of the customer need	Continuous revenue from customer's repetitive order / The order increases as the customer's sale increases since the printed object with glue is attached at the customer's product / Profit is higher than sales of low grade or low price label as the company's product is unique by customer's need such as heat resistance, elastic or low level of tolerance	Manufacturers of electric appliances and electronic parts
Internet Broadband	Thailand	Parent Company	-	To provide high-speed internet through fiber optic network in area of Nakornratchasima and Chiangmai provinces under the brand "SINET"	Repetitive revenue or monthly revenue / Fixed cost is high such as depreciation and the first-time installation cost when first time customer applies / Profit will arise when the number of customer increases above the break-even point	Home-use consumer / Small and medium enterprise (SME)
		Simat Telecom (Subsidiary)	100%			
Wholesale of computer equipments in Malaysia	Malaysia	E-TECH IT GROUP (Subsidiary)	60%	Wholesale of computer equipments including computer, notebook, printer and others with big project sales such as government or multinational companies in Malaysia. Sales is done directly or through System Integrator or SI	Huge revenue with limited profit since hardware sales only and by big lot project	Government project/ Multinational companies such as bank, retail

Revenue Structure

Revenue Structure by Business Segment	Total Information Technologies Solution Services	Production and Sales of Label Product	Internet Broadband	Total Domestic	Wholesale of computer equipments in Malaysia	Total
Unit: Million Baht						
Year 2013	418 32%	72 6%	4 0%	494 38%	802 62%	1,296 100%
Year 2012	376 14%	48 2%	- 0%	424 16%	1,798 68%	2,646 100%
Year 2011	418 26%	28 2%	- 0%	446 27%	745 46%	1,637 100%



Nature of Products or Services

Total Information Technology Solution Services

The Company provides services of the Total Information Technology Solution by sales of computer hardware, software development and nationwide maintenance services. The target customer groups are the retail business, warehouse, logistics, manufacturing and government project which require the efficient information collection technologies.

- (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 engaged by Simat Soft (subsidiary) focus on software development by design and analysis the program based on the need of particular customers (customized software) including with the software relating to the information technologies which help gather information real time and accurate especially the information about inventories or any other assets with a large number of items and difficult to audit and help organization to manage business efficiently. Simat Soft has the tax privileges under BOI for exemption of corporate income tax for 8 years. BOI and SIPA has the policy to support either government or private sector to develop software to support the expansion of IT market.
- (3) Business of maintenance service providing for hardware device and software sold by the Company and also maintenance of customers' computer devices used with products sold by the Company.
- (4) The service of Software for management of logistic business with cloud solution under the brand "SKY FROG". The target customer is the transport and logistics business.

Manufacturing and sales of label product

Label business is engaged by Simat Label (subsidiary) to provide services of design, develop and conversion of printed objects with glue for customer in manufacturers of electric appliance and electronics with provision and development of specific raw materials and design of production process to meet the specific requirements of the customer need. Revenue is continuous revenue from customer's repetitive order / The order increases as the customer's sale increases since the printed object with glue is attached at the customer's product / Profit is higher than sales of low grade or low price label as the company's product is unique by customer's need such as heat resistance, elastic or low level of tolerance. The target customer group is the manufacturers of electric appliances and electronic parts.

Wholesale of computer hardware in Malaysia

Wholesale of computer equipment includes computer, notebook, printer and others with big project sales such as government or multinational companies in Malaysia. This business is engaged by E-Tech IT SDN BHD (subsidiary) in which the Company holds 60% of the subsidiary's shares. The subsidiary is the official dealer of the well-known computer manufacturers such as Lenovo, Hewlette Packard, etc. The subsidiary sells computer equipment including desktop computer, notebook, printer and others under the big project to either government project or multinational companies in Malaysia with direct sales or indirect sales through the system integrator or SI. The target customers are the government and multinational companies such as financial institutions and retail business.

Broadband business

Broadband business which provides the hi-speed internet through optical fiber network (FTTx) for city of Nakornratchasima and Chiangmai provinces under the brand of "Si-net" which is the new business and start the operation since Quarter 2 of year 2013. The target customers are home-use consumer and Small and medium enterprise (SME).

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.

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 and transport and logistics, etc.

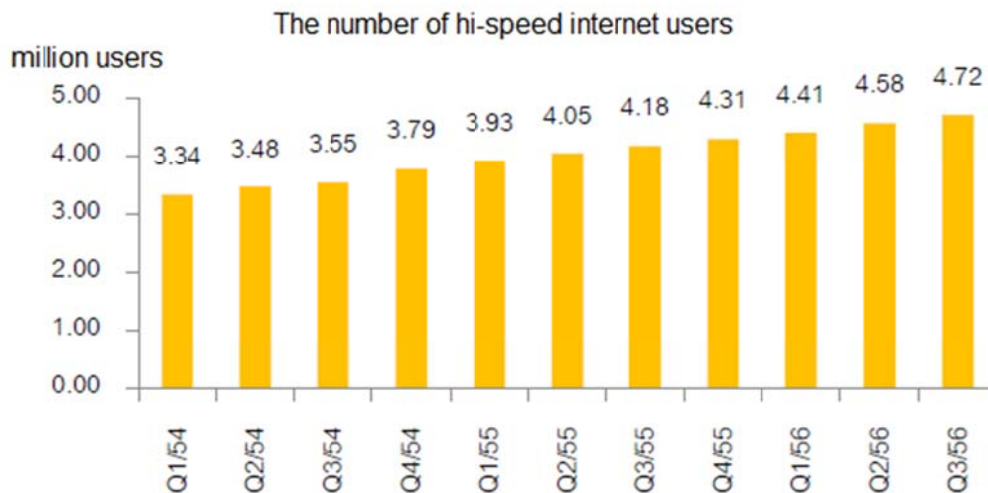
Retail Business Market Trend (the Company's main customer group)

The trend of retail business in year 2014, it is expected to grow at approximately 6 – 7% while Thailand's GDP will grow at 2.5%. The overview growth of the retail business in year 2013 is that all sub-groups has the growth rate less than the prior year including Hyper market 3.5% while prior year was 10%, Convenience store 10% while prior year was 18%, Department store 5.5% while prior year was 12%, Specialty store 8.5% while prior year was 18% and Supermarket store 8% while prior year was 10%. In 2013, the overall retail business has an aggregate branches increase over 2,000 branches.

The Broadband Business in Thailand

The broadband hi-speed internet market has 3 major providers which are True Corporation (True), TOT Public Company Limited and Triple T Broadband (3BB) and other minority providers.

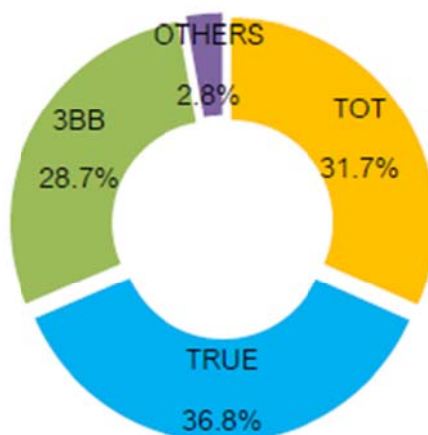
As at end of Quarter 3 of 2013, there are registered customers about 4,722,396 persons



Market share and level of competition

TRUE has the biggest market share at 36.8% and then TOT with 31.7% and 3BB with 28.7% and the minority providers with 2.8%.

Hi-Speed Internet Market Share



IT Market in Malaysia

ICT Market in Malaysia for the year 2014, it is expected that the government will invest more than RM 3.4 billion towards the second phase of the national high-speed broadband project [HSBB]. The Malaysian information and communications technology (ICT) industry has been charting an impressive 10 percent average growth yearly for the last 5 years. The industry is now worth at RM 55 billion and targeted to hit RM 100 billion by 2017.

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 2013 is 0.83 times which is in the safe level (less than 1 time) since there was the capital increase from private placement, exercise of warrants and the loan principal repayment on long-term loan for Fiber Network project.
- The Company still has the liquidity risk from the loss of broadband business during the starting period however the cash inflow from the main business and the credit facilities from the financial institution can support the operation in the future.

Foreign Exchange Risk

Nature, cause, effect, trend and action taken

- The Company has foreign exchange risk due to there are creditors with USD balance. However, the Company protects the risk by entering into the forward currency contract

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 2013

By Thai Institute of Director (IOD)

Evaluation topic	Score	
	Simat Technologies	Overall Listed Companies
Shareholder's right	89%	89%
Equally treatment to shareholders	92%	86%
Stakeholder's right	70%	68%
Disclosure and transparency	87%	88%
Board of director's responsibility	61%	64%
Average score	79%	78%

In 2013, 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 2013

By Thai Investor Association

Year	Score	
	Simat Technologies	Overall Listed Companies
2013	93.13%	90.81%
2012	94.63%	89.43%
2011	92.93%	88.88%
2010	97.50%	86.16%

In 2013, the Company implemented the followings:

- Organized the 2013 annual shareholders' meeting at the Company's meeting room no. 123 Soi Chalongsak 31, Ladkrabang industrial estate, Chalongsak road, Lamphong, Ladkrabang, Bangkok. The Company arranged the vans to make shareholders convenient for travelling.
- Sent a letter to the stock Exchange of Thailand on November 19, 2013 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 19, 2014. 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 and Ms. Nuntawan Pathomwattanakij Tel 02-326-0999 ext. 1211 and 1213 or E-mail ir@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 2013, 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 2013, 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 2013 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 equipment to schools and temples, etc.

4. Disclosure and Transparency.

The Company has a policy to pay attention to the disclosure and transparency with regard to the corporate governance. In 2013, 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 to SEC and Stock Exchange of Thailand

- 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

Ms. Nuntawan Pathomwattanakij

Tel : 02-326-0999 ext. 1211 and 1213

Fax: 02-326-1014

E-mail: ir@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 2013 (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 2013 is 1,350,000 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 2013, 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 2013, 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 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 2013, 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 2013, the Board of Directors had 7 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)	7	7
2. Mr. Thongkam Manasilapapan (Director/Chairman of Executive committee)	7	7
3. Mr. Thammanoon Korkiatwanich (Director/Executive committee)	7	7
4. Mr. Tan Bak Leng (Director)	7	7
5. Mr. Tan Chuan Hock (Director)	7	5
6. Mr. Nguyen Quyet Thang*** (Director)	4	1
7. Mr. Natthawut Pinto*** (Director)	3	3
8. Mr. Vorachi Charoenprasittiporn (Independent Director)	7	7
9. Dr. Ranchana Rajatanavin (Independent Director / Chairman of Audit Committee)	7	7
10. Mr. Narongrit Rerkpattanapipat (Independent Director / Audit Committee Member)	7	7
11. Ms. Kanwara Aurlpokaikaykul (Independent Director / Audit Committee Member)	7	6

*** Director no. 6 Mr, Nguyen Quyet Thang resigned during the year

*** Director no. 7 Mr, Natthawut Pinto was appointed during the year

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

- The Board of Directors had fixed the meeting date in advance since the beginning of the year so that all directors and management can schedule their time efficiently.
- Chairman of the Board and Chief Executive Officer had considered the agendas together.
- Chairman of the Board had provided equal opportunity to each director to express his opinions, and the director who has interest in any agenda must leave the meeting room during the consideration of the agenda.
- The Company had paid out the remuneration to directors in 2013 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)	183,000 Baht

Total money paid to the Board for year 2013 is 868,000 baht (Year 2012: 861,000 baht).

In year 2013, the Company paid out remunerations to management 4 persons total 10.05 million baht. (Year 2012: 9.60 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 2013, 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. Kokiatt 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 2013, the Audit Committee had 4 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)	4	4
2. Mr. Narongrit Rerkpattanapipat (Audit Committee Member)	4	4
3. Ms. Kanwara Aurlpokaiyakul (Audit Committee Member)	4	3

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, 2013 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 2013, 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 2014 and to propose this appointment for approval to the Board of Director and the Annual General Shareholders' Meeting for year 2014.

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 2013 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 2013, there are 4 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)	4	4
2. Mr. Narongrit Rerkpattanapipat (Audit Committee Member)	4	4
3. Ms. Kanwara Aurlpokaiyakul (Audit Committee Member)	4	3

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 2013 and 2012

Conflict of interest person/juristic person	Relationship	Nature of transaction	Transaction value (Baht)		Ending balance (Baht)		Necessity/Reasonableness and Audit Committees' comment
			2013	2012	31 Dec 2013	31 Dec 2012	
Grand-Flo Electronic System Sdn. Bhd.	A subsidiary of Grand-Flo Solution Berhad (100% holding)	Purchase of hardware (A/P-trade)	-	464,099	-	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	851,043	890,998	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)	647,196	44,654,863	685,817	7,908,173	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)	5,409	2,961,754	39,419	91,483	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	-	-	Dividend for the operating result from associated company.

Conflict of interest person/juristic person	Relationship	Nature of transaction	Transaction value (Baht)		Ending balance (Baht)		Necessity/Reasonableness and Audit Committees' comment
			2013	2012	31 Dec 2013	31 Dec 2012	
Kopacklabels Press Sdn., Bhd.	A subsidiary of Label Network (100% holding)	Sales (Trade A/R)	-	-	-	-	Simat Label (subsidiary) sold goods which sell at market price. Audit committees' comment is that these sales deemed reasonable.
		Purchase of supplies	18,362	230,898	18,362	-	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 (19.98% holding)	Advance (Other receivables)	-	-	40,801	40,801	The Company paid the legal fee on behalf of Grand-flo Solution which Grand-flo will pay back to the Company.
CL Solutions Ltd.	A subsidiary of Grand-flo solution (100% holding)	Purchase of Hardware	970,552	206,286	-	-	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.
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	-	721,182	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	-	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

Conflict of interest person/juristic person	Relationship	Nature of transaction	Transaction value (Baht)		Ending balance (Baht)		Necessity/Reasonableness and Audit Committees' comment
			2013	2012	31 Dec 2013	31 Dec 2012	
Mr. Ling Chee Kiat	Director and shareholder of E-Tech IT (subsidiary)	Guarantee and loan from director with no interest charge	-	-	37,219,734	37,336,845	A subsidiary company in Malaysia received guarantee cash amounting Baht 37.22 million and Baht 37.34 million in year 2013 and 2012, 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.

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.

Significant Financial Information

Consolidated Balance Sheet Unit: Million Baht	Year 2013		Year 2012		Year 2011		Change			
							2013/2012		2012/2011	
Assets										
Current assets										
Cash and cash equivalent	53	5%	35	3%	31	3%	18	50%	5	15%
Trade and other debtors - net	288	25%	543	40%	420	37%	(255)	-47%	124	29%
Inventories - net	113	10%	87	6%	97	9%	26	30%	(10)	-10%
Non-current asset for sale	-		-		48	4%	-	n/a	(48)	-100%
Total current assets	455	40%	666	50%	595	53%	(211)	-32%	71	12%
Non-current asset										
Restricted deposit with financial institution	105	9%	115	9%	96	9%	(9)	-8%	18	19%
Investment in associate	27	2%	24	2%	29	3%	2	9%	(5)	-17%
Plant, property and equipment - net	53	5%	55	4%	55	5%	(2)	-4%	0	0%
Optical fiber network and equipment	458	40%	434	32%	298	27%	24	5%	136	46%
Goodwill	45	4%	45	3%	45	4%	-	0%	-	0%
Other non-current assets	9	1%	6	0%	3	0%	4	67%	3	90%
Total non-current assets	696	60%	679	50%	526	47%	18	3%	153	29%
Total assets	1,151	100%	1,344	100%	1,121	100%	(193)	-14%	223	20%
Liabilities and shareholder's equity										
Liabilities										
Current liabilities										
Bank over-draft and short-term loan	119	10%	162	12%	209	19%	(43)	-27%	(47)	-22%
Trade and other creditors	238	21%	402	30%	277	25%	(164)	-41%	125	45%
Current portion of financial lease liabilities due within 1 year	3	0%	2	0%	2	0%	1	50%	-	0%
Current portion of long-term loan due within 1 year	51	4%	78	6%	108	10%	(27)	-35%	(30)	-28%
Current portion of payable for purchase of investment due within 1 year	-	0%	10	1%	-	0%	(10)	-100%	10	n/a
Other current liabilities	1	0%	6	0%	-	0%	(5)	-83%	6	n/a
Total current liabilities	412	36%	660	49%	596	53%	(248)	-38%	64	11%
Non-current liabilities										
Financial lease liabilities - net	6	1%	5	0%	2	0%	1	20%	3	150%
Long-term loan - net	96	8%	207	15%	146	13%	(111)	-54%	61	42%
Payable for purchase of investment	8	1%	6	0%	10	1%	-	n/a	(10)	-100%
Other non-current liabilities	3	0%	3	0%	3	0%	2	33%	3	100%
Total non-current liabilities	110	10%	218	16%	161	14%	(108)	-50%	57	35%
Total liabilities	522	45%	878	65%	757	68%	(356)	-41%	121	16%
Shareholder's equity										
Paid-up share capital	276	24%	183	14%	166	15%	93	51%	17	10%
Paid-in capital in excess of par	180	16%	69	5%	69	6%	111	161%	-	0%
Legal reserve	15	1%	14	1%	11	1%	1	7%	3	27%
Unappropriated retained earnings	114	10%	155	12%	99	9%	(41)	-26%	56	57%
Other components	4	0%	3	0%	1	0%	1	33%	4	-400%
Total equity of the parent company	589	51%	424	32%	344	31%	165	39%	80	23%
Non-controlling interests	40	3%	42	3%	20	2%	(2)	-5%	22	110%
Total shareholder's equity	629	55%	466	35%	364	32%	163	35%	102	28%
Total liabilities and shareholder's equity	1,151	100%	1,344	100%	1,121	100%	(193)	-14%	223	20%

Income Statements Unit: Million Baht	Year 2013		Year 2012		Year 2011		Change			
							2013/2012		2012/2011	
Revenue from sales and services	1,296	100%	2,223	100%	1,191	100%	(927)	-42%	1,032	87%
Cost of sales and services	(1,093)	-84%	(1,958)	-88%	(973)	-82%	865	-44%	(985)	101%
Gross profit	203	16%	265	12%	218	18%	(62)	-23%	47	22%
Other income	10	1%	11	0%	3	0%	(1)	-9%	8	267%
Selling and administrative expenses	(152)	-12%	(149)	-7%	(157)	-13%	(3)	2%	8	-5%
Profit before financial cost and income tax	61	5%	127	6%	64	5%	(66)	-52%	63	98%
Financial cost	(20)	-2%	(14)	-1%	(15)	-1%	(6)	43%	1	-7%
Share of profit from associate	2	0%	2	0%	3	0%	-	0%	(1)	-33%
Profit before income tax	43	3%	115	5%	52	4%	(72)	-63%	63	121%
Income tax	(4)	0%	(17)	-1%	(13)	-1%	13	-76%	(4)	31%
Net profit	39	3%	98	4%	39	3%	(59)	-60%	59	151%
Portion of non-controlling interest	(6)	0%	(22)	-1%	8	1%	16	-73%	(30)	-375%
Portion of equity holder of the Company	33	3%	76	3%	47	4%	(43)	-57%	29	62%

Operating result by business segment	Total Information Technologies Solution Services	Production and Sales of Label Product	Internet Broadband	Total Domestic	Wholesale of computer equipments in Malaysia	Total
Unit: Million baht						
Year 2013						
Revenue from sales and services	418	72	4	494	802	1,296
Cost of sales and services	(289)	(52)	(18)	(359)	(734)	(1,093)
Gross profit	129	20	(14)	135	68	203
Other income	(3)	-	-	(3)	13	10
Selling and administrative expenses	(71)	(12)	(16)	(99)	(53)	(152)
Profit before financial cost and income tax	55	8	(30)	33	28	61
Financial cost	(2)	(1)	(7)	(10)	(11)	(21)
Share of profit from associate	2	-	-	2	-	2
Profit before income tax	55	7	(37)	25	17	42
Income tax	(6)	-	7	1	(4)	(3)
Net profit	49	7	(30)	26	13	39
Portion of equity holder of the Company						33
Year 2012						
Revenue from sales and services	376	48	-	424	1,798	2,222
Cost of sales and services	(257)	(37)	-	(294)	(1,663)	(1,957)
Gross profit	119	11	-	130	135	265
Other income	2	2	-	4	8	12
Selling and administrative expenses	(70)	(9)	-	(79)	(70)	(149)
Profit before financial cost and income tax	51	4	-	55	73	128
Financial cost	(2)	(1)	-	(3)	(12)	(15)
Share of profit from associate	2	-	-	2	-	2
Profit before income tax	51	3	-	54	61	115
Income tax	(7)	-	-	(7)	(10)	(17)
Net profit	44	3	-	47	51	98
Portion of equity holder of the Company						76

Operating result by business segment	Total Information Technologies Solution Services	Production and Sales of Label Product	Internet Broadband	Total Domestic	Wholesale of computer equipments in Malaysia	Total
Unit: Million baht						
Year 2011						
Revenue from sales and services	418	28	-	446	745	1,191
Cost of sales and services	(281)	(24)	-	(305)	(668)	(973)
Gross profit	137	4	-	141	77	218
Other income	2	-	-	2	1	3
Selling and administrative expenses	(69)	(6)	-	(75)	(82)	(157)
Profit before financial cost and income tax	70	(2)	-	68	(4)	64
Financial cost	(2)	(1)	-	(3)	(12)	(15)
Share of profit from associate	3	-	-	3	-	3
Profit before income tax	71	(3)	-	68	(16)	52
Income tax	(9)	-	-	(9)	(4)	(13)
Net profit	62	(3)	-	59	(20)	39
Portion of equity holder of the Company						47

Total IT Solution Services	Year 2013		Year 2012		Year 2011		Change			
							2013/2012		2012/2011	
Revenue	418	100%	376	100%	418	100%	42	11%	(42)	-10%
Gross profit	129	31%	119	32%	137	33%	10	8%	(18)	-13%
Net profit	49	12%	44	12%	62	15%	5	11%	(18)	-29%

Production and Sales of Label Product	Year 2013		Year 2012		Year 2011		Change			
							2013/2012		2012/2011	
Revenue	72	100%	48	100%	28	100%	24	50%	20	71%
Gross profit	20	28%	11	23%	4	14%	9	82%	7	175%
Net profit	7	10%	3	6%	(3)	-11%	4	133%	6	-200%

Internet Broadband	Year 2013		Year 2012		Year 2011		Change			
							2013/2012		2012/2011	
Revenue	4	100%	-	n/a	-	n/a	4	n/a	-	n/a
Gross profit	(14)	-350%	-	n/a	-	n/a	(14)	n/a	-	n/a
Net profit	(30)	-750%	-	n/a	-	n/a	(30)	n/a	-	n/a

Wholesale of computer equipments in Malaysia	Year 2013		Year 2012		Year 2011		Change			
							2013/2012		2012/2011	
Revenue	802	100%	1,798	100%	745	100%	(996)	-55%	1,053	141%
Gross profit	68	8%	135	8%	77	10%	(67)	-50%	58	75%
Net profit	13	2%	51	3%	(20)	-3%	(38)	-75%	71	-355%

Management Discussion and Analysis

Economic Overview

Thai economy in 2013 expands only 2.9% which declines from prior year from the weak of domestic demand and the export has not recovered from the world economy recovery. Only tourism is key driving factor for the whole year.

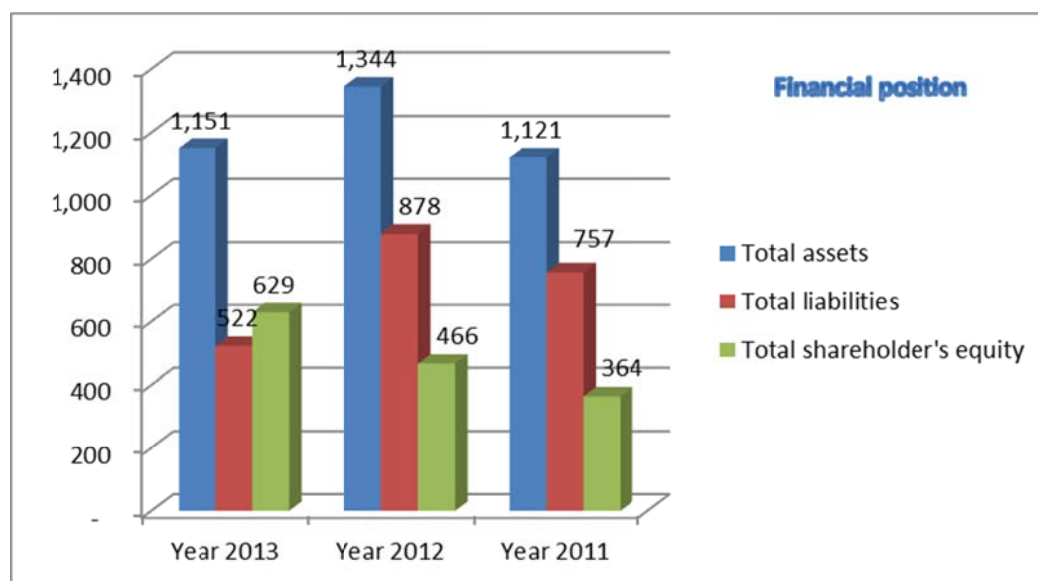
At the first half-year, Thai economy expands from the government's economic stimulus measures, positive employment factor, revenue and the consumer confidence level is at good level and the continuous investment from private sector. However, the second half-year, the economy slows down from the shrinkage of domestic demand as the government's economic stimulus measures gradually exhausted and the government spending for investment is delay. Moreover, the economic and politic situation is highly uncertain which causes the household to spend carefully, the delay of entrepreneur's investment, the grant of credit by financial institution is strictly controlled. While the export sector is slowly recovered though the foreign demand is clearly recovered because the recovery is limited for specific products which are not Thailand's main export product and some industry has production constraint. Nevertheless, the tourism expands well and is the key to drive the economy throughout the year.

Economic outlook for 2014, the export sector is expected to play a major role to expand the economy as long as the business partner's economy recovered. The recovery of the domestic demand is depending on the Thai politic situation. If the politic issue is longer exist, the confidence of private sector reduced and the consumption and investment will delay as well as the government's investment.

(Source: Bank of Thailand)

Overview of the Company's Financial Position and Operating result

Financial Position



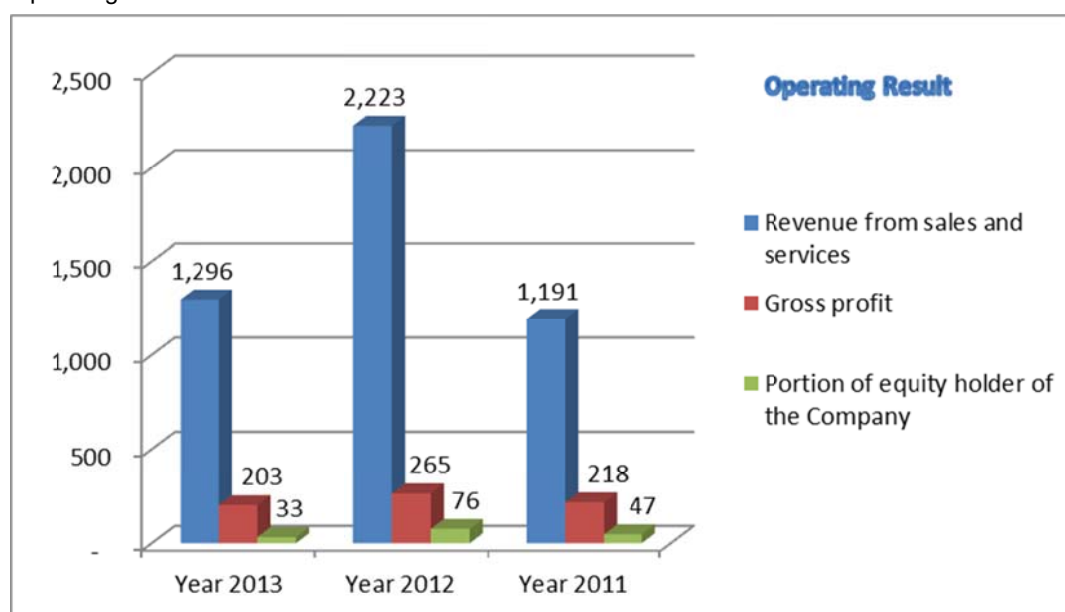
- Total assets as at 31 December 2013 decreases from prior year about Baht 193 million or 14% due to the followings:
 - Trade and other receivables decrease about Baht 255 million or 47% from prior year due to the decrease in trade receivables especially the trade receivables of the subsidiary in Malaysia. During end of year 2012, the subsidiary in Malaysia delivered the big lot of computer equipment to the Malaysian Communications and Multimedia Commission in Quarter 4 of year 2012 while there is no special big project like this in year 2013.
 - Optical fiber network and equipment for broadband business increases about Baht 24 million or 5% from prior year because there is an additional purchase of equipment to ensure the completeness of the network and ready for start the operation in May 2013.
 - Inventories increase about Baht 26 million or 30% from prior year mainly due to the increase in inventories of the total IT solution business in Thailand. During end of year 2013, the Company ordered a large amount of hardware to support the incoming orders from the customer in retail business which has a plan to deliver in Quarter 1 of year 2014.

- Total liabilities as at 31 December 2013 decreases about Baht 356 million or 41% from prior year due to the followings:
 - Bank overdraft and short-term loan and Trade and other payables decrease Baht 43 million or 27% and Baht 164 million or 41% from prior year, respectively. During year-end 2012, the subsidiary in Malaysia delivered the big lot of computer equipment under the

government project in Quarter 4 of year 2012 which causes the large amount of outstanding balance of trade creditors and trust receipts at year-end 2012 while there is no special big project like this in year 2013.

- Long-term loan from financial institution including the current portion which is due within 1 year decreases significantly about Baht 138 million due to, in year 2013, the Company has increased the capital by private placement for Baht 127 million for the purpose to pre-pay the long-term loan and the Company also repay the loan principal with interest every month during the year 2013.
- Total shareholder's equity as at 31 December 2013 increases about Baht. 163 million or 35% from prior year due to the followings:
 - Capital increase from private placement with the cash receipt about Baht 127 million
 - Capital increase from the exercise of SIMAT_W1 with the cash receipt about Baht 10 million
 - Retained earnings increase about Baht 26 million which come from the net profit for year 2013 about Baht 33 million minus the cash dividend for Baht 7 million
- The financial structure for the year 2013 has been improved so much from prior year. The Company raises the capital to reduce the risk of debt portion. At present, the Debt to Equity ratio is at 0.87 time which is in the safe level.

Operating Result



Operating Result Overview

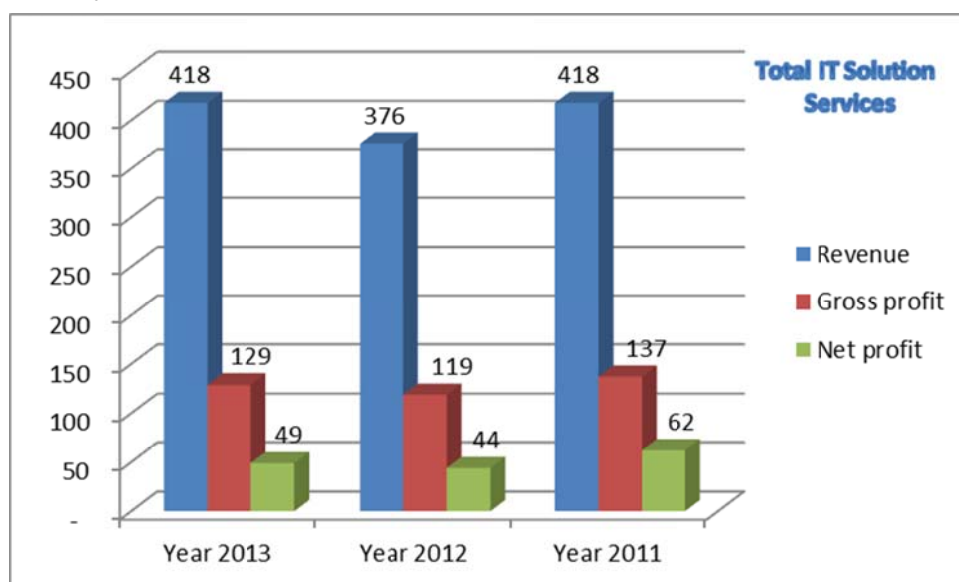
Revenue

The consolidated revenue for the year 2013 decreases significantly about Baht 927 million or 42% mainly due to the decrease in revenue from the wholesale of computer equipment business of the subsidiary in Malaysia. In year 2012, the subsidiary has the special project to sell equipment to the government unit about Baht 800 million while, in year 2013, there is no big project from the Malaysian government due to the delay of government's investment from the Malaysian election. However, the business operation in Thailand, revenue increases in both total IT solution services and label business which sales increases about 11% and 50%, respectively.

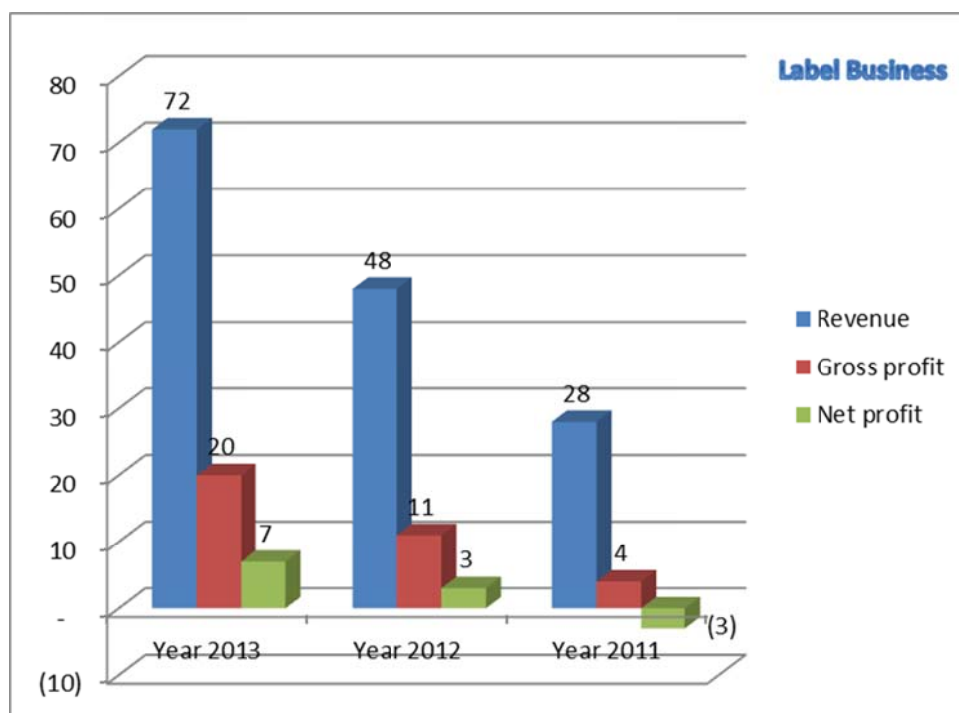
Net Profit

The consolidated net profit for the year ended 31 December 2013 is Baht 33 million which decreases from the last year about 57% or Baht 43 million (Year 2012: Baht 76 million) mainly due to the followings:

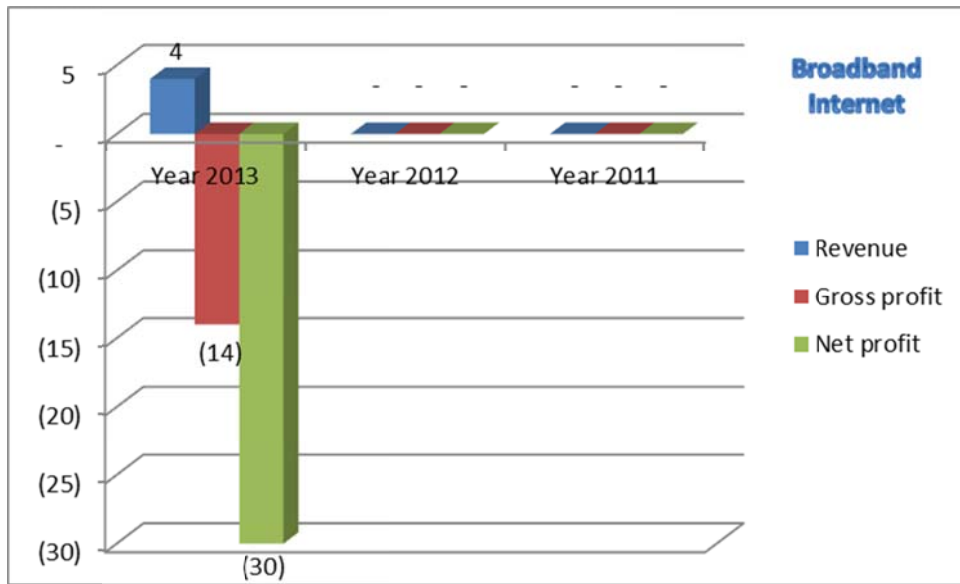
- Net profit from total IT solution services increases about Baht 7 million due to the increase in sales about 11%. For the first half-year, the sales increases significantly from the sales of hardware to customers in retail business to improve the operation of their branches throughout the country. However, the second half-year, the sales increases slightly from the same period of prior year and mainly come from the sales to customer group with low margin and the purchasing power of consumer decreases and causes the customer in retail business to decrease the number of the new major stores.



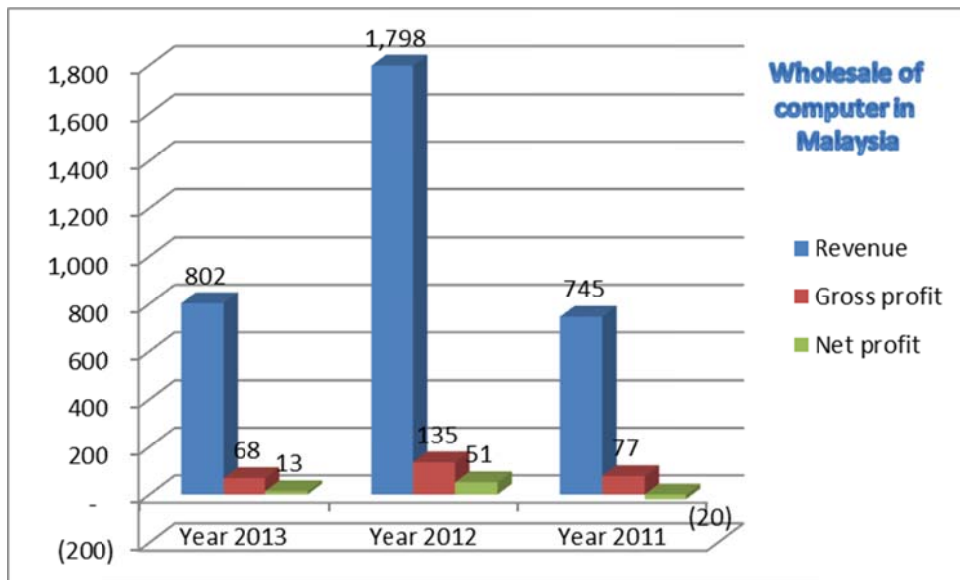
- Net profit from the sales and production of label product increases Baht 4 million due to the increase in sale for 50% from prior year as the business grows very well from the increase in number of customer and the order amount especially from the customer in manufacturing of electric appliance and electronic business. Moreover, the gross profit margin also improves from 23% to 28% of sales due to the completely change from marketing of low-price label to the unique qualification of label that meet the specific need of the customer group of electric appliance and electronic business which has higher price and margin.



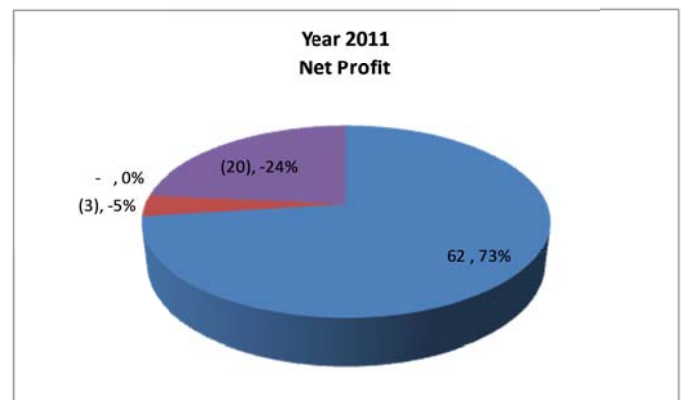
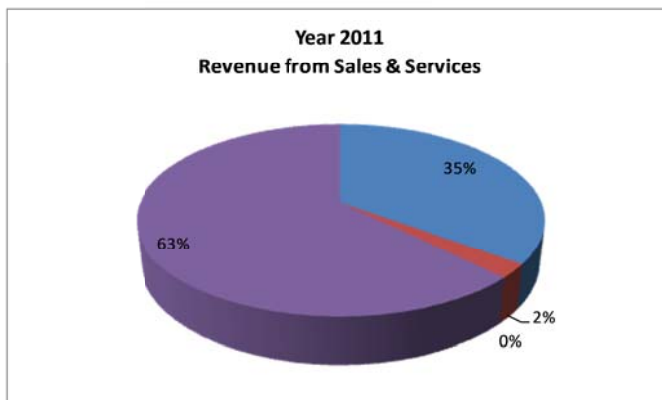
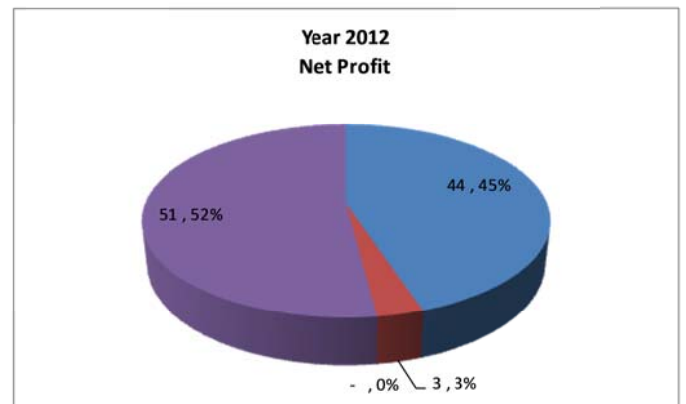
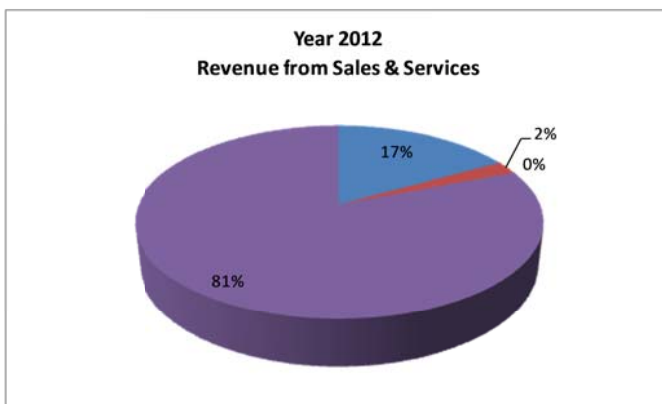
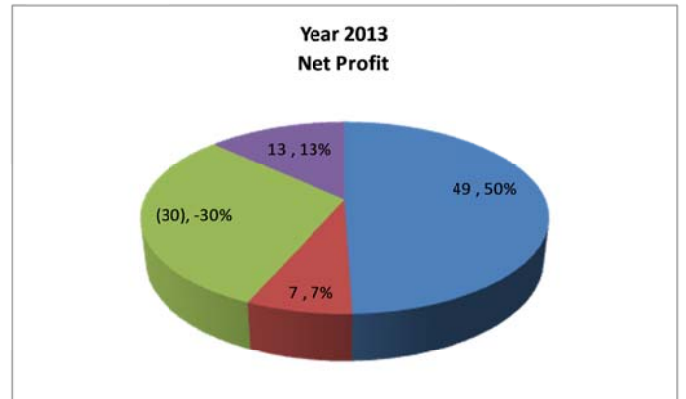
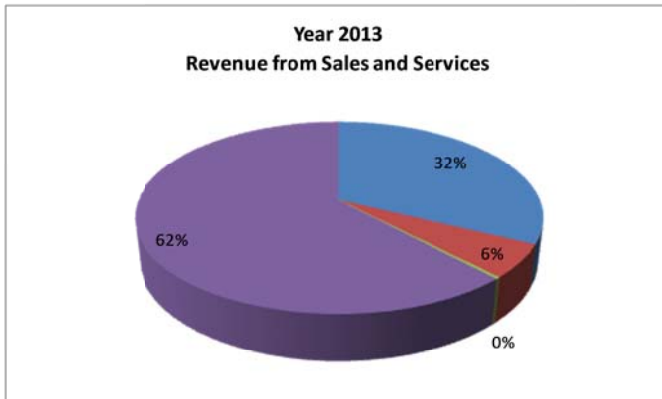
- Net loss from broadband internet service through optical fiber network is about Baht 30 million due to the company has just started its operation officially in June 2013 whereas the number of customer is limited (about 1,000 subscribers) however the company expects that the number of customer will increase rapidly in year 2014 due to the company will have contract with the major telecommunication company to provide co-internet services with the company optical fiber network within March 2014 and expects that the company will reach the break-even point within year 2015. The Company set the primary target/break-even point to achieve at 10,000 subscribers. The expenses mainly are depreciation about Baht 1.5 million per month, interest expense about Baht 1 million per month and others relating to the operating cost.



- Net profit from the wholesale of computer hardware of the subsidiary in Malaysia decreases about Baht 38 million from prior year which makes the profit sharing from this subsidiary decreases about Baht 23 million (the company hold 60% of total shares of this subsidiary). The decrease comes from the decrease in sales about 55% due to last year the subsidiary had the special project of sales to the government department which is the Malaysian Communications and Multimedia Commission of "MCMC", while in year 2013, there is an election in Malaysia so there is the delay of budget utilization and causes the sales to government project decrease significantly.



Revenue and Profit Structure by Business Segment



- Total IT Solution
- Label
- Broadband
- Wholesale of computer in Malaysia

Significant Financial Ratio	Unit	2013	2012	2011	Explanation
Liquidity Ratio Current Ratio	time	1.10	1.01	1.00	Liquidity is in normal level or greater than 1 time.
Assets Utilization Ratio Accounts Receivable Turnover Average Collection Period Inventory Turnover Average Sales Period Accounts Payable Turnover Average Payment Period	time day time day time day	3.47 105 10.93 33 5.46 67	5.24 70 21.32 17 8.78 42	3.58 102 10.49 35 5.56 66	Accounts receivable, inventory and accounts payable turnover for the year 2013 is close to 2011. However, such turnovers in year 2012 is significantly better than the others because the large increase in sales in year 2012 especially sales from subsidiary in Malaysia since there is a big sales of computer equipments to Malaysian government while the delivery, collection and payment of this government project is done so quickly within the forth quarter of year 2012.
Leverage Ratio Time Interest Earned Debt to Equity	time time	3.05 0.83	9.07 1.88	4.27 2.08	The ability to pay interest reduces as the profitability decreases however it is still in the safe level. However, the Debt to Equity ratio is quite improved and in the safe level (less than 1 time) since there was the capital increase from private placement, exercise of warrants and the loan principal repayment on long-term loan for Fiber Network project.
Profitability Ratio Gross Profit Margin Net Profit Margin Return on Assets Return on Equity Basic earnings per share	% % % % Baht	16% 3% 3% 6% 0.12	12% 4% 7% 18% 0.30	18% 3% 3% 14% 0.42	The ability to generate profit decreases due to the increase in capital base from private placement, exercise of warrant and share dividend while the net profit decreases from the operating loss of the new business which is the broadband internet through fiber optic since this new business has just started and limited number of customers. Moreover, the revenue from subsidiary in Malaysia also decreases significantly since there was an election caused many government project delay.

FINANCIAL STATEMENTS AND AUDITOR'S REPORT
SIMAT TECHNOLOGIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
FOR THE YEAR ENDED DECEMBER 31, 2013

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, 2013, 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.

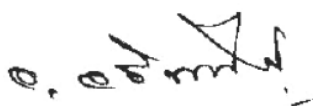
Opinion

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, 2013, 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 and 7. The director of the oversea subsidiary provides the guarantee to its long outstanding trade receivable of totaling Baht 36.34 million. These are secured by the liability the subsidiary owned to the director as at December 31, 2013 of Baht 37.22 million.
- 2 Notes to Financial Statements 14. 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 is the service provider instead of the lessor.
- 3 As explained in the Note 2 to the financial statements, during the year ended December 31, 2013, the Company has adopted new and revised Thai Financial Reporting Standards, which are issued by the Federation of Accounting Professions and effective for the financial statements for the period beginning on or after January 1, 2013, for the preparation and presentation of these financial statements. The financial statements for the year ended December 31, 2012 and the statements of financial position as at January 1, 2012, which have been presented herewith for comparative information, have been restated for the effects of the adoption of new and revised Thai Financial Reporting Standards.



Atipong AtipongSakul

Certified Public Accountant Registration Number 3500

ANS Audit Company Limited

Bangkok, February 27, 2014

SIMAT TECHNOLOGIES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2013

		Unit: Thousands Baht					
		CONSOLIDATED F/S			SEPARATE F/S		
		December 31,	December 31,	January 1,	December 31,	December 31,	January 1,
		2013	2012	2012	2013	2012	2012
			(RESTATED)	(RESTATED)		(RESTATED)	(RESTATED)
	Notes						
ASSETS							
CURRENT ASSETS							
Cash and cash equivalents	5	53,179	35,352	30,826	32,327	19,369	23,109
Trade and other receivables - net	6, 7, 16	288,446	543,418	419,840	94,636	72,379	174,503
Loan to related companies	7	-	-	-	3,992	4,900	12,622
Inventories - net	8	113,129	86,908	96,745	63,299	44,352	62,852
Non-current asset for sales		-	-	47,657	-	-	-
Total Current Assets		454,754	665,678	595,068	194,254	141,000	273,086
NON-CURRENT ASSETS							
Restricted deposits with banks	9, 16, 18, 20	105,333	114,661	96,287	13,750	38,150	43,884
Investments in associated companies	10	26,539	24,398	29,238	21,274	21,274	21,274
Investments in subsidiary companies	10	-	-	-	104,955	100,592	100,592
Property, plant and equipment - net	11	47,325	44,101	37,621	17,884	18,606	14,659
Equipment and computer software							
for lease - net	12	2,521	8,252	13,742	2,521	8,252	13,742
Software development cost for sales	13	2,947	2,816	3,521	2,624	2,816	3,521
Fiber optic network equipment	14, 20	457,749	434,243	297,826	457,749	434,243	297,826
Goodwill	10	44,693	44,692	44,693	-	-	-
Computer software - net		-	24	40	-	-	33
Deferred tax assets	15	2,878	2,513	1,773	2,878	2,513	1,773
Deposits		6,302	2,988	2,900	4,857	1,788	1,709
Total Non-Current Assets		696,287	678,688	527,641	628,492	628,234	499,013
TOTAL ASSETS		1,151,041	1,344,366	1,122,709	822,746	769,234	772,099

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

SIMAT TECHNOLOGIES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2013

		Unit: Thousands Baht						
		CONSOLIDATED F/S			SEPARATE F/S			
		December 31,	December 31,	January 1,	December 31,	December 31,	January 1,	
		2013	2012	2012	2013	2012	2012	
Notes			(RESTATED)	(RESTATED)		(RESTATED)	(RESTATED)	
LIABILITIES AND EQUITY								
CURRENT LIABILITIES								
Bank overdraft and short-term loan from								
	financial institution	16	118,868	161,878	209,492	-	14,442	83,543
	Trade and other payables	7, 17	238,485	401,960	271,978	104,291	47,500	98,544
Current portion of payable for purchase								
	of investments	7	-	10,164	-	-	10,164	-
Current portion of liabilities under								
	financial lease agreements	19	2,817	2,168	1,747	1,591	1,818	1,411
Current portion of long-term loan from								
	financial institutions	20	50,760	78,165	107,712	50,760	78,165	106,500
	Loan from related company	7	-	-	-	20,125	-	1,000
	Accrued income tax		685	6,300	5,380	-	2,087	5,237
Total Current Liabilities			411,615	660,635	596,309	176,767	154,176	296,235
NON-CURRENT LIABILITIES								
Liabilities under financial lease								
	agreements - net	19	6,222	4,875	1,796	3,106	4,723	1,294
	Payable for purchase of investments	7	-	-	10,136	-	-	10,136
	Long-term loan - net	20	96,180	207,340	145,558	96,180	207,340	118,669
	Deferred tax liabilities	15	2,229	2,212	25	-	-	-
	Provision for employee benefit	21	5,314	3,900	3,477	5,044	3,778	3,477
Total Non-Current Liabilities			109,945	218,327	160,992	104,330	215,841	133,576
TOTAL LIABILITIES			521,560	878,962	757,301	281,097	370,017	429,811

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

SIMAT TECHNOLOGIES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2013

		Unit: Thousands Baht					
		CONSOLIDATED F/S			SEPARATE F/S		
		December 31,	December 31,	January 1,	December 31,	December 31,	January 1,
		2013	2012	2012	2013	2012	2012
Notes			(RESTATED)	(RESTATED)		(RESTATED)	(RESTATED)
LIABILITIES AND SHAREHOLDERS EQUITY (CONTINUED)							
SHAREHOLDERS EQUITY							
Share capital							
Registered							
Common shares 352,007,990 shares of Baht 1 each							
(December 31, 2012 : Common shares 249,525,000 shares							
of Baht 1 each)							
22		352,008	249,525	218,710	352,008	249,525	218,710
Issued and fully paid-up							
Common shares 275,974,021 shares of Baht 1 each							
(December 31, 2012 : Common shares 182,821,627 shares							
of Baht 1 each)							
22		275,974	182,822	166,200	275,974	182,822	166,200
		180,231	69,066	69,065	180,231	69,066	69,065
		4,558	3,422	-	4,558	3,422	-
		1,266	266	-	1,266	266	-
Discount on capital from change in proportion							
of investment in subsidiary company							
		(2,314)	(2,314)	(2,314)	-	-	-
Retained earnings							
Appropriated							
Legal reserve							
23		15,141	14,060	11,333	15,141	14,060	11,333
Unappropriated							
		113,670	155,308	100,490	64,479	129,581	95,690
Other components of equity							
Currency translation differences							
		914	1,218	563	-	-	-
Total equity of the parent company							
		589,440	423,848	345,337	541,649	399,217	342,288
Non-controlling interests							
		40,041	41,556	20,071	-	-	-
TOTAL SHAREHOLDERS EQUITY							
		629,481	465,404	365,408	541,649	399,217	342,288
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY							
		1,151,041	1,344,366	1,122,709	822,746	769,234	772,099

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

SIMAT TECHNOLOGIES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2013

		Unit: Thousands Baht			
		CONSOLIDATED F/S		SEPARATE F/S	
Notes		2013	2012	2013	2012
			(RESTATED)		(RESTATED)
Revenues	7, 25				
Revenues from sales and services		1,296,200	2,223,009	423,137	376,040
Cost of sales and services	7, 25	(1,092,933)	(1,957,904)	(329,619)	(277,013)
Gross profit		203,267	265,105	93,518	99,027
Dividened income	7, 10	-	-	11,481	31,585
Gain (loss) on exchange rate		(4,097)	1,552	(3,861)	967
Other income		14,456	9,634	1,748	2,794
Income before expenses		213,626	276,291	102,886	134,373
Selling expenses	7	(27,794)	(24,459)	(18,332)	(15,324)
Administrative expenses	7	(124,381)	(124,359)	(65,773)	(53,884)
Total expenses		(152,175)	(148,818)	(84,105)	(69,208)
Income before financial cost and income tax expenses		61,451	127,473	18,781	65,165
Finance cost		(20,134)	(14,629)	(9,341)	(2,635)
Equity in net income of associated companies		2,141	1,978	-	-
Income before income tax expenses		43,458	114,822	9,440	62,530
Income tax	15	(3,853)	(17,231)	286	(7,429)
NET INCOME FOR THE PERIOD		39,605	97,591	9,726	55,101
OTHER COMPREHENSIVE ITEM :					
Foreign currency translation differences		(405)	577	-	-
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD		39,200	98,168	9,726	55,101
Income (loss) attributable to :					
Equity holders of the Company		33,191	76,028	9,726	55,101
Non-controlling interests		6,414	21,563	-	-
		39,605	97,591	9,726	55,101

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

SIMAT TECHNOLOGIES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2013

		Unit: Thousands Baht			
		CONSOLIDATED F/S		SEPARATE F/S	
Notes		2013	2012	2013	2012
		(RESTATED)		(RESTATED)	
Total comprehensive income (loss) attributable to :					
	Equity holders of the Company	34,349	76,684	9,726	55,101
	Non-controlling interests	4,851	21,484	-	-
		<u>39,200</u>	<u>98,168</u>	<u>9,726</u>	<u>55,101</u>
EARNINGS (LOSS) PER SHARE :					
		26			
	Basic earnings (loss) per share	<u>0.12</u>	<u>0.30</u>	<u>0.04</u>	<u>0.22</u>
	Diluted earnings (loss) per share	<u>0.11</u>	<u>0.26</u>	<u>0.03</u>	<u>0.19</u>

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

SIMAT TECHNOLOGIES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF CHANGE IN SHAREHOLDERS EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2013

Unit: Thousands Baht												
CONSOLIDATED F/S												
Equity attributable to equity holders of the Company												
Notes	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	Total equity of the parent company	Non-controlling interests	Total	
						Legal reserve	Unappropriated					
Balance as at December 31, 2012												
- as previously reported												
	182,822	69,066	3,422	266	(2,314)	14,060	152,795	1,218	421,335	41,556	462,891	
Cumulative effect of change in accounting policy for deferred tax	2	-	-	-	-	-	2,513	-	2,513	-	2,513	
Balance as at January 1, 2013 - as restated	182,822	69,066	3,422	266	(2,314)	14,060	155,308	1,218	423,848	41,556	465,404	
Changes in equity for the period :												
Increase in capital	22, 32, 33	92,886	111,165	-	-	-	-	-	204,051	-	204,051	
Reserve for share-based payment		-	-	1,136	-	-	-	-	1,136	-	1,136	
Common share subscription	22	266	-	-	(266)	-	-	-	-	-	-	
Common share subscription by exercised warrents	32	-	-	-	1,266	-	-	-	1,266	-	1,266	
Appropriation for legal reserve	23	-	-	-	-	1,081	(1,081)	-	-	-	-	
Stock dividend	22, 24	-	-	-	-	-	(66,362)	-	(66,362)	-	(66,362)	
Dividend	24	-	-	-	-	-	(7,386)	-	(7,386)	(6,366)	(13,752)	
Comprehensive income for the period		-	-	-	-	-	33,191	(304)	32,887	4,851	37,738	
Balance as at December 31, 2013		275,974	180,231	4,558	1,266	(2,314)	15,141	113,670	914	589,440	40,041	629,481

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

SIMAT TECHNOLOGIES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF CHANGE IN SHAREHOLDERS EQUITY (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2013

Unit: Thousands 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 Legal reserve	Unappropriated	Currency translation differences				
Balance as at December 31, 2011												
- as previously reported	166,200	69,065	-	-	(2,314)	11,332	98,717	563	343,563	20,072	363,635	
Cumulative effect of change in accounting policy for deferred tax	2	-	-	-	-	-	1,773	-	1,773	-	1,773	
Balance as at January 1, 2012 - as restated	166,200	69,065	-	-	(2,314)	11,332	100,490	563	345,336	20,072	365,408	
Changes in equity for the period :												
Increase in capital	22, 32, 33	2	1	-	-	-	-	-	3	-	3	
Reserve for share based paymet		-	-	3,422	-	-	-	-	3,422	-	3,422	
Common share subscription	22	-	-	-	266	-	-	-	266	-	266	
Appropriation for legal reserve	23	-	-	-	-	2,728	(2,728)	-	-	-	-	
Stock dividend	22, 24	16,620	-	-	-	-	(16,620)	-	-	-	-	
Dividend	24	-	-	-	-	-	(1,862)	-	(1,862)	-	(1,862)	
Comprehensive income for the period - as restated		-	-	-	-	-	76,028	655	76,683	21,484	98,167	
Balance as at December 31, 2012		182,822	69,066	3,422	266	(2,314)	14,060	155,308	1,218	423,848	41,556	465,404

SIMAT TECHNOLOGIES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF CHANGE IN SHAREHOLDERS EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2013

		Unit: Thousands Baht							
		SEPARATE F/S							
				Reserve for		Retained earnings			
	Notes	Paid-up share capital	Paid-in capital in excess of par	share-based payment	Common share Subscription	Legal reserve	Unappropriated	Other components of equity	Total Equity
Balance as at December 31, 2012 - as previously reported		182,822	69,066	3,422	266	14,060	127,068	-	396,704
Cumulative effect of change in accounting policy for deferred tax	2	-	-	-	-	-	2,513	-	2,513
Balance as at January 1, 2013 - as restated		182,822	69,066	3,422	266	14,060	129,581	-	399,217
Changes in equity for the period :									
Increase in capital	22, 32, 33	92,886	111,165	-	-	-	-	-	204,051
Reserve for share-based payment		-	-	1,136	-	-	-	-	1,136
Common share subscription	22	266	-	-	(266)	-	-	-	-
Common share subscription by exercised warrents	32	-	-	-	1,266	-	-	-	1,266
Appropriation for legal reserve	23	-	-	-	-	1,081	(1,081)	-	-
Stock dividend	22, 24	-	-	-	-	-	(66,362)	-	(66,362)
Dividend	24	-	-	-	-	-	(7,385)	-	(7,385)
Comprehensive income for the period		-	-	-	-	-	9,726	-	9,726
Balance as at December 31, 2013		275,974	180,231	4,558	1,266	15,141	64,479	-	541,649

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

SIMAT TECHNOLOGIES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF CHANGE IN SHAREHOLDERS EQUITY (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2013

		Unit: Thousands Baht							
		SEPARATE F/S							
				Reserve for		Retained earnings			
	Notes	Paid-up	Paid-in capital	share-based	Common share	Legal	Unappropriated	Other components	
		share capital	in excess of par	payment	Subscription	reserve		of equity	
								Total	
								Equity	
Balance as at December 31, 2011 - as previously reported		166,200	69,065	-	-	11,332	93,917	-	340,514
Cumulative effect of change in accounting policy for deferred tax	2	-	-	-	-	-	1,773	-	1,773
Balance as at January 1, 2012 - as restated		166,200	69,065	-	-	11,332	95,690	-	342,287
Changes in equity for the period :									
Increase in capital	22, 32, 33	2	1	-	-	-	-	-	3
Reserve for share based paymet		-	-	3,422	-	-	-	-	3,422
Common share subscription	22	-	-	-	266	-	-	-	266
Appropriation for legal reserve	23	-	-	-	-	2,728	(2,728)	-	-
Stock dividend	22, 24	16,620	-	-	-	-	(16,620)	-	-
Dividend	24	-	-	-	-	-	(1,862)	-	(1,862)
Comprehensive income for the period - as restated		-	-	-	-	-	55,101	-	55,101
Balance as at December 31, 2012		182,822	69,066	3,422	266	14,060	129,581	-	399,217

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

SIMAT TECHNOLOGIES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2013

	Unit: Thousands Baht			
	CONSOLIDATED F/S		SEPARATE F/S	
	2013	2012	2013	2012
		(RESTATED)		(RESTATED)
Cash Flows from Operating Activities				
Income before tax	43,458	114,822	9,440	62,530
Adjustments to reconcile net income to net cash provided from (paid by) operating activities:				
Depreciation and amortization	33,179	20,640	26,141	15,155
Equity in net income of associated companies	(2,141)	(1,978)	-	-
Unrealized gain (loss) on foreign exchange rate	2,290	(38)	2,258	(28)
(Gain) loss on disposal of property and equipment	193	(4,083)	(362)	(486)
Gain on disposal of investment in subsidiary	(3,347)	-	-	-
Allowance for doubtful accounts	1,025	8,573	-	-
Allowance for obsolete and devaluation of inventories	619	2,916	1,060	112
Provision for employee benefit	1,414	423	1,266	301
Reserve for share based paymet	1,136	3,421	1,136	3,421
Dividend income	-	-	(11,481)	(31,585)
Interest expense	18,615	14,857	7,544	2,658
Interest income	(1,407)	(3,374)	(1,357)	(1,799)
Cash provided from operating activities before changes in operating assets and liabilities :	95,034	156,179	35,645	50,279
Decrease (increase) in operating assets:				
Trade and other receivables	218,430	(132,119)	(25,014)	102,155
Inventories	(36,038)	1,983	(27,406)	13,451
Other non-current assets	(801)	(88)	(554)	(79)

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

SIMAT TECHNOLOGIES PUBLIC COMPANY LIMITED AND SUBSIDIARIES**STATEMENT OF CASH FLOWS (CONTINUED)****FOR THE YEAR ENDED DECEMBER 31, 2013**

	Unit: Thousands Baht			
	CONSOLIDATED F/S		SEPARATE F/S	
	2013	2012	2013	2012
	(RESTATED)		(RESTATED)	
Increase (decrease) in operating liabilities:				
Trade and other payables	(162,389)	132,217	44,979	(51,007)
Cash received from operations	114,236	158,172	27,650	114,799
Interest payment	(18,633)	(37,534)	(7,580)	(25,627)
Interest received	1,476	3,342	1,426	1,767
Income tax payment	(9,595)	(17,051)	(1,958)	(11,319)
Net cash provided from operating activities	87,484	106,929	19,538	79,620
Cash flows from investing activities:				
Received dividend	-	2,214	11,481	31,584
Investment in subsidiary	-	-	(4,363)	-
Proceeds from sales of investment in associate	-	4,604	-	-
(Increase) Decrease in loan to related company	-	-	-	7,722
(Increase) Decrease in restricted deposit with banks	9,327	(18,373)	24,400	5,733
Cash payment for fiber optical network equipment	(21,356)	(113,430)	(21,356)	(113,429)
Proceeds from disposal of property and equipment	393	23,842	393	509
Proceeds from disposal of investment in subsidiary	4,041	-	-	-
Cash payment for acquisition of equipment	(10,136)	(10,099)	(3,267)	(2,073)
Net cash from (used in) investing activities	(17,731)	(111,242)	7,288	(69,954)

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

SIMAT TECHNOLOGIES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2013

	Unit: Thousands Baht			
	CONSOLIDATED F/S		SEPARATE F/S	
	2013	2012	2013	2012
		(RESTATED)		(RESTATED)
Cash flows from financing activities:				
Cash receipt from increase in share capital	137,955	2	137,955	2
Cash receipt from common share subscription	1,000	266	1,000	266
Increase (decrease) in loan from related company	(626)	-	908	(1,000)
Increase (decrease) in bank overdraft and short-term loan				
from financial institution - net	(121,175)	(47,614)	(92,607)	(69,101)
Increase (decrease) in long-term loan from financial institution	(60,400)	59,840	(60,400)	60,337
Cash receipt from director to guarantee trade				
receivables of subsidiary	10,328	-	8,505	-
Payments of liabilities under financial				
lease agreements	(4,992)	(2,387)	(1,843)	(2,049)
Dividend paid	(13,753)	(1,862)	(7,386)	(1,861)
Net cash from (used in) financing activities	(51,663)	8,245	(13,868)	(13,406)
Net increase (decrease) in cash and cash equivalents	18,090	3,932	12,958	(3,740)
Effect of foreign exchange rate changes	(263)	593	-	-
Cash and cash equivalents, Beginning of year	35,352	30,827	19,369	23,109
Cash and cash equivalents, End of year	53,179	35,352	32,327	19,369

Non - cash transactions :

For the year ended December 31, 2013

The Company transferred inventories to equipment totaling Baht 7.4 million.

The Subsidiaries acquired equipment for a total cost of Baht 6.21 million of which Baht 4.81 million to be paid by instalments under financial lease agreement and Baht 1.40 million was paid by cash.

The Company, the subsidiary in Malaysia and the director entered into the Letter of Debt Settlement agreement to offset the long overdue trade receivable of the subsidy against the payable due to the director of Baht 19.51 million and, as a result, the Company became the borrower of the subsidiary of Baht 19.51 million.

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.

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

SIMAT TECHNOLOGIES PUBLIC COMPANY LIMITED AND SUBSIDIARIES**NOTES TO FINANCIAL STATEMENTS****FOR THE YEARS ENDED DECEMBER 31, 2013****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.

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, 2013	December 31, 2012	
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.
Simat Telecom Co., Ltd. (Formerly: E-Tech Distribution Ltd.)	100.00	51.00	Sales of hardware, software and maintenance service for the point of sales system and telecommunication services
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 software consultancy services and wholesaler of computer.
E-Tech IT Solution (Malaysia)	-	60.00	Trading of computer hardware, software and related equipment.

As at December 31, 2013 and 2012, the total assets of subsidiaries represent 28.52 percent and 47.43 percent, respectively, of the total assets in the consolidated financial statements, and total revenues of subsidiaries for the years ended December 31, 2013 and 2012 represent 67.41 percent and 83.08 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.

Adoption of new and revised TFRS

The Federation of Accounting Professions issued Thai Accounting Standards (“TAS”), Thai Financial Reporting Standard (“TFRS”), Thai Interpretations (“TI”) and Accounting Guidance which are effective for fiscal years 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

In the year 2013, the Group has adopted new and revised TFRS which are effective for the financial statements for the period beginning on or after January 1, 2013. Such transition affected the Group/Company’s overall financial position and financial performance as follows:

Thai Accounting Standard (TAS) No. 12 – Income taxes

The main change introduced by TAS 12 is the requirement to account for deferred tax assets and liabilities in the Group’s financial statements. Deferred tax assets and liabilities are the amounts of income taxes recoverable and payable, respectively, in future periods in respect of temporary differences between the carrying amount of the assets or liabilities in the statement of financial position and the amount attributed to that assets or liabilities for tax purposes; and the carry forward of unused tax losses.

The Group adopted TAS 12 with effective from January 1, 2013. The effects of the change were recognized retrospectively in the financial statements and the statement of financial position as at December 31, 2012 and January 1, 2012 and the statement of comprehensive income for the nine-month period ended December 31, 2013 were adjusted accordingly. The management estimates the impact on the financial statements as follows:

	Unit: Thousands Baht		
	Consolidated and Separate financial statements		
	As at	As at	As at
	December 31, 2013	December 31, 2012	January 1, 2012
The Statements of financial position			
Increase in deferred tax assets	2,878	2,513	1,773
Increase in retained earnings	2,878	2,513	1,773
Increase in shareholders' equity	2,878	2,513	1,773

	Unit: Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	The statements of comprehensive income			
Increase (decrease) in income tax expenses	(365)	(740)	(365)	(740)
Increase (decrease) in profit for the periods	365	740	365	740
Increase (decrease) in basic earnings per share (Baht per share)	0.0013	0.0040	0.0013	0.0040

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

TAS/TFRS/TFRI/TI	Topic
TAS 1 (revised 2012)	Presentation of Financial Statements
TAS 7 (revised 2012)	Statement of Cash Flows
TAS 12 (revised 2012)	Income Taxes
TAS 17 (revised 2012)	Leases
TAS 18 (revised 2012)	Revenue
TAS 19 (revised 2012)	Employee Benefits

TAS/TFRS/TFRI/TI	Topic
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rate
TAS 24 (revised 2012)	Related Party Disclosures
TAS 28 (revised 2012)	Investments in Associates
TAS 31 (revised 2012)	Interests in Joint Venture
TAS 34 (revised 2012)	Interim Financial Reporting
TAS 36 (revised 2012)	Impairment of Assets
TAS 38 (revised 2012)	Intangible assets
TFRS 2 (revised 2012)	Share-based Payment
TFRS 3 (revised 2012)	Business Combinations
TFRS 5 (revised 2012)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (revised 2012)	Operating Segments
TFRI 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRI 4	Determining whether an Arrangement contains a Lease
TFRI 5	Rights to Interests arising from Decommission, Restoration and Environmental Rehabilitation Funds
TFRI 7	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies
TFRI 10	Interim Financial Reporting and Impairment
TFRI 12	Service Concession Arrangements
TFRI 13	Customer Loyalty Programmes
TFRI 17	Distributions of Non-cash Assets to Owners
TFRI 18	Transfers of Assets from Customers
TI 15	Operating Leases-Incentives
TI 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TI 29	Disclosure-Service Concession Arrangements
TI 32	Intangible Assets-Web Site Costs

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.

- b) Thai Financial Reporting Standard (TFRS) which is effective for the financial statements for the period beginning on or after January 1, 2016 as follows:

TFRS	Topic
TFRS 4	Insurance Contracts

The management of the Group is assessing the impacts of this standard on the financial statements for the year in which it is initially applied.

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.

Revenue from board band service is recognized based on the term of contract.

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 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 (number of 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.

Fiber optic network equipment

The company depreciated fiber-optic network equipment on a straight line basis over the estimated useful lives of the assets as follows.

	<u>Useful life (number of years).</u>
Devices outside the fiber optic network	20 – 35
Fiber optic network equipment.	10 - 15

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 currencies*Functional and presentation currency*

The financial statements of each entity within the Group are presented in the functional currency which is the currency of the primary economic environment in which the entity operates. The financial statements of the Group are presented in the presentation currency as Thai Baht in accordance with the regulatory requirements in Thailand. The functional currency of the Company and its subsidiaries in Thailand is Thai Baht and of foreign operation are Malaysia Ringgit and Vietnam Dong.

Foreign currency transactions

Transactions in foreign currencies are translated into the functional currencies using the exchange rate at the date of transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of reporting period date are translated into the functional currency using the exchange rate at the end of reporting period date. Gain or loss on translating is recognized in profit or loss.

Non-monetary assets and liabilities measured at cost in foreign currencies at the end of reporting period date are translating into the functional currency using the exchange rate at the date of transaction.

Translation of the Group's financial statements

The financial statements of the Group are translated into the presentation currency using the following exchange rate:

- The Group's assets and liabilities are translated at the closing rate as at the end of reporting period date.
- The Group's revenues and expenses are translated at the average exchange rates during the periods which are approximate the exchange rates at the dates of transactions; and
- Share capital is translated at historical rates.

Exchange differences on translating financial information are recognized in the other comprehensive income and presented in the exchange differences as a separate component of shareholders' equity until the disposal of the foreign operation.

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

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to items recognised directly in shareholders' equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the end of reporting period date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognized for the following temporary differences:

- the initial recognition of goodwill;
- the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- differences relating to investments in subsidiaries and jointly-controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the end of reporting period date.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Group to change their judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Deferred tax assets are reviewed at the end of reporting period date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

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, 2013 and 2012 of 43.75 million shares and 39.06 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 judgment.

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, 2013 and 2012 are as follows:

	Unit: Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	December 31, 2013	December 31, 2012	September 30, 2013	December 31, 2012
Cash on hand	710	218	597	90
Cash at banks				
Current account	50,482	33,654	29,743	17,799
Saving account	1,969	1,462	1,969	1,462
Fixed deposits with maturity				
of less than 3 months	18	18	18	18
Total	53,179	35,352	32,327	19,369

6 TRADE AND OTHER RECEIVABLES

Trade and other receivables as at December 31, 2013 and 2012 are as follows:

	Unit: Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Trade receivables				
- related parties	5,852	8,629	725	44
- others	299,193	545,438	68,011	51,630
Total	305,045	554,067	68,736	51,674
<u>Less</u> Allowance for doubtful accounts	(51,206)	(55,777)	(128)	(128)
Trade receivables - net	253,839	498,290	68,608	51,546
Other receivables				
- related parties				
Interest receivable	-	-	24	164
Other	41	41	1,015	3,080
- others				
Deposit	1,358	23,138	-	-
Accrued income	5,302	-	5,302	-
Value added tax receivables	9,985	14,971	9,979	14,970
Prepaid expenses	3,449	2,151	3,077	1,962
Advances to trade customer	3,952	2,746	1,248	580
Subscription receivable	3,735	-	-	-
Others	6,785	2,081	5,383	77
Total other receivables	34,607	45,128	26,028	20,833
Total trade and other receivables - net	288,446	543,418	94,636	72,379

As at December 31, 2013 and 2012 the Group had outstanding balances of trade receivable aged by number of months as follows:

Ages of receivable	Unit: Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
<u>Trade Receivable – Related Parties</u>				
Not yet due	-	5,890	39	38
Past due:				
Less than 3 months	5,166	2,733	-	-
Over 3 months but not over 6 months	679	-	679	-
Over 12 months	7	6	7	6
Total trade receivable - related parties	5,852	8,629	725	44
<u>Trade Receivable - Other</u>				
Not yet due	124,033	285,199	52,458	49,557
Past due:				
Less than 3 months	65,273	136,736	10,944	1,942
Over 3 months but not over 6 months	18,384	2,449	2,151	-
Over 6 months but not over 12 months	293	8,029	158	-
Over 12 months	91,210	113,025	2,300	131
Total	299,193	545,438	68,011	51,630
<u>Less</u> Allowance for doubtful accounts	(51,206)	(55,777)	(128)	(128)
Total trade receivable other - net	247,987	489,661	67,883	51,502
Total trade receivable - net	253,839	498,290	68,608	51,546

As at December 31, 2013 and 2012 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, 2013	December 31, 2012
The allowance for doubtful accounts has been provided	50.97	55.55
Guaranteed by the director of the subsidiary amounted to		
Rigit 3.7 million (Note 7)	36.34	56.05
Considered as collectible	1.50	1.19
Total	88.81	112.79

On September 1, 2013, the Company, the subsidiary in Malaysia and the director entered into the Letter of Debt Settlement agreement to offset the long overdue trade receivable of the subsidiary against the payable due to the director of Baht 19.51 million.

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 Electronic Systems Sdn, Bhd	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, 2013 and 2012 are summarized below:

	Unit: Thousands Baht			
	Consolidated financial statement		Separate financial statement	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
<u>Trade receivable</u>				
Grand-flo Spritvest Sdn, Bhd.	5,852	7,908	686	6
Simat Label Co., Ltd.	-	-	39	38
Zeal System Sdn, Bhd.	-	721	-	-
Total	5,852	8,629	725	44
<u>Other receivable</u>				
Simat Label Co., Ltd.	-	-	834	407
Simat Soft Co., Ltd.	-	-	164	58
Simat Telecom Co., Ltd.	-	-	-	-
E-Tech IT Sdn, Bhd.	-	-	-	2,737
Grand-flo Solution Bhd.	41	41	41	41
Total	41	41	1,039	3,243
<u>Loan to related companies</u>				
Simat Label Co., Ltd.	-	-	3,992	4,900
E-Tech IT Sdn, Bhd.	-	-	-	-
Total	-	-	3,992	4,900

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

	Unit: Thousands Baht			
	Consolidated financial statement		Separate financial statement	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
<u>Trade payable</u>				
Kopacklabels Press Sdn, Bhd.	18	-	-	-
Grand – flo Spritvest Sdn, Bhd.	31	91	-	25
Simat Soft Co., Ltd.	-	-	25,757	4,916
Zeal System Sdn, Bhd.	-	2,932	-	-
Grand – flo Electronic Systems Sdn, Bhd.	67	82	-	-
Total	116	3,105	25,757	4,941
<u>Other payable related companies</u>				
Grand – flo Electronic Systems Sdn, Bhd.	851	891	851	830
E-Tech IT Sdn, Bhd.	-	-	407	-
Total	851	891	1,258	830
<u>Other payable related parties</u>				
Mr. Ling Chee Kiat	37,220	37,337	-	-
Total	37,220	37,337	-	-
<u>Payable for purchase of investments</u>				
Portion due within one year				
Mr. Ling Chee Kiat	-	10,164	-	10,164
<u>Short-term loan from related company</u>				
E-Tech IT Sdn, Bhd.	-	-	20,125	-

Part of other payable to related parties consists of deposit from director of a subsidiary (Mr. Ling Chee Kiat) totaling Baht 37.22 million (As at December 31, 2012 of Baht 37.34 million) 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 and agreement the director has with the Company.

Above payable for purchase of investments occurred from the Company’s investment in subsidiary in Malaysia. The Company would pay to the former shares owner who is Mr. Ling Chee Kiat within the year 2012 when the subsidiary could meet the committed profit as indicated in the Share Sale and Purchase agreement. On September 1, 2013, the Company, the subsidiary in Malaysia and the director entered into the Letter of Debt Settlement agreement. As a result such amount became part of the loan from subsidiary of Baht 20.13 million. The repayment is within one year with the interest rate of 5.85% per annum.

Transactions with related parties for the years ended December 31, 2013 and 2012 are summarized below:

		Unit: Thousands Baht			
Transactions with related companies	Pricing policy	Consolidated financial statement		Separate financial statement	
		2013	2012	2013	2012
Sales of inventories	At market price	47,491	45,433	208	151
Dividend income	Right to receive dividends	-	-	11,481	31,585
Interest income	At the rate of 5.85%-7.25%	-	-	328	649
Purchase of inventories	At market price	2,255	3,922	30	280
Software service cost	Mutually agreed price	-	-	25,497	22,049
Other expenses	At cost	-	212	438	212

8 INVENTORIES –NET

Inventories as at December 31, 2013 and 2012 are as follows:

	Unit: Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Finished goods	111,591	86,634	65,330	44,540
Work in process	877	617	-	-
Raw materials	2,847	2,274	-	-
Spare parts	-	3,412	-	3,412
Goods in transit	2,630	-	2,630	-
Total	117,945	92,937	67,960	47,952
<u>Less</u> Allowance for decline				
values of inventories	(4,816)	(6,029)	(4,661)	(3,600)
Inventories – net	113,129	86,908	63,299	44,352

9 RESTRICTED DEPOSITS WITH BANKS

As at December 31, 2013 and 2012, the Company's fixed deposits totaling Baht 105.33 million and Baht 114.66 million, respectively in consolidated financial statements and Baht 13.75 million and Baht 38.15 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% - 0.95% per annum and 1.00% - 3.30% per annum, respectively.

10 INVESTMENTS IN ASSOCIATED COMPANIES AND SUBSIDIARY COMPANIES

Investments in and associated companies and subsidiary companies as at December 31, 2013 and 2012 are as follows:

		Unit: Thousand Baht							
		Consolidated financial statement							
Type of business		Paid-up capital		% of share holding		Cost method		Equity method	
		Dec 31, 2013	Dec 31, 2012	Dec 31, 2013	Dec 31, 2012	Dec 31, 2013	Dec 31, 2012	Dec 31, 2013	Dec 31, 2012
<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	26,539	24,398
		Unit: Thousand Baht							
		Separate financial statement							
Type of business		Paid-up capital		% of share holding		Cost method		Cash dividend	
		Dec 31, 2013	Dec 31, 2012	Dec 31, 2013	Dec 31, 2012	Dec 31, 2013	Dec 31, 2012	Dec 31, 2013	Dec 31, 2012
<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
Total investments in associated company						21,274	21,274	-	2,214
<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	1,935	29,370
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	100.00	51.00	5,000	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	9,546	-
Total investments in subsidiary companies						104,955	100,592	11,481	31,584

On January 1, 2013, E-Tech IT Sdn, Bhd. sold the investment in E-Tech IT Solution to minority shareholder for SGD 209,824 resulting in gain on sales of this investment of Baht 3.25 million.

On March 28, 2013, E-Tech Distribution (subsidiary) registered to change its name to Simat Telecom Company Limited according to the resolution of the Annual General Shareholders' Meeting for the year 2013 on March 23, 2013.

On March 1, 2013, the Company purchased investment in Simat Telecom Company Limited (Formerly : E-Tech Distribution Ltd.) for 245,000 shares with the value of Ringgit 48,040 from a subsidiary company.

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, 2013 and 2012 of E-Tech IT Sdn, Bhd. were audited by SJ GRANT THORNTON. The aggregate amounts of the subsidiary company can be summarized as follows:

	Unit: Million Baht	
	2013	2012
Assets	320	602
Liabilities	275	509
Revenues	802	1,798
Net profit	13	51
Net profit attributable to the Company	8	30

On November 11, 2008, the Company purchased a 40% share of Sino Trading – 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, 2013 and 2012 can be summarized as follows:

	Unit: Million Baht	
	2013	2012
Assets	40	36
Liabilities	16	18
Revenues for the year ended December 31,	82	81
Net profit for the year ended December 31,	5	4
Net profit attributable to the Company	2	2

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 CPA VIETNAM (year 2012: DTL Auditing Company).

11 PROPERTY, PLANT AND EQUIPMENT - NET

During the year ended December 31, 2013, the Company and subsidiary company have following movements in the property, plant and equipment - net:

Unit: Thousands Baht					
Consolidated financial statement					
	As at	Movement during the year		Translation	As at
	January 1, 2013	Increase	Decrease	adjustment	December 31, 2013
<u>Cost</u>					
Office equipment	31,450	5,963	(299)	(22)	37,092
Tools and equipments	22,233	4,038	(32)	-	26,239
Furniture and fixture	15,572	417	(22)	(7)	15,960
Motor vehicles	34,073	3,476	(4,553)	(4)	32,992
Machineries	20,044	4,421	-	-	24,465
Renovation	-	742	-	-	742
Total	123,372	19,057	(4,906)	(33)	137,490
<u>Accumulated depreciation</u>					
Office equipment	(21,081)	(5,337)	202	(22)	(26,238)
Tools and equipments	(17,267)	(3,209)	1	-	(20,475)
Furniture and fixture	(13,723)	(811)	9	1	(14,524)
Motor vehicles	(21,553)	(4,213)	4,020	24	(21,722)
Machineries	(5,647)	(1,553)	-	-	(7,200)
Renovation	-	(6)	-	-	(6)
Total	(79,271)	(15,129)	4,232	3	(90,165)
Net book balue	44,101				47,325
net					
Owned assets	34,971				38,195
Assets under finance leases	913,003				9,130
Property, plant and equipment - net	44,101				47,325
Depreciation for the year 2013					
					15,129
Depreciation for the year 2012					
					13,992

As at December 31, 2013 and 2012, the Group's equipment and vehicles amounting to Baht 57.02 million and Baht 12.42 million, respectively, are fully depreciated but still in use.

Unit: Baht				
Consolidated financial statement				
	As at	Movement during the year		As at
	January 1, 2013	Increase	Decrease	December 31, 2013
<u>Cost</u>				
Office equipment	16,194	3,016	-	19,210
Tools and equipments	20,963	3,346	(32)	24,277
Furniture and fixture	12,696	380	-	13,076
Motor vehicles	30,832	-	(1,705)	29,127
Renovation	-	742	-	742
Total	<u>80,684</u>	<u>7,484</u>	<u>(1,737)</u>	<u>86,431</u>
<u>Accumulated depreciation</u>				
Office equipment	(14,659)	(1,035)	-	(15,694)
Tools and equipments	(16,093)	(3,105)	1	(19,197)
Furniture and fixture	(12,209)	(531)	-	(12,740)
Motor vehicles	(19,117)	(3,498)	1,705	(20,910)
Renovation	-	(6)	-	(6)
Total	<u>(62,078)</u>	<u>(8,175)</u>	<u>1,706</u>	<u>(68,547)</u>
Net book balue	<u>18,606</u>			<u>17,884</u>
Property, plant and equipment - net				
Owned assets	9,476			11,636
Assets under finance leases	9,130			6,248
Property, plant and equipment - net	<u>18,606</u>			<u>17,884</u>
Depreciation for the year 2012				<u>8,175</u>
Depreciation for the year 2011				<u>8,515</u>

As at December 31, 2013 and 2012, the Company's equipment and vehicles amounting to Baht 54.50 million and Baht 12.42 million, respectively, are fully depreciated but still in use.

12 SOFTWARE DEVELOPMENT COST FOR SALE - NET

During the year ended December 31, 2013, the Company and subsidiary company have following movement in software development cost for sale:

	Unit: Thousands Baht			
	Consolidated and Separate financial statement			
	As at January 1, 2013	Movement during the year		As at December 31, 2013
	Increase	Decrease		
Cost	40,881	81	-	40,962
Accumulated Depreciation	(32,629)	(5,812)	-	(38,441)
Equipment for lease - net	8,252			2,521

13 SOFTWARE DEVELOPMENT COST FOR SALES

During the year ended December 31, 2013, the Company has developed software for sales. Movements in software development cost for sales during the year were as follows:

	Unit: Thousands Baht			
	Consolidated financial statement			
	As at January 1, 2013	Movement during the year		As at December 31, 2013
	Increase	Decrease		
Software cost for sales	3,519	1,041	-	4,560
Software under development	-	-	-	-
Accumulated Depreciation	(703)	(910)	-	(1,613)
Software development for sales	2,816			2,947
<u>Less</u> Allowance for impairment	-			-
Software development for sales - net	2,816			2,947

	Unit: Thousands Baht			
	Separate financial statement			
	As at	Movement during the year		As at
	January 1, 2013	Increase	Decrease	December 31, 2013
Software cost for sales	3,519	634	-	4,153
Software under development	-	-	-	-
Accumulated Depreciation	(703)	(826)	-	(1,529)
Software development for sales	2,816			2,624
<u>Less</u> Allowance for impairment	-			-
Software development for sales - net	2,816			2,624

14 FIBER OPTIC NETWORK EQUIPMENT

Fiber optic network equipment as at December 31, 2013 and December 31, 2012 consists of:

	Unit: Thousands Baht			
	Consolidated and separate financial statements			
		Movement increase (decrease)		
	January 1, 2013	Increase/ Transfer	Decrease/Transfer	December 31, 2013
<u>Cost</u>				
Devices outside the fiber optic network	-	439,292	-	439,292
Fiber optic network equipment	-	29,784	-	29,784
Fiber optic network under installation	434,243	13,299	(447,542)	-
Total cost	434,243	482,375	(447,542)	469,076
<u>Accumulated depreciation</u>				
Devices outside the fiber optic network	-	(9,781)	-	(9,781)
Fiber optic network equipment	-	(1,546)	-	(1,546)
Total accumulated depreciation	-	(11,327)	-	(11,327)
Fiber optic network equipment - net	434,243	471,048	(447,542)	457,749

Cost of fiber optic network equipment as at December 31, 2013 and December 31, 2012 consists of:

	Unit: Thousands Baht	
	Consolidated and separate financial statement	
	December 31, 2013	December 31, 2012
Equipment and installation cost	427,007	400,288
Financial cost	42,069	33,955
Total	469,076	434,243

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.

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") 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 had sent the warning letter to CAT several times. Therefore, the Company reserved the right to cancel the contract and the cancellation letter had been already sent to CAT.

During the year ended December 31, 2013 and 2012, financial cost of Baht 8.11 million and Baht 22.99 million have been capitalized as cost of the projects.

15 DEFERRED TAX ASSETS

Deferred tax as at December 31, 2013 and 2012 were consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Deferred tax assets	2,878	2,513	2,578	2,513
Deferred tax liabilities	(2,229)	(2,212)	-	-
Deferred tax assets (liabilities) - net	649	301	2,578	2,513

Movements in deferred tax assets and deferred tax liabilities during the period were as follows:

	Unit: Thousands Baht			
	Consolidated financial statements			
	Movement increase (decrease)			
		Other of		
	Statement of	comprehensive		
January 1, 2013	income	income	December 31, 2013	
Deferred tax assets :				
Allowance for doubtful accounts	29	(3)	-	26
Allowance for devalue of inventories	828	104	-	932
Provision for employee benefit obligations	869	140	-	1,009
Reserve for share-based payment	787	124	-	911
Total deferred tax assets	2,513	365	-	2,878
Deferred tax liabilities :				
Depreciation	2,212	17	-	2,229
Total deferred tax liabilities	2,212	17	-	2,229

The temporary difference from depreciation represented the timing difference of the foreign subsidiary which had been already recognized as deferred tax liabilities in the consolidated financial statements in the previous period by presenting in other payable.

	Unit: Thousands Baht			
	Separate financial statements			
	Movement increase (decrease)			
		Other		
	Statement of	comprehensive		
January 1, 2013	income	income	December 31, 2013	
Deferred tax assets :				
Allowance for doubtful accounts	29	(3)	-	26
Allowance for devalue of inventories	828	104	-	932
Provision for employee benefit obligations	869	140	-	1,009
Reserve for share-based payment	787	124	-	911
Total deferred tax assets	2,513	365	-	2,878

Income tax expense for the years ended December 31, 2013 and 2012 are as follows:

	Unit: Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
		(RESTATED)		(RESTATED)
Income tax expenses for the periods	4,178	17,971	79	8,169
Deferred income taxes	(325)	(740)	(365)	(740)
Corporate income tax	3,853	17,231	(286)	7,429

Income tax rates for the years ended December 31, 2013 and 2012 are as follows:

	2013	2012
The Company and subsidiaries in Thailand	15 - 20%	15 - 23%
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.

16 BANK OVERDRAFT AND SHORT-TERM LOAN FROM FINANCIAL INSTITUTION

Bank overdraft and short-term loan from financial institution as at December 31, 2013 and 2012 are as follows:

	Unit: Thousands Baht			
	Consolidated financial statement		Separate financial statement	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Bank overdraft	5,187	6,818	-	-
Trust receipt	113,680	155,060	-	14,442
Total bank overdraft and short-term loan from financial institution	118,868	161,878	-	14,442

Bank overdraft and short-term loan from financial institution as at December 31, 2013 and 2012 bear interest at the rate of 5.18% - 8.60% per annum and 5.18% - 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.

17 TRADE AND OTHER PAYABLES

Trade and other payables as at December 31, 2013 and 2012 are as follow:

	Unit: Thousands Baht			
	Consolidated financial statement		Separate financial statement	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Trade payables				
- related parties	116	3,105	25,757	4,941
- others	137,520	270,644	60,444	24,822
Total trade payables	137,636	273,749	86,201	29,763
Other payables				
- related companies	851	891	1,258	830
- related parties	37,220	37,337	-	-
- others				
Deferred revenues	13,803	18,787	8,634	11,065
Accrued expenses	41,605	63,073	6,910	3,114
Accrued income tax	6,733	6,300	-	2,087
Other	637	1,823	1,288	641
Total other payables	100,849	128,211	18,091	17,737
Total trade and other payables - net	238,485	401,960	104,292	47,500

As at December 31, 2013 and 2012, 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, 2013		December 31, 2012	
	Limit	Interest rate	Limit	Interest rate
Bank overdraft	29	5.18% - 8.60%	29	5.18% - 8.60%
Liabilities under trust receipt agreements, letters of credit, and others	112	3.90% - 8.60%	114	3.90% - 8.60%
Factoring of accounts receivable for governmental project	386	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%	105	6.90% - 7.40%
Forward exchange contract	69	-	71	-
Long-term loans	147	SPRL+0.75% per annum, 7.25% per annum and MLR-2% per annum	410	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, 2013		December 31, 2012	
	Limit	Interest rate	Limit	Interest rate
Bank overdraft	20	5.18%	20	5.18%
Liabilities under trust receipt agreements, letters of credit, and others	35	3.90%	35	3.90%
Factoring of accounts receivable	105	6.90% - 7.40%	105	6.90% - 7.40%
Forward exchange contract	40	-	41	-
Long-term loans	147	SPRL+0.75% per annum, 7.25% per annum and MLR-2% per annum	410	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.

19 LIABILITIES UNDER FINANCIAL LEASE AGREEMENTS – NET

Liabilities under financial lease agreements as at December 31, 2013 and 2012 are as follows:

	Unit: Thousands Baht			
	Consolidated financial statement		Separate financial statement	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Due not later than one year				
Minimum payments	3,375	2,545	1,940	2,175
Deferred interest	(558)	(377)	(349)	(357)
Liabilities under financial lease – net	2,817	2,168	1,591	1,818
Due later than one year but not later than five				
Minimum payments	6,578	5,330	3,263	5,176
Deferred interest	(356)	(455)	(157)	(453)
Liabilities under financial lease – net	6,222	4,875	3,106	4,723
Net book value of equipment under finance leases agreements	11,330	9,130	6,247	9,130

20 LONG-TERM LOANS FROM FINANCIAL INSTITUTION – NET

Long-term loans from financial institution as at December 31, 2013 and 2012 are as follows:

	Unit: Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Long-term loans from banks	146,940	285,505	146,940	285,505
<u>Less</u> current portion of long-term loans from financial institutions	(50,760)	(78,165)	(50,760)	(78,165)
Total long-term loans - net	96,180	207,340	96,180	207,340

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. Due to the cancellation of contract with CAT Telecom Public Company Limited (Note 14), as at September 30, 2013 the Company had repaid the entire amount to the financial institution and classified the guarantee deposit of Baht 21 million as Cash and Cash Equivalents.

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 March 26, 2013, the Company amended the interest rate swap with the bank according to the outstanding loan amount. The Company changed the interest payment obligation from THBFIX +3.16% per annum to THBFD 3M +5.1% per annum on the notional amount of Baht 100.55 million (outstanding loan amount) as at March 31, 2013. The notional amount will be reduced until the end of SWAP contract in June 2017. Due to the cancellation of contract with CAT Telecom Public Company Limited (Note 14), the financial institution had released all collateral on May 29, 2013. Therefore, the loan has no collateralized securities.

On May 29, 2013, the Company entered into a loan agreement with the financial institution for the loan amount of Baht 80 million to repay the long-term loans of the line of Baht 210 million. The interest rate is at THBFIX + 2.73% per annum. The repayments will be made starting the first repayment in June 2013 of Baht 2.8 million and of Baht 2.23 million per month from July 2013 to May 2016. There is no collateral. The Company has entered into interest rate swap with the bank for the loan amount. The Company is obliged to pay interest at the rate of THBFD 3M + 4.77% per annum in exchange for interest rate THBFIX + 2.73% per annum over the period of loan repayment.

21 EMPLOYEE BENEFIT

Movements of the present value of employee benefits obligation for the years ended December 31, 2013 and 2012 are as follows:

	Unit: Thousands Baht			
	Post-employment benefit plan			
	Consolidated financial statements		Separate financial statements	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Employee benefit obligations at beginning as at January 1,	3,900	3,477	3,778	3,477
Employee benefit expenses in the statements of comprehensive income:				
Current service cost	1,260	284	1,117	162
Interest from obligation	154	139	149	139
Employee benefit obligations at ending as at December 31,	5,314	3,900	5,044	3,778

Employee benefit obligations in the statement of financial position as at December 31, 2013 and 2012 consisted of:

	Unit: Thousands Baht			
	Post-employment benefit plan			
	Consolidated financial statements		Separate financial statements	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Present value of obligation	5,314	3,900	5,044	3,778
Fair value of plan assets	-	-	-	-
Employee benefit obligations in the statements of financial position	5,314	3,900	5,044	3,778

The principal actuarial assumptions used were as follows;

	Year 2013 and 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.

22 SHARE CAPITAL

Registered capital

22.1 The Annual General Meeting of Shareholders held on April 26, 2013 approved and agreed as follows.

22.1.1 Decrease of the registered capital from Baht 249,525,000 to Baht 249,524,977.

22.1.2 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

22.1.3 Increase of the registered capital for Baht 102,483,013, divided into 102,483,013 common shares at the par value of Baht 1 each, from the existing registered capital of Baht 249,524,977 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.

Issued and paid up capital

22.2 The Company registered the paid-up share capital from Baht 182,821,627 to Baht 183,087,855 with 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.

22.3 The Company registered the paid-up share capital from Baht 183,087,855 to Baht 199,087,855 with the Ministry of Commerce on March 12, 2013 since 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.

22.4 The Company increased its paid-up capital from Baht 199,087,855 to Baht 266,183,375 and registered with the Ministry of Commerce on June 13, 2013 due to the payment of stock dividends to common stock shareholders of 66,362,171 ordinary shares at par value Baht 1 per share and the holders of warrant purchased common stock of the Company (ESOP) of 500,000 unit or 733,349 shares on May 31, 2013.

22.5 The Company registered the paid-up share capital from Baht 266,183,375 to Baht 274,167,447 with the Ministry of Commerce on September 13, 2013 since the warrant holders exercised their rights to purchase the Company's common share for 5,387,000 units or equivalent to 7,984,072 shares on June 28, 2013.

22.6 The Company registered the paid-up share capital from Baht 274,167,447 to Baht 275,974,021 with the Ministry of Commerce on October 11, 2013 since the warrant holders exercised their rights to purchase the Company's common share for 1,218,972 units or equivalent to 1,806,574 shares on September 30, 2013.

23 LEGAL RESERVE

Under the Public Company Limited Act B.E. 2535, the Company is required to set aside at least 5% of its net profit after deduction of deficit (if any) as a legal reserve until the reserve reaches 10% of the registered capital. The Company made additional appropriation for legal reserve of Baht 1.08 million and Baht 2.73 million during the years 2013 and 2012, respectively. The legal reserve is non - distributable for dividends.

24 DIVIDEND

At the Annual General Shareholders' Meeting for the year 2013 on April 26, 2013, the meeting resolved to 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 to pay cash dividend at the rate of Baht 0.0371 per share or not exceeding Baht 7,386,000

On May 21, 2013, the subsidiary (E-Tech IT Sdn. Bhd.) resolved to pay an interim dividend in respect of the financial year ending December 31, 2013 at the rate of 27.26% per share, amounting to Baht 15.92 million.

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.

25 EXPENSES BY NATURE

Significant expenses by nature are as follows:

Unit: Thousand Baht

	Consolidated financial statement		Separate financial statement	
	2013	2012	2013	2012
Changes in inventories	(12,736)	(23,290)	(15,347)	(14,567)
Purchase of goods	1,028,423	1,912,318	255,175	210,789
Salary and wages and other employee benefits	99,508	85,876	61,472	54,800
Depreciation and amortisation	33,179	20,640	26,141	15,155
Doubtful Debts	1,049	8,597	-	-
Impairment loss on inventories	628	2,925	1,060	112
Cost of warranty	8,750	15,859	8,750	15,859
Rental expense	10,822	9,020	6,357	5,577
Purchase of software	1,631	802	27,128	22,851
Share-based payment	1,136	3,422	1,136	3,422

26 BASIC AND DILUTED EARNINGS PER SHARE

Basic and diluted earnings per share are calculated as follows:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Net profit attributable to shareholders				
of the parent (Thousands Baht)	33,191	76,028	9,726	55,101
Number of ordinary share outstanding				
at beginning of year	182,822	166,200	182,822	166,200
Effect of shares issued during the year	12,887	-	12,887	-
Effect of issuance stock dividend	66,363	82,983	66,363	82,983
Effect of exercised warrants	5,131	3	5,131	3
Weighted average number of ordinary shares				
outstanding during the year	267,203	249,186	267,203	249,186
Basic earnings per share (Baht)	0.12	0.31	0.04	0.22
Number of ordinary shares outstanding (basic)	267,203	249,186	267,203	249,186
Effect of ESOP to be exercised	4,808	3,941	4,808	3,941
Effect of warrants to be exercised	38,946	36,371	38,946	36,371
Weighted average number of ordinary shares				
outstanding during the year (diluted)	310,957	289,498	310,957	289,498

27 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, 2013 and 2012, the Company and local subsidiaries contributed a total of Baht 0.85 million and Baht 0.81 million, respectively.

28 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			
	2013			
	Non – interest			
	Floating rate	Fixed rate	bearing	Total
<u>Financial assets/liabilities</u>				
Cash and cash equivalents	-	2	51	53
Restricted deposits with banks	-	105	-	105
Bank overdraft and short-term loan				
from financial instution	118	-	-	118
Long-term loan from				
financial institution	-	147	-	147

	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	-	34	35
Restricted deposits with banks	-	115	-	115
Bank overdraft and short-term loan				
from financial instution	162	-	-	162
Long-term loan from				
financial institution	179	107	-	286

Unit: Million Baht				
Separate financial statement				
2013				
Non – interest				
	Floating rate	Fixed rate	bearing	Total
<u>Financial assets/liabilities</u>				
Cash and cash equivalents	-	2	30	32
Restricted deposits with banks	-	14	-	14
Long-term loan				
financial institution	-	147	-	147

Unit: Million Baht				
Separate financial statement				
2012				
Non – interest				
	Floating rate	Fixed rate	bearing	Total
<u>Financial assets/liabilities</u>				
Cash and cash equivalents	18	-	1	19
Restricted deposits with banks	-	38	-	38
Bank overdraft and short-term loan				
from financial institution	14	-	-	14
Long-term loan from				
financial institution	179	106	-	285

Financial assets with fixed interest rates as of December 31, 2013 and 2012, and the period of time from the balance sheet date to their maturity dates are as follows:

Unit: million Baht						
Consolidated financial statement						
2013						
	At call	1 - 6 months	7 - 12 months	Over 1 year	Total	Interest rate
<u>Financial assets/liabilities</u>						
Fixed deposits with banks	-	2	-	-	2	0.95%-3.18%
Restricted deposits with banks	-	-	105	-	105	0.95%-3.18%
Long-term loan	-	-	-	147	147	7.25%

Unit: million Baht						
Consolidated financial statement						
2012						
	1 - 6	7 - 12				
	At call	months	months	Over 1 year	Total	Interest rate
<u>Financial assets/liabilities</u>						
Restricted deposits with banks	-	115	-	-	115	0.95%-3.18%
Long-term loan	-	-	-	107	107	0.0725

Unit: million Baht						
Separate financial statement						
2013						
	1 - 6	7 - 12				
	At call	months	months	Over 1 year	Total	Interest rate
<u>Financial assets/liabilities</u>						
Fixed deposits with banks	-	2	-	-	2	0.95%-3.18%
Restricted deposits with banks	-	-	14	-	14	0.95%-3.18%
Long-term loan	-	-	-	147	147	0.0725

Unit: million Baht						
Separate financial statement						
2012						
	1 - 6	7 - 12				
	At call	months	months	Over 1 year	Total	Interest rate
<u>Financial assets/liabilities</u>						
Restricted deposits with banks	-	38	-	-	38	0.95%-3.18%
Long-term loan	-	-	-	106	106	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.

29 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, 2013 and 2012 as follows:

Unit: Thousand Baht						
Consolidated financial statement						
For the year ended December 31, 2013						
	Enterprise data collection	Production and sales of label	Broadband internet service	Total Domestic	Distribution of computer hardware in Malaysia	Total
Revenues	418,071	72,477	3,776	494,324	801,876	1,296,200
Cost of sales and services	(288,800)	(52,302)	(17,864)	(358,966)	(733,967)	(1,092,933)
Gross profit	129,271	20,175	(14,088)	135,358	67,909	203,267
Gain (loss) on exchange rate	(3,861)	(236)	-	(4,097)	-	(4,097)
Other income	1,420	34	-	1,454	13,002	14,456
Income before expenses	126,830	19,973	(14,088)	132,715	80,911	213,626
Selling expenses	(13,332)	(2,550)	(2,449)	(18,331)	(9,463)	(27,794)
Administrative expense	(57,952)	(9,380)	(13,191)	(80,523)	(43,858)	(124,381)
Total expenses	(71,284)	(11,930)	(15,640)	(98,854)	(53,321)	(152,175)
Income before finance cost and income tax	55,546	8,043	(29,728)	33,861	27,590	61,451
Finance cost	(2,126)	(506)	(6,887)	(9,519)	(10,615)	(20,134)
Share of profit of investments in associated companies	2,141	-	-	2,141	-	2,141
Income before income tax	55,561	7,537	(36,615)	26,483	16,975	43,458
Income tax	(6,117)	(385)	6,402	(100)	(3,753)	(3,853)
Net profit	49,444	7,152	(30,213)	26,383	13,222	39,605
Income attributable to Equity holders of the Company						33,191
Non-controlling interests						6,414
						39,605
Total assets	334,477	38,855	457,749	831,081	319,960	1,151,041

Unit: Thousand Baht						
Consolidated financial statement						
For the year ended December 31, 2012						
	Enterprise	Production	Broadband	Total	Distribution	
	data collection	and sales of	internet	Domestic	of computer	
		label	service		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	(7,429)	-	-	(8,169)	(9,802)	(17,971)
Net profit	43,082	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	709,629	32,630	-	742,259	602,107	1,344,366

30 INCOME TAX

Income tax expense for the year ended December 31, as follows:

	Unit: Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Profit before income tax	43,458	114,822	9,440	62,530
Income tax rate	20%	23%	20%	23%
Current income tax expense as tax rate	8,692	26,409	1,888	14,382
Non-deductible expenses by the Revenue Code	663	4,116	144	849
Allowance by the Revenue Code	(435)	(5,743)	(435)	(680)
Dividend income	-	-	(2,296)	(7,264)
Non-taxable income	(4,581)	(4,458)	-	-
Unused tax loss	807	16	-	-
Share of gain in associated company	(428)	(455)	-	-
Inter-company transactions	28	389	-	-
Written-off deferred tax assets	(1,643)	(3,827)	413	142
Difference from income tax rate	750	784	-	-
Income tax expense	3,853	17,231	(286)	7,429
The average effective tax rate	9%	15%	(3%)	12%

The Group used income tax rate of 20% for the calculation of corporate income tax for the year ended December 31, 2013 and used income tax rate of 23% for the calculation of corporate income tax for the year ended December 31, 2012 attributable to the Section 5 of the Royal Decree Issued Under the Revenue Code Regarding Deduction in Tax Rate (No. 530) B.E. 2554. For Subsidiaries and Joint Ventures which have net profit and paid-up capital under the tax criteria, the progression rate are applied.

The subsidiary in oversea is subject to income tax rate of 25% for the calculation of corporate income tax for the years ended December 31, 2013 and 2012.

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.

31 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.

Corporate guarantee

As at December 31, 2013, 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, 2013, 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 16.41 million.

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	7,471	3,172
Due over 1 year but not over 5 years	1,619	-
Total	9,090	3,172

32 WARRANT

At the Extraordinary Shareholders' Meeting No. 1/2011 on July 29, 2011, the meeting resolved to issue the warrant to purchase the Company's common share for 41,550,000 units to the existing shareholders who subscribed for the right issue at the ratio of 2 new shares for 1 warrant unit with free value. One unit of warrant can purchase common share for 1 share at the exercise price of Baht 1.50 per share (subject to change according to the right adjustment). The warrant is allowed to be traded in the stock exchange of Thailand on August 29, 2011.

On May 7, 2013, the Company adjusted the rate of the warrant to 1.4821 shares for 1 warrant at the exercise price of Baht 1.0121 per share.

On June 28, 2013, the holders of warrants to purchase common shares of the Company exercised for 5,387,000 units, or 7,984,072 shares with an exercise price of Baht 1.0121 per share.

On December 31, 2013, the holders of warrants to purchase common shares of the Company exercised for 844,100 units, or 1,251,040 shares with an exercise price of Baht 1.0121 per share. As at December 31, 2013 unexercised warrants are 33,858,893 units or equivalent to 50,182,331 shares.

33 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	:	1.8 Baht per share (Subject to change according to right adjustment)
Exercise Ratio	:	1 unit of warrant for 1 ordinary shares (Subject to change according to right adjustment)
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

On May 8, 2012, the Company adjusted the rate of warrant to 1.1000 shares for 1 warrant at the exercise price of Baht 1.6364 per share.

On May 7, 2013, the Company adjusted the rate of warrant to 1.4667 shares for 1 warrant at the exercise price of Baht 1.2273 per share.

As at December 31, 2013, the total outstanding unexercised ESOP warrants is 4,500,000 units.

34 LITIGATION

On November 8, 2013, The Company has filed a lawsuit to Civil court against CAT Telecom Public Company Limited ("CAT") to claim damage for Baht 663.64 million. According to the operating lease of optical fiber network system contracts with CAT for Nakornratchasima and Chiangmai province dated June 10, 2011 and June 13, 2011, respectively, the Company purchased and installed equipments completely and delivered the whole system to CAT for the network of Nakornratchasima and Chiangmai province on May 21, 2012 and July 11, 2012, respectively but CAT ignored to receive. Although, the Company sent the remind letter several times but CAT ignored to comply with the contract therefore the Company reserved the right to terminate the contract on February 22, 2013 and then proceed the litigation. The court assigned the undecided case no. 4572/2556 and scheduled the investigation on January 20, 2014

35 EVENTS AFTER THE REPORTING PERIOD

At the Board of Directors' Meeting No. 1/2014 on February 27th, 2014, the meeting approved to propose to the Annual General Shareholder's Meeting for the year 2014 to consider and approve the followings.

- 35.1 Allocated stock dividend to the Company's shareholders not exceeding 27,722,506 shares with the par value of Baht 1 per share at the ratio of 10 existing shares to 1 stock dividend or equivalent to Baht 27,722,506 representing a dividend payment rate of Baht 0.10 per share and payment of cash dividend at the rate of Baht 0.01112 per share or not exceeding Baht 3,082,743.
- 35.2 To consider and approve the decrease of the registered capital from the existing registered capital of Baht 352,007,990 to Baht 334,007,543 at the par value of Baht 1 each to write off the remaining share of 447 shares from the issuance of the previous stock dividend and the unissued common share reserved for General Mandate of 18,000,000 shares and approve the amendment of Clause 4 of the Memorandum of Association to be in accordance with the capital decrease.
- 35.3 To consider and approve the capital increase by General Mandate by issuing the new ordinary shares of 27,000,000 shares, at the par value of Baht 1 each to the private placement.
- 35.4 To consider and approve the increase of the registered capital for Baht 60,401,095, divided into 60,401,095 common shares at the par value of Baht 1 each, from the existing registered capital of Baht 334,007,543 to Baht 394,408,638 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 and approve the amendment of Clause 4 of the Memorandum of Association to be in accordance with the capital increase.

35.5 To consider and approve the allotment of newly issued ordinary shares of 60,401,095 shares at the par value of Baht 1 per share reserved for stock dividend, right adjustment of warrant (SIMAT-W1) and ESOP warrants and private placement.

36 APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved by the Company's authorized directors on February 27, 2014.