



Vision

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

Mission

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

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General Information

Company

Name	Simat Technologies Public Company Limited
Nature of business	To provide total Information Technologies services including sales of hardware, software development and nationwide maintenance services and To provide high-speed internet through fiber optic network
Office address	No. 123 Soi Chalongkrung 31, Ladkrabang Industrial Estate, Chalongkrung road, Lamplatew sub-district, Ladkrabang district, Bangkok 10520 Tel : (66) 0 2326 0999 Fax : (66) 0 2326 1014
Registration date	Registered as public Company on 18 July 2006 Register no. 0107549000122 Listed in the Stock Exchange of Thailand (MAI) on 12 December 2007
Paid-up share capital	Baht 371,131,721 (371,131,721 common shares at par value of Baht 1 each) Share registered: 394,922,823 common shares
Registrar	Thailand Securities Depository Co., Ltd. The Stock Exchange of Thailand Building, 62 Rachadapisek Road, Klongtoey, Bangkok 10110
Auditor	Mr. Atipong Atipongsakul, CPA license no. 3500 or Mr. Sathien Vongsanan, CPA license no. 3495 or Mr. Vichai Ruchitanont, CPA license no. 4054 ANS Audit Co., Ltd. No. 100/31-32, 16 th floor, 100/2 Vongvanich Bldg. Tower B, Rama 9 road, Huaykwang, Bangkok 10310 Tel : (66) 0 2645 0109 Fax : (66) 0 2645 0110
Investor relation coordinator	Mr. Thammanoon Korkiatwanich Ms. Nuntawan Pathomwattanakij Tel : (66) 0 2326 0999 ext. 1211, 1213 Fax : (66) 0 2326 1014
Company website	www.simat.co.th

Subsidiary companies

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

Name	Simat Label Company Limited
Nature of business	To provide services of design, develop and conversion of printed objects with glue for customer in manufacturers of electric appliance and electronics with provision and development of specific raw materials and design of production process to meet the specific requirements of the customer need
Office address	No. 123 Soi Chalongkrung 31, Ladkrabang Industrial Estate, Chalongkrung road, Lamplatew sub-district, Ladkrabang district, Bangkok 10520 Tel : (66) 0 2326 0999 Fax : (66) 0 2326 1014
Registration date	Registered as Company limited on 9 April 2008 Register no. 0105551041025
Paid-up share capital	Baht 34,000,000 (3,400,000 common shares at par value of Baht 10 each) Share registered: 3,400,000 common shares
% of share holding by Company	86%

Name	Simat Telecom Company limited (Formerly "E-Tech Distribution")
Nature of business	To provide maintenance services of fiber optic network
Office address	No. 123 Soi Chalongkrung 31, Ladkrabang Industrial Estate, Chalongkrung road, Lamplatew sub-district, Ladkrabang district, Bangkok 10520 Tel : (66) 0 2326 0999 Fax : (66) 0 2326 1014
Registration date	Registered as Company limited on 13 March 2009 Register no. 0105552026640
Paid-up share capital	Baht 1,250,000 (500,000 common shares at par value of Baht 10 each and paid-up 25%) Share registered: 500,000 shares
% of share holding by Company	100%

Subsidiary companies

Name	E-Tech IT Sdn., Bhd. (Malaysia)
Nature of business	Wholesale of computer equipments including computer, notebook, printer and others with big project sales such as government or multinational companies in Malaysia. Sales is done directly or through System Integrator or SI
Office address	No.15, Jalan Astaka, U8/83 Bukit Jelutong Industrial Park Bukit Jelutong, 40150 Shah Alam, Selangor, Malaysia Tel : (603) 78462338 Fax : (603) 78466328
Registration date	Registered as Company limited in 1997 Register no. 425254-X
Paid-up share capital	Ringgit 6,000,000 (6,000,000 common shares at par value of Ringgit 1 each) Share registered: 10,000,000 common shares
% of share holding by Company	60%

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

Associate companies

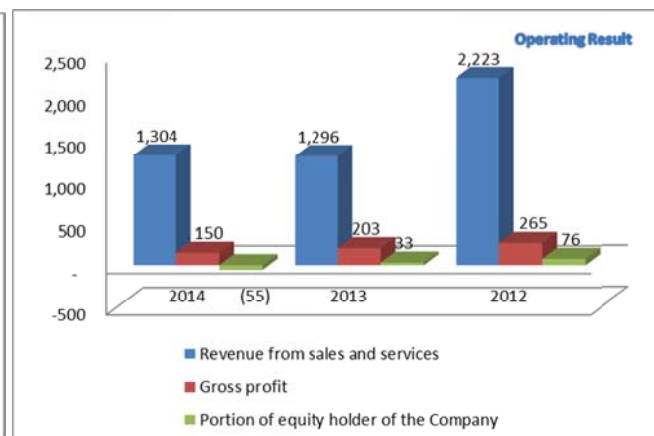
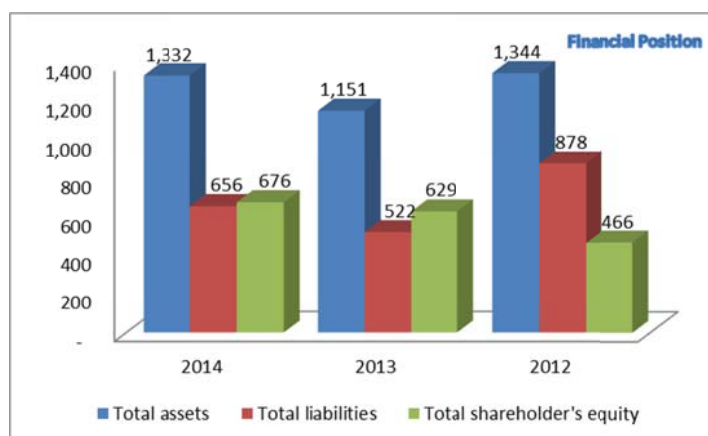
Name	Sino Trading and Services Corporation
Nature of business	Provides of hardware and maintenance services
Office address	No. 27, Dang Tat street, Tan Dinh Ward, District 1, Ho Chi Minh City, Vietnam Tel : +84-8-38482619 Fax : +84-8-38437064
Registration number	4103012126
Paid-up share capital	VND 6,300,000,000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

Associate companies

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

Financial Highlights

Consolidated Financial Statements	2014	2013	2012
Unit : Baht Million			
Revenues from sales and services	1,304	1,296	2,223
Gross profit	150	203	265
Net profit	(55)	33	76
Total assets	1,332	1,151	1,344
Shareholders' equity	676	629	466
Unit : Baht			
Par value	1	1	1
Earnings per share	(0.16)	0.12	0.30
Dividends per share	-	0.11	0.37
Total assets per share	3.59	4.15	7.60
Shareholders' equity per share	1.82	2.27	2.62
Financial ratio			
Net profit margin	-4%	3%	4%
Gross profit margin	12%	16%	12%
Net profit / Total assets	-4%	3%	7%
Net profit / Shareholders' equity	-8%	6%	21%
Debt / Equity	97%	83%	190%





Report from Board of Directors

In 2014, Thai economy grew only 0.5% which declines significantly from the prior year. This was due to the political issue in Thailand during the first half of the year and global economic recession which led to a slowdown in domestic demand. However, in 2015, the economics is expected to gradually recover and will be back at 3.5% from the recovery of consumption as the result of fuel cost reduction and the growth of investment from private sector which is stimulated by the government's spending project.

The company's operating performance in 2014 was loss of Baht 55 million as the IT solution business is affected by the delay of investment and the decrease in orders of the customer in retail business from the effect of economic recession and the operating loss from the new business which is the broadband internet business since number of subscribers have not reached the break-even point.

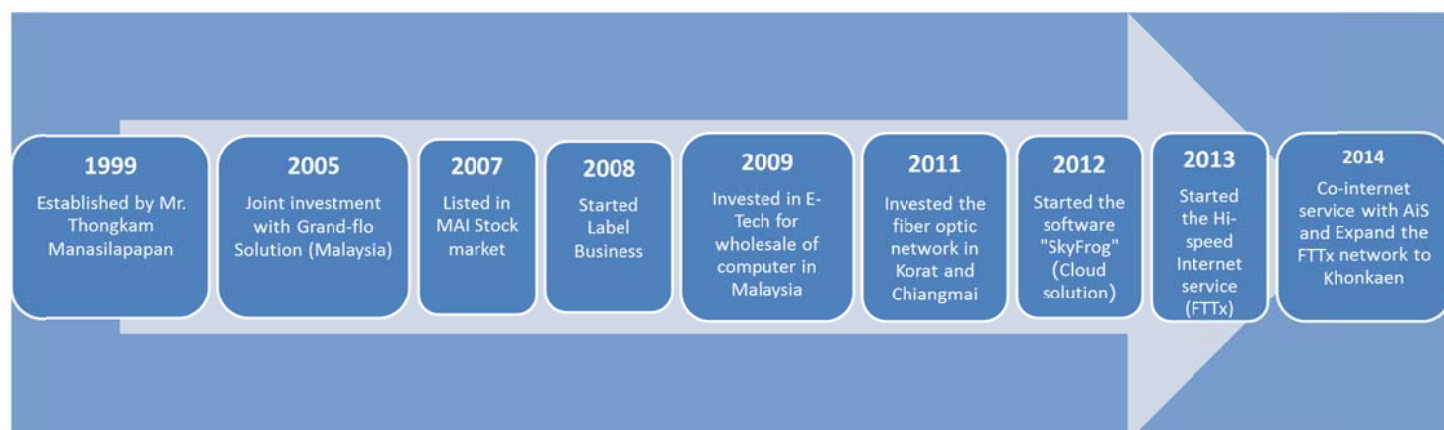
However, the Company's overall business trend in 2015 will be improved, especially, the broadband internet business which the number of subscribers increase more and continuously and the Company expects that the accumulated number of subscribers will reach the break-even point within the end of year 2015. The IT solution business will also have the good operating performance since the Company has expanded the customer base to other business groups other than the retail business and the label business still has the good operating result and grows continuously.

In 2015, 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.

(Mr. Tan Bak Hong)
Chairman

(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 Nakhonratchasima and Chiangmai provinces under the brand “Si-net”.

In 2014, the Company signed the co-internet service contract with the lead telecommunication provider and started to provide service already and the official communication will be launched in 2015. The internet service is provided under the brand “AIS Fibrenet” in the Company’s FTTx coverage area. Moreover, 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.

Board of Directors



Mr. Tan Bak Hong

Chairman

Percentage of Shareholding: 19.91% 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 2014: 6/6 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: 14.60%

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 2014: 6/6 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 2014: 6/6 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 2014: 6/6 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: 3.04%

Specialized experience: expert in stock investment and investor relation

Relationship among management: None

Participation in Board of Directors' meeting in year 2014: 5/6 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: 0.06%

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 2014: 6/6 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 2014: 6/6 times

Education:

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

Work experience:

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

Nature of relationship

Number of Company's share holding: None

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

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

Act as a Director/Others at present

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



Ranchana Rajatanavin, Ph.D.

Independent Director / Chairman of Audit Committee

Percentage of Shareholding: 0%

Specialized experience: expert in finance and banking

Relationship among management: None

Participation in Board of Directors' meeting in year 2014: 6/6 times

Participation in Audit Committees' meeting in year 2014: 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 2014: 5/6 times

Participation in Audit Committees' meeting in year 2014: 3/4 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 Aurlpokaikayakul

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 2014: 6/6 times

Participation in Audit Committees' meeting in year 2014: 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.
2010 - present	Manager	Kasikorn Bank – Sukhumvit 18 Branch
2009 - 2010	Manager	Kasikorn Bank – Sukhumvit 15 Branch
1991 – 2008	Assistant Manager	Kasikorn Bank – Sukhumvit 15 Branch

Nature of relationship

Number of Company's share holding: None

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

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

Act as a Director/Others at present

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

Executive committee



Mr. Thongkam Manasilapapan

Chief Executive Officer

Percentage of Shareholding: 14.60%

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: 0.06%

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: 1.26%

Specialized experience: expert in EDCCS Technologies

Relationship among management: None

Education:

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

Work experience:

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



Mr. Kokiatt Kitkaona

Technical Sale Support Director

Percentage of Shareholding: 0.05%

Specialized experience: expert in EDCCS Technologies

Relationship among management: None

Education:

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

Work experience:

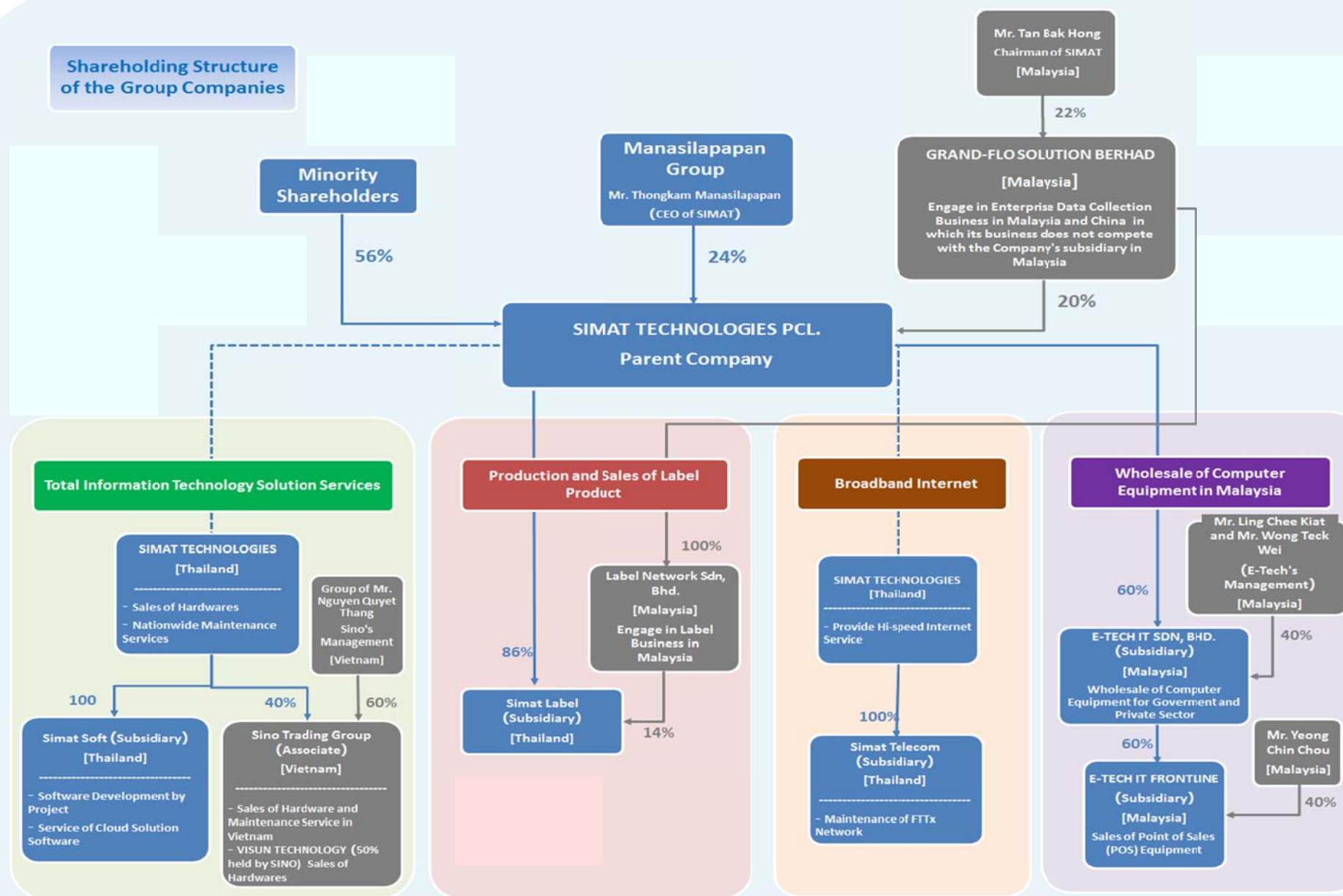
Period	Title	Name of / Company
2007 – present	Technical Sale Support Director	Simat Technologies PCL.
2004 – 2006	Business Development Manager	Simat Technologies PCL.
2002 – 2003	Senior Software Engineering	Simat Technologies PCL.

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

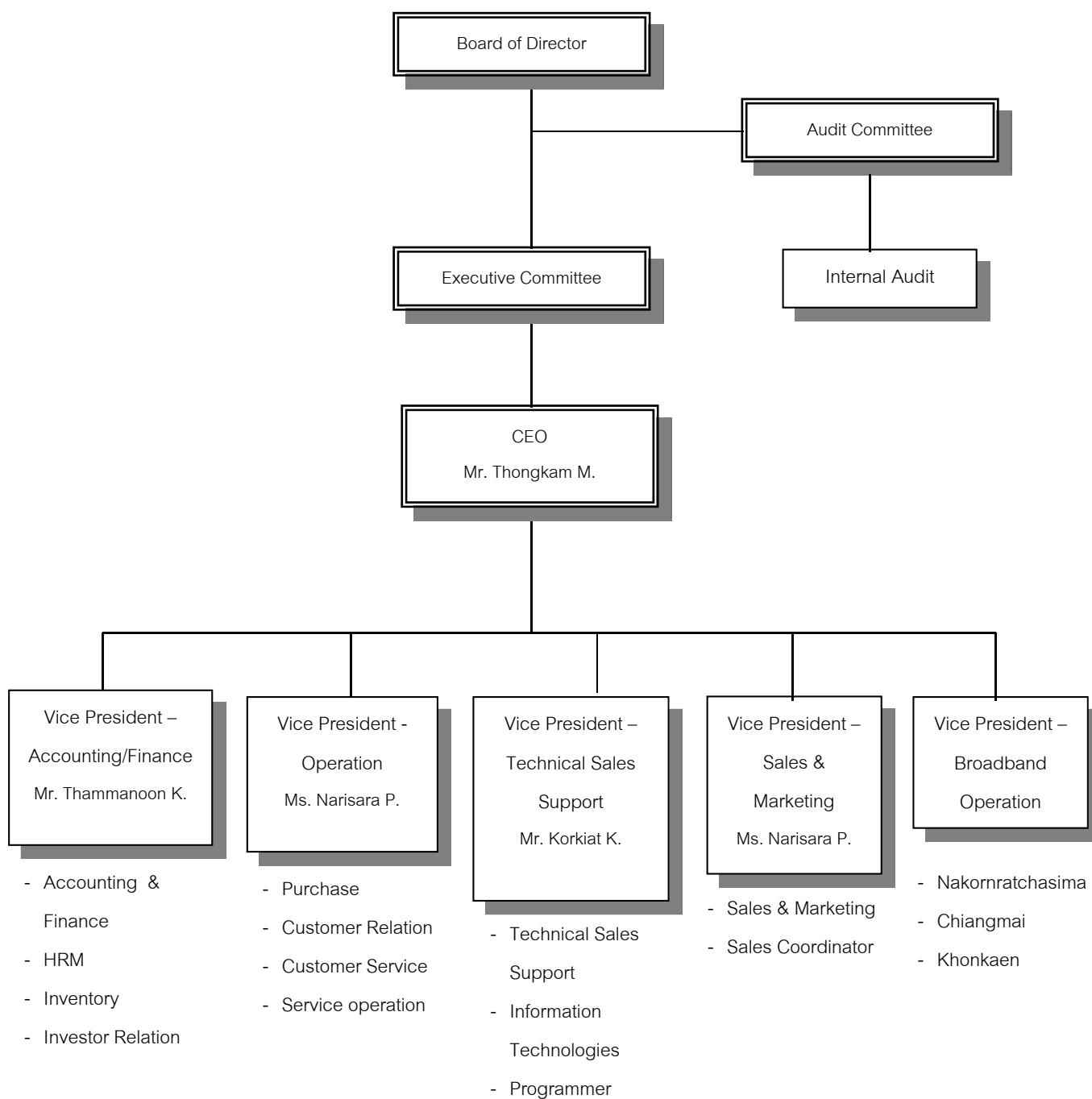
Name of Company	Company	Subsidiary Companies					Associate Company	Related Companies								
Name list		Thailand			Malaysia		Vietnam	Malaysia							China	Thailand
		Simat Soft	Simat Labels	E-Tech IT Distribution	E-Tech IT Sdn., Bhd.	E-Tech IT Frontline	Sino Trading and Services	Grand-Flo Solution Bhd	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	S. Siri Transport
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 Aurlpokaikayakul	>															
Mr. Thammanoon Korkiatwanich	/ #	/	/	/												
Ms. Narisara Prasertsunk	#	/	/													
Mr. Kokiatt 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 13, 2015.

Rank	Shareholders	No. of shares	%
1	GRAND-FLO SOLUTION BERHAD	73,899,373.00	19.91
2	Mr. Thongkam Manasilapapan	54,203,099.00	14.60
3	Mr. Natthapas Manasilapapan	25,000,000.00	6.74
4	Thai NDVR Co., Ltd.	17,771,154.00	4.79
5	Mr. Nattapat Rangsan	17,200,000.00	4.63
6	Mr. Natthawut Pinto	11,266,904.00	3.04
7	Ms. Chutikarn Manasilapapan	10,717,963.00	2.89
8	Any I Corporation Limited	10,000,000.00	2.69
9	Mr. Nares Ngam-Apichon	5,500,000.00	1.48
10	Mr. Suriya Singhakul	5,316,729.00	1.43
	Others	140,256,499	37.79
	Total	371,131,721	100.00

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

Nature of Business

Whether you are in
Retail



Whether you are in
Logistic



Whether you are in
Manufacturing etc.



Business 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

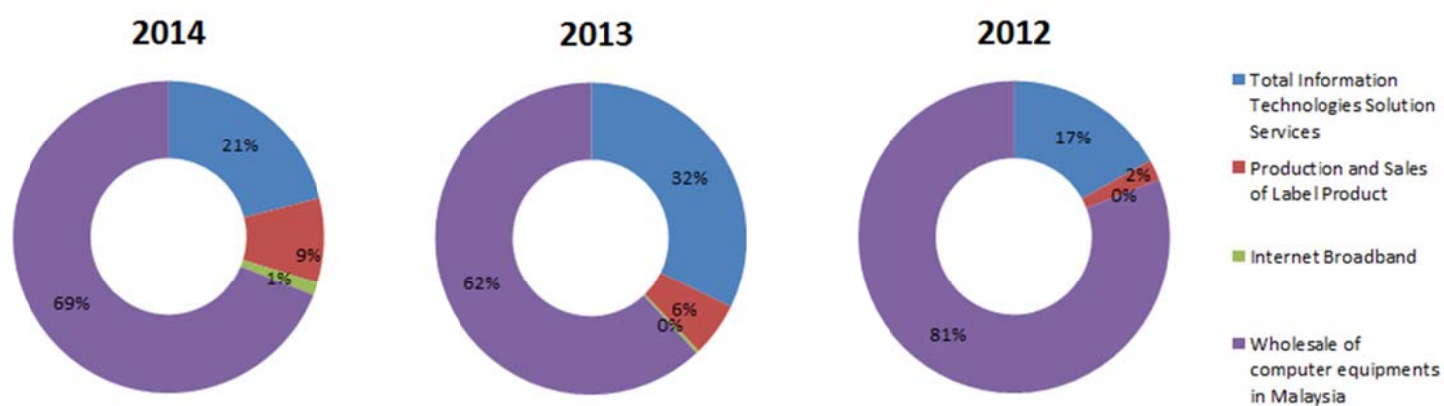
Broadband business which provides the hi-speed internet through optical fiber network (FTTx) for city of Nakornratchasima, Chiangmai and khonkaen provinces under the brand of "Si-net" which is the new business and start the operation since Quarter 2 of year 2013. The target customers are home-use consumer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

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 and Khonkaen provinces under the brand "SINET"	Repetitive revenue or monthly revenue / Fixed cost is high such as depreciation and the first-time installation cost when first time customer applies / Profit will arise when the number of customer increases above the break-even point	Home-use consumer / Small and medium enterprise (SME)
		Simat Telecom (Subsidiary)	100%			
Wholesale of computer equipments in Malaysia	Malaysia	E-TECH IT GROUP (Subsidiary)	60%	Wholesale of computer equipments including computer, notebook, printer and others with big project sales such as government or multinational companies in Malaysia. Sales is done directly or through System Integrator or SI	Huge revenue with limited profit since hardware sales only and by big lot project	Government project/ Multinational companies such as bank, retail

Revenue Structure

Revenue Structure by Business Segment	Total Information Technologies Solution Services	Production and Sales of Label Product	Internet Broadband	Total Domestic	Wholesale of computer equipments in Malaysia	Total
Unit: Million Baht						
Year 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%
Year 2012	376 14%	48 2%	- 0%	424 16%	1,798 68%	2,646 100%



Industrial Outlook and Competitive Environment

IT Market in Thailand

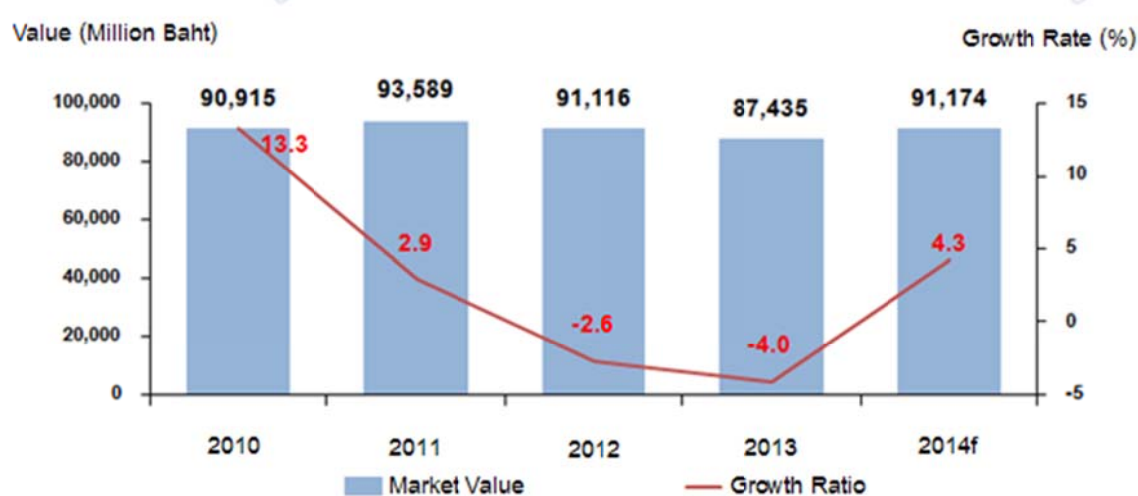
Thailand Information Technologies market can be divided into 3 major categories:

- (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

2010 - 2013 and forecast of 2014



The overall computer hardware market is declined since the flood crisis in year 2011. The computer hardware market value in year 2012 and 2013 are Baht 91,116 million and Baht 87,435 million, respectively and the growth rate declines 2.6% and 4.0%, respectively. However, the computer hardware market in 2014 is expected to grow 4.3% or Baht 91,174 million. The consumer behavior is still the same such as the purchasing trend of mobile equipment increases as the price is down while the purchasing trend of computer desktop and notebook declines. However, the Asean Economic Community (AEC) which will arise in year 2015 will support the investment in the computer hardware market.

IT Market Trend in 2015

The IT market value in year 2015 will rise by 10.6% compared with prior year although the overall economic is not so good and the investment in IT will help reduce the cost and support the business growth. It is expected that the market will recover since it is affected by the economic and consumption issue and that made the market grow only 5% in 2014

Thailand IT market is expected to grow by the following factors:

- The IT service market is well growing continuously while the hardware market is growing at the decreasing rate as IT services will increasingly take a major role in the economic system especially the services in System Integration and Network services which comprises of more than 60% of the total IT service market.
- The trend to change from the purchase of computer hardware to leasing or hire purchase which can help the organization to easily change the computer hardware according to the technological change.
- The investment in IT by government sector is the major factor to the market growth as the government has the policy to enhance and develop Thai people to access the technology thoroughly.
- The investment trend in the Cloud Computing is increasing as it is the integral system of both hardware and software sharing by using the processing through internet system which can help to reduce cost and the users do not need to use the high efficiency computer or pay money for software but there is the service expense for the actual use.

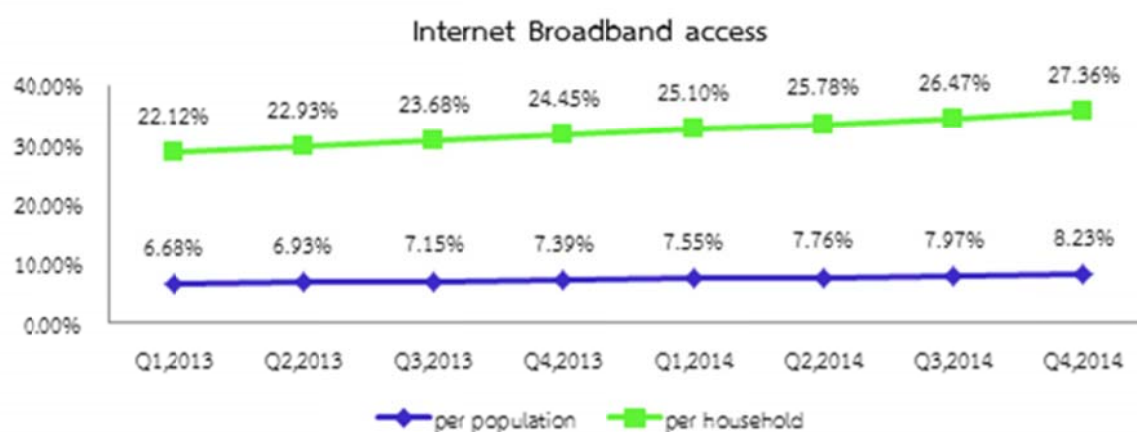
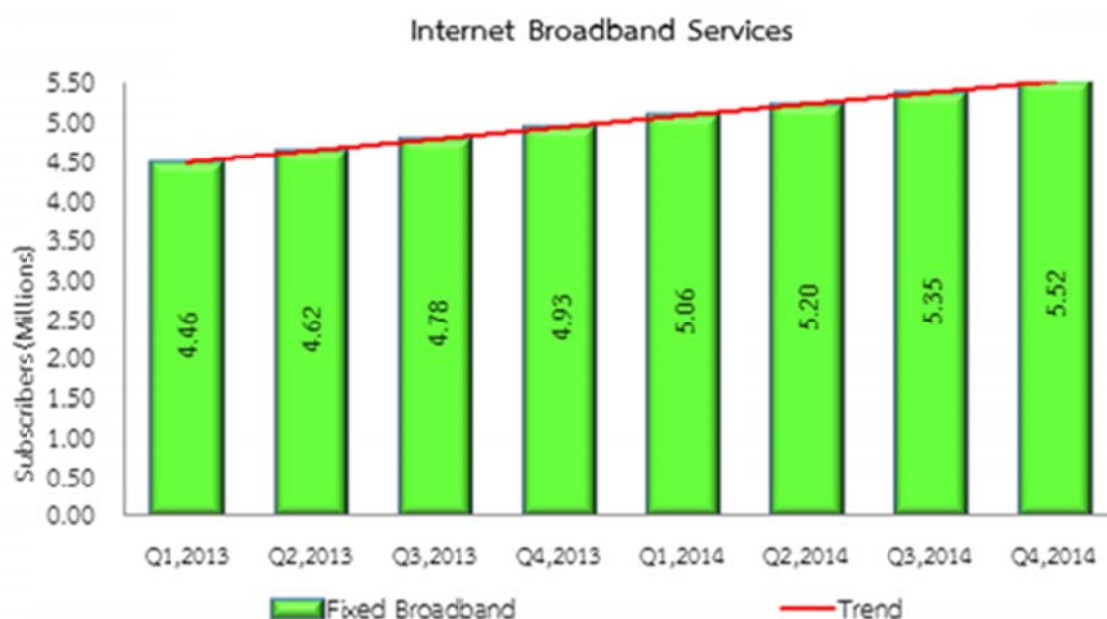
The Company's total IT solution business in 2014 declines significantly due to the political issue during the first half-year and the economic recession which made many customers, especially, the customer in retail business to postpone the investment of branch expansion. In addition, this business is high competition. The hardware price is going down that makes some customers reduce to make the maintenance contract. In 2014, therefore, the Company adjusted the business strategies as below:

1. To increase sale portion from other business other than the retail group. The Company has expanded the customer base to other business especially the food business and logistic in order to compensate with the decrease in sales from customer in retail business.
2. To adjust more value-added service other than the maintenance but also installation services.
3. To focus more on governmental project

The Broadband Business in Thailand

The Hi-speed internet market in Thailand is well growing:

- The number of registered subscriber as of Quarter 4, 2014 is 5.52 million which grows from prior year (Quarter 1, 2014: 4.46 million) about 24%. During Quarter 1, 2013 to Quarter 4, 2014, the number of registered subscribers increases 0.15 million per quarter by average.
- In Quarter 4, 2014, the proportion of the internet subscriber per population of 100 people is 8.23% and the proportion of the internet subscriber per 100 household is 27.36%

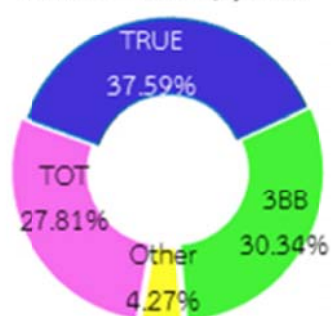


The broadband hi-speed internet market has 3 major providers which are True Corporation (True), TOT Public Company Limited and Triple T Broadband (3BB) and other minority providers.

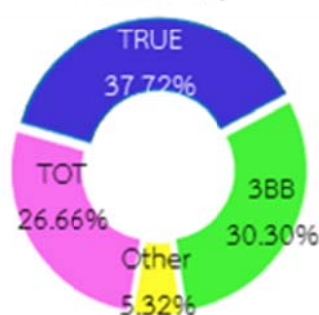
Market share and level of competition

TRUE has the biggest market share at 37.72% and then 3BB with 30.30% and TOT with 26.66% and the minority providers with 5.32%.

Internet Broadband
Market Share Q3,2014



Internet Broadband
Market Share Q4,2014



IT Market in Malaysia

IT Market in Malaysia for the year 2015, it is expected to grow a little bit from prior year due to the global economic recession and the fuel cost reduction may affect the Malaysian government spending. However, the market will grow in the next period from the supporting factors which are the IT supporting policy from the Malaysian government and the price down of computer hardware.

The computer hardware market value in 2015 is expected to reach Ringgit 9.8 billion or 3.1% growth from prior year (the market value in 2014 is Ringgit 9.5 billion)

Risk Factors

Risk from relying on major customer group

Nature, cause, effect, trend and action taken

- The Company services to the main customer group which is Retail Business about 55% of total revenue in Thailand or 11% of total consolidated revenue (based on information of year 2013).
- If this customer group does not use our services, it will effect to the revenue in Thailand
- In 2014, the Company reduced the portion of sale to customer in retail business not exceed 30% (based on information of year 2014) by the Company has expanded the services to other customer group such as food industry and logistic including the provision of new business such as the services of software Cloud Computing to the Transport & Logistic Business group and also the broadband internet services to individual and corporate customers such as hotel and SMEs in Nakornratchasima , Chiangmai and Khonkaen.

Risk from competition

Nature, cause, effect, trend and action taken

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

Risk from limitation of liquidity

Nature, cause, effect, trend and action taken

- The debt to equity ratio as at 31 December 2014 is 0.97 times which is in the safe level (less than 1 time) since there was the capital increase from private placement, exercise of warrants and the loan principal repayment on long-term loan for Fiber Network project.

- The Company still has the liquidity risk from the loss of broadband business during the starting period however the cash inflow from the main business and the credit facilities from the financial institution can support the operation in the future.

Foreign Exchange Risk

Nature, cause, effect, trend and action taken

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

Risk factor of subsidiary's business in Malaysia

- Risk associated with low margin business

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

- Risk from the dependency on government projects

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

(1) The volatility of income

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

(2) The long outstanding trade receivables

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

Good Corporate Governance Practice

Good Corporate Governance Practice

The Board of Directors strongly believes that good corporate governance is one of the important factors that help ensure the success of the Company and enable the Company to grow constantly and sustainably. The policy on Corporate Governance is therefore adopted so that Company's director, management and employees can use it as the guidelines. In 2014, the Company implemented the followings:

1. Corporate Governance Policy.

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

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

2. Rights of Shareholders and Equitable Treatment of Shareholders.

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

The evaluation result of the AGM Quality Assessment for the year 2014

By Thai Investor Association

Year	Score	
	Simat Technologies	Overall Listed Companies
2014	94.00%	91.17%
2013	93.13%	90.81%
2012	94.63%	89.43%
2011	92.93%	88.88%
2010	97.50%	86.16%

In 2014, the Company implemented the followings:

- Organized the 2014 annual shareholders' meeting at the Company's meeting room no. 123 Soi Chalongkrung 31, Ladkrabang industrial estate, Chalongkrung road, Lamplatew, Ladkrabang, Bangkok. The Company arranged the vans to make shareholders convenient for travelling.
- Sent a letter to the stock Exchange of Thailand on November 19, 2013 as well as posted the information on the Company's website, informed the shareholders that the Company has provided opportunity to shareholders to add agendas for the meeting in advance before the meeting takes place and to propose the nominate suitable persons to be elected as the Company's directors in accordance with the Company procedure. Shareholder can propose to add agendas or nominated director to the Company by sending a letter to the Investor Relation Coordinator within February 19, 2014. The Company also informed the shareholders that there is no any shareholder proposed the Company any additional agenda or nominated director within such period.
- Distributed the notice calling for shareholders meeting 14 days in advance and attached with agendas and other relevant documents such as minutes of last shareholders meeting, the annual report, preliminary information of the directors who are due to retire and are nominated to directorship for another term and the new director, preliminary information of the auditor, articles of association that relevant to this meeting, proxy form and letter advising the documents needed for attending the meeting and map of the meeting venue.
- Chairman, Chairman of the Audit Committee, Chief Executive Officer and other directors together 10 persons from the total of 10 persons attended the meeting and listen to the opinions of shareholders on various issues.
- Before the meeting, in accordance with the agendas stipulated in the notice calling for the meeting, Chairman of the meeting had informed shareholders regarding the procedure of the meeting and the voting method for each agenda, which approved unanimously by the shareholders.
- Chairman of the meeting had run the meeting in accordance with the agendas stipulated in the notice calling for the meeting. Provided equal opportunities to shareholders to check the Company's

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

The Company pays attention to the policy to disclose correct and accurate information regularly and on time. The Company had disclosed information and other Company's news to shareholders, investors and other people who are interest in the above-mentioned through various channels provided by the Stock Exchange of Thailand and through the Company's website www.simat.co.th. In addition, the Company has established the Investor Relations office in order to communicate with shareholders, investors and other people who are interested in the above-mentioned. The Investor Relation Office can be contacted through the Coordinator, Mr. Thammanoon Korkiatwanich and Ms. Nuntawan Pathomwattanakij Tel 02-326-0999 ext. 1211 and 1213 or E-mail ir@simat.co.th.

3. Roles and Rights of Stakeholders.

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

- Introduction
- Policy and Guidelines on Conflict of Interests

- Policy and Guidelines Relative to Shareholders
- Policy and Guidelines Relative to Employees
- Policy and Guidelines Relative to Customers
- Policy and Guidelines Relative to Partners
- Policy and Guidelines Relative to Creditors
- Policy and Guidelines Relative to Competitors
- Policy and Guidelines Relative to Independent Auditors
- Policy and Guidelines Relative to Social and Environment
- Implementation and Enforcement

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

In 2014, 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:

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

3.3 Policy and Guidelines relative to Customers.

The Company realizes the importance of customers to the success of the Company business. It therefore provided diverse and complete ranges of Hardware equipments such as mobile computers, barcode equipments and other hardware related to the Enterprise Data Collection and Collation System which has the high level of quality so that customers can source any kinds of hardware that suit to the customer's need and

its operating system. The Company had also provided various kinds of services such as leasing of equipments and the annual maintenance service agreement, etc. so that customers can fully benefit from the Company. In addition, the Company has designed and developed software, which is applied to the mobile computers and other relevant equipments, that provide user-friendly and suitability to customer's operation and able to connect to the customer's IT system in order to give highest satisfaction to customers.

3.4 Policy and Guidelines relative to Partners.

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

3.5 Policy and Guidelines Relative to Creditors

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

3.6 Policy and Guidelines Relative to Competitors

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

3.7 Policy and Guidelines Relative to Independent Auditors

The Company realizes the importance of the Independent Auditors as the key mechanism of shareholders in auditing the Management's performance and to ensure that the financial reports are correct, complete and reliable and has given full supports to the Independent Auditors by providing them correct and complete information, as well as providing them convenience during their auditing process. The financial statements for the year 2013 were audited by the Independent Auditor and the Independent auditor expressed an unqualified opinion to the Company's financial statements on the auditor's report.

3.8 Policy and Guidelines Relative to Social and Environment

The Company strongly believes that our business will grow constantly and sustainably only when the social by overall is peaceful and environment is sustainable. The Company therefore realizes the need to be a good corporate citizen as well as to be responsible to the society and environment by providing appropriate contributions in various forms that are suitable and compatible with the Company resources and capabilities. The Company believes that the contributions to society may not necessarily spend a lot of money at each time but rather do it on a regular basis and compatible with the Company's resources as well as let the employee to participate. The Company also believes that good corporate social responsibility programs should have

interaction between the givers and the receivers so that the program can proceed smoothly and continuously. The Company has provided contributions to communities nearby and far from the Company. The Company has considered the contributions based on necessity and appropriateness such as donate the computer equipment to schools and temples, etc.

4. Disclosure and Transparency.

The Company has a policy to pay attention to the disclosure and transparency with regard to the corporate governance. In 2013, The Company had disclosed information both the financial information and other information correctly, accurately, transparently and on time, in accordance with the regulations of the stock Exchange Commission and the Stock Exchange of Thailand as follows:

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

Mr. Thammanoon Korkiatwanich

Ms. Nuntawan Pathomwattanakij

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

Fax: 02-326-1014

E-mail: ir@simat.co.th

- The Board of Directors had selected the Independent Auditors who are independent and have no conflict of interests with the Company and the auditors have been approved by S.E.C. The Company has appointed the auditors from ANS Audit Co., Ltd. As the Company's auditor for the year 2014 (who is the Company's new auditor) as recommended by the Audit committee as follows:

Mr. Atipong Atipongsakul, CPA license no. 3500 or

Mr. Sathien Vongsanan, CPA license no. 3495 or

Mr. Vichai Ruchitanont, CPA license no. 4054

The audit fee for year 2014 is 1,450,000 Baht which is the rate close to the fee paid by other companies with similar size and similar nature of business,

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

- The Company has adopted the safeguard and investigation system for the use of internal information for inappropriate personal gain. All directors management and the employees involved in the internal information are prohibited to disclose such information are prohibited to disclose such information to outside people or people whose job are not involved with the information. Also, all directors, management and employees involved in the preparation of the financial reports are prohibited to sell or buy the Company's securities one month before the information is disclosed to the public.

5. Internal Control and Risk Management

The Company has paid attention to the internal control and risk management system, and has adopted the Operating Manual so that employees can use it as guideline. In addition, The Company has set up the Internal Audit Department, reported directly to the Audit Committee and the Chief Executive Officer as a mechanism to reinforce the internal control system and the internal audit system as well as to follow up and ensure that there is improvement and correction of the flaws found from the audit to improve the efficiency and reduced risk from the operation, In 2014, the Company has implemented the followings:

- Had reviewed the Charter of Internal Auditor and updated them accordingly.
- Had reviewed the Operating Manual and updated them accordingly.
- Had updated and improved the Accounting and Inventory software program so that the internal control can be made more effectively.
- It is the Company's policy that the connected transactions or the transactions that may cause conflict of interests must be appropriately considered by the people who have no interest in the transactions and must be reviewed by the Audit Committee.
- The Company has policy on risk management for various matters which have been stipulated in the Operating Manual such as the accounts receivable management, inventory management, currency exposure management etc. which were explained in the Company's annual report and form 56-1 regarding to the risk exposure and risk management. In 2014, the Company has also made appropriate insurance on the Company's inventories and other major property, the Company has also implemented the group accident insurance and group life assurance for the employees.

6. Responsibilities of the Board

The Board of directors is responsible to shareholders in carrying out the Company's business in compliance with the laws and regulations of the Stock Exchange Commission and the Stock Exchange Commission and the Stock Exchange of Thailand, the objectives and articles of association the Company as well as the resolutions of shareholders meeting. The Board of Directors shall perform duties in good faith, with due diligence and care, and for the best interest of the Company and shareholders. In 2014, the Board of Directors has performed its duties as follows.

6.1 Leadership and Vision

The Board of Directors has participated in the adoption of the Company's vision, strategic direction and annual operating budget including to oversee and control the management to operate the Company in accordance

with the policy and business plan to increase wealth of the Company and grow the business constantly and sustainably. In addition the Board of Directors has established the Audit Committee to oversee the financial reports, interest, internal control system, risk management system, the selection of independent auditor and to oversee that the Company has operated business in compliance with relevant laws and regulations.

6.2 Board Structure and Qualification

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

6.3 Board of Directors' Meeting and Directors' Remuneration

- The Board of Directors has had regular meeting every quarter and may have additional meeting when it is necessary. In every meeting, the Board had clearly fixed the agenda and had sent the notice calling for the meeting which more than 7 days in advance so that the Board of Directors shall have sufficient time to study the information. Minutes of meeting had been written correctly and accurately, and the minutes of meeting that certified by the Board had been kept properly so that the Board of Directors and other involved persons can investigate them accordingly. In 2014, the Board of Directors had 6 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)	6	6
2. Mr. Thongkam Manasilapapan (Director/Chairman of Executive committee)	6	6
3. Mr. Thammanoon Korkiatwanich (Director/Executive committee)	6	6

4. Mr. Tan Bak Leng (Director)	6	6
5. Mr. Tan Chuan Hock (Director)	6	6
6. Mr. Natthawut Pinto (Director)	5	6
7. Mr. Vorachi Charoenprasittiporn (Independent Director)	6	6
8. Dr. Ranchana Rajatanavin (Independent Director / Chairman of Audit Committee)	6	6
9. Mr. Narongrit Rerkpattanapipat (Independent Director / Audit Committee Member)	5	6
10. Ms. Kanwara Aurlpokayakul (Independent Director / Audit Committee Member)	6	6

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

- The Board of Directors had fixed the meeting date in advance since the beginning of the year so that all directors and management can schedule their time efficiently.
- Chairman of the Board and Chief Executive Officer had considered the agendas together.
- Chairman of the Board had provided equal opportunity to each director to express his opinions, and the director who has interest in any agenda must leave the meeting room during the consideration of the agenda.
- The Company had paid out the remuneration to directors in 2014 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)	102,000 Baht
Chairman of audit committee (1 person)	120,000 Baht
Audit committee member (2 persons)	197,000 Baht

Total money paid to the Board for year 2014 is 1.38 million baht (Year 2013: 1.35 million baht).

In year 2014, the Company paid out remunerations to management 4 persons total 9.84 million baht. (Year 2013: 10.05 million baht)

6.4 Board Self Assessment and Development of Board and Management.

- The Board of Directors has policy to encourage directors and management to constantly develop knowledge and skill. In 2014, Directors and management had regularly participated in various training programs and seminars, such as Executive Accounting and Finance Director attended the training program on Accounting Standards and Practices organized by the Federation of Accounting profession. Company Secretary and the Investor Relations Coordinator attended various training programs organized by the Investor Relations Association and the Stock Exchange of Thailand. The Chief Executive Officer and Managing Director had attended the training program on Sales Conference with Partners and Related Companies in foreign countries.

6.5 Sub-Committees

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

Executive committees

The Executive committee comprised of

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

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

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

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

Audit Committee

The audit committee comprised of

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

In 2014, 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)	3	4
3. Ms. Kanwara Aurlpokaiyakul (Audit Committee Member)	4	4

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

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

Report from Board of Directors Relative to Financial Report

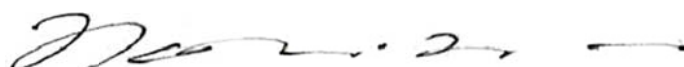
The Board of Directors is responsible for the Company's financial reports and the details appeared in the annual report. The financial reports are prepared in accordance with the generally accepted accounting standards in Thailand, by adopting the appropriate accounting policy and consistent implementation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

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

The Board of Directors has the opinion that the Company's overall internal control system is satisfactory and can be assured that the financial reports of Simat Technologies Public Company Limited and its subsidiaries for the year ended December 31, 2014 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 2014, the Audit Committee of the Company has opinions regarding to the following matters:

The Accuracy and Reliability of Financial Reports

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

The Adequacy of Internal Control System

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

The Compliance with Laws and Relevant regulations

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

The Appropriateness of Auditor

The Committee considered the independence and appropriateness of auditor and their remuneration and has the resolution to propose to appoint Mr. Atipong Atipongsakul, CPA license no. 3500 or Mr. Sathien Vongsanan, CPA license no. 3495 or Mr. Vichai Ruchitanont, CPA license no. 4054 from ANS Audit Co., Ltd. as the auditor of the Company and subsidiaries for the year 2015 and to propose this appointment for approval to the Board of Director and the Annual General Shareholders' Meeting for year 2015.

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 2014 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 2014, 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)	3	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 2014 and 2013

Conflict of interest person/juristic person	Relationship	Nature of transaction	Transaction value (Baht)		Ending balance (Baht)		Necessity/Reasonableness and Audit Committees' comment
			2014	2013	31 Dec 2014	31 Dec 2013	
Grand-Flo Electronic System Sdn. Bhd.	A subsidiary of Grand-Flo Solution Berhad (100% holding)	Purchase of hardware (A/P-trade)	-	-	66,932	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 (A/P-others)	-	-	851,043	851,043	Other expenses charged at cost by Grand-flo were the accommodation expenses regarding to the arrangement of sales conference or any other trainings at Malaysia. Audit committees' comment is that these expenses deemed reasonable.
Grand-flo Spritvest Sdn. Bhd.	A subsidiary of Grand-Flo Solution Berhad (100% holding)	Sales of Hardware (A/R-trade)	-	647,196	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	5,409	31,671	30,419	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	-	-	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)	1,200,000	-	-	-	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
			2014	2013	31 Dec 2014	31 Dec 2013	
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	18,362	311,225	18,362	Simat Label (subsidiary) purchased supplies and samples for label production which buy at market price. Audit committees' comment is that these expenses deemed reasonable.
Grand-Flo Solution Berhad	A major shareholder of the Company (19.91% 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.
CL Solutions Ltd.	A subsidiary of Grand-flo solution (100% holding)	Purchase of Hardware	-	970,552	-	-	Goods that a subsidiary company in Malaysia purchased from CL Solution are the hardware products to be sold to customer which purchases under normal business condition.

Conflict of interest person/juristic person	Relationship	Nature of transaction	Transaction value (Baht)		Ending balance (Baht)		Necessity/Reasonableness and Audit Committees' comment
			2014	2013	31 Dec 2014	31 Dec 2013	
Mr. Ling Chee Kiat	Director and shareholder of E-Tech IT (subsidiary)	Guarantee and loan from director with no interest charge	-	-	835,957	37,219,734	<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>
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.

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	2014		2013		2012		Change			
							2014/2013		2013/2012	
Assets										
Current assets										
Cash and cash equivalent	25	2%	53	5%	35	3%	(28)	-53%	18	50%
Trade and other debtors - net	335	25%	288	25%	543	40%	47	16%	(255)	-47%
Inventories - net	121	9%	113	10%	87	6%	8	7%	26	30%
Total current assets	481	36%	455	40%	666	50%	26	6%	(211)	-32%
Non-current asset										
Restricted deposit with financial institution	118	9%	105	9%	115	9%	13	12%	(9)	-8%
Investment in associate	28	2%	27	2%	24	2%	1	6%	2	9%
Plant, property and equipment - net	129	10%	53	5%	55	4%	76	144%	(2)	-4%
Optical fiber network and equipment	520	39%	458	40%	434	32%	62	14%	24	5%
Goodwill	45	3%	45	4%	45	3%	0	1%	-	0%
Other non-current assets	11	1%	9	1%	6	0%	2	20%	4	67%
Total non-current assets	851	64%	696	60%	679	50%	155	22%	18	3%
Total assets	1,332	100%	1,151	100%	1,344	100%	181	16%	(193)	-14%
Liabilities and shareholder's equity										
Liabilities										
Current liabilities										
Bank over-draft and short-term loan	175	13%	119	10%	162	12%	56	47%	(43)	-27%
Trade and other creditors	279	21%	238	21%	402	30%	41	17%	(164)	-41%
Current portion of financial lease liabilities due within 1 year	7	1%	3	0%	2	0%	4	133%	1	50%
Current portion of long-term loan due within 1 year	14	1%	51	4%	78	6%	(37)	-73%	(27)	-35%
Current portion of payable for purchase of investment due within 1 year	-	0%	-	0%	10	1%	-	n/a	(10)	-100%
Other current liabilities	2	0%	1	0%	6	0%	1	100%	(5)	-83%
Total current liabilities	477	36%	412	36%	660	49%	65	16%	(248)	-38%
Non-current liabilities										
Financial lease liabilities - net	12	1%	6	1%	5	0%	6	100%	1	20%
Long-term loan - net	160	12%	96	8%	207	15%	64	67%	(111)	-54%
Other non-current liabilities	7	1%	8	1%	6	0%	(1)	-13%	2	33%
Total non-current liabilities	179	13%	110	10%	218	16%	69	63%	(108)	-50%
Total liabilities	656	49%	522	45%	878	65%	134	26%	(356)	-41%
Shareholder's equity										
Paid-up share capital	371	28%	276	24%	183	14%	95	34%	93	51%
Paid-in capital in excess of par	221	17%	180	16%	69	5%	41	23%	111	161%
Legal reserve	15	1%	15	1%	14	1%	-	0%	1	7%
Unappropriated retained earnings	26	2%	114	10%	155	12%	(88)	-77%	(41)	-26%
Other components	1	0%	4	0%	3	0%	(3)	-75%	1	33%
Total equity of the parent company	634	48%	589	51%	424	32%	45	8%	165	39%
Non-controlling interests	42	3%	40	3%	42	3%	2	5%	(2)	-5%
Total shareholder's equity	676	51%	629	55%	466	35%	47	7%	163	35%
Total liabilities and shareholder's equity	1,332	100%	1,151	100%	1,344	100%	181	16%	(193)	-14%

Income Statements Unit: Million Baht	2014		2013		2012		Change	
							2014/2013	2013/2012
Revenue from sales and services	1,304	100%	1,296	100%	2,223	100%	8	1%
Cost of sales and services	(1,154)	-88%	(1,093)	-84%	(1,958)	-88%	(61)	6%
Gross profit	150	12%	203	16%	265	12%	(53)	-26%
Other income	10	1%	10	1%	11	0%	-	0%
Selling and administrative expenses	(192)	-15%	(152)	-12%	(149)	-7%	(40)	26%
Profit before financial cost and income tax	(32)	-2%	61	5%	127	6%	(93)	-152%
Financial cost	(20)	-2%	(20)	-2%	(14)	-1%	-	0%
Share of profit from associate	3	0%	2	0%	2	0%	1	50%
Profit before income tax	(49)	-4%	43	3%	115	5%	(92)	-214%
Income tax	(2)	0%	(4)	0%	(17)	-1%	2	-50%
Net profit	(51)	-4%	39	3%	98	4%	(90)	-231%
Portion of non-controlling interest	(4)	0%	(6)	0%	(22)	-1%	2	-33%
Portion of equity holder of the Company	(55)	-4%	33	3%	76	3%	(88)	-267%

Operating result by business segment	Total Information Technologies Solution Services	Production and Sales of Label Product	Internet Broadband	Total Domestic	Wholesale of computer equipments in Malaysia	Total
Unit : Million baht						
Year 2014						
Revenue from sales and services	274	114	18	406	898	1,304
Cost of sales and services	(199)	(78)	(41)	(318)	(837)	(1,155)
Gross profit	75	36	(23)	88	61	149
Other income	-	-	-	-	10	10
Selling and administrative expenses	(90)	(17)	(26)	(133)	(59)	(192)
Profit before financial cost and income tax	(15)	19	(49)	(45)	12	(33)
Financial cost	(1)	(1)	(8)	(10)	(9)	(19)
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

Operating result by business segment	Total Information Technologies Solution Services	Production and Sales of Label Product	Internet Broadband	Total Domestic	Wholesale of computer equipments in Malaysia	Total
Unit: Million baht						
Year 2012						
Revenue from sales and services	376	48	-	424	1,798	2,222
Cost of sales and services	(257)	(37)	-	(294)	(1,663)	(1,957)
Gross profit	119	11	-	130	135	265
Other income	2	2	-	4	8	12
Selling and administrative expenses	(70)	(9)	-	(79)	(70)	(149)
Profit before financial cost and income tax	51	4	-	55	73	128
Financial cost	(2)	(1)	-	(3)	(12)	(15)
Share of profit from associate	2	-	-	2	-	2
Profit before income tax	51	3	-	54	61	115
Income tax	(7)	-	-	(7)	(10)	(17)
Net profit	44	3	-	47	51	98
Portion of equity holder of the Company						76

Total IT Solution Services	2014		2013		2012		2011		Change	
									2014/2013	2013/2012
Revenue	274	100%	418	100%	376	100%	418	100%	(144) -34%	42 11%
Gross profit	75	27%	129	31%	119	32%	137	33%	(54) -42%	10 8%
Net profit	(12)	-4%	49	12%	44	12%	62	15%	(61) -124%	5 11%

Production and Sales of Label Product	2014		2013		2012		2011		Change	
									2014/2013	2013/2012
Revenue	114	100%	72	100%	48	100%	28	100%	42 58%	24 50%
Gross profit	36	32%	20	28%	11	23%	4	14%	16 80%	9 82%
Net profit	14	12%	7	10%	3	6%	(3)	-11%	7 100%	4 133%

Internet Broadband	2014		2013		2012		2011		Change	
									2014/2013	2013/2012
Revenue	18	100%	4	100%	-	n/a	-	n/a	14 350%	4 n/a
Gross profit	(23)	-128%	(14)	-350%	-	n/a	-	n/a	(9) 64%	(14) n/a
Net profit	(57)	-317%	(30)	-750%	-	n/a	-	n/a	(27) 90%	(30) n/a

Wholesale of computer equipments in Malaysia	2014		2013		2012		2011		Change	
									2014/2013	2013/2012
Revenue	898	100%	802	100%	1,798	100%	745	100%	96 12%	(96) -55%
Gross profit	61	7%	68	8%	135	8%	77	10%	(7) -10%	(67) -50%
Net profit	4	0.4%	13	2%	51	3%	(20)	-3%	(9) -69%	(38) -75%

Significant Financial Ratio	Unit	2014	2013	2012	Explanation
Liquidity Ratio					
Current Ratio	time	1.01	1.10	1.01	Liquidity is in normal level or greater than 1 time.
Assets Utilization Ratio					
Accounts Receivable Turnover	time	4.74	3.47	5.24	Accounts receivable turnover is improved from year 2013, Inventory turnover is closed to the prior year and Accounts payable turnover is better than prior year. However, such turnovers in year 2012 is significantly better than the others because the large increase in sales in year 2012 especially sales from subsidiary in Malaysia since there is a big sales of computer equipments to Malaysian government while the delivery, collection and payment of this government project is done so quickly within the forth quarter of year 2012.
Average Collection Period	day	77	105	70	
Inventory Turnover	time	9.86	10.93	21.32	
Average Sales Period	day	37	33	17	
Accounts Payable Turnover	time	6.82	5.46	8.78	
Average Payment Period	day	54	67	42	
Leverage Ratio					
Time Interest Earned	time	(1.60)	3.05	9.07	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 2014 - 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 end of year 2015 and will improve the ability to pay debt ratio in year 2015. 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	0.97	0.83	1.88	
Profitability Ratio					
Gross Profit Margin	%	12%	16%	12%	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 end of year 2015 and this will improve the profit ability in year 2015.
Net Profit Margin	%	-4%	3%	4%	
Return on Assets	%	-4%	3%	7%	
Return on Equity	%	-9%	6%	18%	
Basic earnings per share	Baht	(0.16)	0.12	0.30	

Management Discussion and Analysis

Economic Overview

Thai economy in 2014 grows only 0.5% and continues to recover at a slow pace and it is expected that Thai economy in 2015 will grow at 3.5% from the good recovery of consumption as the fuel cost reduced and the growth of investment from private sector which is stimulated by the government's spending project. The flexible financial policy will support the economic recovery. However, the investment from private sector may be obstructed by the low production capacity, the recession of foreign demand and the concern of uncertainty in politic while the domestic consumption still remains limited from the high level of household debt and the limited financing from the financial institution and, moreover, the weak demand for Thai product in the world market and the slow in government's spending.

The headline Inflation declines significantly during the second half-year 2014 while the core inflation is still stable in the incoming period. It is expected that the inflation will remain at the low level and will grow in year 2015.

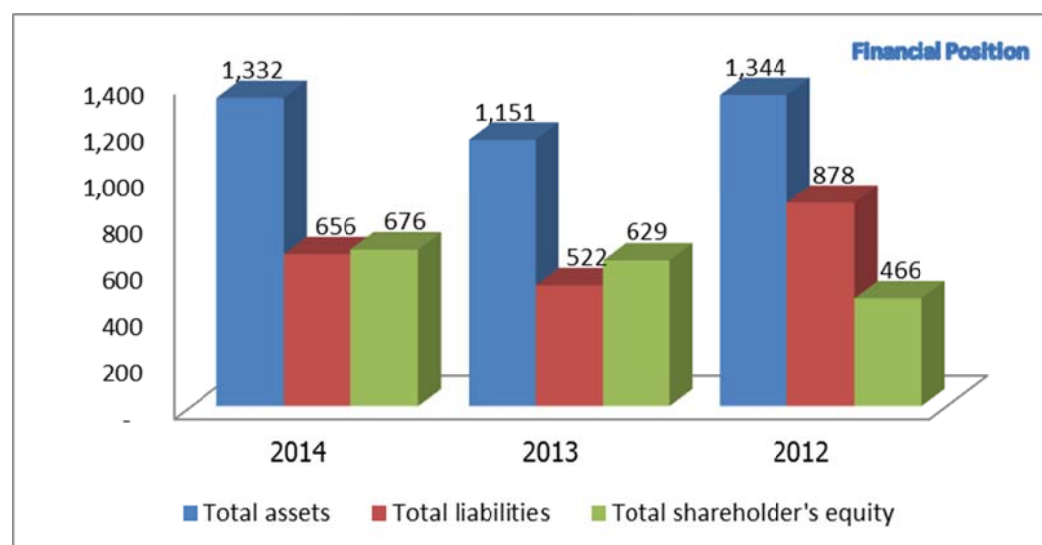
The balance of payment improves mainly from the decline of fuel cost and expects that the balance of payment will increase continuously in 2015. In 2015, the import will recover while export will grow at the low rate and will make the balance of payment decrease in the middle period.

Looking ahead, Thai economy may grow lower than expected by the risk factor such as the slow government's policy, the weak domestic demand, the political uncertainty together with the foreign risk such as the fluctuation of monetary market, economic recession of developing countries. However, the positive factors come from the upside of fuel cost reduction on the increase of domestic demand and export.

(Source: Bank of Thailand)

Overview of the Company's Financial Position and Operating result

Financial Position

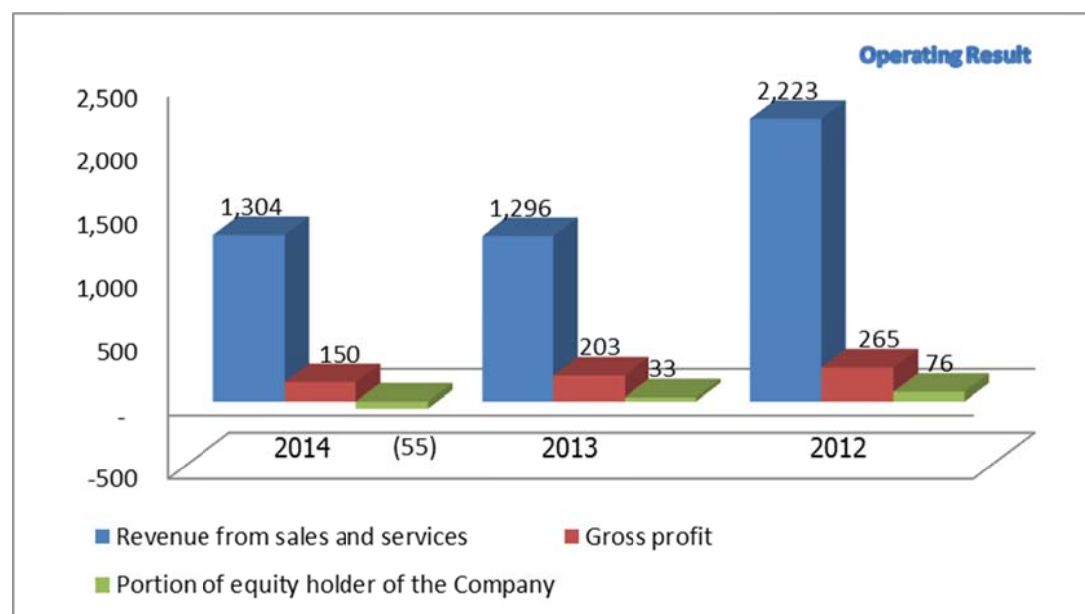


- Total assets as at 31 December 2013 increases from prior year about Baht 181 million or 16% due to the followings:
 - Trade and other receivables increase about Baht 47 million or 16% from prior year due to the increase in trade receivables especially the trade receivables of the subsidiary in Malaysia which increases from Baht 170 million (year 2013) to baht 214 million (year 2014) due to, at the end of year 2014, there was a big lot sale of computer hardware to Malaysian governmental project in the last quarter of the year.
 - Property, plant and equipment – net increases about Baht 76 million or 144% due to the purchase of building office by the subsidiary in Malaysia about Baht 67 million.
 - Optical fiber network and equipment for broadband business increases about Baht 62 million or 14% 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.

- Total liabilities as at 31 December 2014 increases about Baht 134 million or 26% from prior year due to the followings:
 - Bank overdraft and short-term loan increases Baht 56 million or 47% from prior year due to the Company has loan transaction by trust receipt and factoring of accounts receivables during the end of the year 2014 to support the liquidity.

- Trade payables and other payables increases about Baht 41 million or 17% from prior year due to the subsidiary in Malaysia purchased a lot of inventories at the end of year 2014 for delivery of hardware to governmental project during end of year 2014 till 2015.
 - Long-term loan from financial institution including the current portion which is due within 1 year increases about Baht 27 million due to the subsidiary in Malaysia has a new long-term loan to finance the purchase of new office building.
- Total shareholder's equity as at 31 December 2014 increases about Baht 47 million or 7% from prior year due to the followings:
- Capital increase from private placement with the cash receipt about Baht 50 million
 - Capital increase from the exercise of SIMAT_W1 and ESOP with the cash receipt about Baht 53 million
 - Net loss from operation of year 2014 about Baht 51 million

Operating Result



Operating Result Overview

Revenue

The total revenue of year 2014 increases a little about Baht 8 million or 0.6% from prior year and separated by the following business segments:

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 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%
Year 2012	376 14%	48 2%	- 0%	424 16%	1,798 68%	2,646 100%

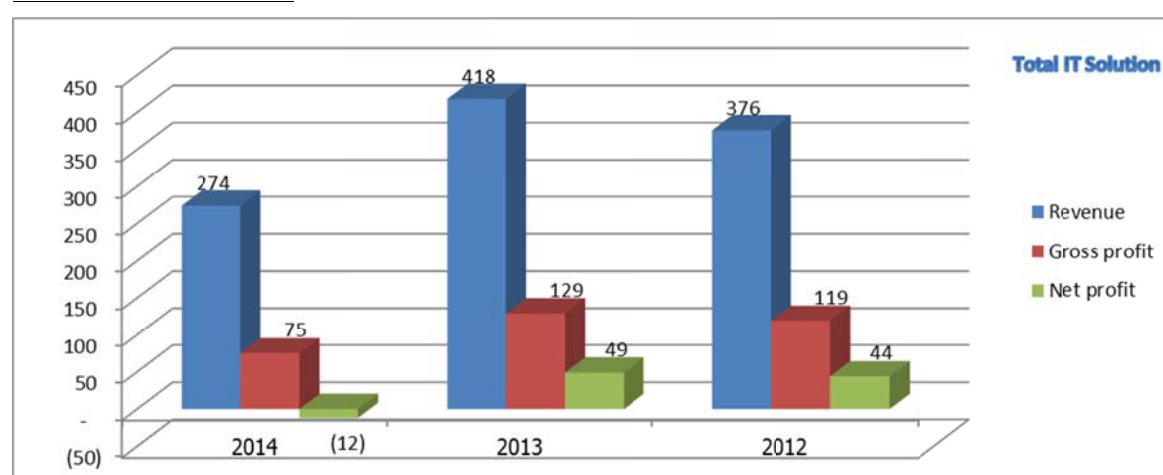
- The revenue of total IT solution business decreases about 34% from prior year mainly due to the postponement of purchase order from customer especially customer in retail business because of the political issue in the first half year and the economic recession.
- The revenue of label business increases about 58% from prior year which grows rapidly from the numbers of order from the new customer in manufacturing of smart phones which is well and continuously growing.

- The revenue of broadband internet business increases about 350% or baht 14 million which is the new business and has a well growing trend. The number of customers increases from 730 subscribers (year 2013) to 3,249 subscribers (year 2014).
- The revenue of wholesale of computer hardware in malaysia increases 12% from prior year.

Net Profit (Loss)

The consolidated net loss for the year ended 31 December 2014 is Baht 55 million while there was the net profit amounting to Baht 33 million in prior year mainly due to the followings:

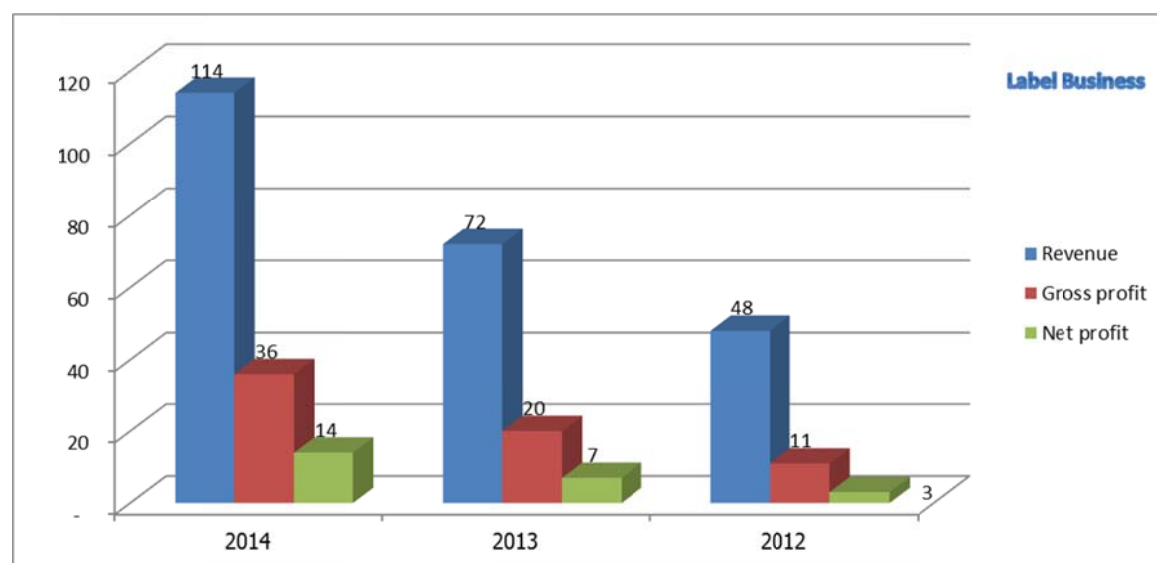
Total IT Solution Business



- Net loss from Total IT Solution Business about Baht 12 million in which sales decreases from prior year about Baht 144 million or 34% due to the effect from the uncertainty of Thailand political issue during the first half-year which make many customers, especially the retail business, to postpone a lot of purchase orders. Later, the political issue was resolved but the domestic demand has still recovered slowly and this makes the main retail customer still postpone their investment and also decrease the amount of the yearly maintenance contract. While, last year, the revenue came from the sales of hardware to customers in retail business to improve the operation of their branches throughout the country.

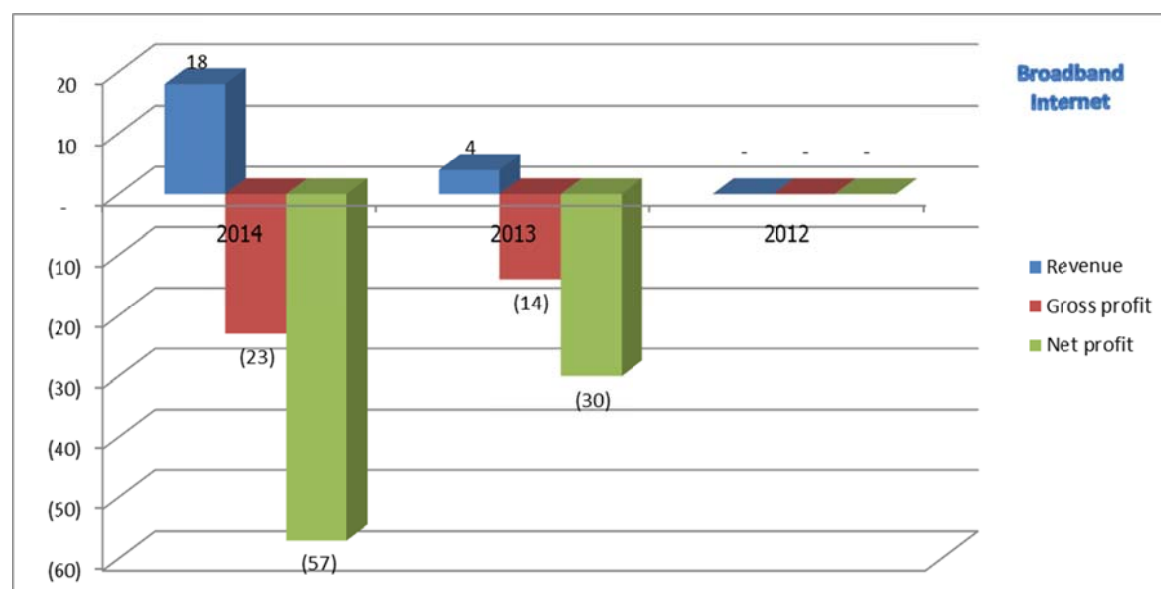
However, the Company has sales hardware and made the maintenance agreement with the other customer groups other than the retail business in order to reduce the risk that revenue rely on the customer in retail business and the Company expects that the revenue and profit will improve in the next year.

Production and Sales of Label Product



- Net profit from the sales and production of label product increases from prior year about Baht 8 million or 114% due to the sales increases about 58% and the gross profit ratio increases from 28% to 32% of sales. In year 2014, the subsidiary invested in machines to accommodate the purchase orders from customers in manufacturing of electronic parts for mobile phone and digital camera that grows at the increasing rate continuously.

Broadband Internet

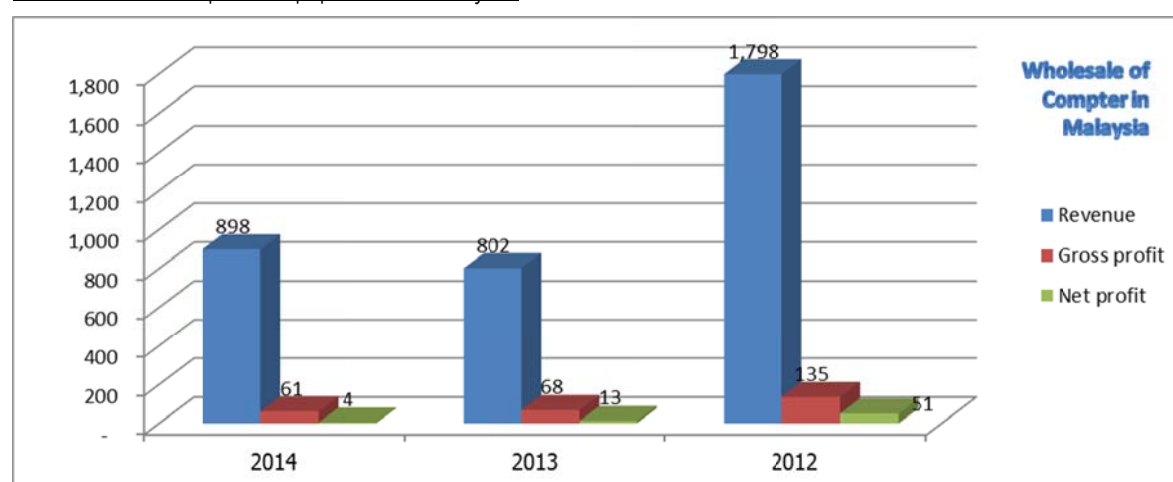


- Net loss from broadband internet service through optical fiber network is about Baht 57 million due to the company has just started its operation officially in June 2013 whereas the accumulated number of subscribers have not reach the break-even point. The accumulated subscribers as at 31 December 2014 and 2013 are 3,249 subscribers and 730 subscribers, respectively whereas

the break-even point of the investment of fiber optic network for 3 provinces (Nakornratchasima, Chiangmai and Khonkaen) is at 13,000 subscribers. At present (Quarter 1, 2015), the number of new subscribers per month under the Company's own brand "SINET" is at 500 – 600 subscribers which improves from Quarter 4, 2014 (at 300 – 400 subscribers per month) and the number of new subscribers increases continuously. The Company expects that there is a high possibility the accumulated number of subscribers will reach the targeted break-even point at the end of the year 2015.

In addition to the internet service under the Company's own brand, the Company expects that the number of new subscribers will increase rapidly as the internet co-service with the major telecommunication provider has just started and the official advertisement and communication will be launched within Quarter 1, 2015. The internet co-service is provided under brand "AIS Fibrenet" in Nakornratchasima, Chiangmai and Khonkaen provinces.

Wholesale of computer equipment in Malaysia



- Net profit from the wholesale of computer hardware of the subsidiary in Malaysia decreases about Baht 9 million or 69% from prior year which makes the profit sharing from this subsidiary decreases about Baht 5 million (the company hold 60% of total shares of this subsidiary) although sales increases about 12% due to the decrease of gross profit ratio from 8% to 7% of sales and there was the gain on disposal of investment in subsidiary in Singapore about Baht 3.4 million. Within in year 2015, the Company will decrease the portion of shareholding in subsidiary in Malaysia in order to use cash flow to focus and invest in Broadband business which is the Company's main business.

FINANCIAL STATEMENTS AND AUDITOR'S REPORT
SIMAT TECHNOLOGIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
FOR THE YEAR ENDED DECEMBER 31, 2014

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

I have audited the accompanying consolidated and separate financial statements of Simat Technologies Public Company Limited and its subsidiaries and of Simat Technologies Public Company Limited respectively, which comprise the consolidated and separate statements of financial position as at December 31, 2014, and the related consolidated and separate statements of comprehensive income, consolidated and separate statements of changes in shareholders' equity and consolidated and separate statements of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

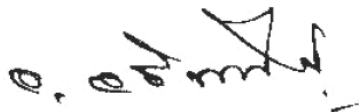
I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the consolidated and separate financial statements referred to above present fairly, in all material respects, the consolidated and separate financial position of Simat Technologies Public Company Limited and its subsidiaries and of Simat Technologies Public Company Limited respectively as at December 31, 2014, and the consolidated and separate results of operations and the consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Emphasis of matters

Without modifying of my opinion, I draw attention to Note 14 to financial statements. On February 22, 2013, the Company cancelled the service contract for rental of optical fiber cable network equipment in Nakornratchasima and Chiangmai province with CAT Telecom Public Company Limited ("CAT"). As a result, the Company is now the service provider instead of the lessor. In addition the Company has filed a lawsuit against CAT as described in Note 34 to financial statements.



Atipong AtipongSakul

Certified Public Accountant Registration Number 3500

ANS Audit Company Limited

Bangkok, February 26, 2015

SIMAT TECHNOLOGIES PUBLIC COMPANY LIMITED AND SUBSIDIARIES**STATEMENT OF FINANCIAL POSITION****AS AT DECEMBER 31, 2014**

		Unit: Thousands Baht			
		CONSOLIDATED F/S		SEPARATE F/S	
	Notes	2014	2013	2014	2013
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	5	24,772	53,179	10,349	32,327
Trade and other receivables - net	6, 7, 16	334,630	288,446	89,084	94,636
Loan to related companies	7	-	-	7,300	3,992
Inventories - net	8	121,479	113,129	47,069	63,299
Total Current Assets		480,881	454,754	153,802	194,254
NON-CURRENT ASSETS					
Restricted deposits with banks	9, 16, 18, 20	117,597	105,333	13,750	13,750
Investments in associated company	10	28,187	26,539	21,274	21,274
Investments in subsidiary companies	10	-	-	96,955	104,955
Property and equipment - net	11	127,372	47,325	25,936	17,884
Equipment and computer software for lease - net	12	149	2,521	149	2,521
Software development cost for sales	13	1,959	2,947	1,731	2,624
Fiber optic network equipment	14, 20	519,863	457,749	519,863	457,749
Goodwill	10	44,693	44,693	-	-
Deferred tax assets	15	3,658	2,878	3,658	2,878
Deposits		7,444	6,302	5,977	4,857
Total Non-Current Assets		850,922	696,287	689,293	628,492
TOTAL ASSETS		1,331,803	1,151,041	843,095	822,746

SIMAT TECHNOLOGIES PUBLIC COMPANY LIMITED AND SUBSIDIARIES**STATEMENT OF FINANCIAL POSITION****AS AT DECEMBER 31, 2014**

		Unit: Thousands Baht			
		CONSOLIDATED F/S		SEPARATE F/S	
	Notes	2014	2013	2014	2013
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Bank overdraft and short-term loan from					
financial institution	16	175,023	118,868	26,472	-
Trade and other payables	7, 17	279,097	238,485	79,468	104,291
Current portion of liabilities under					
financial lease agreements	19	6,722	2,817	1,673	1,591
Current portion of long-term loan from					
financial institutions	20	13,536	50,760	12,000	50,760
Loan from related company	7	-	-	11,378	20,125
Accrued income tax		2,550	685	-	-
Total Current Liabilities		476,928	411,615	130,991	176,767
NON-CURRENT LIABILITIES					
Liabilities under financial lease					
agreements - net	19	11,649	6,222	3,179	3,106
Long-term loan - net	20	159,502	96,180	109,560	96,180
Deferred tax liabilities	15	1,430	2,229	-	-
Provision for employee benefit	21	6,729	5,314	6,133	5,044
Total Non-Current Liabilities		179,310	109,945	118,872	104,330
TOTAL LIABILITIES		656,238	521,560	249,863	281,097

SIMAT TECHNOLOGIES PUBLIC COMPANY LIMITED AND SUBSIDIARIES**STATEMENT OF FINANCIAL POSITION****AS AT DECEMBER 31, 2014**

		Unit: Thousands Baht			
		CONSOLIDATED F/S		SEPARATE F/S	
	Notes	2014	2013	2014	2013
LIABILITIES AND SHAREHOLDERS' EQUITY (CONTINUED)					
SHAREHOLDERS EQUITY					
Share capital					
Registered					
Common shares 394,922,823 shares of Baht 1 each					
(December 31, 2013 : Common shares 352,007,990 shares					
of Baht 1 each)	22	394,923	352,008	394,923	352,008
Issued and fully paid-up					
Common shares 371,131,721 shares of Baht 1 each					
(December 31, 2013 : Common shares 275,974,021 shares					
of Baht 1 each)	22	371,132	275,974	371,132	275,974
Paid in capital in excess of par value		221,199	180,231	221,199	180,231
Reserve for share-based payments	33	4,776	4,558	4,776	4,558
Common shares subscription	32	-	1,266	-	1,266
Discount on capital from change in proportion					
of investment in subsidiary company		(2,314)	(2,314)	-	-
Retained earnings					
Appropriated					
Legal reserve	23	15,141	15,141	15,141	15,141
Unappropriated		25,571	113,670	(19,016)	64,479
Other components of equity					
Currency translation differences		(1,721)	914	-	-
Total equity of the parent company		633,784	589,440	593,232	541,649
Non-controlling interests		41,781	40,041	-	-
TOTAL SHAREHOLDERS EQUITY		675,565	629,481	593,232	541,649
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY		1,331,803	1,151,041	843,095	822,746

SIMAT TECHNOLOGIES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2014

		Unit: Thousands Baht			
		CONSOLIDATED F/S		SEPARATE F/S	
	Notes	2014	2013	2014	2013
Revenues	7, 25				
Revenues from sales and services		1,304,407	1,296,200	292,106	423,137
Cost of sales and services	7, 25	(1,154,825)	(1,092,933)	(238,146)	(329,619)
Gross profit		149,582	203,267	53,960	93,518
Dividened income	10	-	-	24,000	11,481
Gain (loss) on exchange rate		10	(4,097)	167	(3,861)
Other income		10,201	14,456	1,052	1,748
Income before expenses		159,793	213,626	79,179	102,886
Selling expenses	7	(30,213)	(27,794)	(18,218)	(18,332)
Administrative expenses	7	(161,898)	(124,381)	(101,757)	(65,773)
Total expenses		(192,111)	(152,175)	(119,975)	(84,105)
Income (loss) before financial cost and income tax expenses		(32,318)	61,451	(40,796)	18,781
Finance cost		(19,665)	(20,134)	(9,906)	(9,341)
Equity in net income of associated companies		2,848	2,141	-	-
Income (loss) before income tax expenses		(49,135)	43,458	(50,702)	9,440
Income tax revenue (expense)	15, 30	(1,637)	(3,853)	780	286
NET INCOME (LOSS) FOR THE PERIOD		(50,772)	39,605	(49,922)	9,726
OTHER COMPREHENSIVE ITEM :					
Foreign currency translation differences		(4,649)	(405)	-	-
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD		(55,421)	39,200	(49,922)	9,726
Income (loss) attributable to :					
Equity holders of the Company		(54,526)	33,191	(49,922)	9,726
Non-controlling interests		3,754	6,414	-	-
		(50,772)	39,605	(49,922)	9,726

SIMAT TECHNOLOGIES PUBLIC COMPANY LIMITED AND SUBSIDIARIES**STATEMENT OF COMPREHENSIVE INCOME****FOR THE YEAR ENDED DECEMBER 31, 2014**

		Unit: Thousands Baht			
		CONSOLIDATED F/S		SEPARATE F/S	
	Notes	2014	2013	2014	2013
Total comprehensive income (loss) attributable to :					
Equity holders of the Company		(57,161)	34,349	(49,922)	9,726
Non-controlling interests		1,740	4,851	-	-
		<u>(55,421)</u>	<u>39,200</u>	<u>(49,922)</u>	<u>9,726</u>
EARNINGS (LOSS) PER SHARE :					
	26				
Basic earnings (loss) per share		<u>(0.16)</u>	<u>0.11</u>	<u>(0.15)</u>	<u>0.03</u>
Diluted earnings (loss) per share		<u>(0.16)</u>	<u>0.10</u>	<u>(0.15)</u>	<u>0.03</u>

SIMAT TECHNOLOGIES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF CHANGE IN SHAREHOLDERS EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2014

Unit: Thousands Baht

CONSOLIDATED F/S

Equity attributable to equity holders of the Company											
Notes	Paid-up share capital	Paid-in capital in excess of par	Reserve for share-based payment	Common share Subscription	Discount on capital from change in proportion of investment in subsidiary company	Retained earnings		Currency translation differences	Total equity of the parent company	Non-controlling interests	Total
						Legal reserve	Unappropriated				
Balance as at January 1, 2013	182,822	69,066	3,422	266	(2,314)	14,060	155,308	1,218	423,848	41,556	465,404
Changes in equity for the year :											
Increase in capital	22	92,886	111,165	-	-	-	-	-	204,051	-	204,051
Reserve for share-based payment	33	-	-	1,136	-	-	-	-	1,136	-	1,136
Common share subscription		266	-	-	(266)	-	-	-	-	-	-
Common share subscription by exercised warrants	32	-	-	-	1,266	-	-	-	1,266	-	1,266
Appropriation for legal reserve	23	-	-	-	-	1,081	(1,081)	-	-	-	-
Stock dividend	24	-	-	-	-	-	(66,362)	-	(66,362)	-	(66,362)
Cash dividend	22	-	-	-	-	-	(7,386)	-	(7,386)	(6,366)	(13,752)
Comprehensive income (loss) for the year		-	-	-	-	-	33,191	(304)	32,887	4,851	37,738
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	22	64,458	39,751	-	(1,266)	-	-	-	102,943	-	102,943
Reserve for share-based payment	33	-	-	1,379	-	-	-	-	1,379	-	1,379
Stock dividend	24	30,216	-	-	-	-	(30,216)	-	-	-	-
Cash dividend	24	-	-	-	-	-	(3,357)	-	(3,357)	-	(3,357)
Warrants exercised	33	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

SIMAT TECHNOLOGIES PUBLIC COMPANY LIMITED AND SUBSIDIARIES**STATEMENT OF CHANGE IN SHAREHOLDERS EQUITY****FOR THE YEAR ENDED DECEMBER 31, 2014**

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, 2013	182,822	69,066	3,422	266	14,060	129,581	-	399,217
Changes in equity for the year :								
Increase in capital	22	92,886	111,165	-	-	-	-	204,051
Reserve for share-based payment	33	-	-	1,136	-	-	-	1,136
Common share subscription		266	-	-	(266)	-	-	-
Common share subscription by exercised warrents	32	-	-	-	1,266	-	-	1,266
Appropriation for legal reserve	23	-	-	-	-	1,081	(1,081)	-
Stock dividend	24	-	-	-	-	-	(66,362)	(66,362)
Cash dividend	24	-	-	-	-	-	(7,385)	(7,385)
Comprehensive income for the year		-	-	-	-	-	9,726	9,726
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	22	64,458	39,751	-	(1,266)	-	-	102,943
Reserve for share-based payment	33	-	-	1,379	-	-	-	1,379
Stock dividend	24	30,216	-	-	-	-	(30,216)	-
Cash dividend	24	-	-	-	-	-	(3,357)	(3,357)
Warrants excercised	33	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

SIMAT TECHNOLOGIES PUBLIC COMPANY LIMITED AND SUBSIDIARIES**STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED DECEMBER 31, 2014**

	Unit: Thousands Baht			
	CONSOLIDATED F/S		SEPARATE F/S	
	2014	2013	2014	2013
Cash Flows from Operating Activities				
Income (loss) before tax	(49,135)	43,458	(50,702)	9,440
Adjustments to reconcile net income to net cash provided from (paid by) operating activities:				
Depreciation and amortization	42,877	33,179	34,887	26,141
Equity in net income of associated companies	(2,848)	(2,141)	-	-
Unrealized (gain) loss on foreign exchange rate	(203)	2,290	(195)	2,258
(Gain) loss on disposal of property and equipment	190	193	(56)	(362)
Gain on disposal of investment in subsidiary	-	(3,347)	-	-
Allowance for doubtful accounts (reversal)	(5,825)	1,025	346	-
Allowance for obsolete and devaluation of inventories	2,151	619	1,433	1,060
Allowance for impairment of investment in subsidiary	-	-	8,000	-
Provision for employee benefit	1,415	1,414	1,089	1,266
Reserve for share based payment	1,379	1,136	1,379	1,136
Dividend income	-	-	(24,000)	(11,481)
Interest expense	20,073	18,615	9,633	7,544
Interest income	(3,560)	(1,407)	(814)	(1,357)
Cash provided from (used in) operating activities before changes in operating assets and liabilities :	6,514	95,034	(19,000)	35,645
Decrease (increase) in operating assets:				
Trade and other receivables	(28,294)	218,430	8,123	(25,014)
Inventories	(68,939)	(36,038)	(43,642)	(27,406)
Other non-current assets	(4,801)	(801)	(4,777)	(554)

SIMAT TECHNOLOGIES PUBLIC COMPANY LIMITED AND SUBSIDIARIES**STATEMENT OF CASH FLOWS (CONTINUED)****FOR THE YEAR ENDED DECEMBER 31, 2014**

	Unit: Thousands Baht			
	CONSOLIDATED F/S		SEPARATE F/S	
	2014	2013	2014	2013
Increase (decrease) in operating liabilities:				
Trade and other payables	39,311	(162,389)	(24,951)	44,979
Cash received (paid) from operations	(56,209)	114,236	(84,247)	27,650
Interest payment	(20,073)	(18,633)	(9,633)	(7,580)
Interest received	3,560	1,476	814	1,426
Income tax payment	228	(9,595)	780	(1,958)
Net cash provided from (used in) operating activities	(72,494)	87,484	(92,286)	19,538
Cash flows from investing activities:				
Received dividend	1,200	-	24,000	11,481
Investment in subsidiary	-	-	-	(4,363)
Increase in loan to related company	-	-	(3,308)	-
(Increase) Decrease in restricted deposit with banks	(12,263)	9,327	-	24,400
Cash payment for fiber optical network equipment	(38,623)	(21,356)	(38,623)	(21,356)
Proceeds from disposal of property and equipment	56	393	56	393
Proceeds from disposal of investment in subsidiary	-	4,041	-	-
Cash payment for acquisition of equipment	(77,229)	(10,136)	(2,918)	(3,267)
Net cash provided from (used in) investing activities	(126,859)	(17,731)	(20,793)	7,288

SIMAT TECHNOLOGIES PUBLIC COMPANY LIMITED AND SUBSIDIARIES**STATEMENT OF CASH FLOWS (CONTINUED)****FOR THE YEAR ENDED DECEMBER 31, 2014**

	Unit: Thousands Baht			
	CONSOLIDATED F/S		SEPARATE F/S	
	2014	2013	2014	2013
Cash flows from financing activities:				
Cash receipt from increase in share capital	103,481	137,955	103,481	137,955
Cash receipt from common share subscription	-	1,000	-	1,000
Increase (decrease) in loan from related company	(7,715)	(626)	(8,459)	908
Increase (decrease) in bank overdraft and short-term loan				
from financial institution - net	106,098	(121,175)	26,472	(92,607)
Payments of long-term loan from financial institution	(23,844)	(60,400)	(25,380)	(60,400)
Cash receipt from director to guarantee trade				
receivables of subsidiary	-	10,328	-	8,505
Payments of liabilities under financial				
lease agreements	(1,939)	(4,992)	(1,656)	(1,843)
Dividend paid	(3,357)	(13,753)	(3,357)	(7,386)
Net cash from (used in) financing activities	172,724	(51,663)	91,101	(13,868)
Net increase (decrease) in cash and cash equivalents	(26,629)	18,090	(21,978)	12,958
Effect of foreign exchange rate changes	(1,778)	(263)	-	-
Cash and cash equivalents, Beginning of period	53,179	35,352	32,327	19,369
Cash and cash equivalents, End of period	24,772	53,179	10,349	32,327

Non - cash transactions :

For the year ended December 31, 2014

The Company transferred inventories to equipment totaling Baht 58.44 million.

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

The Subsidiary offset the long overdue receivables against the guarantee deposit from director of Baht 36.10 million.

For the year ended December 31, 2013

The Company transferred inventories to equipment totaling Baht 7.40 million.

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

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

SIMAT TECHNOLOGIES PUBLIC COMPANY LIMITED AND SUBSIDIARIES**NOTES TO FINANCIAL STATEMENTS****FOR THE YEAR ENDED DECEMBER 31, 2014****1. GENERAL INFORMATION**

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

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

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

2. BASIS FOR PRESENTATION OF THE FINANCIAL STATEMENTS

The accompanying financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”) including related interpretations and guidelines promulgated by the Federation of Accounting Professions (“FAP”) 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 preparation of the financial statements in conformity with Thai Financial Reporting Standards (“TFRS”) requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying amounts of assets and liabilities that are not readily apparent from other sources. Subsequent actual results may differ from these estimates.

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

Basis of preparation of consolidation financial statements

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

Subsidiary companies	Percentage of shareholding		Type of businesses
	December 31, 2014	December 31, 2013	
Simat Soft Co., Ltd.	100.00	100.00	Production, development, modifying and sales of computer software.
Simat Label Co., Ltd.	85.88	85.88	Wholesaler for barcode, productions and RFID, papers and related supplies.
Simat Telecom Co., Ltd. (Formerly: E-Tech Distribution Ltd.)	100.00	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	60.00	Providing software consultancy services and wholesaler of computer.

As at December 31, 2014 and 2013, the total assets of subsidiaries represent 36.70 percent and 28.52 percent, respectively, of the total assets in the consolidated financial statements, and total revenues of subsidiaries for the years ended December 31, 2014 and 2013 represent 77.61 percent and 67.36 percent, respectively, of the total revenues in the consolidated financial statements.

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

New and revised 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.

Accounting standards that became effective in the current accounting year

- a) The Conceptual Financial Reporting Standards (revised 2014)
- b) Thai Accounting Standards (“TAS”), Thai Financial Reporting Standards (“TFRS”), Thai Accounting Standard Interpretations (“TSIC”), Thai Financial Reporting Standard Interpretations (“TFRIC”) and Accounting Treatment Guidance as follows:

TAS/TFRS/TFRI/TI	Topic
TAS 1 (revised 2012)	Presentation of Financial Statements
TAS 7 (revised 2012)	Statement of Cash Flows
TAS 12 (revised 2012)	Income Taxes
TAS 17 (revised 2012)	Leases
TAS 18 (revised 2012)	Revenue
TAS 19 (revised 2012)	Employee Benefits
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates
TAS 24 (revised 2012)	Related Party Disclosures
TAS 28 (revised 2012)	Investments in Associates
TAS 31 (revised 2012)	Interests in Joint Ventures
TAS 34 (revised 2012)	Interim Financial Reporting
TAS 36 (revised 2012)	Impairment of Assets
TAS 38 (revised 2012)	Intangible Assets
TFRS 2 (revised 2012)	Share - Based Payment
TFRS 3 (revised 2012)	Business Combinations
TFRS 5 (revised 2012)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (revised 2012)	Operating Segments

TAS/TFRS/TFRI/TI	Topic
TSIC 15	Operating Leases - Incentives
TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29	Service Concession Arrangements: Disclosures
TSIC 32	Intangible Assets - Web Site Costs
TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4	Determining whether an Arrangement contains a Lease
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies
TFRIC 10	Interim Financial Reporting and Impairment
TFRIC 12	Service Concession Arrangements
TFRIC 13	Customer Loyalty Programmes
TFRIC 17	Distributions of Non-cash Assets to Owners
TFRIC 18	Transfers of Assets from Customers
Accounting Treatment Guidance for Stock Dividend	

These accounting standards were amended primarily to align their content with the corresponding International Financial Reporting Standards. Most of the changes were directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of the accounting standards.

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

Accounting standards that will become effective in the future

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 1 January 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 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.

At present, 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 will be no impact to provision for long-term employee benefit liabilities and brought forward retained earnings in the financial statements.

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 will not have any significant impact on the Company and its subsidiaries' financial statements.

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.

Based on the preliminary analysis, the management of the Company and its subsidiaries believes that this standard will not have any significant impact on the Company and its subsidiaries' financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES**Revenues and expenses recognition**

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

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

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

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

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

Cash and cash equivalents

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

Trade accounts receivable

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

Inventories

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

Investment in subsidiary and associate companies

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

Property, plant and equipment

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

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

	<u>Useful life (number of years)</u>
Building	50
Office equipment	1 - 10
Tools and equipments	3 - 5
Furniture and fixtures	5 - 10
Motor vehicles	5
Machineries	5 - 15

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

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

Equipment and computer software for lease

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

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

Software development cost for sales

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

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

Fiber optic network equipment

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

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

Goodwill

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

Computer programs

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

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

Leases – where the Company and subsidiary are the lessee

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

Employee benefits*Short-term benefits*

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

Post-employment benefits – defined benefit plan

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

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

Foreign currencies*Functional and presentation currency*

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

Foreign currency transactions

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

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

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

Translation of the Group's financial statements

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

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

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

Provident fund

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

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

Income tax

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

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

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

Deferred tax is not recognized for the following temporary differences:

- the initial recognition of goodwill;
- the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;

differences relating to investments in subsidiaries and jointly-controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.

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

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

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

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

Earnings (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 for the years ended December 31, 2014 and 2013 of 5.13 million shares and 43.75 million shares, respectively.

Segment information

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

4. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTION AND JUDGMENT

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

Impairment of receivables

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

Allowance for obsolete, slow-moving and defective inventories

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

Impairment of investment

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

Impairment of goodwill

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

Impairment of assets

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

Equipment and computer software

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

Leases

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

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at December 31, 2014 and 2013 are as follows:

	Unit: Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Cash on hand	810	710	671	597
Cash at banks				
Current account	15,986	50,482	6,793	29,743
Saving account	7,958	1,969	2,867	1,969
Fixed deposits with maturity				
of less than 3 months	18	18	18	18
Total	24,772	53,179	10,349	32,327

6. TRADE AND OTHER RECEIVABLES - NET

Trade and other receivables - net as at December 31, 2014 and 2013 are as follows:

	Unit: Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Trade receivables				
- related parties	685	5,852	685	725
- others	344,498	299,193	66,785	68,011
Total	345,183	305,045	67,470	68,736
<u>Less</u> Allowance for doubtful accounts	(42,826)	(51,206)	(474)	(128)
Trade receivables - net	302,357	253,839	66,996	68,608
Other receivables				
- related parties				
Interest receivable	-	-	172	24
Other	1,296	41	1,438	1,015
- others				
Deposit	1,466	1,358	-	-
Accrued income	106	5,302	105	5,302
Value added tax receivables	9,100	9,985	9,100	9,979
Prepaid expenses	4,081	3,449	2,529	3,077
Advances to trade customer	3,019	3,952	453	1,248
Subscription receivable	557	3,735	-	-
Others	12,648	6,785	8,291	5,383
Total other receivables	32,273	34,607	22,088	26,028
Total trade and other receivables - net	334,630	288,446	89,084	94,636

As at December 31, 2014 and 2013 the Group had outstanding balances of trade receivable aged by number of months as follows:

Ages of receivable	Unit: Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Trade Receivable – Related Parties				
Not yet due	-	-	-	39
Past due:				
Less than 3 months	-	5,166	-	-
Over 3 months but not over 6 months	-	679	-	679
Over 12 months	685	7	685	7
Total trade receivable - related parties	685	5,852	685	725
Trade Receivable - Other				
Not yet due	166,586	124,033	57,740	52,458
Past due:				
Less than 3 months	124,189	65,273	5,501	10,944
Over 3 months but not over 6 months	1,619	18,384	1,586	2,151
Over 6 months but not over 12 months	179	293	179	158
Over 12 months	51,925	91,210	1,779	2,300
Total	344,498	299,193	66,785	68,011
<u>Less</u> Allowance for doubtful accounts	(42,826)	(51,206)	(474)	(128)
Total trade receivable other - net	301,672	247,987	66,311	67,883
Total trade receivable - net	302,357	253,839	66,996	68,608

As at December 31, 2014 and 2013 part of the past due receivable of over 12 months represented the trade receivable of a subsidiary company in Malaysia as follows:

	Unit: million Baht	
	December 31, 2014	December 31, 2013
The allowance for doubtful accounts has been provided	42.25	50.97
Guaranteed by the director of the subsidiary amounted to		
Riggit 3.7 million (Note 7)	-	36.34
Considered as collectible	7.79	1.50
Total	50.04	88.81

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

7. RELATED PARTIES TRANSACTIONS AND BALANCES

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

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

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

Sales and purchases of goods and services

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

Balances with related parties as at December 31, 2014 and 2013 are summarized below:

	Unit: Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Trade receivable				
Grand-flo Spritvest Sdn, Bhd.	685	5,852	685	686
Simat Label Co., Ltd.	-	-	-	39
Total	685	5,852	685	725
Other receivable				
Simat Label Co., Ltd.	-	-	1,334	834
Simat Soft Co., Ltd.	-	-	125	164
Simat Telecom Co., Ltd.	-	-	110	-
Grand-flo Spritvest Sdn, Bhd.	1,255	-	-	-
Grand-flo Solution Bhd.	41	41	41	41
Total	1,296	41	1,610	1,039
Other receivable - related				
Mr.Yeong Chin Chou	557	-	-	-
Other directors	-	3,735	-	-
Total	557	3,735	-	-
Loan to related companies				
Simat Label Co., Ltd.	-	-	2,289	3,992
Simat Soft Co., Ltd.	-	-	2,500	-
Simat Telecom Co.,Ltd	-	-	2,511	-
Total	-	-	7,300	3,992

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

Unit: Thousands Baht				
	Consolidated financial statements		Separate financial statements	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Trade payable				
Kopacklabels Press Sdn, Bhd.	311	18	-	-
Grand – flo Spritvest Sdn, Bhd.	31	31	31	-
Simat Soft Co., Ltd.	-	-	1,605	25,757
Simat Telecom Co.,Ltd	-	-	414	-
Grand – flo Electronic Systems Sdn, Bhd.	67	67	-	-
Total	409	116	2,050	25,757
Other payable related companies				
Simat Telecom Co.,Ltd	-	-	273	-
Grand – flo Electronic Systems Sdn, Bhd.	851	851	851	851
E-Tech IT Sdn, Bhd.	-	-	1,399	407
Total	851	851	2,523	1,258
Other payable related parties				
Mr. Ling Chee Kiat	836	37,220	-	-
Total	836	37,220	-	-
Short-term loan from related company				
E-Tech IT Sdn, Bhd.	-	-	11,378	20,125

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 (As at December 31, 2013 of Baht 37.22 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.

The loan from subsidiary of Baht 11.38 million (December 31, 2013 of Baht 20.13 million) is due within one year with the interest rate of 5.85% per annum.

Transactions with related parties for the years ended December 31, 2014 and 2013 are summarized below:

		Unit: Thousands Baht			
Transactions with related companies	Pricing policy	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
Sales of inventories	At market price	5,256	47,491	196	208
Dividend income	Right to receive dividends	-	-	24,000	11,481
Interest income	At the rate of 5.85%-7.25%	-	-	537	328
Purchase of inventories	At market price	4,877	2,255	23	30
Software service cost	Mutually agreed price	-	-	1,500	25,497
Other expenses	At cost	-	-	6,719	438
Interest expenses	At the rate of 5.85%	-	-	1,066	-

8. INVENTORIES –NET

Inventories as at December 31, 2014 and 2013 are as follows:

Unit: Thousands Baht				
	Consolidated financial statements		Separate financial statements	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Finished goods	120,495	111,591	53,163	65,330
Work in process	993	877	-	-
Raw materials	5,139	2,847	-	-
Goods in transit	1,600	2,630	-	2,630
Total	128,227	117,945	53,163	67,960
<u>Less</u> Allowance for decline values of inventories	(6,748)	(4,816)	(6,094)	(4,661)
Inventories – net	121,479	113,129	47,069	63,299

9. RESTRICTED DEPOSITS WITH BANKS

As at December 31, 2014 and 2013, the Company's fixed deposits totaling Baht 117.60 million and Baht 105.33 million, respectively in consolidated financial statements and Baht 13.75 million and Baht 13.75 million, respectively in separate financial statements have been pledged with banks as collaterals for bank overdrafts facilities, short-term loan, long-term loan, factoring of trade receivables, forward exchange contracts and letter of guarantees for the Company and its subsidiaries. These fixed deposits bear interest at 0.95% - 3.20% per annum and 0.95% - 9.50%, respectively.

10. INVESTMENTS IN ASSOCIATED COMPANIES AND SUBSIDIARY COMPANIES

Investments in and associated companies and subsidiary companies as at December 31, 2014 and 2013 are as follows:

		Unit: Thousand Baht							
		Consolidated financial statements							
Type of business		Paid-up capital		% of share holding		Cost method		Equity method	
		Dec 31, 2014	Dec 31, 2013	Dec 31, 2014	Dec 31, 2013	Dec 31, 2014	Dec 31, 2013	Dec 31, 2014	Dec 31, 2013
<u>Associated companies</u>									
Sino Trading – Services Corporation (shares held by Simat Technologies PCL.)	Trading of computer hardware, software and network and network accessories and computer information technology system development	12,600	12,600	40.00	40.00	21,274	21,274	28,187	26,539
		Unit: Thousand Baht							
		Separate financial statements							
Type of business		Paid-up capital		% of share holding		Cost method		Cash dividend	
		Dec 31, 2014	Dec 31, 2013	Dec 31, 2014	Dec 31, 2013	Dec 31, 2014	Dec 31, 2013	Dec 31, 2014	Dec 31, 2013
<u>Associated company</u>									
Sino Trading – Services Corporation	Trading of computer hardware, software and network and network accessories and computer information technology system development	12,600	12,600	40.00	40.00	21,274	21,274	1,200	-
Total investments in associated company						21,274	21,274	1,200	-
<u>Subsidiary companies</u>									
Simat Soft Co. Ltd.	Produce, develop, modify and sales of software	3,000	3,000	100.00	100.00	3,000	3,000	22,800	1,935
Simat Label Co. Ltd.	Wholesaler for barcode, productions and RFID, papers and related supplies	34,000	34,000	85.88	85.88	29,200	29,200	-	-
Simat Telecom Co., Ltd. (Formerly: E-Tech Distribution Ltd.).	Sales of hardware, software and maintenance service for the point of sales system	1,250	1,250	100.00	100.00	5,000	5,000	-	-
E-Tech IT Sdn, Bhd.	Sales of computer hardware, software and maintenance	57,003	57,003	60.00	60.00	67,755	67,755	-	9,546
<u>Less</u> Allowance for impairment of investment						(8,000)	-	-	-
Total investments in subsidiary companies						96,955	104,955	24,000	11,481

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

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

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

On December 1, 2009, the Company invested in common share of E-Tech IT Sdn, Bhd. (Malaysia) of 2,400,000 shares equivalent to 60% of the registered capital of such company at cost of Baht 67.75 million. This investment incurred the goodwill of Baht 44.69 million. The Company will treat the goodwill arising from acquisition as impaired when there is a significant or prolonged decline in the fair value below their cost. The determination of what is "significant" or "prolonged" requires management judgment.

The financial statements for the years ended December 31, 2014 and 2013 of E-Tech IT Sdn, Bhd. were audited by SJ GRANT THORNTON. The aggregate amounts of the subsidiary company can be summarized as follows:

	Unit: Million Baht	
	2014	2013
Assets	478	320
Liabilities	389	275
Revenues	898	802
Net profit	4	13
Net profit attributable to the Company	2	8

On November 11, 2008, the Company purchased a 40% share of Sino Trading – Services Corporation, a company incorporated in Vietnam.

The shares of associated companies are not publicly listed on a stock exchange and hence published price quotes are not available. The aggregate amounts of the associated companies in the consolidated financial statement for the years period ended December 31, 2014 and 2013 can be summarized as follows:

	Unit: Million Baht	
	2014	2013
Assets	46	40
Liabilities	18	16
Revenues for the years ended December 31,	87	82
Net profit for the years ended December 31,	7	5
Net profit attributable to the Company	3	2

The Company recorded share of profits from investments using equity method in the consolidated financial statements based on the financial statements of associated companies for the year ended December 31, 2014 and 2013 which were audited by CPA VIETNAM.

11. PROPERTY, PLANT AND EQUIPMENT - NET

During the year ended December 31, 2014, the Company and subsidiary company have following movements in the property, plant and equipment - net:

Unit: Thousands Baht					
Consolidated financial statement					
	As at	Movement during the year		Translation	As at
	January 1, 2014	Increase/	Decrease/	adjustment	December 31, 2014
		Tranfer	Tranfer		
Cost					
Office equipment	37,092	10,871	(2,383)	(777)	44,803
Tools and equipments	26,239	6,364	-	-	32,603
Furniture and fixture	15,960	505	-	(118)	16,347
Motor vehicles	32,992	2,190	(557)	(210)	34,415
Machineries	24,465	12,389	-	-	36,854
Renovation	742	1,238	-	-	1,980
Land and building under construction	-	66,755	-	(3,380)	63,375
Toal	137,490	100,312	(2,940)	(4,485)	230,377
Accumulated depreciation					
Office equipment	(26,238)	(5,868)	2,136	597	(29,373)
Tools and equipments	(20,475)	(3,451)	-	-	(23,926)
Furniture and fixture	(14,524)	(328)	-	71	(14,781)
Motor vehicles	(21,722)	(4,176)	557	83	(25,258)
Machineries	(7,200)	(2,269)	-	-	(9,469)
Renovation	(6)	(192)	-	-	(198)
Total	(90,165)	(16,284)	2,693	751	(103,005)
Net book value	47,325				127,372
Property, plant and equipment - net					
Owned assets	38,195				118,815
Assets under finance leases	9,130				8,557
Property, plant and equipment - net	47,325				127,372
Depreciation for the year 2014					16,284
Depreciation for the year 2013					15,129

As at December 31, 2014 and 2013, the Group's equipment and vehicles amounting to Baht 20.85 million and Baht 18.79 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 of RM 6.9 million.

As at December 31, 2014, the subsidiary already paid the amount of RM 6.57 million which presented as land and building under construction. Hence, the commitment remains of RM 0.35 million (equivalent to Baht 3.2 million).

The said land and building is under the security for the developer's liability and currently is under the process of transfer as the collateral for the subsidiary's liability.

Unit: Thousands Baht				
Separate financial statement				
	As at	Movement during the year		As at
	January 1, 2014	Increase/ Tranfer	Decrease/ Tranfer	December 31, 2014
Cost				
Office equipment	19,210	9,165	-	28,375
Tools and equipments	24,276	3,867	-	28,143
Furniture and fixture	13,076	29	-	13,105
Motor vehicles	29,127	2,190	(557)	30,760
Renovation	742	1,238	-	1,980
Toal	86,431	16,489	(557)	102,363
Accumulated depreciation				
Office equipment	(15,693)	(1,635)	-	(17,328)
Tools and equipments	(19,197)	(3,121)	-	(22,318)
Furniture and fixture	(12,740)	(83)	-	(12,823)
Motor vehicles	(20,911)	(3,406)	557	(23,760)
Renovation	(6)	(192)	-	(198)
Total	(68,547)	(8,437)	557	(76,427)
Net book value	17,884			25,936
Property, plant and equipment - net				
Owned assets	11,636			19,538
Assets under finance leases	6,248			6,398
Property, plant and equipment - net	17,884			25,936
Depreciation for the year 2014				8,437
Depreciation for the year 2013				8,175

As at December 31, 2014 and 2013, the Company's equipment and vehicles amounting to Baht 20.85 million and Baht 18.79 million, respectively, are fully depreciated but still in use.

12. SOFTWARE DEVELOPMENT COST FOR SALE - NET

During the year ended December 31, 2014, the Company and subsidiary company have following movement in software development cost for sale:

Unit: Thousands Baht			
Consolidated and Separate financial statement			
As at	Movement during the year		As at
January 1, 2014	Increase/ Transfer	Decrease/ Transfer	December 31, 2014
Cost	40,962	-	40,962
Accumulated Depreciation	(38,441)	(2,372)	(40,813)
Equipment for lease - net	2,521		149

13. SOFTWARE DEVELOPMENT COST FOR SALES

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

Unit: Thousands Baht			
Consolidated financial statement			
As at	Movement during the year		As at
January 1, 2014	Increase/ Transfer	Decrease/ Transfer	December 31, 2014
Software cost for sales	4,560	75	4,635
Accumulated Depreciation	(1,613)	(1,063)	(2,676)
Software development for sales - net	2,947		1,959

Unit: Thousands Baht			
Separate financial statement			
As at	Movement during the year		As at
January 1, 2014	Increase/ Transfer	Decrease/ Transfer	December 31, 2014
Software cost for sales	4,153	28	4,181
Accumulated Depreciation	(1,529)	(921)	(2,450)
Software development for sales - net	2,624		1,731

14. FIBER OPTIC NETWORK EQUIPMENT

During the year ended December 31, 2014, the Company has following movement in Fiber optic network equipment during the year as follows:

	Unit: Thousands Baht			
	Consolidated and separate financial statement			
	Movement during the year			December 31, 2014
	January 1, 2014	Increase/ Transfer	Decrease/ Transfer	
Cost				
Devices outside the fiber optic network	439,292	12,716	-	452,008
Fiber optic network equipment	29,784	46,648	-	76,432
Fiber optic network under installattion	-	25,908	-	25,908
Total cost	469,076	85,272	-	554,348
Accumulated depreciation				
Devices outside the fiber optic network	(9,781)	(17,058)	-	(26,839)
Fiber optic network equipment	(1,546)	(6,100)	-	(7,646)
Total accumulated depreciation	(11,327)	(23,158)	-	(34,485)
Fiber optic network equipment - net	457,749	62,114	-	519,863

In year 2011, the Company has entered into the service contract for rental of optical fiber cable network equipment in Nakornratchasima and Chiangmai province to CAT Telecom Public Company Limited with the term of 60 months. Both projects were approved by the Extraordinary Shareholder's Meeting No. 1/2011 dated July 29, 2011, with the total cost of project not exceeding Baht 520 million.

On February 22, 2013, the Company cancelled the service contract for rental of optical fiber cable network equipment in Nakornratchasima and Chiangmai province with CAT Telecom Public Company Limited ("CAT") since CAT has not proceeded the receipt of project according to the condition of the contract and ignored to take any action to comply with the contract although the Company had sent the warning letter to CAT several times. Therefore, the Company reserved the right to cancel the contract and the cancellation letter had been already sent to CAT.

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

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 the hi-speed internet service in the area of Nakornratchasima, Chiangmai and other province with high demand which will be jointly agreed in the future as follows:

1. The responsibility of SIMAT is to invest and provide the fiber optic network and the relevant equipment to connect the network from the Node (Access Controller) of SBN to the internet user's location for providing the wired broadband internet to the customers of SBN and to install the optical network terminal equipment at the location of SBN's user or customer.
2. The responsibility of SBN is to provide the internet access for SIMAT to connect its network and equipment from SBN's node to the internet user's location for providing the wired broadband internet under SBN's brand or trademark and to provide distribution channel and public relation to internet user.

On June 18, 2014, the Company entered into a contract to purchase the fiber optic cable network equipment in Khonkean province with a company. The Company commits to pay totaling of Baht 21 million. As at December 31, 2014, the Company has outstanding balance amount of Baht 5 million.

15. DEFERRED TAX ASSETS

Deferred tax as at December 31, 2014 and 2013 were consisted of:

	Unit: Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Deferred tax assets	3,658	2,878	3,658	2,878
Deferred tax liabilities	(1,430)	(2,229)	-	-
Deferred tax assets (liabilities) - net	2,228	649	3,658	2,878

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

	Unit: Thousands Baht			
	Consolidated financial statements			
	Movement increase (decrease)			
	Statement of		Other of	
	January 1, 2014	income	income	December 31, 2014
Deferred tax assets :				
Allowance for doubtful accounts	26	-	-	26
Allowance for devalue of inventories	932	286	-	1,218
Provision for employee benefit obligations	1,009	218	-	1,227
Reserve for share-based payment	911	276	-	1,187
Total deferred tax assets	2,878	780	-	3,658
Deferred tax liabilities :				
Depreciation	2,229	(799)	-	1,430
Total deferred tax liabilities	2,229	(799)	-	1,430

	Unit: Thousands Baht			
	Separate financial statements			
	Movement increase (decrease)			
		Statement of	Other comprehensive	
	January 1, 2014	income	income	December 31, 2014
Deferred tax assets :				
Allowance for doubtful accounts	26	-	-	26
Allowance for devalue of inventories	932	286	-	1,218
Provision for employee benefit obligations	1,009	218	-	1,227
Reserve for share-based payment	911	276	-	1,187
Total deferred tax assets	2,878	780	-	3,658

Income tax expense for the years ended December 31, 2014 and 2013 are as follows:

	Unit: Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Income tax expenses for the periods	3,216	4,178	-	79
Deferred income taxes	(1,579)	(325)	(780)	(365)
Corporate income tax	1,637	3,853	(780)	(286)

Income tax rates for the years ended December 31, 2014 and 2013 are as follows:

	2014	2013
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 is exempted from corporate income tax on profits from the promoted activity for a period of eight years commencing from the first date of commercial income.

16. BANK OVERDRAFT AND SHORT-TERM LOAN FROM FINANCIAL INSTITUTION

Bank overdraft and short-term loan from financial institution as at December 31, 2014 and 2013 are as follows:

	Unit: Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Bank overdraft	16,234	5,187	15,640	-
Trust receipt	158,789	113,680	10,832	-
Total bank overdraft and short-term loan from financial institution	175,023	118,868	26,472	-

Bank overdraft and short-term loan from financial institution as at December 31, 2014 and 2013 bear interest at the rate of 5.18% - 8.60% per annum. These are secured by the pledge of the Company and subsidiary's fixed deposits, accounts receivable factoring arrangement and joint and several guaranteed by the subsidiary's directors and the Company.

17. TRADE AND OTHER PAYABLES

Trade and other payables as at December 31, 2014 and 2013 are as follow:

	Unit: Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Trade payables				
- related parties	409	116	2,049	25,757
- others	202,456	137,520	45,495	60,444
Total trade payables	202,865	137,636	47,544	86,201
Other payables				
- related companies	851	851	2,523	1,258
- related parties	836	37,220	-	-
- others				
Deferred revenues	14,261	13,803	11,549	8,634
Accrued expenses	53,553	41,605	16,000	6,910
Other	6,731	7,370	1,852	1,288
Total other payables	76,232	100,849	31,924	18,090
Total trade and other payables	279,097	238,485	79,468	104,291

18. CREDIT FACILITIES

As at December 31, 2014 and 2013, the Company and its subsidiaries have the credit facilities with financial institution as below:

Type of credit limit	Unit: Million Baht			
	Consolidated financial statements			
	December 31, 2014		December 31, 2013	
	Limit	Interest rate	Limit	Interest rate
Bank overdraft	29	5.18% - 8.60%	29	5.18% - 8.60%
Liabilities under trust receipt agreements, letters of credit, and others	170	3.90% – 8.60%	112	3.90% – 8.60%
Factoring of accounts receivable for governmental project	372	8.10% + 0.15% of sinking fund which allotted from 1.5% of collected	386	8.10% + 0.15% of sinking fund which allotted from 1.5% of collected
Factoring of accounts receivable	55	6.90% – 7.40%	105	6.90% – 7.40%
Forward exchange contract	67	-	69	-
Long-term loans	173	SPRL+0.75% per annum, 7.25% per annum and MLR-2% per annum	147	SPRL+0.75% per annum, 7.25% per annum and MLR-2% per annum

Type of credit limit	Unit: Million Baht			
	Separate financial statements			
	December 31, 2014		December 31, 2013	
	Limit	Interest rate	Limit	Interest rate
Bank overdraft	20	5.18%	20	5.18%
Liabilities under trust receipt agreements, letters of credit, and others	90	3.90%	35	3.90%
Factoring of accounts receivable	55	6.90% - 7.40%	105	6.90% - 7.40%
Forward exchange contract	40	-	40	-
Long-term loans	122	SPRL+0.75% per annum, 7.25% per annum and MLR-2% per annum	147	SPRL+0.75% per annum, 7.25% per annum and MLR-2% per annum

All credit facilities are collateralized by the pledges of the company's and the subsidiary's fixed deposits, and the subsidiary's land and building, guaranteed by the Company's and the subsidiary's directors.

19. LIABILITIES UNDER FINANCIAL LEASE AGREEMENTS – NET

Liabilities under financial lease agreements as at December 31, 2014 and 2013 are as follows:

	Unit: Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Due not later than one year				
Minimum payments	7,678	3,375	1,914	1,940
Deferred interest	(956)	(558)	(241)	(349)
Liabilities under financial lease – net	6,722	2,817	1,673	1,591
Due later than one year but not later than five				
Minimum payments	12,348	6,578	3,401	3,263
Deferred interest	(699)	(356)	(222)	(157)
Liabilities under financial lease – net	11,649	6,222	3,179	3,106
Net book value of equipment under finance leases agreements	24,677	11,330	6,398	6,247

20. LONG-TERM LOANS FROM FINANCIAL INSTITUTION – NET

Long-term loans from financial institution as at December 31, 2014 and 2013 are as follows:

	Unit: Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Long-term loans from banks	173,038	146,940	121,560	146,940
<u>Less</u> current portion of long-term loans from financial institutions	(13,536)	(50,760)	(12,000)	(50,760)
Total long-term loans - net	159,502	96,180	109,560	96,180

On June 17, 2011, the Company entered into the loan agreement with a financial institution for the loan amount of Baht 200 million for the operating of lease contract of the optical fiber cable network equipment in Nakornratchasima province having with CAT Telecom Public Company Limited. The interest rate is at THBFIX +3.16% per annum and the minimum principal repayment of Baht 1.5 million per month will be made starting the first repayment in September 2012 and Baht 2 million per month from October 2012 to June 2017. The first drawdown of Baht 114 million has been withdrawn on June 27, 2011 and the second drawdown of Baht 86 million will be able to withdraw after the delivery of equipment for 100% to CAT Telecom Public Company Limited. This loan is secured by the transfer of the right to receive the rental payment under the operating lease contract and the personal guarantee by the Company's Chief Executive Officer and the Management of Well Done IT Services Co., Ltd., a Co-partner in this project. The Company entered into the interest rate swap agreements with the bank on the loan credit line amount. The Company is committed to pay a fixed interest rate of 7.25% per annum in exchange for an interest rate at THBFIX +3.16% per annum throughout the term of the loan. On March 26, 2013, the Company amended the interest rate swap with the bank according to the outstanding loan amount. The Company changed the interest payment obligation from THBFIX +3.16% per annum to THBFD 3M +5.1% per annum on the notional amount of Baht 100.55 million (outstanding loan amount) as at March 31, 2013. The notional amount will be reduced until the end of SWAP contract in June 2017. Due to the cancellation of contract with CAT Telecom Public Company Limited (Note 14), the financial institution had released all collateral on May 29, 2013. Therefore, the loan has no collateralized securities.

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

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

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

During 2014, the subsidiary obtained loan from a financial institution of RM 5,876,900. The repayment of principal together with the interest will be made on a monthly basis 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 under construction.

21. EMPLOYEE BENEFIT

Movements of the present value of employee benefits obligation for the years ended December 31, 2014 and 2013 are as follows:

	Unit: Thousands Baht			
	Post-employment benefit plan			
	Consolidated financial statements		Separate financial statements	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Employee benefit obligations at beginning				
as at January 1,	5,314	3,900	5,044	3,778
Employee benefit expenses in the statements of comprehensive income:				
Current service cost	1,202	1,260	888	1,117
Interest from obligation	213	154	201	149
Employee benefit obligations at ending				
as at December 31,	6,729	5,314	6,133	5,044

Employee benefit obligations in the statement of financial position as at December 31, 2014 and 2013 consisted of:

	Unit: Thousands Baht			
	Post-employment benefit plan			
	Consolidated financial statements		Separate financial statements	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Present value of obligation	6,729	5,314	6,133	5,044
Fair value of plan assets	-	-	-	-
Employee benefit obligations				
in the statements of financial position	6,729	5,314	6,133	5,044

The principal actuarial assumptions used were as follows;

	Year 2014 and 2013
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.

22. SHARE CAPITAL

Registered capital

- 22.1.1 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.
- 22.1.2 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.
- 22.1.3 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.
- 22.1.4 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
- 22.1.5 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.

Issued and paid up capital

- 22.2.1 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.
- 22.2.2 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.
- 22.2.3 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.
- 22.2.4 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.
- 22.2.5 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
- 22.2.6 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
- 22.2.7 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

23. LEGAL RESERVE

Under the Public Company Limited Act B.E. 2535, the Company is required to set aside at least 5% of its net profit after deduction of deficit (if any) as a legal reserve until the reserve reaches 10% of the registered capital.

24. DIVIDEND

- 24.1 At the Annual Shareholders Meeting for 2014 held on April 28, 2014, the meeting passed the resolution as below:
- Allocated stock dividend 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 stock dividend or equivalent to Baht 30,216,235 representing a dividend payment rate of Baht 0.10 per share. In case of any fractional shares of the stock dividend, which could not be allocated, shall be compensated for cash at the rate of Baht 0.10 per share.

Payment of cash dividend at the rate of Baht 0.01112 per share or not exceeding Baht 3,360,046. The Company will deduct the withholding tax on both the stock dividend and cash dividend for 10% by deducting from cash dividend. The dividend payment date is within May 27, 2014.

24.2 At the Annual General Shareholders' Meeting for the year 2013 on April 26, 2013, the meeting resolved to issue stock dividend to shareholders not exceeding 66,362,618 shares with the par value of Baht 1 per share at the ratio of 3 existing shares to 1 stock dividend or equivalent to Baht 66,362,618 representing a dividend payment rate of Baht 0.3333 per share and to pay cash dividend at the rate of Baht 0.0371 per share or not exceeding Baht 7,386,000

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

25. EXPENSES BY NATURE

Significant expenses by nature are as follows:

	Unit: Thousand Baht			
	Consolidated financial statement		Separate financial statement	
	2014	2013	2014	2013
Changes in inventories	(10,282)	(12,736)	14,797	(15,347)
Purchase of goods	1,049,373	1,028,423	129,380	255,175
Salary and wages and other employee benefits	132,270	99,508	81,432	61,472
Depreciation and amortisation	42,877	33,179	34,887	26,141
Doubtful Debts	346	1,049	346	-
Impairment loss on inventories	1,699	628	1,433	1,060
Cost of warranty	10,976	8,750	10,976	8,750
Rental expense	10,645	10,822	7,358	6,357
Purchase of software	4,200	1,631	5,700	27,128
Share-based payment	1,379	1,136	1,379	1,136

26. BASIC AND DILUTED EARNINGS (LOSS) PER SHARE

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

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Net profit (loss) attributable to shareholders				
of the parent (Thousands Baht)	(54,526)	33,191	(49,922)	9,726
Number of ordinary share outstanding				
at beginning of year	275,974	182,822	275,974	182,822
Effect of shares issued during the year	2,712	12,887	2,712	12,887
Effect of issuance stock dividend	30,216	96,579	30,216	66,363
Effect of exercised warrants	26,865	5,131	26,865	5,131
Weighted average number of ordinary shares outstanding during the year	335,767	297,419	335,767	267,203
Basic earnings (loss) per share (Baht)	(0.16)	0.11	(0.15)	0.04
Number of ordinary shares outstanding (basic)	335,767	297,419	335,767	267,203
Effect of ESOP to be exercised	5,132	4,808	5,132	4,808
Effect of warrants to be exercised	-	38,946	-	36,371
Weighted average number of ordinary shares outstanding during the year (diluted)	340,899	341,173	340,899	308,382
Diluted earnings loss per share (Baht)	(0.16)	0.10	(0.15)	0.03

27. PROVIDENT FUND

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

During the years ended December 31, 2014 and 2013, the Company and local subsidiaries contributed a total of Baht 1.38 million and Baht 0.85 million, respectively.

28. DISCLOSURE OF FINANCIAL INSTRUMENTS

Foreign Currency Risk

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

Interest Rate Risk

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

	Unit : Million Baht							
	Consolidated financial statements							
	2014				2013			
	Floating rate	Fixed rate	Non – interest	Total	Floating rate	Fixed rate	Non – interest	Total
Financial assets/liabilities								
Cash and cash equivalents	-	8	17	25	-	2	51	53
Restricted deposits with banks	-	118	-	118	-	105	-	105
Bank overdraft and short-term loan								
from financial instution	175	-	-	175	118	-	-	118
Long-term loan from								
financial institution	-	173	-	173	-	147	-	147

	Unit: Million Baht							
	Separate financial statements							
	2014				2013			
	Floating rate	Fixed rate	Non – interest	Total	Floating rate	Fixed rate	Non – interest	Total
Financial assets/liabilities								
Cash and cash equivalents	-	3	7	10	-	2	30	32
Restricted deposits with banks	-	14	-	14	-	14	-	14
Long-term loan								
financial institution	-	122	-	122	-	147	-	147

Financial assets with fixed interest rates as of December 31, 2014 and 2013, and the period of time from the balance sheet date to their maturity dates are as follows:

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

	Unit: million Baht					
	Separate financial statement					
	2014					
		1 - 6	7 - 12			
	At call	months	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	0.0725

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

Credit Risk

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

Fair value of Financial Instruments

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

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

29. FINANCIAL INFORMATION BY SEGMENT

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

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

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

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

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

Business segments

The Company segmental information is divided into the enterprise data collection, production and sales of label and the distributor of computer hardware in Malaysia as presented in the financial statements for the years ended December 31, 2014 and 2013 as follows:

	Unit: Thousand Baht					
	Consolidated financial statement					
	For the year ended December 31, 2014					
	Enterprise data collection	Production and sales of label	Broadband internet service	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)	(78,156)	(41,171)	(318,046)	(836,779)	(1,154,825)
Gross profit (loss)	74,861	36,140	(22,762)	88,239	61,343	149,582
Gain (loss) on exchange rate	167	(157)	-	10	-	10
Other income	510	54	-	564	9,637	10,201
Income (loss) before expenses	75,538	36,037	(22,762)	88,813	70,980	159,793
Selling expenses	(16,946)	(4,289)	(1,275)	(22,510)	(7,703)	(30,213)
Administrative expense	(73,332)	(12,432)	(24,989)	(110,753)	(51,145)	(161,898)
Total expenses	(90,278)	(16,721)	(26,264)	(133,263)	(58,848)	(192,111)
Income (loss) before finance cost and income tax	(14,740)	19,316	(49,026)	(44,450)	12,132	(32,318)
Finance cost	(1,193)	(844)	(8,323)	(10,360)	(9,305)	(19,665)
Share of profit of investments in associated companies	2,848	-	-	2,848	-	2,848
Income (loss) before income tax	(13,085)	18,472	(57,349)	(51,962)	2,827	(49,135)
Income tax revenue (expense)	780	(3,895)	-	(3,115)	1,478	(1,637)
Net profit (loss)	(12,305)	14,577	(57,349)	(55,077)	4,305	(50,772)
Income (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

Unit: Thousand Baht						
Consolidated financial statement						
For the year ended December 31, 2013						
	Enterprise	Production	Broadband		Distribution	
	data	and sales of	internet	Total	of computer	
	collection	label	service	Domestic	hardware in	Total
					Malaysia	
Revenues	418,071	72,477	3,776	494,324	801,876	1,296,200
Cost of sales and services	(286,525)	(52,302)	(20,139)	(358,966)	(733,967)	(1,092,933)
Gross profit (loss)	131,546	20,175	(16,363)	135,358	67,909	203,267
Loss on exchange rate	(3,861)	(236)	-	(4,097)	-	(4,097)
Other income	1,420	34	-	1,454	13,002	14,456
Income (loss) before expenses	129,105	19,973	(16,363)	132,715	80,911	213,626
Selling expenses	(15,917)	(2,550)	(2,449)	(20,916)	(6,878)	(27,794)
Administrative expense	(57,644)	(9,380)	(10,916)	(77,940)	(46,441)	(124,381)
Total expenses	(73,561)	(11,930)	(13,365)	(98,856)	(53,319)	(152,175)
Income (loss) before finance cost						
and income tax	55,544	8,043	(29,728)	33,859	27,592	61,451
Finance cost	(2,126)	(506)	(6,887)	(9,519)	(10,615)	(20,134)
Share of profit of investments						
in associated companies	2,141	-	-	2,141	-	2,141
Income (loss) before income tax	55,559	7,537	(36,615)	26,481	16,977	43,458
Income tax revenue (expense)	(6,117)	(385)	6,402	(100)	(3,753)	(3,853)
Net profit (loss)	49,442	7,152	(30,213)	26,381	13,224	39,605
Income attributable to						
Equity holders of the Company						33,191
Non-controlling interests						6,414
						39,605
Total assets	334,477	38,855	457,749	831,081	319,960	1,151,041

30. INCOME TAX

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

	Unit: Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Profit (loss) before income tax	(49,135)	43,458	(50,702)	9,440
Income tax rate	20%	20%	20%	20%
Current income tax expense as tax rate	(9,827)	8,693	(10,140)	1,888
Non-deductible expenses by the Revenue Code	612	663	1,009	144
Allowance by the Revenue Code	-	(435)	-	(435)
Dividend income	(1,596)	-	(4,800)	(2,296)
Non-taxable income	-	(4,581)	-	-
Unused tax loss	14,476	807	13,151	-
Share of gain in associated company	-	(428)	-	-
Inter-company transactions	(2,169)	28	-	-
Written-off deferred tax assets	-	(1,643)	-	413
Difference from income tax rate	141	750	-	-
Income tax expense	1,637	3,854	(780)	(286)
The average effective tax rate	(3%)	9%	(2%)	(3%)

The Group used income tax rate of 20% for the calculation of corporate income tax for the year ended December 31, 2014 and 2013 attributable to the 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, 2013 to December 31, 2014. According to the Royal Decree No. 577 B.E. 2557 dated November 10, 2014, the corporate income tax rate will be continue at 20 % on net profit for the accounting periods beginning on January 1, 2015 to December 31, 2015.

The subsidiary in oversea is subject to income tax rate of 25% for the calculation of corporate income tax for the years ended December 31, 2014 and 2013.

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

31. COMMITMENTS

Corporate guarantee

As at December 31, 2014, the Company provides the corporate guarantee to the financial institution of the subsidiary company in Malaysia and the guarantee amount will not exceed 60% of the subsidiary's debt and interest due to the financial institution.

Bank guarantee

As at December 31, 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 under the condition of sales agreement and bidding amount of Baht 119.13 million.

Operating lease commitments

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

	Unit: Thousands Baht	
	Consolidated financial statement	Separate financial statement
Due within 1 year	19,816	16,529
Due over 1 year but not over 5 years	33,425	33,425
Total	53,241	49,954

32. WARRANT

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

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

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

On September 30, 2013, the holders of warrants to purchase common shares of the Company exercised for 1,218,972 units, or 1,806,574 shares with an exercise price of Baht 1.0121 per share.

On December 31, 2013, the holders of warrants to purchase common shares of the Company exercised for 844,100 units, or 1,251,040 shares with an exercise price of Baht 1.0121 per share.

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.

33. RESERVE FOR SHARE-BASED PAYMENT

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

Type of Warrant	: The warrant to purchase the Company's ordinary shares with specified the holder's name and non-transferable
Issuance and Offering Date	: May 4, 2012
Issuing Units	: 5,000,000 units
Term of Warrant	: 5 Years
Exercise Price	: 1.8 Baht per share (Subject to change according to right adjustment)
Exercise Ratio	: 1 unit of warrant for 1 ordinary shares (Subject to change according to right adjustment)
Exercise Period	: The holder can exercise the warrant every 1 year from issuing date and not exceed 20% of the total allocated warrants per year. The unexercised warrants can be accumulated to exercise by next year.
Exercise Date	: The last working day of every month throughout the warrant term

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

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

On May 6, 2014, the Company adjusted the rate of warrant to 1.6133 shares for 1 warrant at the exercise price of Baht 1.1157 per share.

On June 30, 2014, holders of warrants to purchase common share of the Company exercised for 300,000 units, or 483,989 shares with an exercise price of Baht 1.1157 per share. As at December 31, 2014, unexercised warrants are 4,200,000 units or equivalent to 6,775,860 shares.

34. LITIGATION

On December 26, 2013, The Company has filed a lawsuit to the administrative court against CAT Telecom Public Company Limited ("CAT") to claim damage for Baht 665.62 million. According to the operating lease of optical fiber network system contracts with CAT for Nakornratchasima and Chiangmai province dated June 10, 2011 and June 13, 2011, respectively, the Company purchased and installed equipments completely and delivered the whole system to CAT for the network of Nakornratchasima and Chiangmai province on May 21, 2012 and July 11, 2012, respectively but CAT ignored to receive. Although, the Company sent the remind letter several times but CAT ignored to comply with the contract therefore the Company reserved the right to terminate the contract on February 22, 2013 and then proceed the litigation. The administrative court assigned the undecided case no. 2518/2556 and received the case on February 6, 2014.

Lawsuit where the Company is a defendant

On April 2, 2014, the Company was sued by a supplier, for a compensation of Baht 8.56 million as the Company's breach of a purchase agreement. The case is currently under the consideration of the commercial court. However, the management believes that the Company will not be obliged to pay such compensation over than booked amount.

35. CAPITAL MANAGEMENT

The Board's policy is to maintain a strong capital base so as to maintain assurance of shareholder, investor, creditor and market confidence 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.

36. EVENTS AFTER THE REPORTING PERIOD

At the Board of Directors' Meeting No. 6/2015 on February 26th, 2015, the meeting approved to propose to the Annual General Shareholder's Meeting for the year 2015 to consider and approve the followings.

- 36.1 To consider and approve no dividend payment for the operating result of year 2014 ended 31 December 2014 due to there was the operating loss for the year 2014 and the Company needs to retain cash for working capital management and no legal reserve appropriation for the year 2014.
- 36.2 To consider and approve the decrease of the 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 to write off the remaining share of 15,091 shares from the exercise of SIMAT-W1 warrant which is already expired and the unissued common share

reserved for General Mandate of 10,000,000 shares and approve the amendment of Clause 4 of the Memorandum of Association to be in accordance with the capital decrease.

- 36.3 To consider and approve the capital increase by General Mandate by issuing the new ordinary shares of 20,000,000 shares, at the par value of Baht 1 each to the private placement.
- 36.4 To consider and approve the increase of the registered capital for Baht 95,626,344 divided into 95,626,344 common shares at the par value of Baht 1 each, from the existing registered capital of Baht 384,907,732 to Baht 480,534,076 at the par value of Baht 1 each to accommodate the exercise of the warrant no. 2 (SIMAT-W2), the exercise of the warrant no. 3 (SIMAT-W3) and the capital increase by General Mandate and approve the amendment of Clause 4 of the Memorandum of Association to be in accordance with the capital increase.
- 36.5 To consider and approve the allotment of 95,626,344 newly issued ordinary shares at a par value of Baht 1 per share allotment of 37,813,172 ordinary shares at a par value of Baht 1 per share to accommodate the exercise of the warrant No. 2 (SIMAT-W2), allotment of 37,813,172 ordinary shares at a par value of Baht 1 per share to accommodate the exercise of the warrant No. 3 (SIMAT-W3) allotment of 20,000,000 ordinary shares at a par value of Baht 1 per share for the capital increase by General Mandate for Private Placement.

37. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved by the Company's authorized directors on February 26, 2015.