



Vision

We aim to develop the telecommunication infrastructure to accommodate the customer for using high-speed internet with the best quality and service in Thailand.

Mission

- To expand the capability of the fiber optic network in Nakornratchasima, Chiangmai, Khonkaen and Bangkok Metropolitan to accommodate the consumer to use the hi-speed internet service with best 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 downsize the IT solution segment to meet the optimum level and maintain good margin customer and expand business to project base for both private and government sector.
- 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	<ol style="list-style-type: none"> To provide total solution of Information Technologies services To provide broadband internet services
Office address	<p>No. 123 Soi Chalongkrung 31, Ladkrabang Industrial Estate, Chalongkrung road, Lamplatew sub-district, Ladkrabang district, Bangkok 10520</p> <p>Tel : (66) 0 2326 0999</p> <p>Fax : (66) 0 2326 1014</p>
Registration date	<p>Registered as public Company on 18 July 2006</p> <p>Register no. 0107549000122</p> <p>Listed in the Stock Exchange of Thailand (MAI) on 12 December 2007</p>
Paid-up share capital	<p>Baht 394,138,985 (394,138,985 common shares at par value of Baht 1 each)</p> <p>Share registered: 480,534,076 common shares</p>
Registrar	<p>Thailand Securities Depository Co., Ltd.</p> <p>The Stock Exchange of Thailand Building,</p> <p>93 Rachadapisek Road, Dindaeng,</p> <p>Bangkok 10400</p> <p>Tel : (66) 0 20099999</p> <p>Fax : (66) 0 20099991</p>
Auditor	<p>Mr. Sathien Vongsanan, CPA license no. 3495 or</p> <p>Mr. Atipong Atipongsakul, CPA license no. 3500 or</p> <p>Mr. Vichai Ruchitanont, CPA license no. 4054</p> <p>ANS Audit Co., Ltd.</p> <p>No. 100/31-32, 16th floor, 100/2 Vongvanich Bldg. Tower B, Rama 9 road, Huaykwang, Bangkok 10310</p> <p>Tel : (66) 0 2645 0109</p> <p>Fax : (66) 0 2645 0110</p>
Investor relation coordinator	<p>Mr. Thammanoon Korkiatwanich</p> <p>Ms. Nuntawan Pathomwattanakij</p> <p>Tel : (66) 0 2326 0999 ext. 1211, 1213</p> <p>Fax : (66) 0 2326 1014</p>
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%

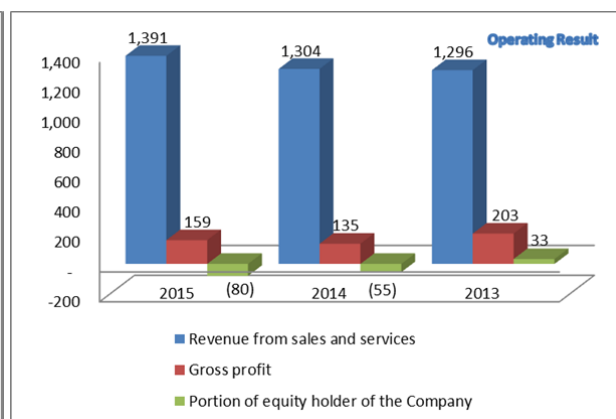
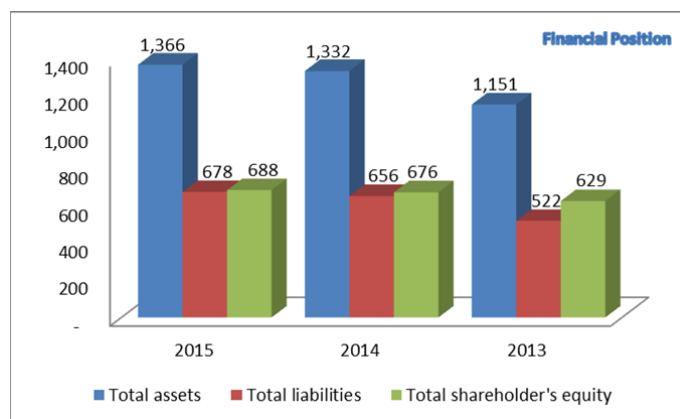
Associate companies

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%

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	2015	2014	2013
Unit : Baht Million			
Revenues from sales and services	1,391	1,304	1,296
Gross profit	159	135	203
Net profit	(80)	(55)	33
Total assets	1,366	1,332	1,151
Shareholders' equity	688	676	629
Unit : Baht			
Par value	1	1	1
Earnings per share	(0.21)	(0.16)	0.12
Dividends per share	-	-	0.11
Total assets per share	3.47	3.59	4.15
Shareholders' equity per share	1.75	1.82	2.27
Financial ratio			
Net profit margin	-5%	-4%	3%
Gross profit margin	11%	10%	16%
Net profit / Total assets	-6%	-4%	3%
Net profit / Shareholders' equity	-12%	-8%	6%
Debt / Equity	99%	97%	83%





Report from Board of Directors

In 2015, Thai economy grew only 2.8% with slowly recovery from the negative factors from prior year till this year which are the high household debt, low revenue from agricultural sector, decrease in foreign demand, reduce in revenue of labor from export sector and the tight control of financing of commercial bank. In 2016, it is expected that Thai economy will continue to recovery but not in full potentiality. The government investment shall play an important role to stimulate the investment and consumption of the private sector. The export will be positive but still weak according to the pressure from China economy,

The company's operating performance in 2015 was loss of Baht 80 million. The operating result is still generated net loss since the broadband internet business segment has not reached the break-even point in term of net profit. However, the net loss has been improved by every quarter. In quarter 4, the company has consolidated net loss of Baht 13 million which improved from quarter 3 about Baht 7 million or 35% due to the significantly increase in revenue and the number of accumulated subscribers of the broadband internet segment. Currently, the broadband internet segment has reached the break-even point in term of operating cash flow already with the number of accumulated subscriber of more than 15,000 subscribers and the number of new subscriber (net) is more than 1,000 subscribers per month.

However, the Company's overall business trend in 2016 will be improved as the broadband internet segment will be able to reach the break-even point in term of net profit within quarter 2 of year 2016 and will generate profit since quarter 3 of year 2016. In addition, the Label business segment will grow continuously from prior year. While, the IT Solution segment shall generate profit after downsizing its business therefore the company expects that the company shall finally have the positive operating result for the year 2016 and continuously grow according to the increase in the number of accumulated subscribers.

In 2016, 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)

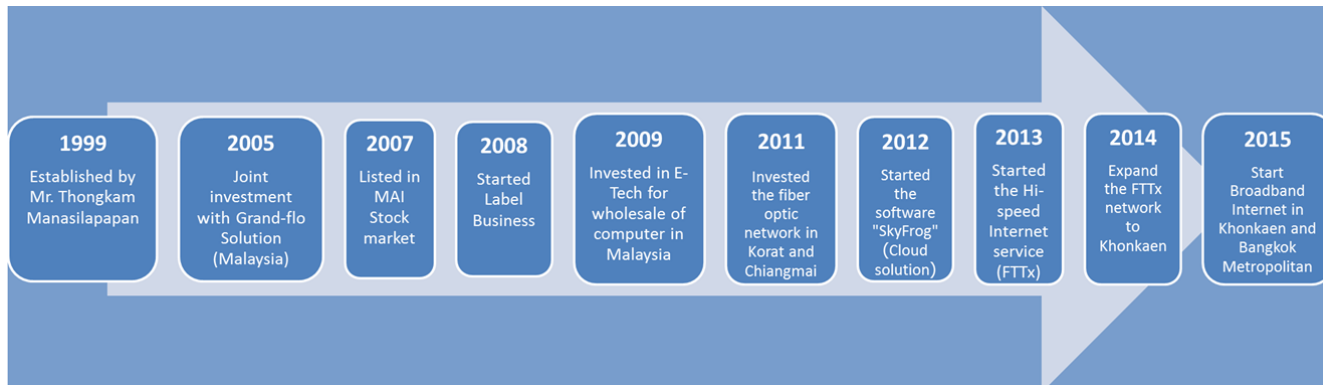
Chairman

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 city area of Nakornratchasima and Chiangmai provinces under the brand "Si-net".

In 2014, the Company expanded the FTTx network in the city area of Khonkaen and expects to provide hi-speed internet service in Khonkaen at the beginning of year 2015.

In 2015, the Company has started the High speed internet to area of Bangkok Metropolitan by cooperation with business partner, Symphony Communication Public Company Limited. In the initial phase, the Company will provide internet service to high building such as Condominium and Apartment.

Board of Directors



Mr. Tan Bak Hong

Chairman

Percentage of Shareholding: 18.24% 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 2015: 11/11 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 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	Simat Telecom Co., Ltd.



Mr. Thongkam Manasilapapan

Deputy Chairman

Percentage of Shareholding: 13.11%

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 2015: 11/11 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	Simat Telecom Co., Ltd.



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 2015: 11/11 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 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 2015: 11/11 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 Berhad



Mr. Natthawut Pinto

Director

Percentage of Shareholding: 2.86%

Specialized experience: expert in stock investment and investor relation

Relationship among management: None

Participation in Board of Directors' meeting in year 2015: 10/11 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: 0.22%

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 2015: 11/11 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	Simat Telecom 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 2015: 10/11 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
2014 – Present	Director	Breadtalk Corporation (Thailand) Co., Ltd.
2014 - 2015	Director	BTM (Thailand) Co., Ltd.
2011 – Present	Managing Director	FR (Thailand) Co., Ltd.
2010 – 2012	Director	Techbond (Thailand) Co., Ltd.
2000 – Present	Managing Director	Taster Food (Thailand) Co., Ltd.
2009 – Present	Director	Breadtalk (Thailand) Co., Ltd.
2007 – Present	Director	Simat Technologies PCL.
2004 – Present	Director	Idex Technologies Co., Ltd.
2003 – Present	Director	Orisoft (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 2015: 11/11 times

Participation in Audit Committees' meeting in year 2015: 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 2015: 11/11 times

Participation in Audit Committees' meeting in year 2015: 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 Aurrpokaiyakul

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 2015: 11/11 times

Participation in Audit Committees' meeting in year 2015: 4/4 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.
2014 – Present	Manager	Kasikorn Bank – On-Nut Branch
2013 - 2014	Manager	Kasikorn Bank – Asoke Branch
2011 - 2012	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: 13.11%

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 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	Simat Telecom



Mr. Thammanoon Korkiatwanich

Executive Accounting and Finance Director

Percentage of Shareholding: 0.22%

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	Simat Telecom 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: 1.43%

Specialized experience: expert in EDCCS Technologies


Relationship among management: None

Education:

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

Work experience:

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

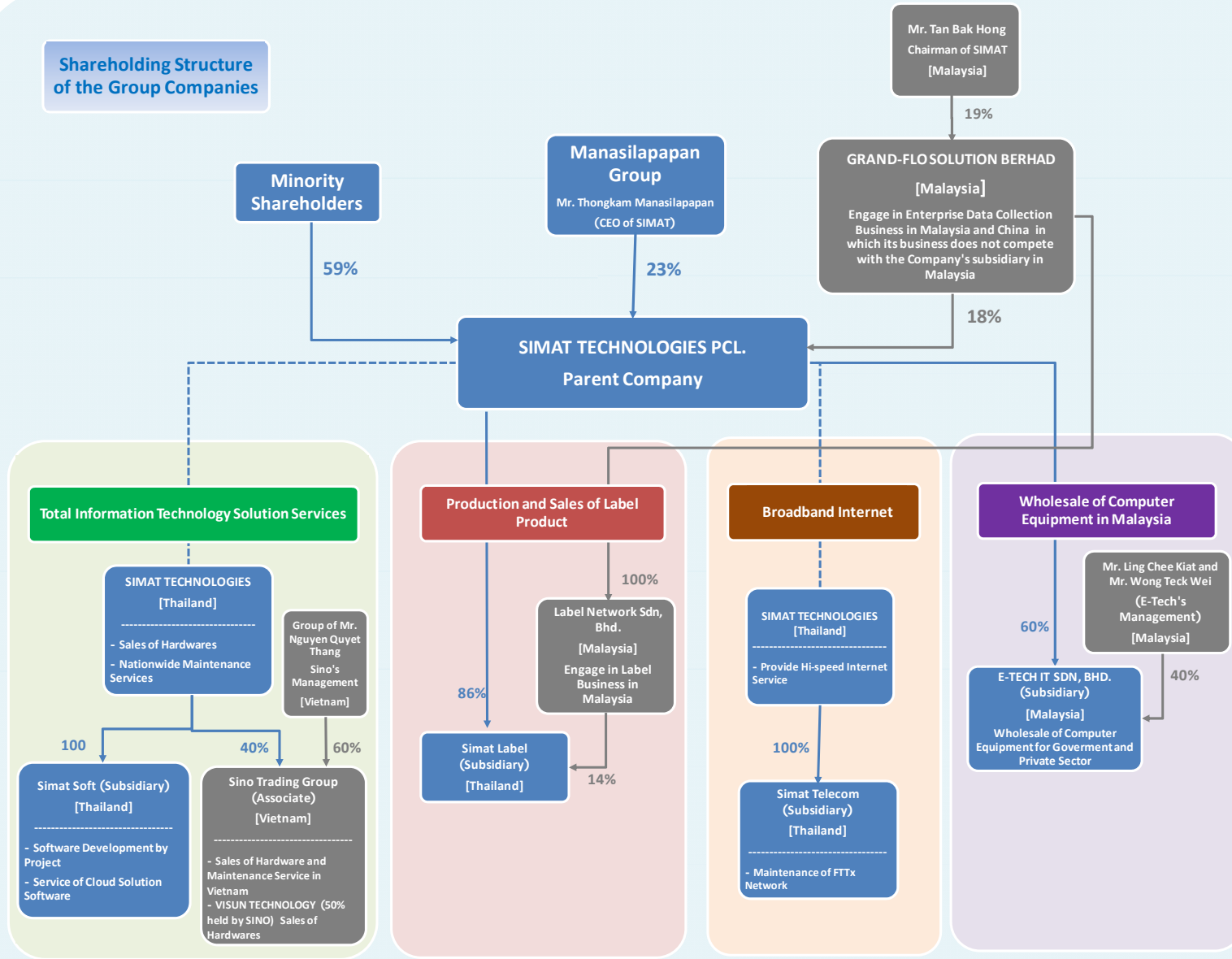
	<p>Mr. Kokiatt Kitkaona</p> <p>Technical Sale Support Director</p> <p>Percentage of Shareholding: 0.01%</p> <p>Specialized experience: expert in EDCCS Technologies</p> <p>Relationship among management: None</p>	
	<p>Education:</p> <ul style="list-style-type: none"> - Bachelor of Science in Computer Science, Kasetsart University - Master of Science (Information Technologies), King Mongkut's Institute of Technology Ladkrabang 	
<p>Work experience:</p>		
Period	Title	Name of / Company
2007 – present	Technical Sale Support Director	Simat Technologies PCL.
2004 – 2006	Business Development Manager	Simat Technologies PCL.
2002 – 2003	Senior Software Engineering	Simat Technologies PCL.

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

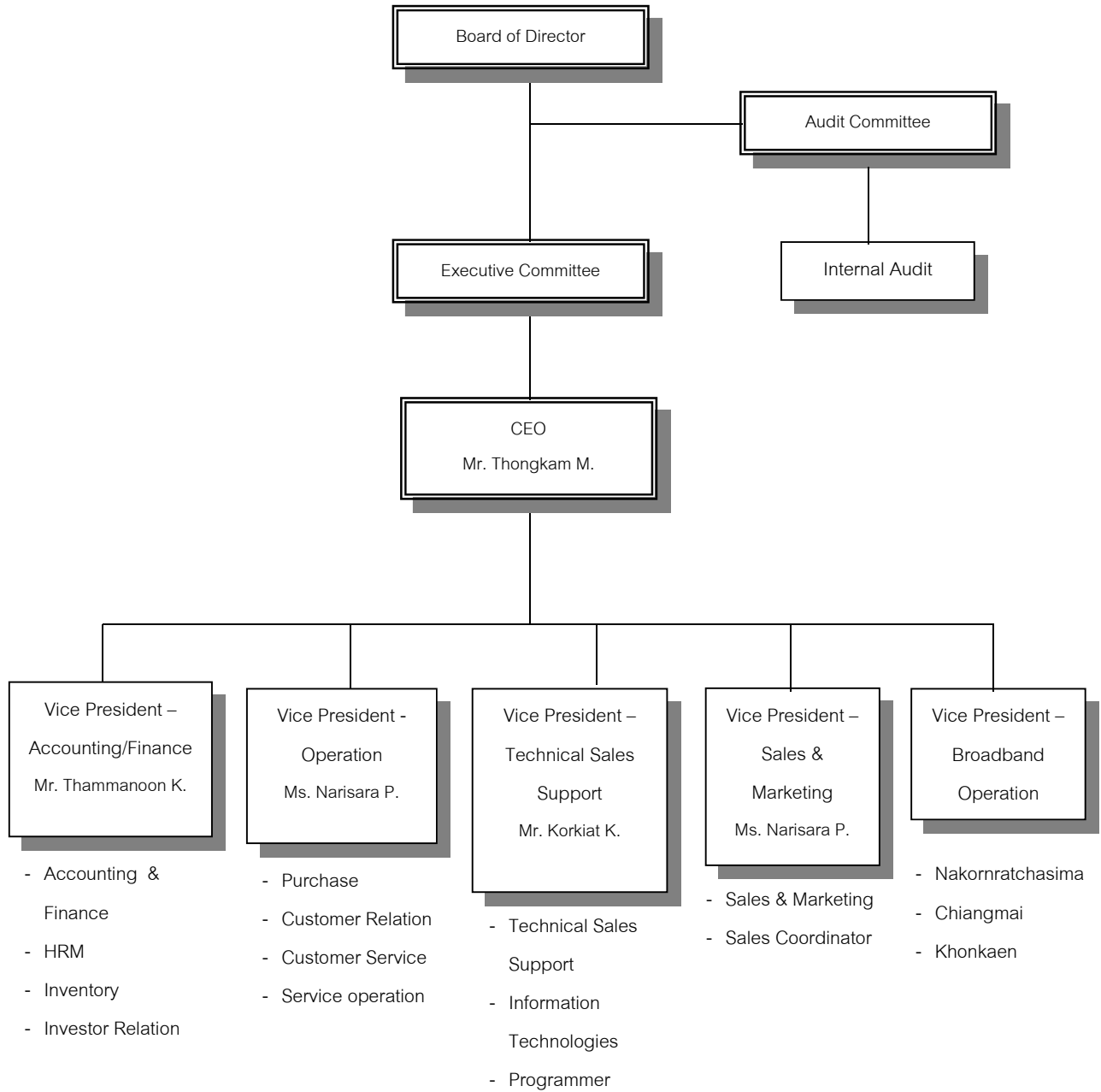
Name of Company	Company	Subsidiary Companies				Associate Company	Related Companies								
		Thailand			Malaysia		Vietnam	Malaysia						China	Thailand
		Simat Soft	Simat Labels	E-Tech IT Distribution	E-Tech IT Sdn., Bhd.		Sino Trading and Services	Grand-Flo Solution Bhd	Grand-Flo System Pte	Grand-Flo Electronic System Pte	Grand-Flo Spritvest	Data Centrix	Grand-Flo RFID	Label Network group companies	CL Solution group companies
Mr. Tan Bak Hong	X	/	/	/	/	/	/	/	/	/	/	/	/	/	
Mr. Thongkam Manasilapapan	/ #	/ #	/ #	/ #	/	/	/								/
Mr. Tan Bak Leng	/								/						
Mr. Tan Chuan Hock	/						/								
Mr. 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

Shareholding Structure of the Group Companies



Organization Chart



Major Shareholders and Dividend Policy

Top ten of shareholders and the amount of shares on the closing registration date as of March 16, 2016.

Rank	Shareholders	No. of shares	%
1	GRAND-FLO SOLUTION BERHAD	71,899,373	18.24
2	Mr. Thongkam Manasilapapan	51,655,069	13.11
3	Mr. Natthapas Manasilapapan	25,000,000	6.34
4	Mr. Nattapat Rangsarn	17,105,000	4.34
5	Thai NDVR Co., Ltd.	17,036,110	4.32
6	Ms. Chutikarn Manasilapapan	13,171,181	3.34
7	Mr. Natthawut Pinto	11,266,904	2.86
8	Mr. Amratpalsingh Chansrichawla	10,895,000	2.76
9	Any I Corporation Limited	10,000,000	2.54
10	Mr. Suriya Singhakul	6,496,411	1.65
	Others	159,613,937	40.50
	Total	394,138,985	100.00

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

Nature of Business



Business Structure

Total IT Solution Business		Production and Sales of Label Product	Wholesale of Computer Hardware in Malaysia	Broadband Internet Business
Sales of Hardware	Software Development			
Maintenance Services	Cloud Solution			
Simat Technologies	Simat Soft	Simat Label	E-Tech IT SDN, BHD.	Simat Technologies
Parent Company	Subsidiary (shareholding 100%)	Subsidiary (shareholding 86%)	Subsidiary (shareholding 60%)	Parent Company

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

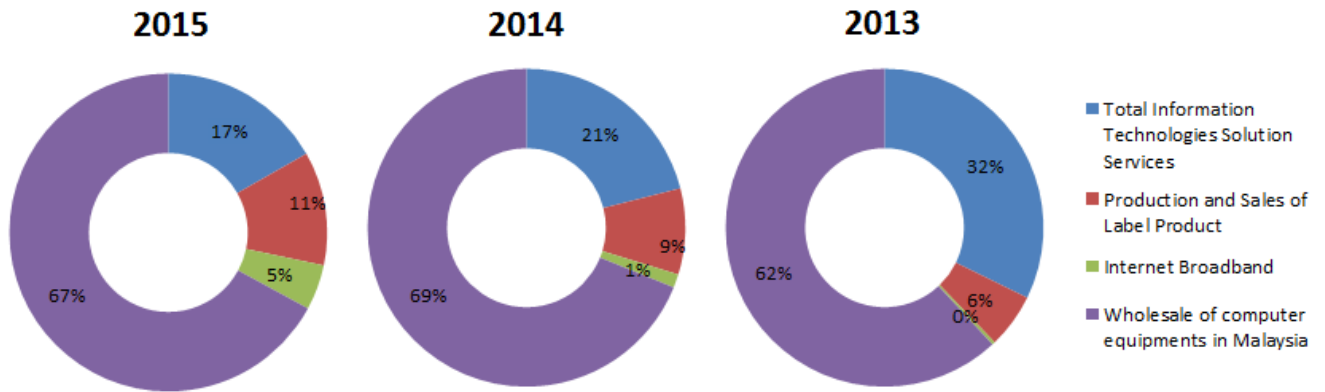
Broadband business which provides the hi-speed internet through optical fiber network (FTTx) for city of Nakhonratchasima, Chiangmai, Khonkaen and Bangkok Metropolitan under the brand of "Sinet". The target customers are home-use consumer and Small and medium enterprise (SME).

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, Chiangmai, Khonkaen and Bangkok Metropolitan 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 2015	233 17%	161 12%	64 5%	458 33%	933 67%	1,391 100%
Year 2014	274 21%	114 9%	18 1%	406 31%	898 69%	1,304 100%
Year 2013	418 32%	72 6%	4 0.3%	494 38%	802 62%	1,296 100%



Industrial Outlook and Competitive Environment

IT Market in Thailand

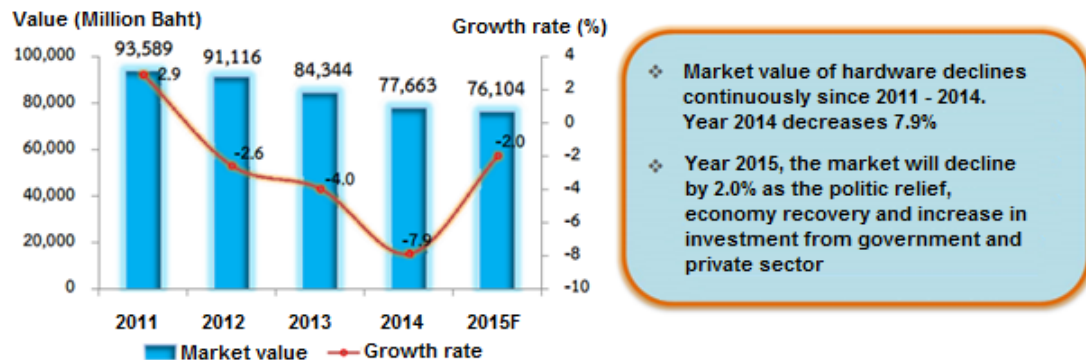
Thailand Information Technologies market can be divided into 3 major categories:

- (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.

Overall Computer Hardware Market

Computer Hardware Market Value and Growth Rate

2011 - 2014 and forecast of 2015



Factors that effects the market

Positive Factors:

- Market expansion for AEC
- Trend of the increase of cloud computing service usage
- Increase of government investment
- Trend of Big data investment

Negative Factors:

- The change of consumer behavior
- High competition market
- No significant change of technologies
- The increase of high level of household debt
- The low growth rate of overall economy

The revenue of the Company's IT solution business in year 2015 decreases continuously due to the economy recession that caused many customers to delay of investment. Moreover, the hardware market is high competition, cheap price, low margin that caused the customer to reduce the maintenance contract.

In 2016, the Company has the below strategies:

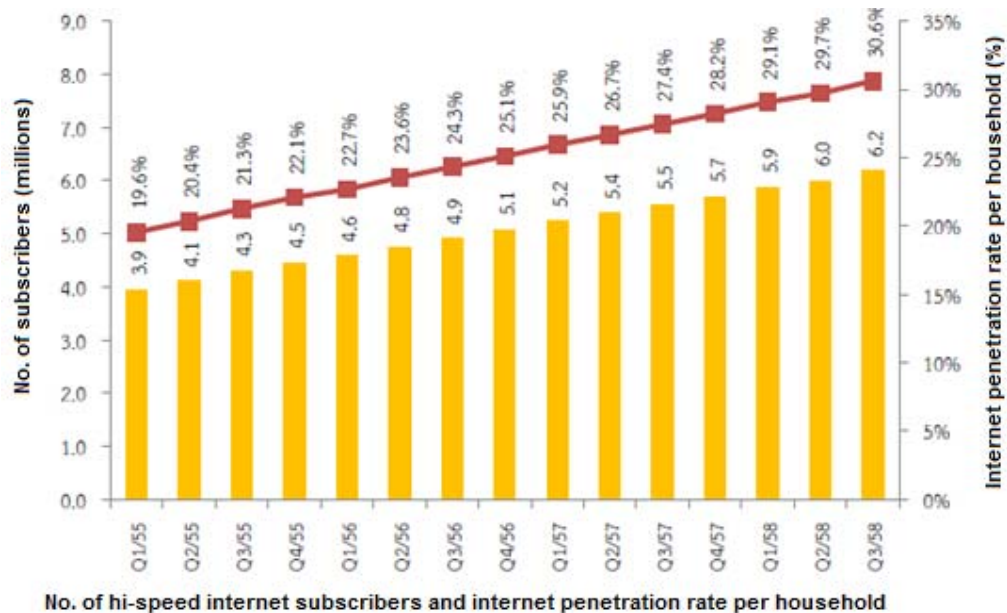
1. To downsize the business by reducing and transferring employees to Broadband internet business and to maintain good margin customer groups.
2. To adjust more value-added service other than the maintenance but also installation services.
3. To focus more on project base from both private and government sector.

The Broadband Business in Thailand

Fixed Broadband Internet Market

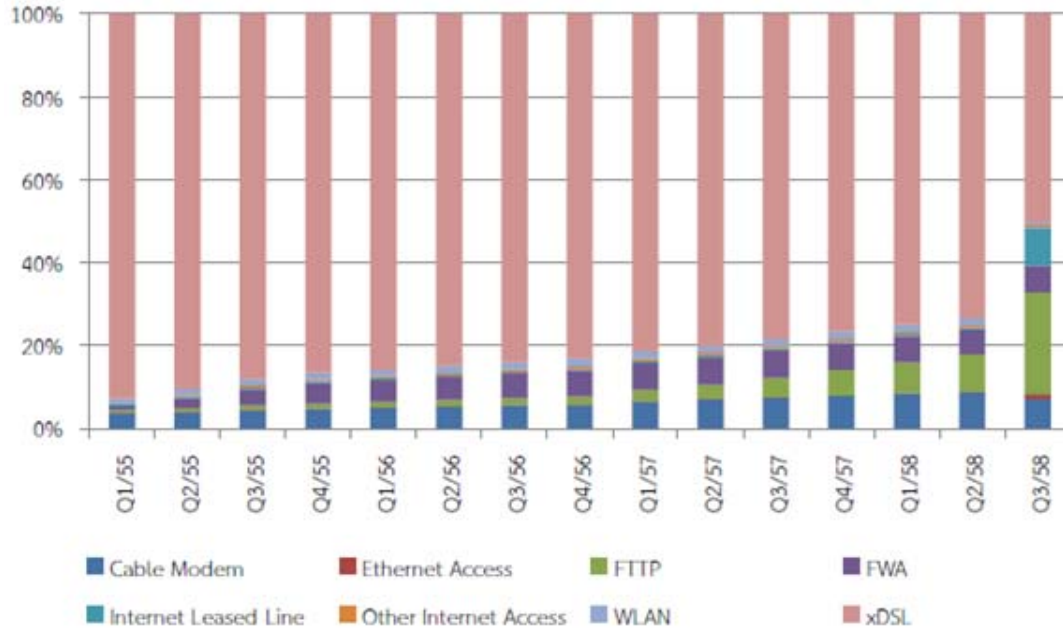
The number of registered subscribers:

As at Quarter 3-2015, the number registered subscribers has reached 6,175,167 subscribers which increase from the previous quarter about 183,869 subscribers or 3.1%. The penetration rate of hi-speed internet is rising persistently and reached 30.6% of households at end of Quarter 3-2015 or 0.9% increase from last quarter.



Source: Office of knowledge and management of telecommunication resource

From information of IDC Research (Thailand), As at end of Quarter 3-2015, most of all hi-speed internet connection is xDSL connection or at 50.3% of all connection type. The second most is FTTP at 24.7% then Internet Leased Line at 9.1% then Cable Modem at 7.1% and FWA at 6.4%. However, the xDSL connection is apparently declining persistently while other types of connection are rising up.

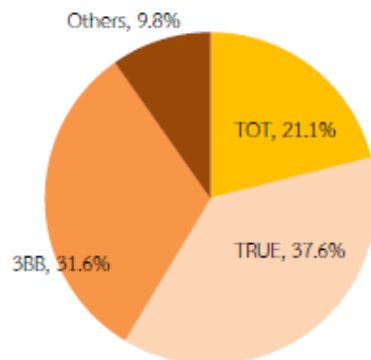


Proportion of hi-speed internet connection separated by type of connection

Source: IDC Research (Thailand)

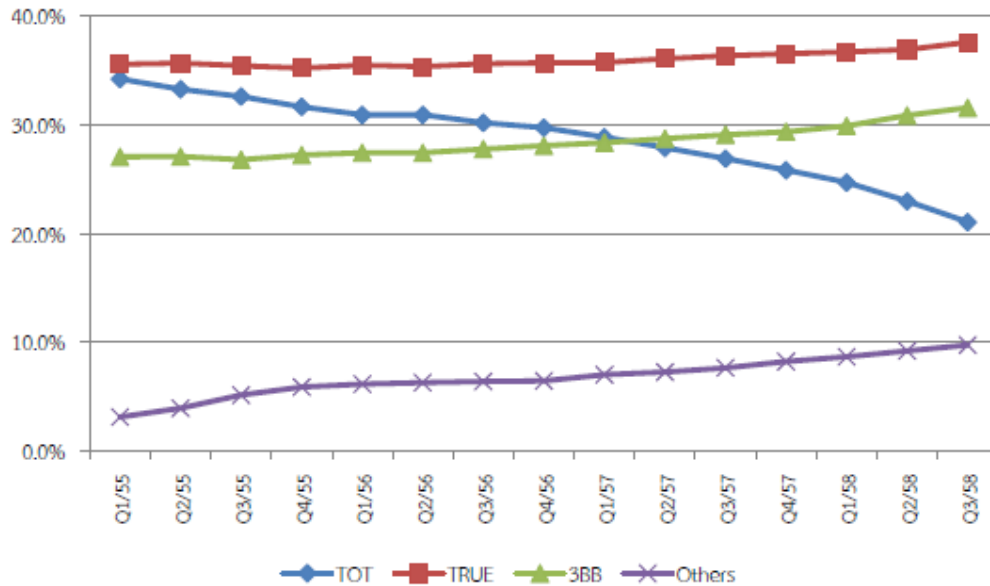
Market Structure, Market Share and Level of Competition

The fixed broadband hi-speed internet market has 3 major providers which are True Corporation (True), TOT Public Company Limited and Triple T Broadband (3BB). As at end of Quarter 3-2015, TRUE has the biggest market share at 37.6% and then 3BB with 31.6% and TOT with 21.1% and the minority providers with 9.8%.



Market share of hi-speed internet calculated from number of subscribers

With consideration of the trend of market share since year 2012, it is found that TRUE, 3BB and other minority providers have more increasing market share while TOT has less and less market share.



Market share of hi-speed internet service calculated from number of subscribers from Quarter 1/2012 - Quarter 3/2015

The revenue of broadband internet business of the Company in 2015 increases continuously with the following factors:

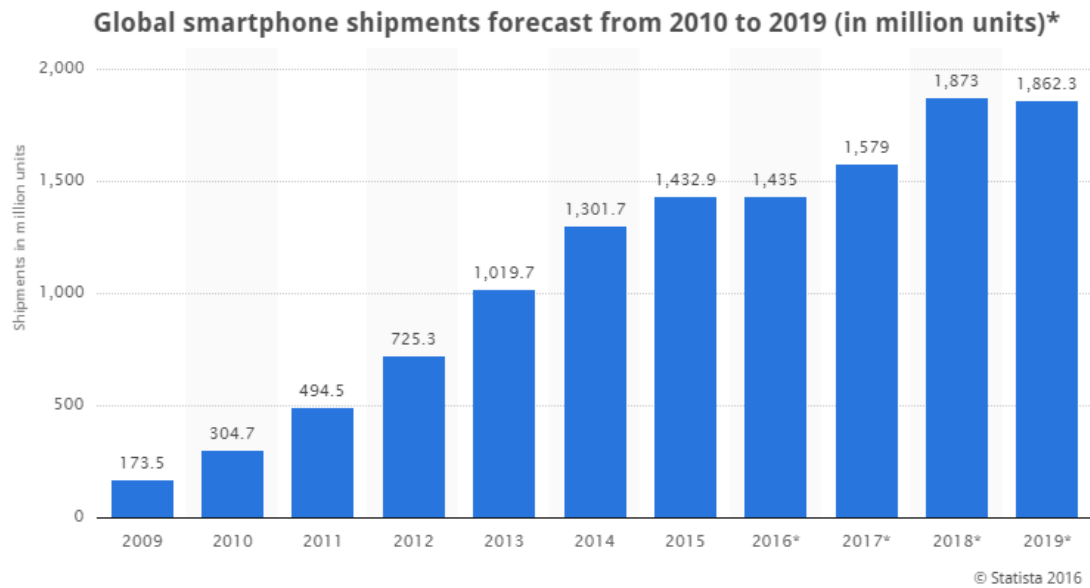
1. The internet market is expanding every year at growth rate of 10 – 15%.
2. Fiber optic internet connection type is growing highly and replacing the old type of connection which is xDSL.

In year 2016, the Company has strategies for broadband internet business as below:

1. The Company focuses on improving and maintaining internet quality and installation and maintenance service which are the core competency of the business.
2. The Company market positioning is focusing on high internet quality and high standard of service with affordable price rather than low price marketing.
3. As the Company's brand is new, the Company focuses on penetration strategies by using of direct sale employees, local marketing activities and local dealer sale.

Label market for electronic manufacturing

The Company's label business is growing highly and persistently for three consecutive years, especially, the label product for customer in smart phone manufacturing which represents 50% of total revenue. It is expected that the smartphone market is growing continuously and the number of smartphone sale will reach 1,435 million units in year 2016 and continue to high growing further.



Risk Factors

Total IT Solution Business

Risk from economy recession and the change of market demand

Nature, cause, effect, trend and action taken

- The economy recession effect the IT Solution business by reduction of purchase orders together with the trend of low pricing hardware makes the customer not interested in maintenance contract.
- This may cause reduction in revenue and net profit.
- In 2015 and 2016, the Company has downsized this business to match with the current market by transferring personnel to the well growing broadband internet business and to maintain some good margin customer groups.

Label Business

Risk from manufacturing technology change

Nature, cause, effect, trend and action taken

- To manufacture some product for some customer group requires the investment in specific machinery. If there is a technological change in manufacturing the specific products, this may cause the termination of the specific machinery.
- This may cause the loss for impairment of machines.
- In 2015 and 2016, the Company has searched for business partner in form of outsource manufacturer to support the Company's production. The Company targeted to have outsource manufacturer to accommodate up to 50% of total production capacity in order to reduce the investment in machinery and also has the policy to depreciate the machines sooner (not later than 5 years) for specific machines for specific products.

Risk from relying on major customer group

Nature, cause, effect, trend and action taken

- The Company supplies label product to the main customer group which is smartphone manufacturer about 50% of total revenue.
- If this customer group is discontinued, it will effect to the revenue and net profit.
- In 2015 and 2016, the Company has expanded this business to other customer group such as electric appliance. The Company targets to have sale proportion of other customer group rather than smartphone manufacturer at least 50% of total revenue.

Broadband Internet Business

Risk from competition

Nature, cause, effect, trend and action taken

- Currently, the business of providing hi-speed broadband internet is highly competitive since competitors invested to expand the fiber optic network in many coverage areas, especially, the major telecommunication provider who provides both mobile internet and fixed broadband and to penetrate the market by low pricing strategy.
- This may cause the reduction of the Company's internet subscribers and effect to revenue and net profit.
- In 2015 and 2016, the Company pays attention to improve and maintain the high quality of internet network as well as the installation and maintenance services which are the core competency of this business. The Company has the market positioning on high quality internet at affordable price rather than low pricing.

Risk from limitation of liquidity and source of fund

Nature, cause, effect, trend and action taken

- Broadband internet is the business that requires high investment for network expansion and installation per new subscriber. The average payback period per each subscriber is around 12 – 14 month. If the new subscribers per month increase so much, the Company may have a liquidity problem.
- In 2015 and 2016, the Company has 2 financing plans:
 - Investment of terminal units at customer site which are optical network unit (ONU) and router will be financed by leasing company
 - Investment of fiber optic wiring for both equipment and labor cost will be financed by financial institution

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 and complies with the good corporate governance according to the principle of good corporate governance for listed companies for year 2012 of the Stock Exchange of Thailand and the criteria of the survey project of corporate governance of listed companies (Corporate Governance Report of Thai Listed Companies – CGR) of Thai Institute of Directors (IOD) and the international standard such as ASEAN Corporate Governance Scorecard (ASEAN CG Scorecard). The Company performs the good corporate governance according to the best practice of corporate governance of listed companies for year 2012 as follows:

- Rights of Shareholders
- Equitable Treatment of Shareholders
- Roles and Rights of Stakeholders
- Disclosure and transparency
- Responsibilities of the Board

1. Rights 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 the AGM Quality Assessment for the year 2015

By Thai Investor Association

Year	Score	
	Simat Technologies	Overall Listed Companies
2015	96.13%	92.68%
2014	94.00%	91.17%
2013	93.13%	90.81%

In 2015, the Company implemented the followings:

1.1 Shareholder's Meeting

- Organized the 2015 annual shareholders' meeting at the Company's meeting room no. 123 Soi Chalongkrung 31, Ladkrabang industrial estate, Chalongkrung road, Lamplatew, Ladkrabang, Bangkok. The Company arranged the vans to make shareholders convenient for travelling.
- 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.

1.2 Action taken at shareholder's meeting date

- 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.

1.3 Preparation and disclosure of the minute of meeting

- 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 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.

2. Equitable Treatment of Shareholders

The Company aware of the benefits of all shareholders includes major shareholders, minority shareholders and for shareholders who are ordinary person, institute investor, Thai and foreign investors and to be treated equally and fairly for the highest benefit of shareholders with the following procedures.

2.1 Attending shareholders' meeting by proxy

The Company gives right to shareholder who cannot attend the meeting by proxy to grant any independent director who has no interest in the agenda of director election to attend and exercise voting. The Company distributed proxy letter including relevant documents together with the invitation letter to all shareholders in advance for 14 days and also disclose to the public by Company's website.

2.2 Safeguard of internal information

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.

2.3 Director's interest

The board of directors and executive committees are required to report their own interest and their connected person which are the interest that related to the management of the Company and subsidiaries when they are appointed as the member of the board or committee and to report once there is any change in their interest.

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

1. Introduction
2. Policy and Guidelines on Conflict of Interests
3. Policy and Guidelines Relative to Shareholders
4. Policy and Guidelines Relative to Employees
5. Policy and Guidelines Relative to Customers

6. Policy and Guidelines Relative to Partners
7. Policy and Guidelines Relative to Creditors
8. Policy and Guidelines Relative to Competitors
9. Policy and Guidelines Relative to Independent Auditors
10. Policy and Guidelines Relative to Social and Environment
11. Implementation and Enforcement

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

In 2015, 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 2014, the Company had implemented the followings for the employees:

- 3.2.1 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.
- 3.2.2 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.
- 3.2.3 The Company had organized the Orientation Course to all new employees so that they know the policy, corporate culture and operating practices.

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 2015 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.

Stakeholder's Channel of Communication

The Company gives a chance to stakeholder to participate by giving advice to the following channels. All the advices shall be gathered to report to the top management and board of directors.

Company Secretary	Tel. 0-2326-0999 Ext. 1211 E-mail: thammanoon@simat.co.th
Investor Relation	Tel. 0-2326-0999 Ext. 1211 or 1213 E-mail: irsimat@simat.co.th

In case, the stakeholder would like to contact the board of directors directly and not through the management in order to complain of any breach of right, corruption, illegal or unethical action which relates to the management, the stakeholder can contact the independent director via e-mail board_ac@simat.co.th. The Company also allows the employees and outside stakeholder can contact, advise, complain and report the illegal or unethical action to e-mail board_director@simat.co.th to engage the followings.

Any employee or stakeholder can advise through the designated channel and the information will be kept as secret and the Company has the procedure to safeguard the informer by proceeding the audit with undisclosed source of information. Moreover, the informer can request for appropriate safeguarding procedures or the Company may provide appropriate safeguarding procedures with no request if the Company considers that the matter may cause any damage or insecure.

In case, any illegal or unethical action is found, the Company will assign the committee to investigate, judge and punish and report to the audit committee and board of director further.

4. Disclosure and Transparency.

The Company has a policy to pay attention to the disclosure and transparency with regard to the corporate governance. In 2015, 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:

- 4.1 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.
- 4.2 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
- 4.3 Had disclosed the financial information and other information correctly and accurately in the Company's website www.simat.co.th
- 4.4 The Company has established the Investor Relations office so that shareholders and other persons can contact at

Mr. Thammanoon Korkiatwanich Tel : 02-326-0999 ext. 1211 E-mail: ir@simat.co.th

Ms. Nuntawan Pathomwattanakij Tel : 02-326-0999 ext. 1214 E-mail: ir@simat.co.th

4.5 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 2014 (who is the Company's new auditor) as recommended by the Audit committee as follows:

Mr. Sathien Vongsanan, CPA license no. 3495 or

Mr. Atipong Atipongsakul, CPA license no. 3500 or

Mr. Vichai Ruchitanont, CPA license no. 4054

The audit fee for year 2015 is 1,660,000 Baht which is the rate close to the fee paid by other companies with similar size and similar nature of business,

4.6 The Company audited financial reports have been audited by the Independent Auditor and the independent auditor expressed an unqualified opinion.

5. 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 2015, the Board of Directors has performed its duties as follows.

5.1 Board Structure

Board of directors comprises of the knowledgeable and competent persons who have the important role in determining the Company's policy, business plan for both short-term and long-term including the financial policy, risk management and overall business and also audit and evaluate the Company's operating result.

Currently, the Board of Directors is composed of 10 persons as listed below

- | | | |
|-----|--------------------------------|--|
| 1. | Mr. Tan Bak Hong | Chairman |
| 2. | Mr. Thongkam Manasilapapan | Vice chairman/CEO |
| 3. | Mr. Thammanoon Korkiatwanich | Director |
| 4. | Mr. Tan Bak Leng | Director |
| 5. | Mr. Tan Chuan Hock | Director |
| 6. | Mr. Nattawut Pinto | Director |
| 7. | Mr. Vorachai Charoonprasitporn | Independent Director |
| 8. | Dr. Ranchana Rachatanavin | Independent Director/Chairman of Audit Committee |
| 9. | Mr. Narongrit Rerkpattanapipat | Independent Director/Audit Committee |
| 10. | Ms. Kanwara Aurbokaiyakul | Independent Director/Audit Committee |

The Board of Directors is composed of 2 directors who are Executive committee, 4 Independent directors and 4 directors who are not Executive committee.

The Company has 4 independent directors which is more than one-third of the board and 3 independent directors are audit committees.

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)

The Company Secretary also acts as the Secretary of the Board.

5.2 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.

5.3 Role and Responsibilities of the Board

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.

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.

5.4 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 2015, the Board of Directors had 11 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)	11	11
2. Mr. Thongkam Manasilapapan (Director/Chairman of Executive committee)	11	11
3. Mr. Thammanoon Korkiatwanich (Director/Executive committee)	11	11
4. Mr. Tan Bak Leng (Director)	11	11
5. Mr. Tan Chuan Hock (Director)	11	11
6. Mr. Natthawut Pinto (Director)	11	11

7. Mr. Vorachi Charoenprasittiporn (Independent Director)	11	10
8. Dr. Ranchana Rajatanavin (Independent Director / Chairman of Audit Committee)	11	10
9. Mr. Narongrit Rerkpattanapipat (Independent Director / Audit Committee Member)	11	11
10. Ms. Kanwara Aurlpokaiyakul (Independent Director / Audit Committee Member)	11	11

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.

Audit Committee

The audit committee comprised of

Dr. Ranchana Rajatanavin	Chairman of Audit Committee
Mr. Narongrit Rerkpattanapipat	Member of Audit Committee
Ms. Kanwara Aurlpokaiyakul	Member of Audit Committee

In 2015, 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	4

5.5 Board Self-Assessment

The Board of Directors has policy to encourage directors and management to constantly develop knowledge and skill. In 2015, 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.

5.6 Directors' Remuneration

The Company had paid out the remuneration to directors in 2015 in the form of gratuity and meeting Allowance as follows.

Chairman of the Board (1 person)	480,000 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)	480,000 Baht
Independent Director who is not audit committee (1 person)	88,000 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 2015 is 1.34 million baht (Year 2014: 1.38 million baht).


In year 2015, the Company paid out remunerations to management 4 persons total 10.90 million baht. (Year 2014: 9.84 million baht)

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, 2015 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 Aurlpokayakul	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 2015, 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. Sathien Vongsanan, CPA license no. 3495 or Mr. Atipong Atipongsakul, CPA license no. 3500 or Mr. Vichai Ruchitanont, CPA license no. 4054 from ANS Audit Co., Ltd. as the auditor of the Company and subsidiaries for the year 2016 and to propose this appointment for approval to the Board of Director and the Annual General Shareholders' Meeting for year 2016.

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 2015 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 2015, 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	4

Comment or Notice from performing on duty

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



Ranchana Rajatanavin, Ph.D.
Chairman of Audit Committee

Connected transactions

Connected transactions in which occurred during the year 2015 and 2014

Conflict of interest person/juristic person	Relationship	Nature of transaction	Transaction value (Baht)		Ending balance (Baht)		Necessity/Reasonableness and Audit Committees' comment
			2015	2014	31 Dec 2015	31 Dec 2014	
Grand-Flo Electronic System Sdn. Bhd.	A subsidiary of Grand-Flo Solution Berhad (100% holding)	Purchase of hardware (A/P-trade)	-	-	-	66,932	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 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.
		Other expenses (A/P-others)	-	-	851,043	851,043	
Grand-flo Spritvest Sdn. Bhd.	A subsidiary of Grand-Flo Solution Berhad (100% holding)	Sales of Hardware (A/R-trade)	-	-	685,817	685,817	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)	-	1,253	31,671	31,671	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
		Other receivable	-	-	623,443	1,255,060	Goods that the subsidiary company in Malaysia sold to 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)	1,800,000	1,200,000	-	-	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
			2015	2014	31 Dec 2015	31 Dec 2014	
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	-	476,728	52,115	311,225	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 (19.91% 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.
Mr. Ling Chee Kiat	Director and shareholder of E-Tech IT (subsidiary)	Guarantee and loan from director with no interest charge	-	-	707,982	835,957	<p>A subsidiary company in Malaysia received guarantee cash amounting Baht 37.22 million 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,</p> <p>Then, on September 26, 2014, there is a debt settlement contract between the related person and E-Tech IT Sdn, Bhd. (subsidiary) to offset the long outstanding debtor balance with the guarantee cash from Mr. Ling Chee Kiat about Baht 36.10 million (31 December 2013: Baht 37.22 million) that uses this money to guarantee for the long outstanding debtor balance which incurs before the Company acquired this subsidiary.</p> <p>Audit committees' comment is that this transaction deemed reasonable since it protect the benefit of the shareholders.</p>

Conflict of interest person/juristic person	Relationship	Nature of transaction	Transaction value (Baht)		Ending balance (Baht)		Necessity/Reasonableness and Audit Committees' comment
			2015	2014	31 Dec 2015	31 Dec 2014	
Mr. Yeong Chin Chou	Shareholder of a subsidiary company of E-Tech IT Sdn, Bhd.	Advance payment to Director of E-Tech Frontline	-	-	-	557,280	The subsidiary in Malaysia pay cash advance to a shareholder of E-Tech Frontline.
Mr. Thongkam Manasilapapan	Director	Short-term loan	-	-	15,000,000	-	The Company received financial support from loan from director at interest rate of 6% per annum. Audit committees' comment is that this transaction deemed reasonable since it protect the benefit of the shareholders.
		Interest expense	718,356	-	14,795	-	

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	2015		2014		2013		Change			
							2015/2014		2014/2013	
Assets										
Current assets										
Cash and cash equivalent	58	4%	25	2%	53	5%	33	132%	(28)	-53%
Trade and other debtors - net	305	22%	335	25%	288	25%	(30)	-9%	47	16%
Inventories - net	73	5%	121	9%	113	10%	(48)	-40%	8	7%
Total current assets	436	32%	481	36%	455	40%	(45)	-9%	26	6%
Non-current asset										
Restricted deposit with financial institution	132	10%	118	9%	105	9%	14	12%	13	12%
Investment in associate	29	2%	28	2%	27	2%	1	4%	1	6%
Plant, property and equipment - net	124	9%	129	10%	53	5%	(5)	-4%	76	144%
Optical fiber network and equipment	582	43%	520	39%	458	40%	62	12%	62	14%
Goodwill	45	3%	45	3%	45	4%	-	0%	0	1%
Other non-current assets	18	1%	11	1%	9	1%	7	64%	2	20%
Total non-current assets	930	68%	851	64%	696	60%	79	9%	155	22%
Total assets	1,366	100%	1,332	100%	1,151	100%	34	3%	181	16%
Liabilities and shareholder's equity										
Liabilities										
Current liabilities										
Bank over-draft and short-term loan	190	14%	175	13%	119	10%	15	9%	56	47%
Trade and other creditors	251	18%	279	21%	238	21%	(28)	-10%	41	17%
Current portion of financial lease liabilities due within 1 year	13	1%	7	1%	3	0%	6	86%	4	133%
Current portion of long-term loan due within 1 year	35	3%	14	1%	51	4%	21	150%	(37)	-73%
Current portion of payable for purchase of investment due within 1 year	15	1%	-	0%	-	0%	15	n/a	-	n/a
Other current liabilities	5	0%	2	0%	1	0%	3	150%	1	100%
Total current liabilities	509	37%	477	36%	412	36%	32	7%	65	16%
Non-current liabilities										
Financial lease liabilities - net	17	1%	12	1%	6	1%	5	42%	6	100%
Long-term loan - net	142	10%	160	12%	96	8%	(18)	-11%	64	67%
Other non-current liabilities	10	1%	7	1%	8	1%	3	43%	(1)	-13%
Total non-current liabilities	169	12%	179	13%	110	10%	(10)	-6%	69	63%
Total liabilities	678	50%	656	49%	522	45%	22	3%	134	26%
Shareholder's equity										
Paid-up share capital	394	29%	371	28%	276	24%	23	6%	95	34%
Paid-in capital in excess of par	307	22%	221	17%	180	16%	86	39%	41	23%
Legal reserve	15	1%	15	1%	15	1%	-	0%	-	0%
Unappropriated retained earnings	(55)	-4%	26	2%	114	10%	(81)	-312%	(88)	-77%
Other components	(7)	-1%	1	0%	4	0%	(8)	-800%	(3)	-75%
Total equity of the parent company	654	48%	634	48%	589	51%	20	3%	45	8%
Non-controlling interests	34	2%	42	3%	40	3%	(8)	-19%	2	5%
Total shareholder's equity	688	50%	676	51%	629	55%	12	2%	47	7%
Total liabilities and shareholder's equity	1,366	100%	1,332	100%	1,151	100%	34	3%	181	16%

Operating result by business segment	Total Information Technologies Solution Services	Production and Sales of Label Product	Internet Broadband - Upcountry	Internet Broadband - Bangkok Metropolitan	Total Domestic	Wholesale of computer equipments in Malaysia	Total
Unit: Million baht							
Year 2015							
Revenue from sales and services	233	161	64	1	459	933	1,392
Cost of sales and services	(180)	(110)	(85)	(2)	(377)	(856)	(1,233)
Gross profit	53	51	(21)	(1)	82	77	159
Other income	-	-	1	-	1	5	6
Selling and administrative expenses	(79)	(23)	(45)	(2)	(149)	(55)	(204)
Profit before financial cost and income tax	(26)	28	(65)	(3)	(66)	27	(39)
Financial cost	(2)	(1)	(8)	-	(11)	(18)	(29)
Share of profit from associate	3	-	-	-	3	-	3
Profit before income tax	(25)	27	(73)	(3)	(74)	9	(65)
Income tax	-	(6)	-	-	(6)	(5)	(11)
Net profit	(25)	21	(73)	(3)	(80)	4	(76)
Portion of equity holder of the Company							(80)
Year 2014							
Revenue from sales and services	274	114	18	-	406	898	1,304
Cost of sales and services	(213)	(78)	(41)	-	(332)	(837)	(1,169)
Gross profit	61	36	(23)	-	74	61	135
Other income	-	-	-	-	-	10	10
Selling and administrative expenses	(75)	(17)	(26)	-	(118)	(59)	(177)
Profit before financial cost and income tax	(14)	19	(49)	-	(44)	12	(32)
Financial cost	(2)	(1)	(8)	-	(11)	(9)	(20)
Share of profit from associate	3	-	-	-	3	-	3
Profit before income tax	(13)	18	(57)	-	(52)	3	(49)
Income tax	1	(4)	-	-	(3)	1	(2)
Net profit	(12)	14	(57)	-	(55)	4	(51)
Portion of equity holder of the Company							(55)
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

Total IT Solution Services	2015		2014		2013		Change			
							2015/2014		2014/2013	
Revenue	233	100%	274	100%	418	100%	(41)	-15%	(144)	-34%
Gross profit	53	23%	61	22%	129	31%	(8)	-13%	(68)	-53%
Net profit	(25)	-11%	(12)	-4%	49	12%	(13)	108%	(61)	-124%

Production and Sales of Label Product	2015		2014		2013		Change			
							2015/2014		2014/2013	
Revenue	161	100%	114	100%	72	100%	47	41%	42	58%
Gross profit	51	32%	36	32%	20	28%	15	42%	16	80%
Net profit	21	13%	14	12%	7	10%	7	50%	7	100%

Internet Broadband	2015		2014		2013		Change			
							2015/2014		2014/2013	
Revenue	65	100%	18	100%	4	100%	47	261%	14	350%
Gross profit	(22)	-34%	(23)	-128%	(14)	-350%	1	-4%	(9)	64%
Net profit	(76)	-117%	(57)	-317%	(30)	-750%	(19)	33%	(27)	90%

Wholesale of computer equipments in Malaysia	2015		2014		2013		Change			
							2015/2014		2014/2013	
Revenue	933	100%	898	100%	802	100%	35	4%	96	12%
Gross profit	77	8%	61	7%	68	8%	16	26%	(7)	-10%
Net profit	4	0%	4	0.4%	13	2%	-	0%	(9)	-69%

Significant Financial Ratio	Unit	2015	2014	2013	Explanation
Liquidity Ratio					
Current Ratio	time	0.86	1.01	1.10	Liquidity is slightly decrease from prior year.
Assets Utilization Ratio					
Accounts Receivable Turnover	time	4.79	4.74	3.47	Accounts receivable and accounts payable turnover were closed to the prior year. Inventory turnover is improved from the prior year.
Average Collection Period	day	76	77	105	
Inventory Turnover	time	12.70	9.99	10.93	
Average Sales Period	day	29	37	33	
Accounts Payable Turnover	time	6.47	6.91	5.46	
Average Payment Period	day	56	53	67	
Leverage Ratio					
Time Interest Earned	time	(1.34)	(1.60)	3.05	The ability to pay interest reduces as the profitability decreases as the IT solution business and the broadband internet business have operating loss. However, the Company raised the capital during 2015 to support the liquidity to continue to run the business and expects that the broad band internet business will reach the break-even point at the middle of year 2016 and will improve the ability to pay debt ratio in year 2016. While, the Debt to Equity ratio is in the safe level (less than 1 time) since there was the capital increase from private placement.
Debt to Equity	time	0.99	0.97	0.83	
Profitability Ratio					
Gross Profit Margin	%	11%	10%	16%	The ability to generate profit decreases due to the increase in capital base from private placement 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 not reached the break-even point. However, the Company expects that the broadband business will reach the break-even point within the middle of year 2016 and this will improve the profit ability in year 2016.
Net Profit Margin	%	-5%	-4%	3%	
Return on Assets	%	-6%	-4%	3%	
Return on Equity	%	-12%	-9%	6%	
Basic earnings per share	Baht	(0.21)	(0.16)	0.12	

Management Discussion and Analysis

Economic Overview

Thai economy in 2015 grows only 2.8% with slowly recovery from the negative factors of prior year and during the year, which are the high household debt, low agricultural revenue, decrease in foreign demand, decrease in revenue of labor of export sector and the strictly debt financing by commercial banks, causes the domestic consumption and investment from private sector has not recovered, delay of government spending and the decline of export for three consecutive years. There is only tourism that recovered from prior year explicitly.

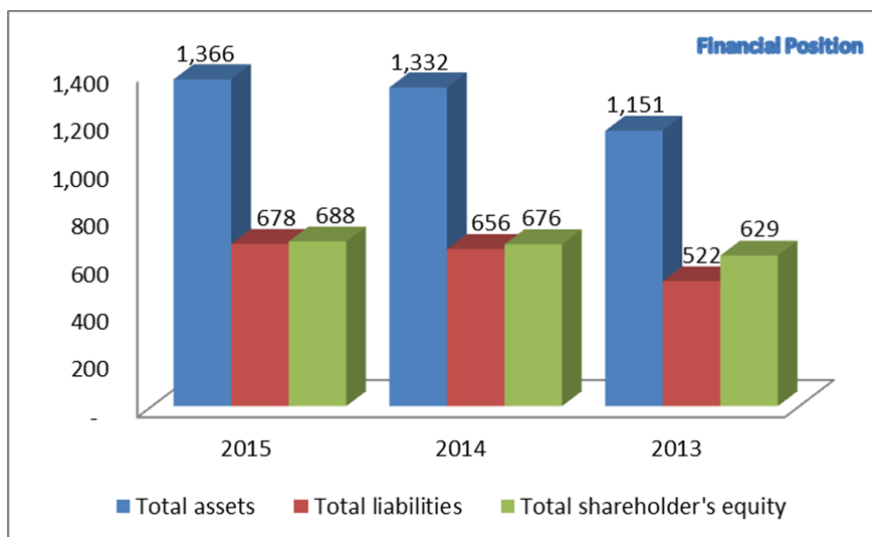
Thai economy shall recover in 2016 but not in full potentiality. The government's investment will play a major role to stimulus the investment and consumption of the private sector while the export is still weak although it is positive growth due to the pressure from China economy.

- The consumption is growing, especially the government sector, since the government's expenditure budget increases from prior year about 5.6%. The investment of private sector is stimulus by government spending and the low level of interest and oil price while the tourism is still growing well.
- The government investment will play a major role to drive the investment of private sector. The investment also includes the investment in special economic district and cluster. Moreover, the investment in 4G network will support the overall investment.
- Export will positively grow as the low comparative base in prior year and the economy of the business partner is in recovery stage especially the U.S. and Asean economy. Moreover, the Baht depreciation will support the competition. However, the growth rate is relatively low from China and Japan economy recession.
- Baht currency is depreciated as USD appreciated from the rising of U.S. interest rate and the decline in Yuan and regional currency. However, Baht currency is still fluctuated from the uncertainty of fund flow and the weak of world economy.

(Source: Krungthai Bank)

Overview of the Company's Financial Position and Operating result

Financial Position

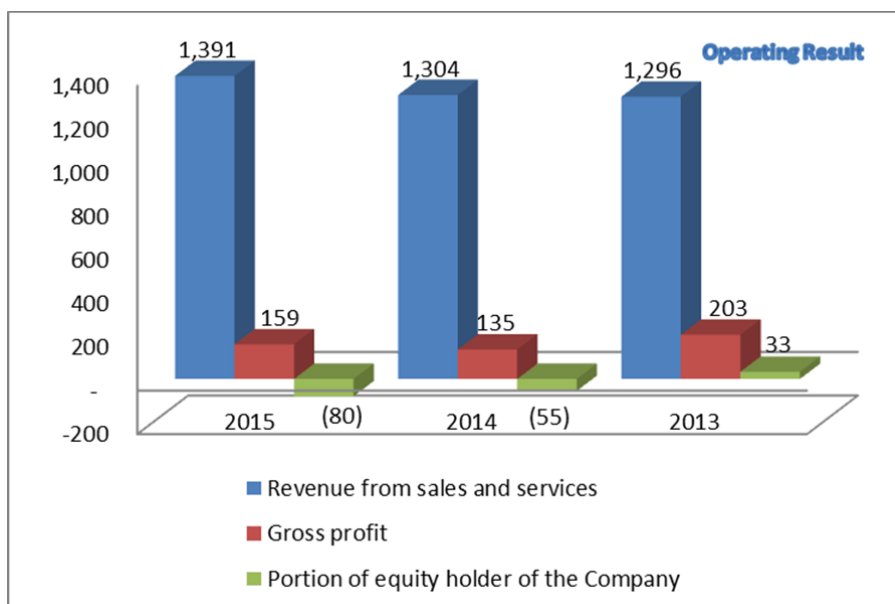


- Total assets as at 31 December 2015 increases from prior year about Baht 34 million or 3% due to the followings:
 - The increase of cash and cash equivalent about Baht 33 million with the increase of cash from financing activities through capital increase and loan about Baht 123 million and the decrease of cash from operating and investing activities about Baht 90 million.
 - Trade and other receivables decreases about Baht 30 million or 9% from prior year due to the decrease in inventories about Baht 48 million or 40% from prior year because, at the end of year 2014, the subsidiary in Malaysia has a lot of inventories reserve for a big lot sale of computer hardware to Malaysian governmental project in the last quarter of the year while there is no big lot sale at end of year 2015.
 - Optical fiber network and equipment for broadband business increases about Baht 62 million or 12% from prior year because there is an additional purchase of equipment to ensure the completeness of the network and the investment in new FTTx network in Khonkaen province and Bangkok Metropolitan area.

- Total liabilities as at 31 December 2015 increases about Baht 22 million or 3% from prior year due to the followings:
 - Bank overdraft, short-term loan, loan from related parties and loan from financial leasing increases Baht 50 million in order to support the working capital of Broadband internet business and the investment of network equipment was financed by financial leasing.
 - Trade payables and other payables decreases about Baht 28 million or 10% from prior year due to the subsidiary in Malaysia purchased a lot of inventories at the end of year 2014.

- Total shareholder's equity as at 31 December 2015 increases about Baht 12 million or 2% from prior year due to the followings:
 - Capital increase from private placement with the cash receipt about Baht 109 million
 - Net operating loss for the year 2015 is Baht 80 million
 - Other items and minority interest decreases about Baht 17 million

Operating Result



12-month period	Thailand					Malaysia	Total
Unit: Million Baht	IT Solution	Label Business	Broadband Internet			Wholesale of computer hardware	
			Upcountry	Bangkok Metro	Total		
Jan - Dec 2015							
Revenue	233	161	64	1	65	933	1,392
Gross profit	53	51	(21)	(1)	(22)	77	159
Net profit	(25)	21	(73)	(3)	(76)	4	(76)
Portion of parent company							<u>(80)</u>
Jan - Dec 2014							
Revenue	274	114	18	-	18	898	1,304
Gross profit	75	36	(23)	-	(23)	61	149
Net profit	(12)	15	(57)	-	(57)	4	(50)
Portion of parent company							<u>(55)</u>

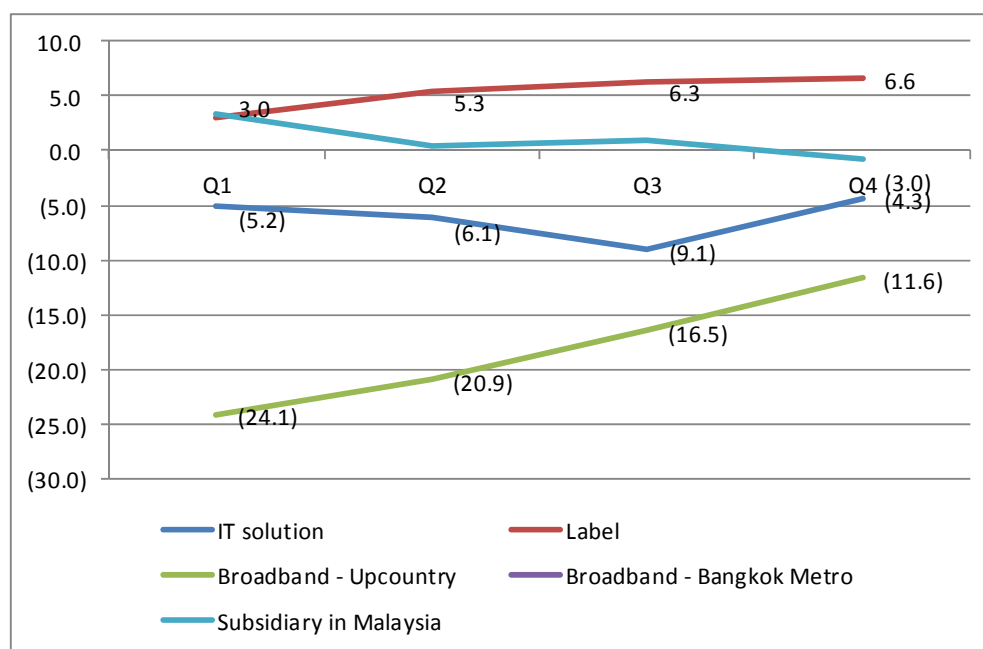
Change by Quarter

3-month period	Thailand					Malaysia	Total
Unit: Million Baht	IT Solution	Label Business	Broadband Internet			Wholesale of computer hardware	
			Upcountry	Bangkok Metro	Total		
Quarter 4 Oct - Dec 2015							
Revenue	42	45	24	1	25	215	327
Gross profit	10	13	1	(1)	0	21	44
Net profit	(4)	7	(12)	(3)	(15)	(1)	(13)
Portion of parent company							<u>(13)</u>
Quarter 3 (Restated*) Jul - Sep 2015							
Revenue	51	42	18	-	18	237	348
Gross profit	14	15	(5)	-	(5)	17	41
Net profit	(9)	6	(17)	-	(17)	1	(19)
Portion of parent company							<u>(20)</u>
Quarter 2 (Restated*) Apr - Jun 2015							
Revenue	55	42	13	-	13	206	316
Gross profit	14	14	(7)	-	(7)	19	40
Net profit	(6)	5	(21)	-	(21)	1	(21)
Portion of parent company							<u>(22)</u>
Quarter 1 (Restated*) Jan - Mar 2015							
Revenue	85	32	9	-	9	275	401
Gross profit	15	9	(10)	-	(10)	20	34
Net profit	(5)	3	(24)	-	(24)	3	(23)
Portion of parent company							<u>(25)</u>

* According to notes to financial statements no. 30 on page 60 of the financial statements for the year ended 31 December 2015, the Company has adjusted the figure of revenue and net profit for the period of Quarter 1 ended March 31, 2015, Quarter 2 ended June 30, 2015 and Quarter 3 ended September 30, 2015 in order to present the quarterly comparative revenue and net profit accurately and appropriately since there is an accounting adjustment which effect to reduction of revenue and net profit for the Quarter 1 -3 of year 2015 amounting to Baht 3.71 million and it has no effect to the financial statements for the year ended December 31, 2015. However, the above adjustment should be adjusted and recorded to the period of Quarter 1 to Quarter 3 of year 2015, as well, according to the supporting evidence of each period so that the quarterly comparative figure of the revenue and net profit is presented accurately and appropriately.

By Quarter	Million Baht	Q4-2014	Year 2014	Q1-2015	Q2-2015	Q3-2015	Q4-2015	Year 2015
		3-month	12-month	3-month	3-month	3-month	3-month	12-month
IT Solution	Revenue	87.3	273.6	84.8	55.4	50.9	41.7	232.9
	Net profit	1.0	(12.3)	(5.2)	(6.1)	(9.1)	(4.3)	(24.7)
Label	Revenue	40.0	114.3	32.3	41.5	42.1	45.0	161.0
	Net profit	4.8	14.6	3.0	5.3	6.3	6.6	21.2
Broadband - Upcountry	Revenue	6.2	18.4	9.0	13.0	17.8	24.0	63.7
	Net profit	(15.9)	(57.3)	(24.1)	(20.9)	(16.5)	(11.6)	(73.2)
Broadband - Bangkok Metro	Revenue	-	-	-	-	-	0.9	0.9
	Net profit	-	-	-	-	-	(3.0)	(3.0)
E-Tech	Revenue	319.7	898.1	275.0	206.2	237.2	214.6	932.9
	Net profit	(1.4)	4.3	3.3	0.5	0.9	(0.8)	3.8
Total	Revenue	453.3	1,304.4	401.1	316.2	348.0	325.3	1,390.5
	Net profit	(11.6)	(50.8)	(23.0)	(21.3)	(18.4)	(13.1)	(75.8)

Net Profit by Quarter



Summary

The consolidated net loss (portion of the parent company) for the 12-month and 3-month (Quarter 4) period ended 31 December 2015 are Baht 80 million and Baht 13 million, respectively, while there were the net loss for the 12-month and 3-month (Quarter 4) period ended 31 December 2014 amounting to Baht 55 million and Baht 12 million, respectively. The overall operating result for the year 2015 is still generated net loss since the broadband internet business segment has not reached the break-even point in term of net profit. However, the net loss has been improved by every quarter. In quarter 4, the company has consolidated net loss of Baht 13 million which improved from quarter 3 about Baht 7 million or 35% due to the significantly increase in revenue and the number of accumulated subscribers of the broadband internet segment. Currently, the broadband internet segment has reached the break-even point in term of operating

cash flow already with the number of accumulated subscriber of more than 15,000 subscribers and the number of new subscriber (net) is more than 1,000 subscribers per month. The company expects that the broadband internet segment will be able to reach the break-even point in term of net profit within quarter 2 of year 2016 and will generate profit since quarter 3 of year 2016. In addition, the Label business segment will grow continuously from prior year. While, the IT Solution segment shall generate profit after downsizing its business therefore the company expects that the company shall finally have the positive operating result for the year 2016 and continuously grow according to the increase in the number of accumulated subscribers.

■ **Total IT Solution Business**

Net loss from Total IT Solution Business for the 12-month and 3-month (Quarter 4) period ended 31 December 2015 are Baht 24.7 million and Baht 4.3 million, respectively, while there were the net loss for the 12-month period ended 31 December 2014 amounting to Baht 12.3 million and had profit in quarter 4 for Baht 1.0 million, respectively.

Net loss of the year 2015 is about Baht 24.7 million which has more loss about Baht 12.4 million due to the maintenance service contract revenue from a large customer in retail business had expired in August 2015 and no contract continue and this made the decline of service revenue and sale of hardware to this customer. Moreover, Thailand's domestic demand and economy are still remained shrinkage caused many customers to delay investment on IT equipment continuously from prior year. For this business segment, the management decided to downsize the business by transfer some of engineers and technicians to broadband internet business and the management expects that the business re-structuring will finish at the end of the year and expects that the operating result will turn to profit within Quarter 2 of year 2016.

Net loss for quarter 4 of year 2015 was improved very well from quarter 3 with decrease in net loss about Baht 4.8 million due to the transfer of employees to broadband internet segment in Bangkok Metropolitan area to reduce the fixed cost in order to match with the current business size.

■ **Label Business**

The net profit of label business segment for the 12-month and 3-month (Quarter 4) period ended 31 December 2015 are Baht 21.2 million and Baht 6.6 million, respectively, while there were the net profit for the 12-month and 3-month (Quarter 4) period ended 31 December 2014 amounting to Baht 14.6 million and Baht 4.8 million, respectively.

Net profit for the year 2015 is Baht 21.2 million which increases from last year about Baht 6.6 million or 40% due to the increase in sales about 41%. The net profit is growing by every quarter from the increase in purchase orders of the customer in manufacturing of smart phone and digital camera business which is continuous growing.

■ **Wholesale of Computer Hardware in Malaysia**

Net profit for 12-month period from the wholesale of computer hardware of the subsidiary in Malaysia is Baht 3.8 million which change a little bit from last year and sales increases just only 4% from prior year. This business segment is in recession trend since the Malaysian economy is declined from the low oil price which effect to the decrease in government spending on IT equipment. During the period of the decline in hardware sale, the subsidiary has more business focus on maintenance services.

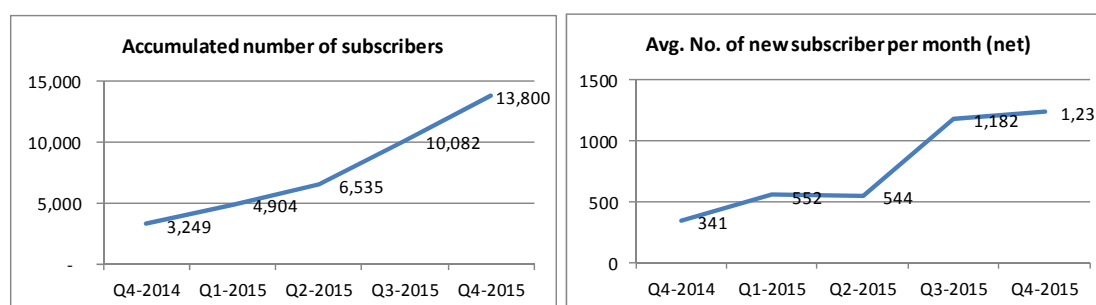
■ **Broadband Internet Business**

The net loss of broadband internet segment for the 12-month and 3-month (Quarter 4) period ended 31 December 2015 are Baht 76.2 million and Baht 14.6 million, respectively, while there were the net loss for the 12-month and 3-month (Quarter 4) period ended 31 December 2014 amounting to Baht 57.3 million and Baht 15.9 million, respectively.

Broadband Internet By Quarter	Million Baht	Q4-2014	Year 2014	Q1-2015	Q2-2015	Q3-2015	Q4-2015	Year 2015
		3-month	12-month	3-month	3-month	3-month	3-month	12-month
Upcountry*	Revenue	6.2	18.4	9.0	13.0	17.8	24.0	63.7
	Net profit	(15.9)	(57.3)	(24.1)	(20.9)	(16.5)	(11.6)	(73.2)
Bangkok Metropolitan**	Revenue	-	-	-	-	-	0.9	0.9
	Net profit	-	-	-	-	-	(3.0)	(3.0)
Total area	Revenue	6.2	18.4	9.0	13.0	17.8	24.9	64.6
	Net profit	(15.9)	(57.3)	(24.1)	(20.9)	(16.5)	(14.6)	(76.2)

* Service area in Chiangmai, Nakornratchasima and Khonkaen

** Start the operation officially in Quarter 4 year 2015



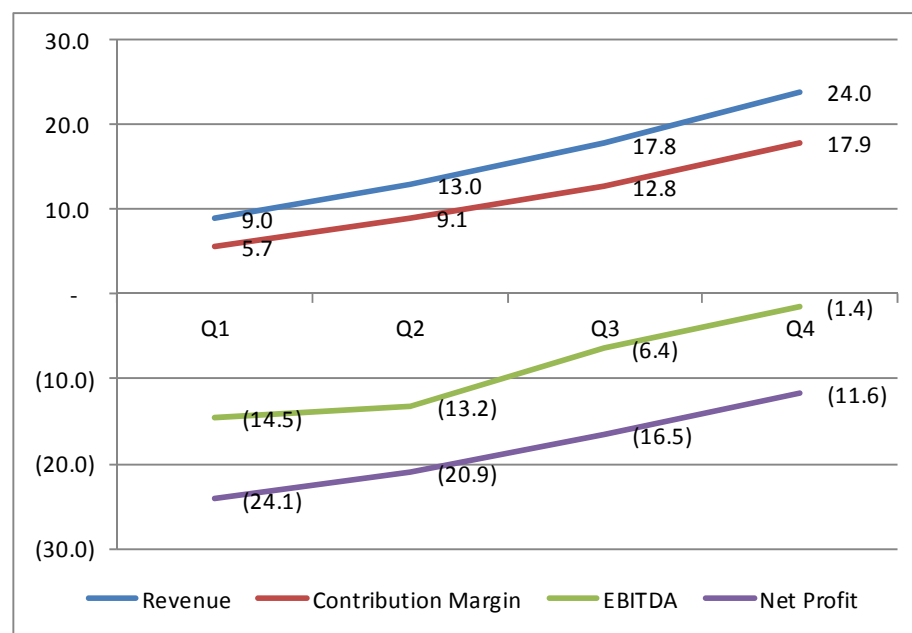
The overall performance of broadband internet business by fiber optic technology has improved by revenue increased and net loss improved by every quarter as long as the number of accumulated subscribers increases every month.

■ **Broadband internet - upcountry**

The net loss of broadband internet in upcountry area (Chiangmai, Nakornratchasima and Khonkaen) in quarter 4 of year 2015 is Baht 11.6 million which improved from quarter 3 about 30% from the increase in number of subscribers about 3,100 subscribers. At year-end 2015, the number of accumulated subscriber in upcountry area is totally 13,000 subscribers. The company

expects that the broadband internet segment for upcountry area shall reach the break-even point in term of net profit within quarter 2 of year 2016 or at 20,000 subscribers. Currently, the company has the number of new subscribers (net) about more than 1,000 subscribers per month.

Broadband Internet - Upcountry (Million Baht)	Q1 3 month	Q2 3 month	Q3 3 month	Q4 3 month	Year 2015 12 month
Revenue	9.0	13.0	17.8	24.0	63.7
Variable expense:					
- Internet Gateway	(3.3)	(3.9)	(4.9)	(6.0)	(18.2)
Contribution Margin	5.7	9.1	12.8	17.9	45.5
Fixed expenses	(20.2)	(22.3)	(19.2)	(19.3)	(81.0)
EBITDA	(14.5)	(13.2)	(6.4)	(1.4)	(35.5)
Depreciation	(7.7)	(5.8)	(8.2)	(8.5)	(30.2)
Interest	(1.9)	(1.9)	(1.9)	(1.8)	(7.5)
Tax	-	-	-	-	-
Net Profit	(24.1)	(20.9)	(16.5)	(11.6)	(73.2)



■ Broadband internet – Bangkok Metropolitan

In quarter 4 of year 2015, the company has started the operation of broadband internet for Bangkok Metropolitan area with provide service in tall building such as condominium and apartment and has generated net loss about Baht 3 million since the accumulated number of subscriber is still not high (about 800 subscribers as at year-end 2015). The company expects that the broadband internet – Bangkok Metropolitan shall reach the break-even point in term of net profit within quarter 4 of year 2016 or at 4,000 accumulated subscribers. Currently, the company has the rising number of new subscriber (net) about 200 – 300 subscribers per month with over 100 buildings on-service.

At present, the broadband internet segment has already reached the break-even point in term of operating cash flow with the accumulated number of subscribers over 15,000 subscribers and the number of new subscriber (net) is more than 1,000 subscribers per month. The company expects that the broadband internet segment will be able to reach the break-even point in term of net profit within quarter 2 of year 2016 and will generate profit since quarter 3 of year 2016.

FINANCIAL STATEMENTS AND AUDITOR'S REPORT
SIMAT TECHNOLOGIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
FOR THE YEAR ENDED DECEMBER 31, 2015

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, 2015, and the related consolidated and separate statements of profit or loss and other comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

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 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, 2015, and the consolidated and separate financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Emphasis of matters

I draw attention to the followings Notes to Financial Statements No. 15. On February 22, 2013, the Company cancelled the service contract for rental of optical fiber cable network equipment in Nakorn Ratchasima and Chiang Mai provinces with CAT Telecom Public Company Limited (“CAT”). As a result, the Company is now a service provider instead of a lessor. In addition, the Company has filed a lawsuit against CAT as discussed in Note 35 to the financial statements. My opinion is not modified with respect to this matter.

Other Matter

The consolidated and separate financial statements of Simat Technologies Public Company Limited and its subsidiaries and of Simat Technologies Public Company Limited respectively as at December 31, 2014 which have been presented herewith for comparative purposes were audited by another auditor of our firm, whose report dated February 26, 2015, expressed an unqualified opinion.



Sathien Vongsnan

Certified Public Accountant Registration Number 3495

ANS Audit Company Limited

Bangkok, February 26, 2016

SIMAT TECHNOLOGIES PUBLIC COMPANY LIMITED AND SUBSIDIARIES**STATEMENT OF FINANCIAL POSITION****AS AT DECEMBER 31, 2015**

		Unit: Thousands Baht				
		CONSOLIDATED F/S		SEPARATE F/S		
Notes		2015	2014	2015	2014	
ASSETS						
CURRENT ASSETS						
	Cash and cash equivalents	5	57,990	24,772	9,120	10,349
	Trade and other receivables - net	6,7	304,486	334,630	63,504	89,084
	Loans to related companies	7	-	-	7,411	7,300
	Inventories - net	8	73,303	121,479	23,480	47,069
	Total Current Assets		435,779	480,881	103,515	153,802
NON-CURRENT ASSETS						
	Restricted deposits with banks	9,17,19	131,839	117,597	13,750	13,750
	Investments in associated company	10	29,538	28,187	21,274	21,274
	Investments in subsidiary companies	11	-	-	96,955	96,955
	Plant and equipment - net	12	122,867	127,372	20,602	25,936
	Equipment and computer software					
	for lease - net	13	4	149	4	149
	Software development costs for purposes of sale	14	939	1,959	807	1,731
	Fiber optic network equipment	15,21	582,461	519,863	582,461	519,863
	Goodwill		44,693	44,693	-	-
	Deferred tax assets	16	4,054	3,658	4,054	3,658
	Deposits		9,561	7,444	8,388	5,977
	Non current assets		4,643	-	4,643	-
	Total Non-Current Assets		930,599	850,922	752,938	689,293
	TOTAL ASSETS		1,366,378	1,331,803	856,453	843,095

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, 2015**

		Unit: Thousands Baht			
		CONSOLIDATED F/S		SEPARATE F/S	
Notes		2015	2014	2015	2014
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
	Bank overdraft and short-term loan from				
	financial institutions	17	189,825	175,023	8,819
	Trade and other payables	7,18	251,409	279,097	63,614
	Current portion of liabilities under				
	financial lease agreements	20	13,289	6,722	5,939
	Current portion of long-term loans from				
	financial institutions	21	34,572	13,536	33,000
	Short term loan from related person and parties	7	15,000	-	17,000
	Accrued income tax		4,770	2,550	-
	Total Current Liabilities		508,865	476,928	128,372
NON-CURRENT LIABILITIES					
	Liabilities under financial lease				
	agreements - net	20	16,792	11,649	8,712
	Long-term loans from financial institutions - net	21	142,623	159,502	96,560
	Deferred tax liabilities	16	622	1,430	-
	Employee benefit obligations	22	9,130	6,729	8,134
	Total Non-Current Liabilities		169,167	179,310	113,406
	TOTAL LIABILITIES		678,032	656,238	241,778

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, 2015

		Unit: Thousands Baht			
		CONSOLIDATED F/S		SEPARATE F/S	
Notes		2015	2014	2015	2014
LIABILITIES AND SHAREHOLDERS' EQUITY (CONTINUED)					
SHAREHOLDERS EQUITY					
Share capital					
	Registered	23			
	480,534,076 common shares at Baht 1 each	480,534	394,923	480,534	394,923
	(December 31, 2014 : 394,922,823 common shares at Baht 1 each)				
	Issued and fully paid-up				
	394,138,985 common shares at Baht 1 each				
	(December 31, 2014 : 371,131,721 common shares at Baht 1 each)	394,139	371,132	394,139	371,132
	Paid in capital in excess of par value	307,234	221,199	307,234	221,199
	Reserve for share-based payments	2,614	4,776	2,614	4,776
	Discount on capital from change in proportion of investment in subsidiary company	(2,314)	(2,314)	-	-
	Retained earnings				
	Appropriated				
	Legal reserve	24	15,141	15,141	15,141
	Unappropriated		(54,758)	(104,453)	(19,016)
	Other components of equity				
	Currency translation differences		(7,317)	(1,721)	-
	Total equity of the parent company		654,739	633,784	614,675
	Non-controlling interests	11	33,607	41,781	-
	TOTAL SHAREHOLDERS EQUITY		688,346	675,565	614,675
	TOTAL LIABILITIES AND SHAREHOLDERS EQUITY		1,366,378	1,331,803	856,453

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

SIMAT TECHNOLOGIES PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2015

		Unit: Thousands Baht			
		CONSOLIDATED F/S		SEPARATE F/S	
Notes		2015	2014	2015	2014
Revenues	7				
Revenues from sales and services		1,391,365	1,304,407	296,191	292,106
Cost of sales and services	7,22,26,28	(1,232,751)	(1,169,542)	(264,356)	(247,182)
Gross profit		158,614	134,865	31,835	44,924
Dividend income	7,10,11	-	-	15,338	24,000
Gain (loss) on exchange rate		(1,527)	10	(706)	167
Other income	7	7,373	10,201	7,440	1,052
Selling expenses	7,22,26,28	(49,096)	(40,581)	(31,361)	(25,325)
Administrative expenses	7,22,26,28	(154,814)	(136,813)	(98,190)	(85,614)
Finance cost	7	(28,570)	(19,665)	(10,189)	(9,906)
Equity in net income of associated company		3,153	2,848	-	-
Loss before income tax		(64,867)	(49,135)	(85,833)	(50,702)
Income tax benefit (expense)	16	(10,934)	(1,637)	396	780
NET LOSS FOR THE YEAR		(75,801)	(50,772)	(85,437)	(49,922)
OTHER COMPREHENSIVE LOSS					
<i>ITEMS THAT MAY BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS</i>					
Foreign currency translation differences		(9,546)	(4,649)	-	-
OTHER COMPREHENSIVE LOSS FOR THE YEAR		(9,546)	(4,649)	-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(85,347)	(55,421)	(85,437)	(49,922)
Profit (loss) attributable to :					
Equity holders of the Company		(80,329)	(54,526)	(85,437)	(49,922)
Non-controlling interests		4,528	3,754	-	-
		(75,801)	(50,772)	(85,437)	(49,922)

SIMAT TECHNOLOGIES PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2015

		Unit: Thousands Baht			
		CONSOLIDATED F/S		SEPARATE F/S	
Notes		2015	2014	2015	2014
Total comprehensive income (loss) attributable to :					
	Equity holders of the Company	(85,925)	(57,161)	(85,437)	(49,922)
	Non-controlling interests	578	1,740	-	-
		<u>(85,347)</u>	<u>(55,421)</u>	<u>(85,437)</u>	<u>(49,922)</u>
LOSS PER SHARE :					
		27			
	Basic loss per share (Baht)	<u>(0.21)</u>	<u>(0.16)</u>	<u>(0.22)</u>	<u>(0.15)</u>
	Diluted loss per share (Baht)	<u>(0.21)</u>	<u>(0.16)</u>	<u>(0.22)</u>	<u>(0.15)</u>

SIMAT TECHNOLOGIES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF CHANGE IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2015

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
	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	
						Legal reserve	Unappropriated				
Balance as at January 1, 2014	275,974	180,231	4,558	1,266	(2,314)	15,141	113,670	914	589,440	40,041	629,481
Changes in equity for the year :											
Increase in capital	23	64,458	39,751	-	(1,266)	-	-	-	102,943	-	102,943
Reserve for share-based payment	34	-	-	1,379	-	-	-	-	1,379	-	1,379
Stock dividend	25	30,216	-	-	-	-	(30,216)	-	-	-	-
Cash dividend	25	-	-	-	-	-	(3,357)	-	(3,357)	-	(3,357)
Warrants exercised	34	484	1,217	(1,161)	-	-	-	-	540	-	540
Comprehensive income (loss) for the year		-	-	-	-	-	(54,526)	(2,635)	(57,161)	1,740	(55,421)
Balance as at December 31, 2014	371,132	221,199	4,776	-	(2,314)	15,141	25,571	(1,721)	633,784	41,781	675,565
Changes in equity for the year :											
Increase in capital	23	19,700	82,675	-	-	-	-	-	102,375	-	102,375
Reserve for share-based payment	34	-	-	(2,162)	-	-	-	-	(2,162)	-	(2,162)
Common share subscription	23	3,307	3,360	-	-	-	-	-	6,667	-	6,667
Cash dividend by subsidiaries company	11	-	-	-	-	-	-	-	-	(8,035)	(8,035)
Struck off of a subsidiary		-	-	-	-	-	-	-	-	(717)	(717)
Comprehensive income (loss) for the year		-	-	-	-	-	(80,329)	(5,596)	(85,925)	578	(85,347)
Balance as at December 31, 2015	394,139	307,234	2,614	-	(2,314)	15,141	(54,758)	(7,317)	654,739	33,607	688,346

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 YEAR ENDED DECEMBER 31, 2015

Unit: Thousands Baht

SEPARATE F/S

Notes	Paid-up share capital	Paid-in capital in excess of par	Reserve for share-based payment	Common share Subscription	Retained earnings		Other components of equity	Total Equity
					Legal reserve	Unappropriated		
Balance as at January 1, 2014	275,974	180,231	4,558	1,266	15,141	64,479	-	541,649
Changes in equity for the year :								
Increase in capital	23	64,458	39,751	-	(1,266)	-	-	102,943
Reserve for share-based payment	34	-	-	1,379	-	-	-	1,379
Stock dividend	25	30,216	-	-	-	(30,216)	-	-
Cash dividend	25	-	-	-	-	(3,357)	-	(3,357)
Warrants exercised	34	484	1,217	(1,161)	-	-	-	540
Comprehensive loss for the year		-	-	-	-	(49,922)	-	(49,922)
Balance as at December 31, 2014	371,132	221,199	4,776	-	15,141	(19,016)	-	593,232
Changes in equity for the year :								
Increase in capital	23	19,700	82,675	-	-	-	-	102,375
Reserve for share-based payment	34	-	-	(2,162)	-	-	-	(2,162)
Common share subscription	23	3,307	3,360	-	-	-	-	6,667
Comprehensive loss for the year		-	-	-	-	(85,437)	-	(85,437)
Balance as at December 31, 2015	394,139	307,234	2,614	-	15,141	(104,453)	-	614,675

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, 2015**

	Unit: Thousands Baht			
	CONSOLIDATED F/S		SEPARATE F/S	
	2015	2014	2015	2014
Cash Flows from Operating Activities				
Loss before tax	(64,867)	(49,135)	(85,833)	(50,702)
Adjustments to reconcile net income to net cash provided from (paid by) operating activities:				
Depreciation and amortization	51,572	42,877	42,647	34,887
Equity in net income of associated company	(3,153)	(2,848)	-	-
Unrealized (gain) loss on foreign exchange rate	137	(203)	153	(195)
Loss on disposal of plant and equipment	-	190	-	(56)
Allowance for doubtful accounts (reversal)	1,259	(5,825)	1,218	346
Allowance for obsolete and devaluation of inventories (reversal)	(1,097)	2,151	(2,057)	1,433
Allowance for impairment of investment in subsidiaries	-	-	-	8,000
Employee benefit obligations	2,401	1,415	2,001	1,089
Reserve for share based payment	815	1,379	815	1,379
Dividend income	-	-	(15,338)	(24,000)
Interest expenses	28,571	20,073	10,159	9,633
Interest incomes	(3,212)	(3,560)	(623)	(814)
Cash provided from (used in) operating activities before changes in operating assets and liabilities :	12,426	6,514	(46,858)	(19,000)
Decrease (increase) in operating assets:				
Trade and other receivables	21,994	(28,294)	15,633	8,123
Inventories	(26,599)	(68,939)	(50,225)	(43,642)
Other non-current assets	(418)	(4,801)	(716)	(4,777)

SIMAT TECHNOLOGIES PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2015

	Unit: Thousands Baht			
	CONSOLIDATED F/S		SEPARATE F/S	
	2015	2014	2015	2014
Increase (decrease) in operating liabilities:				
Trade and other payables	(28,058)	39,311	(13,978)	(24,951)
Cash received (paid) from operations	(20,655)	(56,209)	(96,144)	(84,247)
Interest payment	(28,555)	(20,073)	(9,769)	(9,633)
Interest received	3,212	3,560	623	814
Income tax payment	(12,848)	-	(1,902)	-
Income tax received	4,185	228	4,185	780
Net cash provided used in operating activities	(54,661)	(72,494)	(103,007)	(92,286)
Cash flows from investing activities:				
Dividend received	1,800	1,200	1,800	24,000
Increase in loan to related companies	-	-	(911)	(3,308)
Increase in restricted deposits with banks	(14,242)	(12,263)	-	-
Cash payment for fiber optical network equipment	(8,841)	(38,623)	(8,841)	(38,623)
Proceeds from disposal of plant and equipment	385	56	-	56
Cash payment for acquisition plant and equipment	(10,502)	(77,229)	(1,091)	(2,918)
Net cash provided used in investing activities	(31,400)	(126,859)	(9,043)	(20,793)

SIMAT TECHNOLOGIES PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2015

	Unit: Thousands Baht			
	CONSOLIDATED F/S		SEPARATE F/S	
	2015	2014	2015	2014
Cash flows from financing activities:				
Cash receipt from increase in share capital	103,155	103,481	103,155	103,481
Cash receipt from common share subscription	3,690	-	3,690	-
Cash payment for issuing stocks	(780)	-	(780)	-
Increase (decrease) in loan from related person and parties	15,000	(7,715)	17,649	(8,459)
Increase (decrease) in bank overdraft and short-term loan				
from financial institutions - net	14,802	106,098	(17,652)	26,472
Payments of long-term loan from financial institutions	4,157	(23,844)	8,000	(25,380)
Payments of liabilities under financial				
lease agreements	(9,410)	(1,939)	(3,241)	(1,656)
Dividend paid	(7,711)	(3,357)	-	(3,357)
Net cash from financing activities	122,903	172,724	110,821	91,101
Net increase (decrease) in cash and cash equivalents	36,842	(26,629)	(1,229)	(21,978)
Effect of foreign exchange rate changes	(3,624)	(1,778)	-	-
Cash and cash equivalents, Beginning of year	24,772	53,179	10,349	32,327
Cash and cash equivalents, End of year	57,990	24,772	9,120	10,349

Non - cash transactions :

For the year ended December 31, 2015

The Company transferred inventories to equipment totaling Baht 75.87 million.

The Company transfer current assets to non-current assets totaling Baht 4.64 million.

The Company offset dividends received against loan from and accrued interest expenses related companies in the amount of Baht 13.54 million. and the Company offset loan to related company against trade and other payable in the amount of Baht 0.8 million.

The Company and subsidiary acquired machinery for a total cost of Baht 22.34 million, of which Baht 19.26 million is to be paid by installment under financial lease agreement. Baht 3.08 million was paid by cash.

For the year ended December 31, 2014

The Company transferred inventories to equipment totaling Baht 58.44 million.

The Subsidiary acquired equipment for total cost of Baht 13.63 million of which Baht 12.65 million to be paid by instalments under financial lease under financial lease agreement and Baht 1.82 million was paid by cash.

The subsidiary offset the long overdue receivable against the guarantee deposit from director of Baht 36.10 million.

SIMAT TECHNOLOGIES PUBLIC COMPANY LIMITED AND SUBSIDIARIES**NOTES TO FINANCIAL STATEMENTS****FOR THE YEAR ENDED DECEMBER 31, 2015****1. GENERAL INFORMATION**

The Company registered as a limited company with the Ministry of Commerce 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 trade 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, Lamplaw 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”) and applicable rules and regulations of the Securities and Exchange Commission.

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 financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

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

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

Subsidiary companies	Percentage of shareholding / Voting rights hold		Type of businesses
	December 31,	December 31,	
	2015	2014	
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.	100.00	100.00	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	Providing software consultancy services and wholesaler of computer.

On June 30, 2015, E-Tech It Sdn, Bhd. had sold investment in E-Tech IT Frontline.

- b.) The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.
- c.) The financial statements of subsidiaries as well as the Company were prepared based on the same significant account policies.
- d.) The oversea subsidiaries' assets and liabilities are translated to Thai Baht at the closing rate as at the end of reporting period date, revenues and expenses are translated at the average exchange rates during the periods. Exchange differences on translation financial information are presented as "Currency translation differences" in the statement of change in shareholders' equity.
- e.) Outstanding balances between the Company and subsidiaries, the significant intercompany trade transactions have been eliminated from consolidated financial statements.
- f.) Non-Controlling interest are the portion of profit or loss and net assets of subsidiaries that not attributable to the Company. They are presented separately in statement of profit or loss and shareholders equity in the consolidated financial statement.

The Company produces separate financial statements available for the public use. Investments in subsidiaries and associates in separate financial statements are accounted for at cost.

New Thai Financial Reporting Standards

Below is a summary of accounting standards that became effective in the current accounting year and those that will become effective in the future.

a) Accounting standards that became effective in the current accounting year

The Federation of Accounting Professions has issued a number of revised and new accounting standards that become effective for fiscal years beginning on or after January 1, 2015. These accounting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of accounting standards. The management of the Company and its subsidiaries believes they will not have any significant impact on the financial statements in the year in which they are adopted. However, some of these accounting standards involve changes to key principles, as discussed below:

TAS 19 (revised 2014) Employee Benefits

This revised standard requires that the entity recognize actuarial gains and losses immediately in other comprehensive income while the existing standard allows the entity to recognise such gains and losses immediately in profit or loss, or in other comprehensive income, or to recognise them gradually in profit or loss.

In the past, the Company and its subsidiaries immediately recognize actuarial gains and losses in profit or loss in the period in which they occur. The assessment of the management of the Company and its subsidiaries is that when the revised standard is applied in 2015 and the method of recognizing those gains and losses is changed to immediately recognize them in other comprehensive income, there is no impact to provision for long-term employee benefit liabilities and brought forward retained earnings in the financial statements and that has no any significant impact of the presentation on the statement of profit or loss and other comprehensive income.

TFRS 10 Consolidated Financial Statements

TFRS 10 prescribes requirements for the preparation of consolidated financial statements and replaces the part dealing with consolidated financial statements as included in TAS 27 Consolidated and Separate Financial Statements. This standard changes the principles used in considering whether control exists. Under this standard, an investor is deemed to have control over an investee if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns, even if it holds less than half of the shares or voting rights. This important change requires the management to exercise a lot of judgement when reviewing whether the Company and its subsidiaries have control over the investees and determine which entities have to be included for preparation of the consolidated financial statements.

The management of the Company and its subsidiaries believes that the standards not have significant impact on the Company and its subsidiaries' financial statements.

TFRS 11 Joint Arrangements

TFRS 11 supersedes TAS 31 Interests in Joint Ventures. This standard requires an entity investing in any other entity to determine whether the entity and other investors have joint control in the investment. When joint control exists, there is deemed to be a joint arrangement and the entity then needs to apply judgement to assess whether the joint arrangement is a joint operation or a joint venture and to account for the interest in the investment in a manner appropriate to the type of joint arrangement. If it is a joint operation, the entity is to recognise its shares of assets, liabilities, revenue and expenses of the joint operation, in proportion to its interest, in its separate financial statements. If it is a joint venture, the entity is to account for its investment in the joint venture using the equity method in the financial statements in which the equity method is applied or the consolidated financial statements (if any), and at cost in the separate financial statements.

This standard does not have any impact on the financial statements since the Company and its subsidiaries already apply the equity method to account for the investment in joint ventures.

TFRS 12 Disclosure of Interests in Other Entities

This standard stipulates disclosures relating to an entity's interests in subsidiaries, joint arrangements and associates, including structured entities. This standard therefore has no financial impact to the financial statements of the Company and its subsidiaries.

TFRS 13 Fair Value Measurement

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurements. Entities are to apply the guidance under this standard if they are required by other accounting standards to measure their assets or liabilities at fair value. The effect of the change from the adoption of this standard is to be recognised prospectively.

The management of the Company and its subsidiaries has assessed that the above standards do not have any significant impacts on the financial statements.

b) Accounting standards that will become effective in the future

During the period, the Federation of Accounting Professions issued a number of the revised financial reporting standards (revised 2015) which is effective for fiscal years beginning on or after January 1, 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards.

The management of the Company and its subsidiaries believes that the revised financial reporting standards will not have any significant impact on the financial statements when 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 or less and that are not subject to withdrawal restrictions.

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 buildings 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 equipment	3 - 5
Furniture and fixtures	5 - 10
Motor vehicles	5
Machinery	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	5 - 35
Fiber optic network equipment.	3 - 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 lessees

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, bonuses and social security contributions as expenses on an accrual basis.

Post-employment benefits – defined benefit plan

The employee benefit 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 of the primary economic environment in which the entity operates. The financial statements of the Group are presented in Thai Baht, the presentation currency in accordance with the regulatory requirements in Thailand. The functional currency of the Company and its subsidiaries in Thailand is Thai Baht. Functional currencies of its 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 losses on translation are recognized in profit or loss.

Non-monetary assets and liabilities measured at cost in foreign currencies at the end of reporting period date are translated 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 as follows:

- 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 approximate to 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 to which employees and the Company contributes. Assets are held in a separate trustee fund and managed by fund manager.

The Company's 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 taxes 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:

- initial recognition of goodwill;
- initial recognition of assets or liabilities in a transaction that is not a business combination and that neither affects 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 amounts 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 its 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 (loss) per share and diluted earnings (loss) per share

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

Diluted earnings (loss) per share are calculated by dividing the net profit (loss) for the year by the weighted average number of ordinary shares including the effect of increased shares from exercise warrants.

Segment information

Segment information is presented in respect of the Company and subsidiary businesses. The primary format and business segments are 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 coupled with a review of outstanding receivables at the date of 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 or not it is impaired. 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 an 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 are subject to be written down for their technical obsolescence or are 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, 2015 and 2014 are as follows:

	Unit: Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Cash on hand	800	810	673	671
Cash at banks				
Current account	53,939	15,986	5,195	6,793
Savings account	2,316	7,958	2,317	2,867
Fixed deposits with maturities				
of less than 3 months	935	18	935	18
Total	57,990	24,772	9,120	10,349

6. TRADE AND OTHER RECEIVABLES - NET

Trade and other receivables - net as at December 31, 2015 and 2014 are as follows:

	Unit: Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Trade receivables				
- related parties	685	685	1,250	685
- others	317,922	344,498	45,505	66,785
Total	318,607	345,183	46,755	67,470
<u>Less</u> Allowance for doubtful accounts	(39,517)	(42,826)	(1,692)	(474)
Trade receivables - net	279,090	302,357	45,063	66,996
Other receivables				
Interest receivable related parties	-	-	565	172
Other receivable related parties	664	1,296	1,394	1,438
Deposit	2,211	1,466	-	-
Accrued income	1,618	106	1,566	105
Value added tax receivables	6,501	9,100	6,501	9,100
Prepaid expenses	5,863	4,081	5,595	2,529
Advances to trade customer	4,530	3,019	347	453
Subscription receivable	-	557	-	-
Others	4,009	12,648	2,473	8,291

	Unit: Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Total other receivables	25,396	32,273	18,441	22,088
Total trade and other receivables - net	304,486	334,630	63,504	89,084

As at December 31, 2015 and 2014 the Group had outstanding balances of trade receivable aged by the following numbers of months:

Ages of receivable	Unit: Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Trade Receivable – Related Parties				
Not yet due	-	-	565	-
Past due:				
Over 12 months	685	685	685	685
Total trade receivable - related parties	685	685	1,250	685
Trade Receivable - Other				
Not yet due	132,886	166,586	20,129	57,740
Past due:				
Less than 3 months	110,107	124,189	19,752	5,501
Over 3 months but not over 6 months	30,953	1,619	3,265	1,586
Over 6 months but not over 12 months	4,398	179	811	179
Over 12 months	39,578	51,925	1,548	1,779
Total	317,922	344,498	45,505	66,785
<u>Less</u> Allowance for doubtful accounts	(39,517)	(42,826)	(1,692)	(474)
Total trade receivable other - net	278,405	301,672	43,813	66,311
Total trade receivable - net	279,090	302,357	45,063	66,996

As at December 31, 2015 and 2014, a portion of receivables past due over 12 months are attributable to a subsidiary company in Malaysia as follows:

	Unit: Million Baht	
	2015	2014
Allowance for doubtful accounts has been provided	37.70	42.25
Considered as collectible	0.20	7.79
Total	37.90	50.04

The management of the subsidiary is confident it will receive full settlement from the debtor. Therefore, no further allowance for doubtful account has been made.

7. RELATED PARTY 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 values or, where no market value 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 entity	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
Simat Telecom Co., Ltd.	Thailand	Subsidiary, 100% shareholding, and co-directors are representatives of the Company
E-Tech IT Sdn, Bhd.	Malaysia	Subsidiary, 60% shareholding
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, 2015 and 2014, are summarized below:

	Unit: Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Trade receivables				
Grand-flo Spritvest Sdn, Bhd.	685	685	685	685
Simat Label Co., Ltd.	-	-	565	-
Total	685	685	1,250	685
Other receivables				
Simat Label Co., Ltd.	-	-	1,288	1,334
Simat Soft Co., Ltd.	-	-	301	125
Simat Telecom Co., Ltd.	-	-	329	110
Grand-flo Spritvest Sdn, Bhd.	623	1,255	-	-
Grand-flo Solution Sdn, Bhd.	41	41	41	41
Total	664	1,296	1,959	1,610
Other receivable - related party				
Mr.Yeong Chin Chou	-	557	-	-
Total	-	557	-	-
Loans to related companies				
Simat Label Co., Ltd.	-	-	-	2,289
Simat Soft Co., Ltd.	-	-	3,800	2,500
Simat Telecom Co., Ltd	-	-	3,611	2,511
Total	-	-	7,411	7,300

Unit: Thousands Baht

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Trade payables				
Kopacklabels Press Sdn, Bhd.	52	311	-	-
Grand – flo Spritvest Sdn, Bhd.	31	31	30	31
Simat Soft Co., Ltd.	-	-	13	1,605
Simat Telecom Co., Ltd	-	-	782	414
Grand – flo Electronic Systems Sdn, Bhd.	-	67	-	-
Total	83	409	825	2,050
Other payables -related companies				
Simat Telecom Co., Ltd	-	-	394	273
Simat Soft Co., Ltd.	-	-	97	-
Grand – flo Electronic Systems Sdn, Bhd.	851	851	851	851
Total	851	851	1,342	1,124
Other payable related party				
Mr. Ling Chee Kiat	708	836	-	-
Total	708	836	-	-
Short-term loan from a related companies				
E-Tech IT Sdn, Bhd.	-	-	-	11,378
Simat Label Co., Ltd.	-	-	2,000	-
Director	15,000	-	15,000	-
Total	15,000	-	17,000	11,378

	Unit: Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Accrued interest to a related company and director				
E-Tech IT Sdn, Bhd.	-	-	83	1,399
Director	15	-	15	-
Total	15	-	98	1,399

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

On May 25, 2015, the Company had entered into a loan agreement with a director in the amount of Baht 20 million. The loan bears an interest rate of 6% per annum, and is due within December 25, 2015. In December 2015, the Company had repay in the amount of Baht 5 million to a director thus as at December 31, 2015, such loan has balancing amount of Baht 15 million.

During the year 2015, the Company borrows loan from Simat Label Co.,Ltd. in the amount of Baht 5 million, such loan bear an interest rate of 7.25% per annum. The Company offset such loan to dividend received in the amount of Baht 1,971,538 and cash payment in the amount of Baht 1,028,462. Therefore, as at December 31, 2015, outstanding loan from Simat Label Co.,Ltd. is amount of Baht 2 million, such outstanding loan has no interest charge.

On September 26, 2014, there was a Letter of Debt Settlement between other payable (Mr. Ling Chee Kiat) and the subsidiary to offset the long overdue receivables against the guarantee deposit of totaling Baht 36.10 million for 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. Such long outstanding debtor repaid debt to E-Tech IT Sdn, Bhd. so outstanding of other payable (Mr. Ling Chee Kiat) as at December 31, 2015 and 2014 are Baht 0.71 million and Baht 0.84 million, respectively.

As at December 31, 2014, the loan from subsidiary of Baht 11.38 million is due within one year with the interest rate of 5.85% per annum. During the third quarter of the year 2015, the Company paid the subsidiary for the loan and accrued interest expenses, from the subsidiary, amounting to Baht 11.57 million, by offsetting it to dividends received. Therefore, as at December 31, 2015, the outstanding balance of accrued interest expenses totaled Baht 0.08 million (see note 11).

Transactions with related person and parties for the years ended December 31, 2015 and 2014 are summarized below:

		Unit: Thousands Baht			
Transactions with related person and companies	Pricing policy	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
Sales of inventories	At market value	11,295	5,256	2	196
Dividend income	Right to receive dividends	-	-	15,338	24,000
Interest income	At the rate of 7.25%	-	-	433	537
Other income	Contract	-	-	4,950	-
Purchase of inventories	At market value	4,811	4,877	26	23
Software service cost	Mutually agreed price	-	-	1,504	1,500
Other expenses	At cost	-	-	7,421	6,719
Interest expenses	At the rate of 5.85% and 6%	-	-	1,110	1,066
Maintenance broadband	Contract	-	-	3,109	-

Compensation of key management personnel.

The Compensation of key management personnel for the years ended December 31, 2015 and 2014 as follows:

		Unit : Thousand Baht			
		Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
Short-term benefits		17,727	17,249	11,428	11,172
Post-employment benefits		809	366	809	366
Total Compensation to key management personnel		<u>18,536</u>	<u>17,615</u>	<u>12,237</u>	<u>11,538</u>

8. INVENTORIES –NET

Inventories as at December 31, 2015 and 2014 are as follows:

	Unit: Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Finished goods	70,154	120,495	27,517	53,163
Work in process	2,069	993	-	-
Raw materials	6,364	5,139	-	-
Goods in transit	367	1,600	-	-
Total	78,954	128,227	27,517	53,163
<u>Less</u> Allowance for decline values of inventories	(5,651)	(6,748)	(4,037)	(6,094)
Inventories – net	73,303	121,479	23,480	47,069

9. RESTRICTED DEPOSITS WITH BANKS

As at December 31, 2015 and 2014, the Company's fixed deposits totaling Baht 131.84 million and Baht 117.60 million, respectively, in consolidated financial statements, and Baht 13.75 million, in separate financial statements, have been pledged with banks as collaterals for bank overdrafts facilities, short-term loan, long-term loans, factoring of trade receivables, forward exchange contracts and letter of guarantee for the Company and its subsidiaries. These fixed deposits bear interest at 0.80% - 3.20% per annum and 0.95% - 3.20%, respectively.

10. INVESTMENTS IN ASSOCIATED COMPANIES

Investments in associated companies as at December 31, 2015 and 2014 are as follows:

Name of Associated company	Incorporation	Type of business	Unit: Thousand Baht							
			% of share holding / Voting rights held		Paid-up capital		Consolidated financial statements		Separate financial statements	
			2015	2014	2015	2014	Equity method		Cost method	
			2015	2014	2015	2014	2015	2014	2015	2014
Sino Trading – Services Corporation (Shares held by Simat Technologies PCL.)	Vietnam	Trading of computer hardware, software and network and network accessories and computer information technology system development	40.00	40.00	12,600	12,600	29,538	28,187	21,274	21,274
Total investments in associated company							29,538	28,187	21,274	21,274

During the year, the Company recognized share of profits from investments in the consolidated financial statements and recognised dividend income from associated companies in separate financial statement as follows:

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	Share of profits from investments in associated company		Dividend income from associated company during the years	
	2015	2014	2015	2014
Sino Trading – Services Corporation	3,152	2,848	1,800	1,200
Total	3,152	2,848	1,800	1,200

The Company recorded share of profits from investments, using equity method, in consolidated financial statements based on the financial statement of associated company for the years ended December 31, 2015 and 2014, which were audited by PARKER RANDALL VIETNAM (Formerly name : CPA 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 years ended December 31, 2015 and 2014 can be summarized as follows:

	Unit: Thousand Baht	
	2015	2014
As at December 31		
Current assets	59,738	43,858
Non-current assets	3,080	2,511
Current liabilities	27,640	17,719
Non-current liabilities	1,685	75
For the years ended December 31		
Revenue	135,585	86,996
Profit	8,387	7,413
Other comprehensive income (loss)	-	-
Total comprehensive income (loss)	8,387	7,413

Reconciliation of financial information above with the equity method from the book value of associated companies recognized in the consolidated financial statements is as follows:

	Unit: Thousand Baht	
	2015	2014
Net assets of the associated company	32,344	29,436
Proportion of shares held by the Company in associated company (%)	40	40
Goodwill	16,533	16,533
Foreign currency translation differences	67	(121)
Book value of investment value with the equity method in the associated company	29,538	28,187

11. INVESTMENTS IN SUBSIDIARY COMPANIES

Investments in subsidiary companies as at December 31, 2015 and 2014 are as follows:

			Unit: Thousand Baht							
			Separate financial statements							
			% of share holding / Voting rights held		Paid-up capital		Cost method		Cash dividend	
Name of subsidiary companies	Incorporation	Type of business	2015	2014	2015	2014	2015	2014	2015	2014
Simat Soft Co. Ltd.	Thailand	Produce, develop, modify and sell of software.	100.00	100.00	3,000	3,000	3,000	3,000	-	22,800
Simat Label Co. Ltd.	Thailand	Wholesaler for barcode, productions and RFID, paper and related supplies.	85.88	85.88	34,000	34,000	29,200	29,200	1,971	-
Simat Telecom Co., Ltd.	Thailand	Sale of hardware, software and maintenance services for the point of sales system.	100.00	100.00	5,000	5,000	5,000	5,000	-	-
E-Tech IT Sdn, Bhd.	Malaysia	Sale of computer hardware, software and maintenance.	60.00	60.00	57,003	57,003	67,755	67,755	11,567	-
Less Allowance for impairment of investment							(8,000)	(8,000)	-	-
Total investments in subsidiary companies							96,955	96,955	13,538	22,800

The financial statements for the years ended December 31, 2015 and 2014 of E-Tech IT Sdn. Bhd., as included in the consolidated financial statement, were audited by SJ GRANT THORNTON.

The significant non-controlling interests of the subsidiary companies are as follows:

Name of Subsidiary companies	Country of incorporation and main location of business	Ownership and voting rights held by non-controlling interests	Unit : Thousand Baht	
			Comprehensive income for non-controlling interests	Accumulated Non-controlling interests
Simat Label Co. Ltd.	Thailand	14.12	2,998	8,828
E-Tech IT Sdn, Bhd.	Malaysia	40	1,523	24,779
E-Tech IT Frontline	Singapore	-	7	-
Total			4,528	33,607

The financial information of the subsidiary companies before eliminated transactions is as follows:

	Unit : Thousand Baht			
	Simat Label Co. Ltd.	E-Tech IT Sdn, Bhd.	Other subsidiary companies	Total
As at December 31, 2015				
Current assets	55,359	287,578	2,586	345,523
Non-current assets	43,635	177,922	100	221,657
Current liabilities	29,995	355,403	8,357	393,755
Non-current liabilities	8,359	47,310	90	55,759
Non-controlling interests	8,828	24,779	-	33,607
For the year ended December 31, 2015				
Revenue				
Net profit for the year of non-controlling interests	2,998	1,523	7	4,528
Other comprehensive income of non-controlling interests	-	(3,950)	-	(3,950)
Dividend paid for non-controlling interests	324	7,711	-	8,035

	Unit : Thousand Baht			
	Simat Label Co. Ltd.	E-Tech IT Sdn, Bhd.	Other subsidiary companies	Total
Cash flows from (used in)				
Operating activities	25,228	83,948	(2,135)	107,041
Investment activities	(10,241)	(1,046)	(41)	(11,328)
Financing activities	(7,406)	(59,713)	2,400	(64,719)
Net cash increase in	7,581	23,189	224	30,994

Board of Directors' Meeting No.1/2015 of Simat Label Co., Ltd., resolved to pay a dividend from its retained earnings for the period ended September 30, 2014 of Baht 0.675 per share, totalling 3,400,000 shares, in the total amount of Baht 2,295,700. The Company received a dividend per percentage of share holding in the amount of Baht 1,971,538 by offsetting to short term loan from Simat Label Co., Ltd.

During the third quarter of the year 2015, E-Tech IT Sdn, Bhd. paid a dividend amount of RM 2,281,321.68. The Company received a dividend per its shareholding percentage in the amount of RM 1,368,793.01 (equivalent to Baht 11,566,712). The Company offset such dividend received to a short term loan and accrued interest expenses from a related party in the amount of Baht 11,566,712. As such, the outstanding balance of accrued interest expenses to a related party totaled Baht 0.08 million.

12. PROPERTY, PLANT AND EQUIPMENT - NET

During the year ended December 31, 2015, the Company and subsidiary have the following movements in the property, plant and equipment - net:

	Unit : Thousand Baht								
	Consolidated financial statements								
	Building	Office equipment	Tools and equipment	Furniture and fixture	Motor vehicles	Machinery	Renovation	Building under construction	Total
Cost									
As at January 1, 2014	-	37,092	26,239	15,960	32,992	24,465	742	-	137,490
Increase/ Transfer	-	10,871	6,364	505	2,190	12,389	1,238	66,755	100,312
Decrease/ Transfer	-	(2,383)	-	-	(557)	-	-	-	(2,940)
Foreign currency translation differences	-	(777)	-	(118)	(210)	-	-	(3,380)	(4,485)
As at December 31, 2014	-	44,803	32,603	16,347	34,415	36,854	1,980	63,375	230,377
Increase/ Transfer	63,375	2,970	4,834	373	727	11,206	18	-	83,503
Decrease/ Transfer	2,995	(4,228)	-	-	-	-	-	(63,375)	(64,608)
Foreign currency translation differences	(6,940)	(1,305)	-	(222)	(395)	-	-	-	(8,862)
As at December 31, 2015	59,430	42,240	37,437	16,498	34,747	48,060	1,998	-	240,410

Unit : Thousand Baht									
Consolidated financial statements									
	Building	Office equipment	Tools and equipment	Furniture and fixture	Motor vehicles	Machinery	Renovation	Building under construction	Total
Accumulate depreciation									
As at January 1, 2014	-	(26,238)	(20,475)	(14,524)	(21,722)	(7,200)	(6)	-	(90,165)
Increase/ Transfer	-	(5,868)	(3,451)	(328)	(4,176)	(2,269)	(192)	-	(16,284)
Decrease/ Transfer	-	2,136	-	-	557	-	-	-	2,693
Foreign currency translation differences	-	597	-	71	83	-	-	-	751
As at December 31, 2014	-	(29,373)	(23,926)	(14,781)	(25,258)	(9,469)	(198)	-	(103,005)
Increase/ Transfer	(1,336)	(6,160)	(3,965)	(387)	(3,819)	(3,882)	(249)	-	(19,798)
Decrease/ Transfer	-	3,847	-	-	-	-	-	-	3,847
Foreign currency translation differences	58	1,027	-	141	187	-	-	-	1,413
As at December 31, 2015	(1,278)	(30,659)	(27,891)	(15,027)	(28,890)	(13,351)	(447)	-	(117,543)
Net book value									
As at December 31, 2014	-	15,430	8,677	1,566	9,157	27,385	1,782	63,375	127,372
As at December 31, 2015	58,152	11,581	9,546	1,471	5,857	34,709	1,551	-	122,867

	Unit : Thousand Baht	
	2015	2014
Under the ownership of the company	83,397	118,815
Under the finance leases	39,470	8,557
PROPERTY, PLANT AND EQUIPMENT - NET	122,867	127,372

As at December 31, 2015 and 2014, the Group's equipment and vehicles amounting to Baht 109.42 million and Baht 20.85 million, respectively, are fully depreciated but still in use.

On June 27, 2014, the subsidiary entered into an agreement to purchase and construct a building valued at RM 6.9 million. As at December 31, 2014, the subsidiary paid RM 6.57 million which is presented as building under construction. Hence, a commitment of RM 0.35 million (equivalent to Baht 3.2 million) remains paid in year 2015 and transferred to building.

Said building is under the security for the developer's liability and the collateral for the subsidiary's liability.

	Unit : Thousand Baht					
	Separate financial statements					
	Office equipment	Tools and equipment	Furniture and fixture	Motor vehicles	Renovation	Total
Cost						
As at January 1, 2014	19,210	24,276	13,076	29,127	742	86,431
Increase/ Transfer	9,165	3,867	29	2,190	1,238	16,489
Decrease/ Transfer	-	-	-	(557)	-	(557)
As at December 31, 2014	28,375	28,143	13,105	30,760	1,980	102,363
Increase/ Transfer	1,678	3,047	287	668	18	5,698
Decrease/ Transfer	-	-	-	-	-	-
As at December 31, 2015	30,053	31,190	13,392	31,428	1,998	108,061
Accumulated depreciation						
As at January 1, 2014	(15,693)	(19,197)	(12,740)	(20,911)	(6)	(68,547)
Increase/ Transfer	(1,635)	(3,121)	(83)	(3,406)	(192)	(8,437)
Decrease/ Transfer	-	-	-	557	-	557
As at December 31, 2014	(17,328)	(22,318)	(12,823)	(23,760)	(198)	(76,427)
Increase/ Transfer	(4,175)	(3,292)	(118)	(3,197)	(250)	(11,032)
Decrease/ Transfer	-	-	-	-	-	-
As at December 31, 2015	(21,503)	(25,610)	(12,941)	(26,957)	(448)	(87,459)

	Unit : Thousand Baht					
	Separate financial statements					
	Office equipment	Tools and equipment	Furniture and fixture	Motor vehicles	Renovation	Total
Net book value						
As at December 31, 2014	11,047	5,825	282	7,000	1,782	25,936
As at December 31, 2015	8,550	5,580	451	4,471	1,550	20,602

	Unit : Thousand Baht	
	2015	2014
Under the ownership of the company	3,942	19,538
Under the finance leases	16,660	6,398
PROPERTY, PLANT AND EQUIPMENT - NET	20,602	25,936

As at December 31, 2015 and 2014, the Company's equipment and vehicles amounting to Baht 105.90 million and Baht 20.85 million, respectively, are fully depreciated but still in use.

13. SOFTWARE DEVELOPMENT COST FOR SALE - NET

During the years ended December 31, 2015, and 2014 the Company and subsidiary have following movements in software development cost for sale:

	Unit: Thousands Baht				
	Consolidated and Separate financial statements				
	As at January 1, 2014	Increase/ Transfer	As at January 1, 2015	Increase/ Transfer	As at December 31, 2015
Cost	40,962	-	40,962	-	40,962
Accumulated Depreciation	(38,441)	(2,372)	(40,813)	(145)	(40,958)
Equipment for lease - net	2,521		149		4

14. SOFTWARE DEVELOPMENT COST FOR SALES

During the years ended December 31, 2015 and 2014, the Company has sold developed software. Movements in software development cost for sales during the year were as follows:

Unit: Thousands Baht					
Consolidated financial statements					
	As at January 1, 2014	Increase/ Transfer	As at December 31, 2015	Increase/ Transfer	As at December 31, 2015
Software cost for sales	4,560	75	4,635	63	4,698
Accumulated Depreciation	(1,613)	(1,063)	(2,676)	(1,083)	(3,759)
Software development for sales - net	<u>2,947</u>		<u>1,959</u>		<u>939</u>

Unit: Thousands Baht					
Separate financial statement					
	As at January 1, 2014	Increase/ Transfer	As at January 1, 2015	Increase/ Transfer	As at December 31, 2015
Software cost for sales	4,153	28	4,181	-	4,181
Accumulated Depreciation	(1,529)	(921)	(2,450)	(924)	(3,374)
Cost for software development					
Software development for sales - net	<u>2,624</u>		<u>1,731</u>		<u>807</u>

15. FIBER OPTIC NETWORK EQUIPMENT

During the years ended December 31, 2015 and 2014, the Company had the following movements in Fiber optic network equipment.

	Unit: Thousands Baht					
	Consolidated and separate financial statements					
	As at January 1, 2014	Increase/ Transfer	As at December 31, 2014	Increase/ Transfer	Decrease/ Transfer	As at December 31, 2015
Cost						
Devices outside the fiber optic network	439,292	12,716	452,008	60,985	-	512,993
Fiber optic network equipment	29,784	46,648	76,432	58,067	-	134,499
Fiber optic network under installation	-	25,908	25,908	3,015	(28,923)	-
Total cost	469,076	85,272	554,348	122,067	(28,923)	647,492
Accumulated depreciation						
Devices outside the fiber optic network	(9,781)	(17,058)	(26,839)	(18,476)	-	(45,315)
Fiber optic network equipment	(1,546)	(6,100)	(7,646)	(12,070)	-	(19,716)
Total accumulated depreciation	(11,327)	(23,158)	(34,485)	(30,546)	-	(65,031)
Fiber optic network equipment - net	457,749	62,114	519,863	91,521	(28,923)	582,461

In year 2011, the Company entered into a service agreement for the rental of optical fiber cable network equipment in Nakorn Ratchasima and Chiang Mai provinces to CAT Telecom Public Company Limited (“CAT”) with 60 month term. Both projects were approved by Extraordinary Shareholder’s Meeting No. 1/2011 dated July 29, 2011, with total project costs not exceeding Baht 520 million.

On February 22, 2013, the Company cancelled said service agreement since CAT failed to receive the project pursuant to the agreement and then failed to comply with the agreement despite the Company having sent several warning letters to CAT. In light of events, the Company exercised its right to terminate the contract. The appropriate termination letter was already sent to CAT.

On March 18, 2014, the Company entered into the Internet Joint Service Agreement with Super Broadband Network Company Limited (“SBN”), a subsidiary of Advanced Info Service Public Company Limited (AIS), to jointly provide hi-speed internet service in Nakorn Ratchasima, Chiang Mai and other provinces with high demand. Parties will jointly agree in the future as follows:

1. SIMAT is to invest in, and provide, the fiber optic network and the relevant equipment to connect the network from the SBN's Node (Access Controller) to the internet user's location in order to provide wired broadband internet SBN customers, and to install the optical network terminal equipment at the SBN's user's or customer's location.
2. SBN is to provide internet access for SIMAT to connect its network and equipment from SBN's node to the internet user's location in order to provide wired broadband internet under SBN's brand or trademark, as well as to provide distribution channels and public relations to internet user.

On June 18, 2014, the Company entered into an agreement with a company to purchase the fiber optic cable network equipment in Khon Kaen Province. The Company commits to pay totaling of Baht 21 million. As at December 31, 2015 and 2014, the Company has an outstanding balance amount of Baht 4 million and Baht 5 million, respectively.

16. DEFERRED TAX ASSETS

Deferred tax as at December 31, 2015 and 2014 consisted of:

	Unit: Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Deferred tax assets	4,054	3,658	4,054	3,658
Deferred tax liabilities	(622)	(1,430)	-	-
Deferred tax assets (liabilities) - net	3,432	2,228	4,054	3,658

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

	Unit: Thousands Baht			
	Consolidated financial statements			
	Movement increase (decrease)			
	December	Statement of	Other of	December
	31, 2014	income	comprehensive	31, 2015
			income	
Deferred tax assets :				
Allowance for doubtful accounts	26	1,071	-	1,097
Allowance for devaluation of inventories	1,218	(411)	-	807
Provision for employee benefit obligations	1,227	400	-	1,627
Reserve for share-based payment	1,187	(664)	-	523
Total deferred tax assets	3,658	396	-	4,054

	Unit: Thousands Baht			
	Consolidated financial statements			
	Movement increase (decrease)			
	December	Statement of	Other of	December
	31, 2014	income	comprehensive	31, 2015
			income	
Deferred tax liabilities :				
Depreciation	1,430	(808)	-	622
Total deferred tax liabilities	1,430	(808)	-	622

	Unit: Thousands Baht			
	Separate financial statements			
	Movement increase (decrease)			
	December	Statement of	Other of	December
	31, 2014	income	comprehensive	31, 2015
			income	
Deferred tax assets :				
Allowance for doubtful accounts	26	1,071	-	1,097
Allowance for devaluation of inventories	1,218	(411)	-	807
Provision for employee benefit obligations	1,227	400	-	1,627
Reserve for share-based payment	1,187	(664)	-	523
Total deferred tax assets	3,658	396	-	4,054

Income tax expense for the years ended December 31, 2015 and 2014 are as follows:

	Unit: Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Income tax expenses for the periods	12,138	3,216	-	-
Deferred income taxes	(1,204)	(1,579)	(396)	(780)
Corporate income tax (benefit)	10,934	1,637	(396)	(780)

Income tax rates for the years ended December 31, 2015 and 2014 are as follows:

	2015	2014
The Company and subsidiaries in Thailand	15 – 20%	15 - 20%
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 enjoys from corporate income tax exemption on profits from the promoted activity for a period of eight years commencing from the first date of commercial income.

17. BANK OVERDRAFT AND SHORT-TERM LOAN FROM FINANCIAL INSTITUTIONS

Bank overdraft and short-term loan from financial institution as at December 31, 2015 and 2014 are as follows:

	Unit: Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Bank overdraft	10,810	16,234	5,821	15,640
Trust receipt	179,015	158,789	2,998	10,832
Total bank overdraft and short-term loan from financial institution	189,825	175,023	8,819	26,472

Bank overdraft and short-term loan from financial institutions as at December 31, 2015 and 2014 bear interest as presented in Note No.19. These are secured by pledge of the Company's and subsidiary's fixed deposits, accounts receivable factoring arrangements and multiple joint guarantees by the subsidiary's directors and the Company.

18. TRADE AND OTHER PAYABLES

Trade and other payables as at December 31, 2015 and 2014 are as follows:

	Unit: Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Trade payables				
- related parties	83	409	825	2,050
- others	162,976	202,456	15,462	45,494
Total trade payables	163,059	202,865	16,287	47,544
Other payables				
- related companies	851	851	1,342	1,124
- related parties	708	836	-	-
- accrued interest expenses				
- relates company and director	15	-	98	1,399
- others				
Deferred revenues	11,875	14,261	10,500	11,549
Accrued expenses	51,213	53,553	16,364	16,000
Accrued dividend expenses	324	-	-	-
Other	23,364	6,731	19,023	1,852
Total other payables	88,350	76,232	47,327	31,924
Total trade and other payables	251,409	279,097	63,614	79,468

19. CREDIT FACILITIES

As at December 31, 2015 and 2014, the Company and its subsidiaries have credit facilities with financial institution as follows:

Type of credit limit	Unit: Million Baht			
	Consolidated financial statements			
	2015		2014	
Limit	Interest rate	Limit	Interest rate	
Bank overdraft	21	F/D+2.00%,MOR, BLR+1.75%-2.00%	31	5.18% - 8.60%

Unit: Million Baht				
Consolidated financial statements				
Type of credit limit	2015		2014	
	Limit	Interest rate	Limit	Interest rate
Liabilities under trust receipt agreements, letters of credit, and others	269	3.00% – 7.25%, BLR+1.75%-2.00%	170	3.90% – 8.60%
Factoring of accounts receivable for governmental projects	332	BLR+1.5% + 0.15% of sinking fund which allotted from 1.5% of collected	372	8.10% + 0.15% of sinking fund which allotted from 1.5% of collected
Factoring of accounts receivable	65	MOR-0.375%-1.00%	55	6.90% – 7.40%
Forward exchange contracts	65	-	67	-
Long-term loans	177	4.60%-6.40%	173	Fixed THB 3(M)+5.10%, Fixed THB 3(M)+4.77%

Unit: Million Baht				
Separate financial statements				
Type of credit limit	2015		2014	
	Limit	Interest rate	Limit	Interest rate
Bank overdrafts	10	F/D Rate+2.00%	20	5.18%
Liabilities under trust receipt agreements, letters of credit, and others	100	3.90%-4.20%	90	3.90%
Factoring of accounts receivable	65	MOR-1.00%, MOR- 0.375%	55	6.90% - 7.40%
Forward exchange contract	40	-	40	-
Long-term loans	130	6.10%-6.40%, MLR-0.75%	122	Fixed THB 3(M)+5.10%, Fixed THB 3(M)+4.77%

All credit facilities are collateralized by pledge of the Company's and the subsidiary's fixed deposits, as well as by the subsidiary's buildings, Further, all credit facilities are guaranteed by the Company's and the subsidiary's directors.

20. LIABILITIES UNDER FINANCIAL LEASE AGREEMENTS – NET

Liabilities under financial lease agreements as at December 31, 2015 and 2014 are as follows:

	Unit: Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Due not later than one year				
Minimum payments	14,854	7,678	6,742	1,914
Deferred interest	(1,565)	(956)	(803)	(241)
Liabilities under financial lease – net	<u>13,289</u>	<u>6,722</u>	<u>5,939</u>	<u>1,673</u>
Due later than one year but not later than five				
Minimum payments	17,653	12,348	9,221	3,401
Deferred interest	(861)	(699)	(509)	(222)
Liabilities under financial lease – net	<u>16,792</u>	<u>11,649</u>	<u>8,712</u>	<u>3,179</u>
Net book value of equipment under finance leases agreements	<u>39,470</u>	<u>24,677</u>	<u>16,660</u>	<u>6,398</u>

21. LONG-TERM LOANS FROM FINANCIAL INSTITUTIONS – NET

Long-term loans from financial institutions as at December 31, 2015 and 2014 are as follows:

	Unit: Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Long-term loans from banks	177,195	173,038	129,560	121,560
<u>Less</u> current portion of long-term loans from financial institutions	<u>(34,572)</u>	<u>(13,536)</u>	<u>(33,000)</u>	<u>(12,000)</u>
Total long-term loans - net	<u>142,623</u>	<u>159,502</u>	<u>96,560</u>	<u>109,560</u>

On June 17, 2011, the Company entered into a loan agreement with a financial institution for the loan amount of Baht 200 million to engage in a lease contract of optical fiber cable network equipment in Nakorn Ratchasima Province 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 then Baht 2 million per month from October 2012 to June 2017. The first drawdown of Baht 114 million has been made on June 27, 2011 and the second drawdown of Baht 86 million will be available after entire delivery of the

equipment to CAT Telecom Public Company Limited. This loan is secured by a transfer of the rights to receive the rental payment under the operating lease contract and by a 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 interest rate swap agreements with the bank for the loan credit line amount. On January 29, 2015, the Company amended the interest rate swap with the bank according to the outstanding loan amount. The Company changed the interest payment obligation from THBFD 3M + 5.1% per annum (prior amended the interest rate swap agreement) to 6.4% per annum on the notional amount of Baht 70.55 million (outstanding loan amount) as at December 31, 2014. The amendment of the interest rate swap had effective date of December 30, 2014. The notional amount will be reduced until the end of SWAP contract in March, 2019. Due to the cancellation of contract with CAT Telecom Public Company Limited (Note 15), 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. The interest rate is at THBFIX + 2.73% per annum. The repayments will be made starting in June 2013 in the amount of Baht 2.8 million and then in the amount of Baht 2.23 million per month from July 2013 to May 2016. There is no collateral. The Company has entered into an interest rate swap with the bank for the loan amount. On January 29, 2015 the Company amended the interest rate swap with the bank according to the outstanding loan amount. The Company changed the interest payment obligation from THBFD 3M + 4.77% per annum (prior amended the interest rate swap agreement) to 6.1% per annum on the notional amount of Baht 51.01 million (outstanding loan amount) as at December 31, 2014. The amendment to the interest rate swap had effective date on December 31, 2014. The notional amount will be reduced until the end of SWAP contract in March, 2018.

On July 7, 2014, the Company entered into an agreement to postpone the principal repayment of the loans in the amounts of Baht 200 million and Baht 80 million. The interest payment will be made from July 2014 to December 2014, and then the principal together with interest payable will be made from January 2015 onward.

During 2015, the Company entered into an agreement to postpone the principal repayment of the loans in the amounts of Baht 200 million and Baht 80 million. The interest payment will be made from January 2015 to June 2015, the principal payment will be made from July 2015 to December 2016 in the amount of Baht 1 million on a monthly basis, and then the principal together with interest payable will be made from January 2017 onward.

During 2014, the subsidiary obtained a loan from a financial institution in the amount of RM 5,876,900. The repayment of principal together with the interest will be made on a monthly basis and will be in the amount of RM 37,498 each starting from February 2015. The interest is charged at 4.60% per annum. The loan is secured by the land and building.

On June 2, 2015, the Company entered into a loan agreement with a local bank in the amount of Baht 20 million with an interest rate at MLR-0.75% per annum. Such loan will be repaid every 3 months, for a total of 11 installments at Baht 1.8 million per installment. Such loan is secured by the transfer of a right to receive money from the customer in

the amount of Baht 28.12 million. On October 2, 2015, the Company amended such transfer the right agreement from Baht 28.12 million to Baht 25.78 million. The Company received such loan in November and commencing to pay principal with interest from January 2016 onward.

22. EMPLOYEE BENEFITS

Movements of the present value of employee benefit obligations for the years ended December 31, 2015 and 2014 are as follows:

	Unit: Thousands Baht			
	Post-employment benefit plan			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Employee benefit obligations at beginning				
as at January 1,	6,729	5,314	6,133	5,044
Employee benefit expenses in the				
statements of profit or loss:				
Current service cost	2,185	1,202	1,806	888
Interest from obligation	216	213	195	201
Employee benefit obligations at ending				
as at December 31,	9,130	6,729	8,134	6,133

Employee benefit obligations in the statement of financial position as at December 31, 2015 and 2014 consisted of:

	Unit: Thousands Baht			
	Post-employment benefit plan			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Present value of obligation	9,130	6,729	8,134	6,133
Fair value of plan assets	-	-	-	-
Employee benefit obligations				
in the statements of financial position	9,130	6,729	8,134	6,133

The principal actuarial assumptions used were as follows:

	Year 2015 and 2014
Discount rate	Estimated from weighted average of yield rate of government bonds 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.

23. SHARE CAPITAL

Registered capital

Year 2014

- 23.1.1 Decrease of the registered capital from 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.
- 23.1.2 Increase of the registered capital by General Mandate by issuing the new ordinary share of 27,000,000 shares, at the par value of Baht 1 each to the specific persons.
- 23.1.3 Increase of the registered capital for Baht 60,400,801 divided into 60,400,801 common shares at the par value of Baht 1 each, from the existing registered capital of Baht 334,007,543 to Baht 394,408,344 divided into 394,408,344 share at the par value of Baht 1 each to accommodate the allocation of the stock dividend, the right adjustment of the warrant (SIMAT W-1), the right adjustment of ESOP warrant and the capital increase by General Mandate.
- 23.1.4 Decrease of the registered capital from Baht 394,408,344 to Baht 367,406,381 at the par value of Baht 1 each to write off the remaining share of 1,963 shares from the issuance of the previous stock dividend and the unissued common share reserved for General Mandate of 27,000,000 shares.
- 23.1.5 Increase of the registered capital for Baht 27,516,442 divided into 27,516,442 common shares at the par value of Baht 1 each, from the existing registered capital of Baht 367,406,381 to Baht 394,922,823 divided into 394,922,823 share at the par value of Baht 1 each to accommodate the allocation of the right adjustment of the warrant (SIMAT W-1) for Baht 516,442 common shares at the par value of Baht 1 each and the capital increase by General Mandate for Baht 27,000,000 common shares at the par value of Baht 1 each.

Year 2015

- 23.1.6 The Company decreased its registered capital from the existing registered capital of Baht 394,922,823 to Baht 384,907,732 at the par value of Baht 1 each by writing off the remaining 15,091 shares from the exercise of the already expired SIMAT-W1 Warrant, and the 10,000,000 common shares reserved for General Mandate.
- 23.1.7 The Company increased its registered capital by Baht 95,626,344 comprising 95,626,344 common shares at the par value of Baht 1 each, from the existing registered capital of Baht 384,907,732 to yield a total of Baht 480,534,076 at the par value of Baht 1 each to accommodate the exercise Warrant No. 2 (SIMAT-W2) for 37,813,172 common shares, the exercise of the Warrant No. 3 (SIMAT-W3) for 37,813,172 common shares and the capital increase by General Mandate for 20,000,000 common shares.

*Issued and paid up capital*Year 2014

- 23.2.1 The Company registered the paid-up share capital from Baht 275,974,021 to Baht 277,225,061 with the Ministry of Commerce on March 11, 2014 since the warrant holders exercised their rights to purchase the Company's common share for 844,100 units or equivalent to 1,251,040 shares on December 30, 2013.
- 23.2.2 The Company registered the paid-up share capital from Baht 277,225,061 to Baht 302,162,359 with the Ministry of Commerce on May 2, 2014 since the warrant holders exercised their rights to purchase the Company's common share for 16,825,750 units or equivalent to 24,937,298 shares on March 31, 2014.
- 23.2.3 The Company registered the paid-up share capital from Baht 302,162,359 to Baht 322,376,631 with the Ministry of Commerce on May 16, 2014 to accommodate the allocation of the stock dividend of 30,214,272 shares at the par value of Baht 1 each.
- 23.2.4 The Company registered the paid-up share capital from Baht 322,376,631 to Baht 332,860,620 with the Ministry of Commerce on June 12, 2014 due to the holders of warrant purchased common stock of the Company (ESOP) of 300,000 unit or 483,989 shares on May 31, 2014.
- 23.2.5 The Company registered the paid-up share capital from Baht 332,860,620 to Baht 333,394,704 with the Ministry of Commerce on July 15, 2014 since the warrant holders exercised their rights to purchase the Company's common share for 327,600 units or equivalent to 534,084 shares on June 30, 2014.
- 23.2.6 The Company registered the paid-up share capital from Baht 333,394,704 to Baht 361,131,721 with the Ministry of Commerce on September 9, 2014 since the warrant holders exercised their rights to purchase the Company's common share for 16,696,995 units or equivalent to 27,737,017 shares on August 27, 2014.
- 23.2.7 The Company registered the paid-up share capital from Baht 361,131,721 to Baht 371,131,721 with the Ministry of Commerce on September 24, 2014 since the Company had determined the subscription date for the Private Placement for the total amount of 10,000,000 shares on September 2, 2014.

Year 2015

- 23.2.8 The Company registered the paid-up share capital from Baht 371,131,721 to Baht 378,131,721 with the Ministry of Commerce on March 17, 2015 to issue 7,000,000 new ordinary shares for private placement on February 9, 2015.
- 23.2.9 The Company registered the paid-up share capital from Baht 378,131,721 to Baht 384,138,985 with the Ministry of Commerce on June 11, 2015 due to warrant holders purchasing the Company's ordinary shares (ESOP) in the amount of 2,050,000 units or 3,307,264 shares on May 29, 2015 and the Company's increase the capital for private placement of 2,700,000 common shares on June 2, 2015.
- 23.2.10 The Company registered the paid-up share capital from Baht 384,138,985 to Baht 386,138,985 with the Ministry of Commerce on August 6, 2015 to issue 2,000,000 new ordinary shares for private placement on July 24, 2015.
- 23.2.11 The Company registered the paid-up share capital from Baht 386,138,985 to Baht 394,138,985 with the Ministry of Commerce on September 30, 2015 to issue 8,000,000 new ordinary shares for the Private placement on September 28, 2015.

24. 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.

25. DIVIDEND

- 25.1 The Annual Shareholders Meeting of 2014, held on April 28, 2014, resolved to:

Allocated share dividends to the Company's shareholders not exceeding 30,216,235 shares with the par value of Baht 1 per share at the ratio of 10 existing shares to 1 share dividend (or the equivalent to Baht 30,216,235) representing a dividend payment rate of Baht 0.10 per share. Any fractional thereof that cannot be allocated, will be paid as cash rate of Baht 0.10 per share.

Pay a cash dividend at the rate of Baht 0.01112 per share, but - not exceeding Baht 3,360,046. The Company will deduct withholding tax from both the stock dividend and cash dividend at the rate of 10% from shareholder. The dividend payment date is within May 27, 2014.

26. EXPENSES BY NATURE

Significant expenses by nature are as follows:

	Unit: Thousand Baht			
	Consolidated financial statement		Separate financial statement	
	2015	2014	2015	2014
Changes in inventories	44,354	(10,282)	23,589	14,797
Purchase of goods	951,233	1,049,373	117,685	129,380
Salary and wages and other employee benefits	166,233	132,270	107,923	81,432
Depreciation and amortisation	51,572	42,877	42,647	34,887
Doubtful Debts	1,245	346	1,218	346
Impairment loss on inventories	(503)	1,699	(2,057)	1,433
Cost of warranty	4,816	10,976	4,816	10,976
Rental expense	25,202	10,645	19,962	7,358
Purchase of software	409	4,200	409	5,700
Share-based payment	815	1,379	815	1,379

27. BASIC AND DILUTED EARNINGS (LOSS) PER SHARE

Basic and diluted earnings (loss) per share are calculated as follows:

	Consolidated financial			
	statements		Separate financial statements	
	2015	2014	2015	2014
Net loss attributable to shareholders of the parent (Thousands Baht)	(80,329)	(54,526)	(85,437)	(49,922)
Number of ordinary shares outstanding at beginning of year (Thousands shares)	371,132	275,974	371,132	275,974
Effect of shares issued during the year	9,920	2,712	9,920	2,712
Effect of issuance stock dividend	-	30,216	-	30,216
Effect of exercised warrants	1,948	26,865	1,948	26,865
Weighted average number of ordinary shares outstanding during the year (basic) (Thousands shares)	383,000	335,767	383,000	335,767
Basic loss per share (Baht)	(0.21)	(0.16)	(0.22)	(0.15)

	Consolidated financial		Separate financial statements	
	statements			
	2015	2014	2015	2014
Number of ordinary shares outstanding (basic) (Thousands shares)	383,000	335,767	383,000	335,767
Effect of ESOP to be exercised	2,466	5,132	2,466	5,132
Weighted average number of ordinary shares outstanding during the year (diluted) (Thousands shares)	385,466	340,899	385,466	340,899
Diluted loss per share (Baht)	(0.21)	(0.16)	(0.22)	(0.15)

28. 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. Employees and the Company and its subsidiaries contribute to the fund, both the letter at the rate of 3 percent of employee salaries. The provident fund will be paid to the employees upon termination of employment in accordance with fund rules. The fund is managed by TISCO Asset Management Company Limited.

During the years ended December 31, 2015 and 2014, the Company and local subsidiaries contributed a total of Baht 1.59 million and Baht 1.38 million to the fund, respectively.

29. DISCLOSURE OF FINANCIAL INSTRUMENTS

Foreign Currency Risk

The Company and subsidiaries are exposed to foreign currency risks primarily related 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 are exposed to interest rate risk primarily related to deposits with banks and borrowings from financial institutions as follows:

Unit : Million Baht				
Consolidated financial statements				
2015				
	Floating rate	Fixed rate	Non – interest bearing	Total
Financial assets/liabilities				
Cash and cash equivalents	-	3	55	58
Restricted deposits with banks	-	132	-	132
Bank overdraft and short-term loan				
from financial institutions	190	-	-	190
Long-term loan from financial institutions	-	177	-	177

Unit : Million Baht				
Consolidated financial statements				
2014				
	Floating rate	Fixed rate	Non – interest bearing	Total
Financial assets/liabilities				
Cash and cash equivalents	-	8	17	25
Restricted deposits with banks	-	118	-	118
Bank overdraft and short-term loan				
from financial institution	175	-	-	175
Long-term loan from financial institution	-	173	-	173

	Unit : Million Baht			
	Separate financial statements			
	2015			
	Floating rate	Fixed rate	Non – interest bearing	Total
Financial assets/liabilities				
Cash and cash equivalents	-	3	6	9
Restricted deposits with banks	-	14	-	14
Bank overdraft and short-term loan from financial institution	9	-	-	9
Long-term loan from financial institution	20	110	-	130

	Unit : Million Baht			
	Separate financial statements			
	2014			
	Floating rate	Fixed rate	Non – interest bearing	Total
Financial assets/liabilities				
Cash and cash equivalents	-	3	7	10
Restricted deposits with banks	-	14	-	14
Long-term loan from financial institution	-	122	-	122

Financial assets with fixed interest rates as of December 31, 2015 and 2014, and the period of time from the balance sheet date to their maturity dates are as follows:

Unit: Million Baht					
Consolidated financial statement					
2015					
	1 - 6	7 - 12	Over 1		
At call	months	months	year	Total	Interest rate
Financial assets/liabilities					
Fixed deposits with banks					
Restricted deposits with banks	4	128	-	132	0.80%-3.20%
Long-term loan	-	-	177	177	4.60%-6.40%

Unit: Million Baht					
Consolidated financial statement					
2014					
	1 - 6	7 - 12	Over 1		
At call	months	months	year	Total	Interest rate
Financial assets/liabilities					
Fixed deposits with banks	8	-	-	8	0.95%-3.18%
Restricted deposits with banks	-	118	-	118	0.95%-3.18%
Long-term loan	-	-	173	173	7.25%

Unit: Million Baht					
Separate financial statements					
2015					
	1 - 6	7 - 12	Over 1		
At call	months	months	year	Total	Interest rate
Financial assets/liabilities					
Restricted deposits with banks	4	10	-	14	0.80% - 1.10%
Long-term loan	-	-	130	130	MLR-0.75, 6.10-6.40%

Unit: Million Baht						
Consolidated financial statement						
2014						
	At call	1 - 6 months	7 - 12 months	Over 1 year	Total	Interest rate
Financial assets/liabilities						
Fixed deposits with banks	-	3	-	-	3	0.95%-3.18%
Restricted deposits with banks	-	-	14	-	14	0.95%-3.18%
Long-term loan	-	-	-	122	122	7.25%

Credit Risk

The Company provides credit term for 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 their book value which is considered fair value because such liabilities will be matured in short-term and long-term loans bearing floating interest rates. Long term loans, bearing a fixed interest rate, have repayment periods within 3 years.

30. 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's segmental information is divided into the enterprise data collection, production and sale of labels, broadband internet for upcountry region (Chiang Mai, Nakorn Ratchasima and Khon Kaen) and Bangkok metropolitan region and the distribution of computer hardware in Malaysia as presented in the financial statements for the years ended December 31, 2015 and 2014 as follows:

Unit: Thousands Baht								
Consolidated financial statement								
For the year ended December 31, 2015								
	Production		Broadband internet service			Distributio n of computer hardware		Total
	IT total solution	and sales of label	Upcountry	Metro	Total	Total Domestic	in	
Revenues	232,890	160,973	63,709	895	64,604	458,467	932,898	1,391,365
Cost of sales and services	(179,820)	(109,963)	(85,282)	(1,838)	(87,120)	(376,903)	(855,848)	(1,232,751)
Gross profit (loss)	53,070	51,010	(21,573)	(943)	(22,516)	81,564	77,050	158,614
Profit(loss) on exchange rate	(706)	(821)	-	-	-	(1,527)	-	(1,527)
Other income	1,053	583	597	-	597	2,233	5,140	7,373
Selling expenses	(13,786)	(10,713)	(16,177)	(1,571)	(17,748)	(42,247)	(6,849)	(49,096)
Administrative expense	(65,527)	(12,074)	(28,562)	(499)	(29,061)	(106,662)	(48,152)	(154,814)
Finance cost	(2,305)	(1,041)	(7,471)	-	(7,471)	(10,817)	(17,753)	(28,570)
Share of profit of investments in associated companies	3,153	-	-	-	-	3,153	-	3,153
Income (loss) before Income tax revenue (expense)	(25,048)	26,944	(73,186)	(3,013)	(76,199)	(74,303)	9,436	(64,867)
Net profit (loss) for the period	<u>(24,653)</u>	<u>21,238</u>	<u>(73,186)</u>	<u>(3,013)</u>	<u>(76,199)</u>	<u>(79,614)</u>	<u>3,813</u>	<u>(75,801)</u>
Income (loss) attributable to								
Equity holders of the Company								(80,329)
Non-controlling interests								4,528
								<u>(75,801)</u>
Total assets	<u>160,346</u>	<u>96,993</u>			<u>598,924</u>	<u>856,263</u>	<u>510,115</u>	<u>1,366,378</u>

Unit: Thousand Baht						
Consolidated financial statement						
For the year ended December 31, 2014						
	Enterprise data collection	Production and sales of labels	Broadband internet service (upcountry)	Total Domestic	Distribution of computer hardware in Malaysia	Total
Revenues	273,580	114,296	18,409	406,285	898,122	1,304,407
Cost of sales and services	(198,719)	(80,500)	(53,544)	(332,763)	(836,779)	(1,169,542)
Gross profit (loss)	74,861	33,796	(35,135)	73,522	61,343	134,865
Gain (loss) on exchange rate	167	(157)	-	10	-	10
Other income	510	54	-	564	9,637	10,201
Selling expenses	(19,318)	(8,172)	(5,388)	(32,878)	(7,703)	(40,581)
Administrative expenses	(54,474)	(6,205)	(24,989)	(85,668)	(51,145)	(136,813)
Finance costs	(1,193)	(844)	(8,323)	(10,360)	(9,305)	(19,665)
Share of profit of investments in associated company	2,848	-	-	2,848	-	2,848
Profit (loss) before income tax	3,401	18,472	(73,835)	(51,962)	2,827	(49,135)
Income tax benefit (expense)	780	(3,895)	-	(3,115)	1,478	(1,637)
Net profit (loss)	4,181	14,577	(73,835)	(55,077)	4,305	(50,772)
Profit (loss) attributable to						
Equity holders of the Company						(54,526)
Non-controlling interests						3,754
						(50,772)
Total assets	216,917	76,869	528,085	821,871	509,932	1,331,803

The Company has revenue from broadband internet service under its License to Provide Internet Service – Form No 3, with License No. NTC/MM/INT/001/2555 for the years ended December 31, 2015 and 2014 as follows

	Unit : Baht	
	2015	2014
Internet Service Revenue	64,603,851.73	18,409,067.35

Adjustment of the quarterly revenue and net profit to present accurately and appropriately comparative figure

The Company has adjusted the figure of revenue and net profit for the period of Quarter 1 ended March 31, 2015, Quarter 2 ended June 30, 2015 and Quarter 3 ended September 30, 2015 in order to present the quarterly comparative revenue and net profit accurately and appropriately.

From the audit of the financial statements for the year ended December 31, 2015, the Company found that the billing of the broadband internet business has issued the sale invoice for the service in advance for 1 month therefore there is an accounting adjustment to reduce the revenue and net profit for the first 3 quarters of the year amounting to Baht 3.71 million and it has no effect to the financial statements for the year ended December 31, 2015. However, the above adjustment should be adjusted and recorded to the period of Quarter 1 to Quarter 3 of year 2015, as well, according to the supporting evidence of each period so that the quarterly comparative figure of the revenue and net profit is presented accurately and appropriately. The effect of this adjustment of Baht 3.71 million can be adjusted to each quarter as below.

	Unit: Thousand Baht		
	Quarter 1 ended March 31, 2015 3 months	Quarter 2 ended June 30, 2015 3 months	Quarter 3 ended September 30, 2015 3 months
The effect of adjustment			
Revenue before adjustment	403,369	317,074	348,479
Revenue after adjustment	401,067	316,177	347,970
Revenue (decrease)	(2,302)	(897)	(509)
Net Loss attributable to Equity holders of the Company before adjustment	(22,450)	(21,433)	(19,154)
Net Loss attributable to Equity holders of the Company after adjustment	(24,752)	(22,330)	(19,663)
Net Loss (increase) attributable to Equity holders of the Company	(2,302)	(897)	(509)
	3 months	6 months	9 months
Revenue before adjustment	403,369	720,443	1,068,922
Revenue after adjustment	401,067	717,244	1,065,214
Revenue (decrease)	(2,302)	(3,199)	(3,708)
Net Loss attributable to Equity holders of the Company before adjustment	(22,450)	(43,883)	(63,037)
Net Loss attributable to Equity holders of the Company after adjustment	(24,752)	(47,082)	(66,745)
Net Loss (increase) attributable to Equity holders of the Company	(2,302)	(3,199)	(3,708)

31. INCOME TAX

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

	Unit: Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Profit (loss) before income tax	(64,867)	(49,135)	(85,833)	(50,702)
Income tax rate	20%	20%	20%	20%
Current income tax expense as tax rate	(12,974)	(9,827)	(17,167)	(10,140)
Non-deductible expenses by the Revenue				
Code	1,777	612	350	1,009
Dividend income	-	(1,596)	(3,068)	(4,800)
Non-taxable income	(89)	-	-	-
Unused tax loss	20,126	14,476	19,489	13,151
Share of gain in associated company	(630)	-	-	-
Inter-company transactions	-	(2,169)	-	-
Deferred tax over provision in prior year	(442)	-	-	-
Tax expense under provision in prior year	2,689	-	-	-
Difference from income tax rate	477	141	-	-
Income tax expense (benefit)	10,934	1,637	(396)	(780)
Average effective tax rate	(17%)	(3%)	(1%)	2%

Royal Decree No. 530 B.E. 2554, dated December 14, 2011, grants a reduction in the corporate income tax rate from 30% to 20% on net profit for the accounting periods beginning on January 1, 2014 to December 31, 2014. According to the Royal Decree No. 577 B.E. 2557 dated November 10, 2014, the corporate income tax rate will continue at 20% on net profit for the accounting periods beginning on January 1, 2015 to December 31, 2015.

The overseas subsidiary is subject to income tax rate of 25% for the calculation of corporate income tax for the years ended December 31, 2015 and 2014.

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 enjoys corporate income tax exemption on profits from the promoted activity for a period of eight years commencing from the first date of commercial income.

32. COMMITMENTS

Corporate guarantee

As at December 31, 2015 and 2014, the Company has provided corporate guarantees to a financial institution of the subsidiary company in Malaysia not exceeding 60% of the subsidiary's debt and interest due to the financial institution.

As at December 31, 2015 the Company provided a corporate guarantee for a financial lease for a subsidiary company in Thailand

Bank guarantee

As at December 31, 2015 and 2014, the Company and subsidiary had outstanding bank guarantee issued on behalf of the Company and for which it is contingently liable to its customers pursuant to a sales agreement and bidding amount of Baht 134 million and Baht 119.13 million, respectively.

Operating lease commitments

The Company and its subsidiaries have commitments under long-term lease and service agreements, mainly relating to the rental of office space. 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	23,325	20,838
Due over 1 year but not over 5 years	32,899	29,168
Total	56,224	50,006

33. WARRANT

Year 2015

The Annual General Shareholders' Meeting, held on April 29, 2015 approved to issue:

- Warrant no. 2 (SIMAT-W2) not in excess of 37,813,172 units to purchase ordinary share of the Company to the existing shareholders (Rights offer) at the ratio of 10 existing shares per warrant unit with free value. The warrants have a 5-year term from the issue date and an exercise price of Baht 15 per share.
- Warrant no. 3 (SIMAT-W3), not in excess of 37,813,172 units, to purchase ordinary share of the Company to the existing shareholders (Rights offer) at the ratio of 10 existing shares per warrant unit with free value. Warrants have a 10-year from the issuing date and an exercise price of Baht 30 per share.

As at December 31, 2015, there has been no warrant exercise.

Year 2014

On March 31, 2014, the holders of warrants to purchase common shares of the Company exercised for 16,825,750 units, or 24,937,298 shares with an exercise price of Baht 1.0121 per share.

At the Annual General Shareholders' meeting for the year 2014 held on April 28, 2014, the meeting resolved to issue common shares of 2,524,717 shares at the par value of Baht 1 each to the right adjustment of the warrant to purchase the Company's common share (SIMAT-W1).

On May 6, 2014, the Company adjusted the rate of the warrant to 1.6303 shares for 1 warrant at the exercise price of Baht 0.9201 per share.

On June 30, 2014, the holders of warrants to purchase common shares of the Company exercised for 327,600 units, or 534,084 shares with an exercise price of Baht 0.9201 per share.

On July 21, 2014, the Company adjusted the rate of the warrant to 1.6612 shares for 1 warrant at the exercise price of Baht 1.00 per share.

On August 28, 2014, the holders of warrants to purchase common shares of the Company exercised for 16,696,995 units, or 27,737,017 shares with an exercise price of Baht 1.6612 per share. As at December 31, 2014, unexercised warrants are 8,548 units or equivalent to 15,091 shares. As at December 31, 2014, such warrants have expired.

34. RESERVE FOR SHARE-BASED PAYMENT

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

Type of Warrant	:	Non-transferable and specified the holder's name, to purchase the Company's ordinary shares
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 rights adjustment)
Exercise Ratio	:	1 unit of warrant for 1 ordinary shares (Subject to change according to rights adjustment)
Exercise Period	:	The holder can exercise warrants annually from issue date, but not exceeding 20% of the total allocated warrants per year. The unexercised warrants can be accumulated for exercise in the following year.
Exercise Date	:	The last working day of every month throughout the warrant term

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

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

On May 6, 2014, the Company adjusted warrant rate to 1.6133 shares per warrant at the exercise price of Baht 1.1157 per share.

On June 30, 2014, warrants holders purchased ordinary shares of the Company by exercising 300,000 warrant units (or 483,989 shares) with an exercise price of Baht 1.1157 per share. As at December 31, 2014, 4,200,000 warrant units (or the equivalent to 6,775,860 shares) remain unexercised

On May 29, 2015, holders of warrants to purchase common shares of the Company exercised their rights for 2,050,000 warrant units, (or 3,307,264 shares) at an exercise price of Baht 1.1157 per share. As at December 31, 2015, 2,150,000 warrant units (or the equivalent to 3,468,595 shares) remain unexercised.

35. LITIGATION

On December 26, 2013, the Company filed a lawsuit with the Administrative Court against CAT Telecom Public Company Limited ("CAT") to claim damages in the amount of Baht 665.62 million. According to the operating lease of optical fiber network system contracts with CAT for Nakorn Ratchasima and Chiang Mai provinces, dated June 10, 2011 and June 13, 2011, respectively, the Company purchased and completely installed equipment, and the entirely delivered the system to CAT for the Nakorn Ratchasima and Chiang Mai province networks on May 21, 2012 and July 11, 2012, respectively. However, CAT failed to accept delivery. The Company sent several reminder letters to CAT, but the latter failed to comply with the contract. Therefore, the Company exercised its right to terminate the contract on February 22, 2013 and then proceeded to litigate. The Administrative Court and assigned it as Undecided Case No. 2518/2556 on February 6, 2014.

On January 6, 2016, the Company filed a lawsuit with the Administrative Court against the order to terminate the contract by CAT. At the present, such case is in process filing of receivable.

Company as defendant

On April 2, 2014, the Company was sued for compensation by a supplier in the amount of Baht 8.56 million for the Company's breach of a purchase agreement. On June 15, 2015, the Civil Court rendered judgment that the Company must pay the supplier such compensation with interest. On September 10, 2015, the Company appealed the judgment. On November 8, 2015, the Company provide letter of guarantee with a bank to collateral. At the present the supplier is appealing the judgment.

36. CAPITAL MANAGEMENT

The Board's policies are to maintain a strong capital base so as to provide assurance to shareholders, investors, creditors and its markets and to sustain future development of the business. The Board monitors the return on capital which the Company defines as result from operating activities divided by total shareholders' equity, (excluding non-controlling interests), and also monitors the level of dividends to ordinary shareholders.

37. RECLASSIFICATION OF ACCOUNTS

Certain accounts in the statement of profit of loss and other comprehensive income for the years ended December 31, 2015 which are included in the 2015 financial statements for comprehensive purposes, have been reclassified to conform to the presentation in the 2015 financial statements.

Unit: Thousands Baht

	Consolidated financial statements			Separate financial statement		
	Before reclassify	Reclassify	After reclassify	Before reclassify	Reclassify	After reclassify
Cost of sales and services	1,154,825	14,717	1,169,542	238,146	9,036	247,182
Selling expenses	30,213	10,368	40,581	18,218	7,107	25,325
Administrative expenses	161,898	(25,085)	136,813	101,757	(16,143)	85,614
		-			-	

38. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved by the Company's authorized directors on February 26, 2016.