

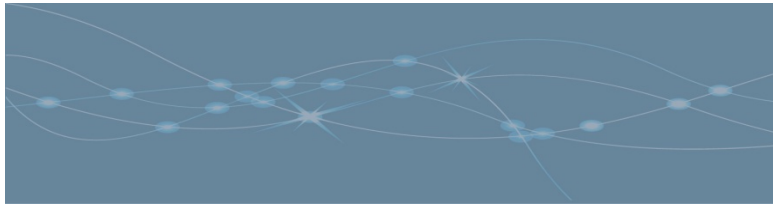
บริษัท พรีเมียร์ เทคโนโลยี จำกัด (มหาชน)  
PREMIER TECHNOLOGY PUBLIC COMPANY LIMITED

รายงานประจำปี 2553



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## General Information

### GENERAL INFORMATION

Name of Listed Company	:	Premier Technology Public Company Limited
Company Registration Number	:	0107535000320
Type of Business	:	Investment in Information Technology business
Head Office	:	One Premier Corporate Park, Soi Premier 2 Srinakarin Road, Nongbon Sub-district, Prawet District, Bangkok 10250
Telephone	:	0-2301-1585
Facsimile	:	0-2301-1020
Homepage	:	<a href="http://www.premier-technology.co.th">www.premier-technology.co.th</a>
Registered Capital	:	142,440,489 Baht
Number of Issued Shares	:	141,944,471 Shares

**OVER 10% OF SHARES HELD BY THE COMPANY**

(1)

Name of Company	:	Datapro Computer Systems Co., Ltd.
Company Registration number	:	0105529045455
Type of Business	:	Total Enterprise Solution and Service Provider
Head Office	:	One Premier Corporate Park, Soi Premier 2, Srinakarin Road, Nongbon Sub-district, Prawet District, Bangkok 10250
Telephone	:	0-2684-8484
Facsimiles	:	0-2677-3500 – 2
Homepage	:	<a href="http://www.datapro.co.th">www.datapro.co.th</a>
Registered Capital	:	30,000,000 Baht
Number of Issued Shares	:	300,000 Shares
Shares held by the Company	:	299,994 Shares

(2)

Name of Company	:	Advanced Cyber Technology Co., Ltd.
Company Registration number	:	0105551114316
Type of Business	:	Services on development of Information Technology to enterprises both in Thailand and overseas
Head Office	:	Room 702 The Dusit Thani Bldg, 946 Rama4 Rd, Silom, Bangrak, Bangkok 10500
Telephone	:	0-2236-8586-7
Facsimiles	:	0-2236-8588
Homepage	:	<a href="http://www.act-thai.net">www.act-thai.net</a>
Registered Capital	:	20,000,000 Baht
Number of Issued Shares	:	200,000 Shares
Shares held by the Company	:	52,000 Shares

**OTHER REFERENCES**

(1) **Securities Registrar**

Thailand Securities Depository Co., Ltd.

The Stock Exchange of Thailand Building

No. 62 Rachadapisek Road, Klongtoei Sub-district, Klongtoei District, Bangkok, 10110

Telephone: 0-2229-2800 Facsimile: 0-2359-1259 Call Center: 0-229-2888

Website: [www.tsd.co.th](http://www.tsd.co.th)

Email: [contact.tsd@set.or.th](mailto:contact.tsd@set.or.th)

(2) **Debenture Holders' Representations**

- None -

(3) **Auditors**

Miss Siraporn Ouaanunkul with CPA No. 3844, or

Mr. Supachai Phanyawattano with CPA No. 3930, or

Miss Thipawan Nananuwat with CPA No. 3459

Ernst & Yong Office Limited

33<sup>rd</sup> Floor, Lake Rajada Office Complex

193/136-137 Rajadapisek Road, Klongtoey, Bangkok 10110

Telephone: 0-2264-0777, 0-2661-9190

Facsimile: 0-2264-0789-90, 0-2661-9192

(4) **Financial Advisors**

- None -

(5) **Legal Advisors**

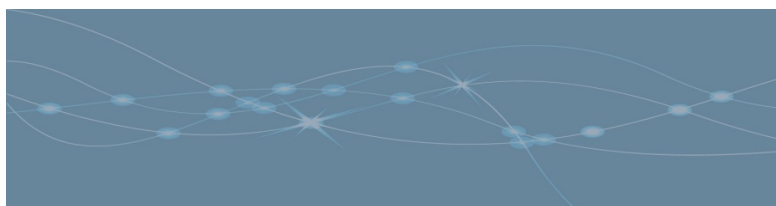
- None -

(6) **Consultant or Manager under Management Contact**

Business Management and Consulting Contract

Premier Fission Capital Co., Ltd.

No. 1 Premier Corporate Park, Soi Premier 2, Srinakarin Road, Nongbon Sub-district, Prawet District, Bangkok 10250



# Financial Summary

## FINANCIAL SUMMARY

### (1) Financial Information

(Unit: Million Baht)

	2010	2009	2008
Total Assets	890.29	717.54	798.56
Total Liabilities	621.02	479.47	556.30
Total Shareholders' Equity	269.27	238.07	242.26
Sales and Services Revenues	1,540.44	1,212.55	1,591.95
Total Revenues	1,567.49	1,230.68	1,611.70
Gross Profit	423.11	308.99	414.12
Net Income (Loss)	28.39	(6.99)	30.01

### (2) Financial Ratio

	2010	2009	2008
Gross Profit Margin (%)	27.47%	25.48%	26.01%
Net Profit Margin (%)	1.81%	-0.57%	1.86%
Return on Equity (%)	11.19%	-2.91%	13.68%
Return on Total Assets (%)	5.36%	-0.56%	6.65%
Net Income (Loss) per share (Baht)	0.20	2.01	0.21
Dividend per Share (Baht)	0.10	0.10	-
Book Value per Share (Baht)	1.90	1.68	1.71



## Business Operation

### NATURE OF BUSINESS

Premier Technology Public Company Limited is a holding company investing in the Information Technology Businesses. The Company has one subsidiary namely Datapro Computer System Co., Ltd. whose business is Total Enterprise Solution and Services Provider. It has been appointed as a distributor of IT products, multimedia products, system and data management software, application software as well as providing maintenance services, training and consulting services, outsourcing and other services to medium to large business corporations.

In 2010, the subsidiary has expanded its Data Center and Office Continuity Center in anticipation of increased demand from customers.

The customers' requirements for outsourcing services can be classified as follows:

- Full managed service
- Back-up site
- Office continuity service.

In addition, the subsidiary is prepared to provide the cloud computing service in order to fully utilize the expanded Data Center

At present, the main business of the Company and its subsidiary is the information technology business in which it is a Total Enterprise Solution and Service Provider. This business is operated by its subsidiary, Datapro Computer Systems Co., Ltd. whose products and services can be categorized as follows:

#### 1. Hardware Products Group

The products within this group comprise IT products and multimedia products.

#### 2. Software Products Group

The products in this group include business application software, operating system and database, and tools and utilities software.

#### 3. Services Group

The services provided in this group include the provision of IT products maintenance services, training and consulting services, outsourcing services, etc.

The Revenue Structure of the Company and its subsidiary over the past 3 years is shown below:

Unit: Million Baht

Products/Services	Operator	% of shareholding	2010		2009		2008	
			Revenue	%	Revenue	%	Revenue	%
Revenue from Sales and Services								
- Hardware and Software Product Group	DCS	100.00	1,036.3	67.3	818	67.4	1,210	76.0
- Service Group	DCS	100.00	504.1	32.7	395	32.6	382	24.0
Total Revenue from Sales and Services			<b>1,540.4</b>	<b>100.0</b>	<b>1,213</b>	<b>100.0</b>	<b>1,592</b>	<b>100.0</b>

Remark: DCS means Datapro Computer Systems Co., Ltd.

## Competition and Product Procurement

### INDUSTRY COMPETITION

The trend of information technology still has continuous growth. According to the survey of Information Technology Market by Market research firm, IDC (International Data Corporation) showed that the direction of information technology market in Thailand in 2011 with continued growth potential. After recovery in 2553 is expected to increase from year 2553 to 9.3% or 1.95 billion baht

IDC projects that in 2554 the market software infrastructure in Thailand will grow 13.5%. Spending to buy anti-virus software to increase by around 13%. And spending to buy the other software system to protect information will increase 11.7%.

Even though the competitive circumstance in ICT market is highly intense amongst domestic and multi-international operators. It is necessary that the Company will differentiate itself from other operators. Therefore, the Company proposes the best quality and professional resources as one stop service of "Total Enterprise Solution and Service Provider" depending on the customers need.

In addition, to stalk the future trend of technology is quite important for the Company to contest service delivery to customers continuously and efficiently. Well-trained staff with high experiences will be continuously crucial. Since, the total information technology service is our significant strategy to be one of the leader in this aspect.

### PRODUCTS AND SERVICES SOURCING

As the Company is a total information technology services provider, its personnel who provide the services are very important. The Company has invested in building and maintaining efficient personnel by providing both in-house and external training and by building a data center with state of the art equipment which is continuously upgraded for training and development of its work process in the provision of services to customers. The Company also hires experts in the business and in new technologies to educate its





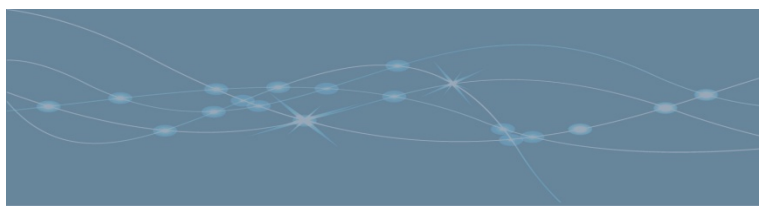


personnel in order to help build the confidence of the customers who uses the Company's services and to develop its human resources in line with the development of new technologies that the customers may require.

The Company is a direct importer and distributor of various well-known leading information technology products of global companies who have a presence in Thailand, such as products from IBM, Hewlett-Packard, Cisco Systems, Sanyo, Canon and Hitachi and software packages from IBM, BMC Software, Oracle, Microsoft, Information Builders, etc. imported from different countries like Japan, U.S.A., France and Great Britain. Additionally, the Company has continuously added to its product range several new products in order to be current with the changes in technology and to satisfy the needs of its customers, including SOA (Service-Oriented Architecture) and internet infrastructure products, in addition to its existing products, which includes the Business Intelligence software package, Business Efficiency software package, Enterprise Content Management Solution package and Corporate Performance Management software package together with the use of the high speed internet technology to transmit high quality video and sound signals.

In order to add value to the information technology products for which the Company provides services, the Company has invested in the development of additional application software in order to meet the customers' requirements. These application software comprise the Thailand Tax Localization System for JD Edwards EnterpriseOne & World, the Cheque Control System for JD Edwards EnterpriseOne & World, the Thailand Payroll Tax Localization for PeopleSoft Enterprise & JD Edwards EnterpriseOne, the Hotel Management Analytic Application (HMAA), the Electronic Document Warehouse Management software and the Patient Relationship Management (PRM) software.

Even though the Company is presently distributing a large variety of products, it has not ceased to add value to these products and provides continuous long-term services to its customers. Therefore, the risk of the Company incurring any loss from the provision of services or from being a distributor of products is low.



## Risk Factors

### RISK FACTORS

#### Risk Factors

Risk factors both external and internal that may significantly impact on the Company's business operations can be summarized as follows:

#### Risks from Technology Changes

There has been continuously rapid development and change in the information technology industry with the trend to include new technologies, such as the wireless 3G technology and high speed internet, Software as a Service (SaaS), Web 2.0 and mobile applications.

As a Total Enterprise Solution and Service Provider, the Company realizes the risks involved in procuring for its customers the most advanced hardware and software that is abreast with the current technological advancements and appropriate for the customers' requirements. In addition, the Company has developed its personnel into experts through the close monitoring and learning of these technological advancements, including taking examinations to obtain the required certifications for these new technologies. This enables the Company to provide services with added value to its customers appropriately from the continuously developing information technologies.

#### Risk from Competition

The Company operates in the information technology industry as a distribution agent of hardware and software. The owners of these products are continuously appointing additional distributors so as to maintain and increase their market shares. This has increased the Company's competition from the other operators operating the same business and has led to lower profit margins. In order to reduce this risk, the Company has shifted its business from being just a distributor of hardware and software into becoming a Total Enterprise Solution and Service Provider. The Company has continuously expanded the scale of its services in order to increase the value of its services by:

- Being a distributor of the most comprehensive and advanced range of information technology products that meets the requirement of customers in all business segments.
- Developing application software that are with added value and are consistent with the requirements of businesses in Thailand, such as tax, cheque, and payroll system software solutions that interface with the Enterprise Resource Planning (ERP) system software and the analytical Decision Support System (DSS) software for various types of businesses.

- Providing the most complete information technology outsourcing services.

#### **Risk from Human Resources Dependency**

Human resources are vital elements in operating an information technology business. This business is dependent on the specialized knowledge and expertise of its personnel in providing consultancy services and in the successful implementation of projects in line with the changes in information technologies that are continuously being developed and in the face of the fierce competition. The Company places much importance to this and has set a policy to provide all employees with stable advancement in their career paths through knowledge and skill development and the regular organization of training and seminars. The Company has set remuneration for its personnel, which is appropriate and competitive with other operators within the same industry. In addition, it has created a pleasant working environment within the organization and offers good benefits, as well as foster the good relationship between the personnel in order to build their morale and to induce them to work with the Company for the long-term.



## Structure of Shareholding and Management

### SHAREHOLDING STRUCTURE AND MANAGEMENT

#### 1. TOP OF 10 SHAREHOLDERS

1.1 Details of the top 10 shareholders whose names are shown in the shareholders register as of 30 December 2010 are as follows:

Name	Number of Shares	Shareholding %
1. Mrs. Vimolthip Phongsathorn - Mrs. Vimolthip Phongsathorn - Mr. Vichien Phongsathorn	86,143,923 86,143,883 40	60.69
2. Miss Chadarat Korintarasak	5,180,690	3.65
3. Mrs. Jiraporn Nuangplee	4,604,336	3.24
4. Mr. Viwat Phongsathorn	4,341,998	3.06
5. Thepthannya Co., Ltd.	4,000,000	2.82
6. Mr. Sinchai Taveeporntanapat	3,757,297	2.65
7. The Nation Multimedia Group PCL	3,000,000	2.11
8. Mr. Ananta Srikurecha	2,218,600	1.56
9. Mr. Vichien Srimuninnimitre	1,394,400	0.98
10. Mr. Chaiyoth Pongjarusatid	1,170,000	0.82
Total	115,811,244	81.59

1.2 Major Shareholders who are related persons participating the Company Management are as follows:

Name	Type of Business	Related Person
1. Mrs. Vimolthip Phongsathorn	-	Her husband is Mr. Vichien Phongsathorn, Chairman.
2. Mr. Viwat Phongsathorn	-	His brother is Mr. Vichien Phongsathorn, Chairman.



## 2. MANAGEMENT

### 2.1 Organization Structure

The Company's management structure comprises of 2 committees, namely the Board of Directors and the Audit Committee as detailed below.

#### 2.1.1 Board of Directors

As at 31 December 2010, the Company's Board of Directors consists of 8 directors as follows:

- |                               |  |
|-------------------------------|--|
| 1. Mr. Vichien Phongsathorn   | Chairman   |
| 2. Mr. Viwat Phongsathorn     | Director and Managing Director                       |
| 3. Mrs. Duangthip Eamrungraj  | Director   |
| 4. Mr. Suradej Boonyawatana   | Director   |
| 5. Mr. Paritud Bhandhubanyong | Independent Director                                 |
| 6. Mr. Udom Chatiyant         | Independent Director and Chairman of Audit Committee |
| 7. Mr. Suchai Vatanatrinakul  | Independent Director and Audit Committee             |
| 8. Mr. Katiya Greigarn        | Independent Director and Audit Committee             |

Mrs. Suchada Samaisut acts as Secretary of the Board of Directors and Corporate Secretary.

#### Term of the Board of Directors

At every annual general meeting of shareholders, one-third of the directors must resign. If one-third is not a round number, the number closest thereto shall be the applicable number. The directors to vacate office within the first and second year following company registration shall draw lots. In subsequent years, the directors serving the longest shall resign. The directors who vacate office are eligible for re-election by shareholders.

### Scope of Responsibilities of the Board of Directors

1. Manage the Company in compliance with the laws, objectives and articles of association as well as the resolutions of the shareholders' meeting, except for any issues which must be approved by the shareholders' meeting before implementation. For examples, the issues required the resolution of the shareholders' meeting as specified by the law, related transactions, and purchase and sale of major assets as specified by the Stock Exchange of Thailand or other government agencies.
2. Assign one or more directors or another people to act on their behalf.
3. Appoint the Audit Committee Directors and other committees.
4. Review and approve significant issues such as policies, plans and budgets, organization structure, management authority and any transactions specified by the Stock Exchange of Thailand or the laws.
5. Supervise the management's operations to ensure that they follow the approved policies, plans and budget.

In 2010, there were 4 Board of Directors' meetings. Attendance of each director can be summarized as followed:

Director's Name	Attendance / Total Meetings (times)
1. Mr. Vichien Phongsathorn	4/4
2. Mr. Viwat Phongsathorn	4/4
3. Mrs. Duangthip Eamrungrroj	4/4
4. Mr. Suradej Boonyawatana	3/4
5. Mr. Paritud Bhandhubanyong	4/4
6. Mr. Udom Chatianont	4/4
7. Mr. Suchai Vatanatrinakul	4/4
8. Mr. Katiya Greigarn	4/4

The Company's Board of Directors consists of 4 independent directors:

1. Mr. Udom Chatianont
2. Mr. Suchai Vatanatrinakul
3. Mr. Katiya Greigarn
4. Mr. Paritud Bhandhubanyong

For the independent director selection criteria, The Company has defined an independent director as specified by the Securities and Exchange Commission and the Stock Exchange of Thailand in notification Tor Jor. 4/2552 of the Capital Market Supervisory Board dated 20 February 2009 regarding the qualifications of the independent director. (as mentioned in Clause 2.2 Criteria for Director and Executive Nomination Method on page 26 )

### **Qualification of the Independent Directors**

1. holding shares not exceeding one per cent of the total number of shares with voting rights of the applicant, its parent Company, subsidiary Company, associate Company, major shareholder or controlling person, including shares held by related persons of such independent director;
2. neither being nor used to be an executive director, employee, staff, advisor who receives salary, or controlling person of the applicant, its parent Company, subsidiary Company, associate Company, same-level subsidiary Company, major shareholder or controlling person, unless the foregoing status has ended not less than two years prior to the date of filing an application with the Office. Such prohibited characteristic shall not include the case where the independent director used to be a government official or advisor of a government unit which is a major shareholder or controlling person of the applicant;
3. not being a person related by blood or legal registration as father, mother, spouse, sibling, and child, including spouse of child, executive, major shareholder, controlling person, or person to be nominated as executive or controlling person of the applicant or its subsidiary Company;
4. neither having nor used to have a business relationship with the applicant, its parent Company, subsidiary Company, associate Company, major shareholder or controlling person, in the manner which may interfere with his independent judgment, and neither being nor used to be significant shareholder or controlling person of any person having a business relationship with the applicant, its parent Company, subsidiary Company, associate Company, major shareholder or controlling person, unless the foregoing relationship has ended not less than two years.

The term 'business relationship' under the first paragraph shall include any normal business transaction, rental or lease of immovable property, transaction relating to assets or service or granting or receipt of financial assistance through receiving or extending loans, guarantee, providing assets as collateral, and any other similar actions, which result in the applicant or his counterparty being subject to indebtedness payable to the other party in the amount of three percent or more of the net tangible assets of the applicant or twenty million baht or more, whichever is lower. The amount of such indebtedness shall be calculated according to the method for calculation of value of connected transactions under the Notification of the Capital Market Supervisory Board governing rules on connected transactions mutatis mutandis. The consideration of such indebtedness shall include indebtedness occurred during the period of one year prior to the date on which the business relationship with the person commences;

5. neither being nor used to be an auditor of the applicant, its parent Company, subsidiary Company, associate Company, major shareholder or controlling person, and not being a significant shareholder, controlling person, or partner of an audit firm which employs auditors of the applicant, its parent Company, subsidiary Company, associate Company, major shareholder or controlling person, unless the foregoing relationship has ended not less than two years;

6. neither being nor used to be a provider of any professional service including those as legal advisor or financial advisor who receives service fees exceeding two million baht per year from the applicant, its parent Company, subsidiary Company, associate Company, major shareholder or controlling person, and not being a significant shareholding, controlling person or partner of the provider or professional service, unless the foregoing relationship has ended not less than two years;
7. not being a director appointed as representative of director of the applicant, major shareholder or shareholder who is related to major shareholder;
8. not undertaking any business in the same nature and in competition to the business of the applicant or its subsidiary Company or not being a significant partner in a partnership or being an executive director, employee, staff, advisor who receives salary or holding shares exceeding one per cent of the total number of shares with voting rights of other Company which undertakes business in the same nature and in competition to the business of the applicant or its subsidiary Company; and
9. not having any other characteristics which cause the inability to express independent opinions with regard to the applicant's Company's operation.

### **2.1.2 Audit Committee**

As at 31 December, 2010 the Company's Audit committee consists of 3 directors, as follows:

- |                              |   |
|------------------------------|---|
| 1. Mr. Udom Chatiyant        | Chairman of Audit Committee<br>(with financial report review experiences) |
| 2. Mr. Suchai Vatanatrinakul | Audit Committee   |
| 3. Mr. Katiya Greigarn       | Audit Committee   |

Mrs. Suchada Samaisut acts as Secretary of the Board of Audit Committee.

### **Term of the Audit Committee**

The term of the Audit Committee member is 3 years. A retiring committee member is eligible for re-appointment. In the event of the resignation of any member of the Audit Committee prior to the expiration of their term, the appointed replacement shall hold office only for the remainder of the term of the replaced member.

### **Scope of Responsibilities**

1. To review the Company's financial reporting process to ensure that it is accurate and adequate;
2. To review the Company's internal control system and internal audit system to ensure that they are suitable and efficient, to determine an internal audit unit's independence, as well as to approve the appointment, transfer and dismissal of the chief of an internal audit unit or any other unit in charge of an internal audit;



3. To review the Company's compliance with the law on securities and exchange, the exchange's regulations, and the laws relating to the Company's businesses;
4. To consider, select and nominate an independent person to be the Company's auditor, and to propose such person's remuneration, as well as to attend a non-management meeting with an auditor at least once a year;
5. To review the Connected Transactions, or the transactions that may lead to conflicts of interests, to ensure that they are in compliance with the laws and regulations of the Stock Exchange of Thailand, and are reasonable and for the highest benefit of the Company;
6. To prepare and to disclose in the Company's annual report, and audit committee's report which must be signed by the audit committee's chairman and consist of at least the following information:
  - (1) An opinion on the accuracy, completeness and creditability of the Company's financial report,
  - (2) An opinion on the adequacy of the Company's internal control system,
  - (3) An opinion on the compliance with the law on securities and exchange, the Exchange's regulations, or the laws relating to the Company's business,
  - (4) An opinion on the suitability of an auditor,
  - (5) An opinion on the transaction that may lead to conflicts of interests,
  - (6) The member of the audit committee meetings, and the attendance of such meetings by each committee member,
  - (7) An opinion or overview comment received by the audit committee form its performance of duties in accordance with the charter,
  - (8) Other transactions which, according to the audit committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Company's Board of directors; and
7. Verify the appropriateness and sufficiency of the Company's risk management system.
8. To perform any other act as assigned by the Company's Board of directors, with the approval of the audit committee.

In 2010, there were 4 Audit Committee's meetings and 4 meetings with the management executives. Attendance of each director can be summarized as followed:

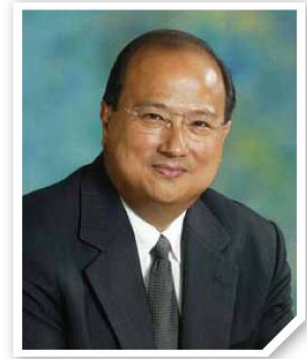
Audit Committee's Name	Attendance / Total Meetings (times)
1. Mr. Udom Chatiyant	4/4
2. Mr. Suchai Vatanatrinakul	4/4
3. Mr. Katiya Greigarn	4/4

### **2.1.3 Names of Executives**

The Company does not have full-time employees since it only invests in the subsidiary. All finance and accounting work has also been outsourced to subsidiary.

**DETAILS OF DIRECTORS AS AT 31 DECEMBER, 2010**

1. **Mr. Vichien Phongsathorn**  
**Chairman**  
**Authorized Director**  
**Age: 54**



**Educational Background**

- Master's degree of Business Administration  
Rensselaer Polytechnic Institute, Troy,  
New York, U.S.A.
- Bachelor's degree of Nuclear Engineering  
Rensselaer Polytechnic Institute, Troy, New York, U.S.A.

**% of Shares held in the Company**

- 60.69%

**Family Relationship between Executives**

- A brother of Mr. Viwat Phongsathorn, Authorized Director and Managing Director

**Working Experience from the past 5 years**

**Present:**

- President & CEO, Premier Group of Companies
- Director, Companies in the Premier Group of Companies
- Director, Chiangmai Night Bazaar Co., Ltd.

2. **Mr. Viwat Phongsathorn**  
**Authorized Director and Managing Director**  
**Age: 53**



**Educational Background**

- Bachelor's degree of Computer Science  
University of Florida, USA

**Training from Thai Institute of Director (IOD):**

- Director Accreditation Program (DAP),  
Group 19 year 2004
- Training Understanding Fundamental of Financial  
Statements(UFS) Group 12 year 2007
- Training Finance for Non-Finance Director (FND) Group 38 year 2007
- Training Director Certification Program (DCP) Group 96 year 2007

**% of Shares held in the Company**

- 3.06 %

**Family Relationship between Executives**

- A brother of Mr. Vichien Phongsathorn, Chairman and  
Authorized Director

**Working Experience from the past 5 years**

**Present:**

- Managing Director, Datapro Computer Systems Co., Ltd.
- Director, Premier Planner Co., Ltd.
- Director, Premier Resorts and Hotels Co., Ltd.
- Director, Allied Products (Thailand) Co., Ltd.
- Director, Premier Enterprise Public Co., Ltd.
- Director, Premier Fission Capital Co., Ltd.
- Director, Broadband Technology Services Co., Ltd.
- Director, Professional Training Service Co., Ltd.
- Director, Advanced Cyber Technology Co., Ltd.

3. **Mrs. Duangthip Eamrungrroj**  
**Authorized Director**  
**Age: 55**



**Educational Background**

- Diploma in Clinical Organizational Psychology  
INSEAD, France
- Master's degree of Business Administration  
Thammasat University
- Bachelor's degree of Mechanical Engineering  
Chulalongkorn University

**Training from Thai Institute of Director (IOD):**

- Training on Director Accreditation Program (DAP), Group 22 year 2004

**% Shares held in the Company**

- 0.00013 %

**Family Relationship between Directors**

- None

**Working Experience from the past 5 years**

**Present:**

- Group Corporate Director, Corporate Affairs, Premier Group of Companies
- Director, Companies in the Premier Group of Companies

4. **Mr. Suradej Boonyawatana**  
**Authorized Director**  
**Age: 60**



**Educational Background**

- Bachelor's degree of Industrial Technology  
Eastern Washington State University, U.S.A.

**Training from Thai Institute of Director (IOD):**

- Training on Director Accreditation Program (DAP)  
Group 19 year 2004
- Training on Finance for Non-Finance Director (FND)  
Group 12/2004
- Training Director Certification Program (DCP) Group 97 year 2007

**% Shares held in the Company**

- None

**Family Relationship between Directors**

- None

**Working Experience from the past 5 years**

**Present:**

- Director, Premier Motors Co., Ltd.
- Director, Premier Products Co., Ltd.
- Director, Premier Home Appliance Co., Ltd.
- Director, Premier Resorts and Hotels Co., Ltd.
- Director, Premier Manufacturing Co., Ltd.
- Director, Premier Planner Co., Ltd.
- Director, Premier Fission Capital Co., Ltd.
- Director, Premier Enterprise Public Co., Ltd.
- Director, Raya Heritage Co., Ltd.
- Director, Imperial Eagle Co., Ltd.
- Director, Premier Alternatives Motors Co., Ltd.
- Director, Premier Metrobus

5. **Mr. Paritud Bhandhubanyong**  
**Independent Director**  
**Age: 57**



**Educational Background**

- Doctorate of Metallurgical Engineering  
Tokyo University, Japan
- Master's degree of Business Administration  
Thammasart University
- Master's degree of Industrial Engineering  
Chulalongkorn University
- Bachelor's degree of Industrial Engineering  
Chulalongkorn University

**Training from Thai Institute of Director (IOD):**

- Training on Director Certification Program (DCP) Group 105 year 2008

**% Shares held in the Company**

- None

**Family Relationship between Directors**

- None

**Working Experience from the past 5 years**

**Present:**

- Director, Technology Promotion Association (Thailand – Japan)

6. **Mr. Udom Chatyanont**  
**Independent Director**  
**Chairman of Audit Committee**  
**Age: 74**



**Educational Background**

- Bachelor's degree of Accounting  
Thammasat University
- Bachelor's degree of Business Administration  
Thammasat University

**Training from Thai Institute of Director (IOD):**

- Training on Director Accreditation Program (DAP), Group 37 year 2005

**% Shares held in the Company**

- None

**Family Relationship between Directors**

- None

**Working Experience from the past 5 years**

**Present:**

- Chairman of the Board Premier Enterprise Public Co., Ltd.
- Director, Chiangmai Night Bazaar Co., Ltd.
- Director and Managing Director, Five Tor Co., Ltd.
- Independent Director and Chairman of Audit Committee, Singer Thailand Public Co., Ltd.
- Director, Premier Marketing Public Co., Ltd.
- Director, Suvitdumri Group Co., Ltd.



7. **Mr. Suchai Vatanatrinakul**  
**Independent Director**  
**Audit Committee**  
**Age: 70**

**Education Background**

- Bachelor's degree of Education  
Srinakarintaraviroj University

**Training from Thai Institute of Director (IOD):**

- Training on Director Accreditation Program (DAP),  
Group 37/2005

**% Shares held in the Company**

- None

**Family Relationship between Directors**

- None

**Working Experience from the past 5 years**

**Present:**

- Freelance Consultant, development, design and layout service business for compensation/salary/wages/organization management system
- Director, Retail Training Co., Ltd.



8. **Mr. Katiya Greigarn**  
**Independent Director**  
**Audit Committee**  
**Age: 58**



**Educational Background**

- Doctorate of Electrical Engineering, University of Missouri-Rolla, U.S.A.
- Master's degree of Electrical Engineering, University of Missouri-Rolla, U.S.A.
- Bachelor's degree of Electrical Engineering, Chulalongkorn University

**Training from Thai Institute of Director (IOD):**

- Training on Director Accreditation Program (DAP), Group 37 year 2005
- Training on Financial Statements for Director (FSD), Group 3 year 2008
- Training on Director Certification Program (DCP), Group 110 year 2008
- Training on Auditing Committee Program (ACP), Group 34 year 2010

**% Shares held in the Company**

- None

**Family Relationship between Directors**

- None

**Working Experience from the past 5 years**

**Present:**

- Director and General Manager, KV Electronics Co., Ltd
- Honorary Chairman, Thai Electrical, Electronics and Telecommunication Industries Association (TETA)
- Honorary Chairman, Electrical Electronics & Allied Industry Club The Federation of Thai Industries
- Director, Electrical and Electronics Institute (EEI). Ministry of Industry
- Director, Nanotechnology Center (NANOTEC)
- Director, Chok-Udom Property Co., Ltd.
- Director, Sub-Udom Property Co., Ltd.
- Director, Makpha Development Co., Ltd.
- Director, Viptel Co., Ltd.
- Independent Director and Chairman of Audit Committee, Premier Marketing Public Co., Ltd.

**LIST OF COMPANIES IN THE PREMIER GROUP OF COMPANIES**

Premier Enterprise Public Co., Ltd	(PE)	Premier Resorts and Hotels Co., Ltd.	(PRH)
Premier Marketing Public Co., Ltd.	(PM)	Premier Manufacturing Co., Ltd.	(PMN)
Imperial Eagle Co., Ltd.	(IME)	Premier Metrobus Co., Ltd.	(PMB)
Moo Ban Seri Co., Ltd.	(MS)	Premier Motors Co., Ltd.	(PMC)
Seri Premier Co., Ltd.	(SP)	Premier Frozen Products Co., Ltd.	(PFP)
Seri Assets Co., Ltd.	(SA)	Premier Fission Capital Co., Ltd.	(PFC)
Seri Properties Holding Co., Ltd.	(SPH)	Premier Products Co., Ltd.	(PP)
Sarasuk Co., Ltd.	(SRS)	Premier Planner Co., Ltd.	(PPlanner)
Premier Sukhumvit Center Co., Ltd.	(PSC)	Premier TDO Co., Ltd.	(PTDO)
Raya Heritage Co., Ltd.	(RYH)	Premier Pet Products Co., Ltd.	(PPP)
P.M. Food Co., Ltd.	(PMF)	Premier Capital (2000) Co., Ltd.	(PC2000)
Premier Brokerage Co., Ltd.	(PB)	Premier Capital Co., Ltd.	(PC)
Premier Home Appliance Co., Ltd.	(PHA)	Premier Canning Industry Co., Ltd.	(PCI)
Premier LMS Co., Ltd.	(PLMS)	Premier Global Capital Co., Ltd.	(PGCAP)
Premier Inter Leasing Co., Ltd.	(PIL)	Sea Harrier Co., Ltd.	(SHR)
Premier Alternative Motors Co., Ltd.	(PAM)		

## 2.2 Criteria for Director and Executive Nomination Method

The Company, had not yet appointed the Nomination Committee. The selecting of the qualified persons to be appointed as the directors will be made by consultation among the Board, but excluding the directors with interest, will consider the characteristics of the candidate, taking into account the appropriateness of the candidate's qualifications, before presenting to the shareholders' meeting for approval. Each nominated person must have the vote exceeding a half of total votes right of the shareholders who attended to the Shareholders Meeting.

## 2.3 Remuneration for the Directors and Executives

### 2.3.1 Monetary Remuneration

#### (1) Directors

The Company has the policy to pay remuneration only to directors who not involve in the operation management. In 2010, the remuneration to the directors is as follows:

#### 1) Premier Technology Public Company Limited

Name Position	Meeting Allowance		Directors' Pension	Total Remuneration
	Director	Audit Committee		
1. Mr. Udom Chatiyant Independent Director & Chairman of Audit Committee	44,000	68,000	120,000	232,000
2. Mr. Katiya Greigarn Independent Director & Audit Committee	44,000	48,000	120,000	212,000
3. Mr. Suchai Vatanatrinakul Independent Director & Audit Committee	44,000	48,000	120,000	212,000
4. Mr. Paritud Bhandhubanyong Independent Director	44,000	-	120,000	164,000
Total				820,000

Remark: Executive Director of 4 members do not receive any Directors' remuneration.

- 2) Datapro Computer Systems Co., Ltd.: subsidiary  
- None -

#### (2) Executives

- 1) Premier Technology Public Company Limited  
- None -
- 2) Datapro Computer Systems Co., Ltd. : subsidiary  
The remuneration of the executives of Datapro Computer Systems Co., Ltd., in the form of salary, bonus and provident fund, totaling 10 persons, is the amount of 20.4 Million Baht.

### 2.3.2 Other remuneration

-None -

## 2.4 Corporate Governance

### (1) Good Corporate Governance Policy

The Company's Board of Directors emphasizes good corporate governance. It believes that good corporate governance and management under the framework of good ethics, transparency, accountability and fairness to all relevant parties will help to promote the Company's sustained growth and increase the confidence of the shareholders, investors and all related parties. Therefore, the Board of Directors has established in writing the principles of good corporate governance as guidance as follows:

1. Give importance to the basic rights of the shareholders and refrain from any act that may violate or curtail the rights of the shareholders.
2. Promote the equitable and fair treatment of all shareholders and set rules for the use of inside information according to which the directors, executives and employees must comply in order to prevent the misuse of such information for their personal benefit or the benefit of other persons.
3. Treat all groups of stakeholders with consideration of their legal rights or rights according to their agreement with the Company and establish a policy for environmental and social protection and the code of business ethics for the executives and employees to adhere to and implement.
4. Disclose both financial and non-financial information that is accurate, complete and timely through various channels to ensure equal access by all shareholders to such information.
5. Install internal control, risk management, and internal audit systems that are appropriate and effective.
6. Structure the Board of Directors appropriately and ensure its independence, with clear separation of responsibilities of the Board, the sub-committees and the management. The Board of Directors is responsible for the consideration and approval of significant issues related to the Company's operations, as well as the monitoring the management's performance to ensure the implementation of established policies and plans.

### (2) Compliance with the Principles of Good Corporate Governance

## Chapter 1. The Rights of Shareholders

The Board of Directors has established the policy for good corporate governance that gives importance to the basic rights of the shareholders and the prevention of any violation or curtailing of such rights. The basic rights of the shareholders, as security investors and owners of the Company, consist of the right to buy, sell or transfer shares that they hold, the right to receive a share in the profit of the Company, the right to receive adequate information on the Company, and the right to participate in the shareholders' meetings to express an opinion and to make decisions on



important issues, for instance dividend payment, election or removal of members of the Board, the setting of the remuneration for directors, the appointment of the external auditor and the setting of the audit fee, the approval of transactions that affect the Company's business, the amendment of the Company's Memorandum of Association and Articles of Association, etc.



For the shareholders' meetings, the Company has complied with all rules as prescribed by the law and relevant regulations, as well as in

accordance with the principles for good corporate governance, and has taken actions to promote and facilitate the exercise of their rights by the shareholders' at all meetings. For 2010, the Company held the annual general meeting of shareholders on April 22, 2010 at the Premier Corporate Park, One Soi Premier 2, Srinakarin Road. The Company sent the invitation notice to the shareholders together with the rules and procedures for attending the meeting and all relevant supporting documents, which includes adequate and clear opinions of the directors for each agenda item to support shareholders in deciding their vote, to the Thailand Securities Depository Co., Ltd., which is the company registrar, to forward to shareholders 21 days prior to the meeting date. The notice and the supporting information were also posted 21 days prior to the meeting date on the Company's website. This is to allow shareholders sufficient time to review the information. Seven of the Company's eight directors attended the meeting, including the Chairman, the Chairman of the Audit Committee, the Managing Director and four other directors. In addition, the Company's senior executives and the external auditor also attended the meeting.

Prior to the meeting date, the Company provided all shareholders with the opportunity to send their questions, suggestions or opinions. In addition, the Chairman of the Meeting also allocated appropriate time during the meeting for shareholders to raise questions and express their opinions on each agenda item prior to casting their votes. The questions, replies and important opinions are recorded in the minutes of the meeting. The minutes of the meeting was filed with the Stock Exchange of Thailand and posted on the Company's website within 14 days after the meeting date, so that shareholders can verify its accuracy.

## **Chapter 2 The Equitable Treatment of Shareholders**

The Company's Board of Directors has ensured that the basic rights of every shareholder have been equitably protected, including the procedures on holding the shareholders' meetings, the prevention of the misuse of inside information by the directors, executives and employees, and the disclosure by the directors and executive of information on any personal interest or those of their related persons.

For the annual general meeting of shareholders (AGM) for the year 2010, the Company provided the opportunity for shareholders to propose agenda items and nominate any qualified candidate for election as director 5 months in advance from November 15, 2009 to January 15, 2010 and had advised the shareholders through the Stock Exchange of Thailand, as well as posted the criteria and procedures for proposing AGM agenda items and



director nomination on the Company's website [www.premier-technology.co.th](http://www.premier-technology.co.th).

In case any shareholder could not personally attend the meeting, the Company has opened the opportunity for such shareholder to give proxy to an independent director or any other person to attend the meeting and vote on their behalf using proxy form type B in which the shareholder may cast his or her vote on each agenda item, which the Company has enclosed with the notice of the meeting and made available on its website for downloading.

At the annual general meeting of shareholders for the year 2010, the sequence of the agenda items was not changed and no additional agenda item was included. The meeting was not requested to consider any other business except from the agenda items specified in the notice of the meeting.

As regards the care and protection from misuse of inside information including the disclosure of the personal interest of the directors or their related persons, the Company has set the following guidelines:

1) The Company has a policy on the security of its information systems in order to maintain the standard of important fundamental systems used in building quality control systems for the work process, computer systems and data communication systems.

2) The Company has signed confidentiality agreements with its personnel, contractors, suppliers, service providers, as well as company visitors, in order to prevent the disclosure of any sensitive information or news of the Company or its subsidiary that has not been disclosed to the public.

3) The Board of Directors has set in writing the procedures for the use of inside information to promote transparency, equality and fairness equally to all shareholders and to prevent the use of such inside information that has not been disclosed to the public for abusive self-dealing, as well as avoid criticism regarding the appropriateness of the trading of the Company's securities. The directors, executives and employees of the Company must protect the secret and/or inside information of the Company and may not disclose or use such information, directly or indirectly, for personal gains or for gains of other persons. They must not trade, transfer or receive securities of the Company resulting from the use of such secret and/or inside information of the Company except where the information has been disclosed to the public and must not enter into any transaction by using the Company's secret and/or inside information, which may directly or indirectly cause losses to the Company. They are also prohibited from trading, transferring and receiving the Company's securities for a period of 1 month prior to the disclosure of the Company's financial statements and for 2 working days after the disclosure of such information. This requirement includes spouses and minor children of directors, executives and employees of the Company. Violators of the requirement will be punishable according to the Company's rules and/or in accordance with the law depending on the case.

4) The Company has advised the directors and executives of their duty to report on their shareholding in the Company and the punishment terms stipulated in the Securities and Exchange Act B.E. 2535 (1992) and the requirements of the Stock Exchange of Thailand. In the case where the director or executive acquires or divests the Company's securities, they must also report their securities holding and the holding of their spouses and minor children of the securities of the Company as prescribed by Section 59 of the Securities and Exchange Act B.E. 2535 within 3

working days of the transaction's execution to the SEC for further dissemination to the public.

5) The Board of Directors has set guidelines and procedures for reporting the interest of directors and executives as prescribed by Section 89/14 of the Securities and Exchange Act (No. 4) B.E. 2551 (2008) and notification Tor Jor. 2/2552 of the Capital Market Supervisory Board. This reporting system was implemented on July 1, 2009.

### **Chapter 3 Role of Stakeholders**

The Company operates its business with consideration of the rights, righteousness and fairness to all groups of its stakeholders and has prepared a written Business Ethics guideline for the Company (details of which can be found on the Company's website) as guidance for the management and employees that includes the treatment of all groups of its stakeholders, including shareholders, customers, business partners, employees and any person with business relationship with the company, such as:

<u>Shareholders</u>	:	Perform duties with honesty and transparency to the maximum benefits of the Company and its shareholders
<u>Customers</u>	:	Attend to and be responsible for customers, produce and distribute only goods/services that are of standard quality and safety, strictly abide by the terms and agreements with customers and maintain the confidentiality of clients' non-public information
<u>Business Partners and Creditors</u>	:	Conduct business with fairness, do not exploit, respect and abide by the terms of the agreement
<u>Competitors</u>	:	Compete within a competitive context with fairness and honesty
<u>Employees</u>	:	Treat all employees equally and with fairness in terms of opportunity, knowledge development, potential, hygiene, safety and working environment, including remuneration and benefits

The Company realizes that good relation and cooperation between the Company and its stakeholder are essential in promoting sustained operational growth. The Company seeks to foster this through the provision of sufficient important information on the Company and the building of good connections between the employees and stakeholders through various joint activities that are beneficial to society, as well as consult with business partners on the operating concept for mutual goals and benefit in the long term. Stakeholders can directly advise the Company's directors at facsimile number 0-2301-1020 or by e-mail at [ircontact@premier-technology.co.th](mailto:ircontact@premier-technology.co.th) of any illegal practices, incorrect financial reporting, insufficient internal control or unethical practices.

The Company has prepared a code of business ethics according to which the employees must work with loyalty, honesty, responsibility, determination, discipline, unity, devotion and development by taking into account the rights of all stakeholders, comprising shareholders, customers, trade partners and creditors, competitors and employees, the details of which can be found on the Company's website.

In addition, the Company has developed mechanisms for participation of stakeholders in improving the Company's operations, which include:



1) To regularly provide information and news of current services and products, as well as arrange training, to the customers.

2) To build a good relationship between the Company's employees and the stakeholders through staff club activities, such as playing sports, joint social activities, etc.



3) To create different forms of partnership programs through which the Company and its stakeholders can jointly strengthen its business.

### Corporate Social Responsibility



The Company places much importance on its corporate social responsibility for the environment and society, both internal and external, by setting an environmental and social policy as detailed in the Company's website. In 2010, the Company had arranged activities with various communities in the preservation of natural resources and the environment. The activities included the reforestation



of the mangrove forest at Khlong Khon in Samut Songkhram Province, which is an annual event in its fourth year, and the promotion of the use of the electronic document system so as to help reduce paper consumption within the Company. As regards of its corporate social responsibility, the Company has continuously supported various social activities, especially in education and the improvement of the quality of life. These social activities include the promotion of learning for sustained development of

children, youths and the Thai people and the provision of support and help in increasing opportunities for education of underprivileged children who will become important forces in the development of the country, which is an important approach that will lead to sustained social development.

Additionally, the Company has a student trainee programme with students from various institutions, such from the Rajamangala University of Technology Thanyaburi. The Company provided support to the CU ICT Forum 2011 organized by Chulalongkorn University, which provides new and useful information on wireless technology beyond borders to information technology personnel and the general staff of the university. It has also donated sports equipment, toys and educational aids to Baan Fukthong School and Mae La Noi School in Tambol Khun Mae La Noi, Amphoe Mae La Noi in Mae Hong Son Province, as well as donated consumer goods to the SOS Children Foundation of Thailand under the Royal Patronage of H.M. the Queen.



### Chapter 4 Disclosure and Transparency

The Board of Directors recognizes the importance of disclosure of information, both financial and non-financial, that is accurate, complete and transparent as

stipulated by the regulations of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET), as well as other significant information that may affect the price of the Company's securities and influence the decision-making process of investors and stakeholders. The Company disseminates information on the Company to the shareholders, investors and general public through the various channels of the SET and the Company's website in Thai and English, which is constantly updated.

The Board of Directors is responsible for the consolidated financial statements of the Company and its subsidiary and the financial information presented in the annual report, which are reported in conformity with generally accepted accounting principles and prepared based on the appropriate accounting policy with consistency and adequate disclosures. The financial statements were unconditionally certified by the auditor, who is independent, possess accepted qualifications, and is approved by the SEC. The Report of the Board of Directors' Responsibilities for Financial Statements is presented with the report of the independent auditor in the annual report.

As for investor relations, the Company has not yet set up a specific unit for this purpose but has assign personnel to specifically handle investor relations who investors can contact at telephone number 0-2301-1585 and by e-mail at [ircontact@premier-technology.co.th](mailto:ircontact@premier-technology.co.th).

## **Chapter 5 Responsibilities of the Board**

### **1. Structure of the Board of Directors**

The Company's Board of Directors comprises knowledgeable and competent persons with experiences that are beneficial to the Company's business. The Board is responsible for setting the corporate policy, strategy, target, work plan and budget of the Company, as well as supervising, monitoring and evaluating the operational performance of the management to ensure adherence to corporate plans.

As at December 31, 2010, the Board of Directors is composed of 8 directors, 4 of whom are executives and 4 are independent directors. The number of independent directors equals 50 per cent and exceeds one-third of the total number of directors in the Board as prescribed by the regulations of the SEC in order to create a balance in the consideration of any matter. All 8 of the directors hold not more than 4 directorship positions in public listed companies.

The Board has appointed a sub-committee, namely the Audit Committee, which is composed of 3 independent directors with each director having a term of office of 3 years. The responsibilities of the Audit Committee has been clearly defined as detailed in item 2.1.2 on page 14 -15 and the qualifications of each committee member are as stipulated by the SEC.

The performance of duties of the directors and executives of the Company are clearly separated. The chairman of the Board, who is a director, has the additional power and duty aside from other director, as to calling for a meeting of the Board, to be the chairman in the Board meeting, to make a vote as the casting vote in the event that the votes are equal, and to act as the chairman in the shareholder meeting. The managing director has the power and duty to manage and carry out the works. The Chairman of the Board and the managing director are different persons. Therefore, the Board can check and balance the performance of the executive efficiently.

For the performing of the duty as a director of another Company, the Company has disclosed the information on directorship positions for each director in the form presenting annual information (Form 56-1), and in the Annual Report so that the shareholders know annually. The Company does not limit the number of companies for which a director can be the director in those companies, which depends on the discretion and potential of each director, which is different from each other. For the managing director and the executives, the Company has a clear set policy and procedure for the holding of directorship in other Company.

The Board of Director appointed a corporate secretary for making and coordinating to make the notices and minutes of the Board meetings, committee meetings, shareholder meetings, and annual reports, and to keep document on the director register, including to keep it within a computer system which is easy to access and which cannot be amended, and coordinate with the legal division and other divisions to support the works of the Boards on laws and regulations.

## **2. Roles, Duties, and Responsibilities of the Board**

The Board performs the duty to consider and approve the operation of the Company which is comprised of policies, visions, missions, strategies, risks, plans, and budgets, so that the management can proceed according to the policies efficiently and effectively.

**Good Corporate Governance Policy** The Board reviewed the written good corporate governance policy as detailed in Section 2.4(1) and in the website of the company in order to have the efficient, transparent, policy which can be checked, and build confidence for all relevant parties, and to fix the procedure to review such policy regularly in order that it will be in accordance with the conditions of the Company.

**Business Ethics** The Board arranged to have the written business ethics as per the details in the website of the company, so that the execution and staff will hold them as principles for business operation which is correct and fair to all relevant persons, including the staff, and which has been informed to every person to know in order for them to perform accordingly.

**Conflict of Interest** The Board has set the policy on conflict of interest, so that any decision to proceed with business activities must be for the best interest of the Company only, and which should avoid any action which would cause a conflict of interest, by fixing that any person related or connected to the considered transaction must inform the Company of his relationship or connection with that transaction and must not participate, and who has no power to approve anything in that transaction. The audit committee will present to the Board about any connected transaction, and any transaction which has a conflict of interest. The suitability of such stipulation is considered carefully, and the Company must comply with the criteria of the Stock Exchange of Thailand, including to disclose it in the form to present as annual information (Form 56-1), and in the Annual Report.

### **Internal Control**

(See details in Section 2.7 Internal Control on page 38 - 40)

**Risk Management** The Board pays attention to risk management for the organization as a whole, and assesses and manages the risk of the organization, in order to manage risk to be at an acceptable level. The Company has no division responsible directly for this matter. However, the Company makes the control self assessment both at executive level and operation level, to jointly assess the risks, problems, obstacles, and uncertainties, which may affect the operation in achieving

the goals of the Company, or the incidents which may make the Company lose business opportunities, the risks which may arise from the causes from inside and outside the organization. It is fixed that if any risk is an obstacle to the business operation, and that it can prevent achieving the Company's goals, then the Company must have the measures to manage that risk, and to promote, and stimulate every person to build a working culture of risk awareness, have understanding of the causes the risk, such as to improve working procedure, and to use the resources properly to prevent and reduce any loss which may occur. In contrast, such systematical operation will make the Company receive new business opportunities which will build additional value for the organization.

In 2010, the Company assessed the risks and the sufficiency of the internal audit system in order to seek the guidelines to improve and amend the working operations to have more efficient performance, of which the scope includes the management, marketing, sales and resources. The Company assigns and follows up that the executive who is responsible for each work proceeds with the guidelines on working improvement, including having the relevant persons used for the proceedings so that the performance will be more efficient.

**Report of the Board of Directors** The audit committee has a duty to review financial report, which accounting staff and auditor will have a meeting altogether, and then present the financial report to the Board of Director of the Company every quarter. The Board the Director of the Company will be responsible for total financial statements of the Company and subsidiaries, including the financial information (Report on Responsibility of the Board of Director as to Financial Report) which is specified in prepared in accordance with the accounting standard, and audited by the certified public accountant of the Company. The disclosure of the important information, both financial and non-financial information, is made based on the complete and consistent of facts.

### **3. Meetings of the Board of Directors**

The Board of Directors fixes the meeting normally every 3 months. The meeting schedules are set in advance annually, and additional special meeting may be held as necessary. The agenda is set clearly. The Chairman of the Board of Directors and the Managing Director jointly set the agenda, consider the matters to be transacted in the meeting, and give opportunity to each director to propose any matter to be transacted as the agenda of the meeting. The documents will be sent in advance before the meeting date so that the Board of Director will have sufficient time to study the information before the meeting unless in case of emergency, which the director can ask information from Managing Director, or secretary of the Board of Directors, in addition to the documents sent. The Company makes performance report and presented it to the Board of Director every month, so that the Board of Director can supervise the operation of the managing division continuously and on time.

In consideration of the matters, Chairman of the Board of Director who acts as the Chairman of the meeting will grant the opportunity to the directors to express their opinion freely, and allocate sufficient time for the director to discuss the important issue. The Managing Director, as the top executive of the Company, participates in the meetings every time to explain information which is year plan, performance, new project, etc., including to know the policy directly and use it efficiently. The resolution of the meeting will be in accordance with the articles of association of the Company. The decision of the meeting will be made by majority rote. That is a director will have only one vote for the voting. Any director who has

interest in any matter will have no right to vote in that matter. In case of equal vote, the Chairman of the meeting can have another vote as the casting vote.

In each meeting of the Board of Director of the Company, the secretary of the Board of Director attends the meeting and will record the minutes of the meeting. The material part is comprised of date, time of beginning - finishing the meeting, names of the directors present and absent, summary of the matter proposed to the Board of Directors, summary of the issue which has discussion, note of the Board of Director, and resolution of the Board of Directors, etc. Then, it will be proposed to the meeting to be certified in the next meeting, and send to the Chairman of the Board of Director to consider and sign to certify its correctness. In addition, the information and documents on the meetings is kept both the original and by computer system for convenience in searching and referring, which it cannot be amended.

Normally, the Board of Directors will attend the meeting every time and every person unless in case of necessary cause which will be informed in advance before the meeting (Additional details of the meeting in the year 2010 is in 2.1.1.on page 12) Moreover, it is the policy of the Board that the non-executive directors have the opportunity to have meeting, as necessary, among themselves, without management team, to debate the issues they are interested. The meeting outcome will be notified by them to the managing director.

#### **4. Remuneration**

The remuneration of the directors and executives are determined by the directors who do not have an interest in the Company. The Company has a policy to remunerate the directors and executives at an appropriate level based on the Company's operating results and the comparative rates of companies within the same industry, as well as the responsibilities of each director and executive. The remuneration for the directors is in the form of annual rewards and meeting allowances while the remuneration of the executives is in the form of salary, bonus and provident fund contribution.

In 2010, the annual general meeting of shareholders passed a resolution approving the remuneration of directors who are not involved in the daily management of the Company, which presently comprises 4 independent directors, in an amount not exceeding Baht 1,000,000 per year and assigned the directors who have no interest in the Company to consider the appropriate payment criteria. Remuneration paid to directors and executives for the year 2010 is detailed in item 2.3 Remuneration for the Directors and Executives on page 26.

#### **5. Board Self Assessment**

The Board of Directors evaluates its performance at least once a year to collectively review its overall performance, problems and obstacles during the past year in order to help increase operational efficiency. In 2010, the directors have completed the self-assessment forms, which has the same 6 evaluation topics as that of 2009, namely, structure and characteristics of the board, roles and responsibilities of the board, board meetings, the board's performance of duties, relationship with management , and development of directors and executives.

#### **6. Development of Directors and Executives**

The Board of Directors has a policy to promote and support directors, executives, the Corporate Secretary and all involved persons to attend training

programmes provided by the Thai Institute of Directors, the Stock Exchange of Thailand and other independent organizations so as to increase knowledge, improve performance, and increase efficiency in the work process. In the case where there is a change of directors or a newly-appointed director, these directors are provided with documents and information that are beneficial for them in fulfilling their duties as directors, as well as an introduction to the Company's business and its business practices. In addition, the Company develops employees for succession to top management positions and has identified successors at various management levels in the case that any executive can no longer perform his duties.

## **2.5 Protection Against the Use of Inside Information**

(See details in Section 2.4 Corporate Governance Chapter 2 on page 29 - 30)

## **2.6 Human Resource**

As at 31 December 2010, the Company and its subsidiaries had a total of 372 employees (excluding management) who are all permanent employees.

### Remuneration of Employees

In 2010, the Company and its subsidiaries paid remuneration to its employees totaling 158.90 million baht which is in the form of salary, bonus and contribution to the provident fund.

### Provident Fund

The Company has established a provident fund since 27 June 1990 with the purpose of building employee morale and to motivate employees to work with Company in the long term.

### Human Resource Development Policy

From the vision and goal to operate a business that provides the best quality services to its customers for the success of the organization over the long-term, the Company has therefore emphasized the continuous development of the quality of its employees in their knowledge, competency and practical skills because it considers its employees to be its strength. The Company has set a guideline for their development according to its corporate culture under the concept "Our People" with the aim of ensuring that its employees have qualities that are appropriate for the provision of good services of high quality so as to assure customer satisfaction.

The Company realizes that human resource development not only is limited to the provision of training but also includes the effective management of human resource development, the preparation of tools, the provision of procedures, and the creation of a working environment that is appropriate for learning by the employees to ensure the maximum development of their capabilities. This is the building and development of high quality human resources for the Company, society and the country in the future.

The Company has prepared a training roadmap as a guideline for the systematic development of its employees that covers and is consistent with the core competency of the organization, as well as managerial/ professional competency and functional competency. For the third consecutive year, the Company has arranged for its employees and management to receive training from experts in different fields so that they can utilize the knowledge gained to help increase their work efficiency. The training focuses on four areas as follows:

1. Our Professional Program - courses designed to develop desirable qualities according to the "Our People" corporate culture.
2. Professional ICT Program – courses designed to develop skills necessary to become a professional in ICT.
3. Leadership Program – courses designed to help develop the leadership skills of the employees.
4. English Literacy – courses designed to develop the English literacy skills.



The Company also emphasizes the development of its employees' technical skills in order for them to be accepted and trusted by the customers. The Company promotes and supports its employees in attaining certification of their expertise by leading ICT organizations.

In addition, the Company has developed an electronic human resource development (e-HRD) system as a tool to effectively manage its human resource development. The functions of the system include the registration of participants for training courses, the management of participants, the recording of information from the training sessions, and the reporting in different formats of the results of the receipt of such training, which facilitate the employees and supervisors in the systematic development of human resources.

ชื่อหลักสูตร	ระดับการอบรม	ลำดับ	ลักษณะงาน				
			Business Development	Consulting Service	Customer Service	Project Management	Corporate Support
Communication Skill	1	1	✓	✓	✓	✓	✓
Personality Development	1	2	✓	✓	✓	✓	✓
Customer Satisfaction	1	3	✓	✓	✓	✓	✓
Personality Types	1	4	✓	✓	✓	✓	✓
Presentation	1	5	✓	✓	✓	✓	✓
Leadership Mindset	1	6	✓	✓	✓	✓	✓
Professional Sales Person	1	7	✓	✓	X	✓	X
Problem Solving and Decision Making	2	8	✓	✓	✓	✓	✓
Facts for Action	2	9	✓	✓	✓	✓	✓
Negotiation	2	10	✓	✓	✓	✓	✓
Intrapreneurship	2	11	✓	✓	✓	✓	✓
Strategic Persuasion	2	12	✓	✓	✓	✓	X
Business Thinking for IT Professionals	2	13	✓	✓	✓	✓	X

In 2010, the Company allocated a budget for human resource development of Baht 21,360 per person and approximately 66 per cent of the total number of its employees attended training courses.

## 2.7 Internal Control

The company's directors emphasize on consistent risk management and internal control system by assigning the Audit Committee consisting of independent directors to review and evaluate the internal control system. The Internal Control Department, independent from the management and reporting directly to the Audit Committee, is responsible for reviewing the operations of various departments in the company and its subsidiaries based on the annual audit plans, which have been approved by the Internal Audit Committee. Main objectives of the audit are to ensure of efficient and effective operations. There will be a consistent revision on internal control system effectiveness; optimal resources utilization; operating control on accurate; reliable and real-time financial report; as well as compliance with company's policies, government laws and regulations. All mentioned above will enable the business operations to meet the shareholders' optimal benefits. Summaries on the company's internal control system in various aspects are as follows:

### 2.7.1. Organization and Environment

The Company defines clear and measurable targets for business operations and revises the target possibilities determined into phases for employees' motivation and returns. Appropriate organization chart is designed to segregate the



responsibilities by functions. Authorization and implementation procedures will be indicated in writing.

### **2.7.2. Risk Management**

The Company has established policies and important strategies for the management of risks by linking risk management with its business plan. Risk factors, both internal and external, that may affect the Company's business operation are assessed then analyzed and rated based on their impact and likeliness to occur in each business process in order to determine the risk management plan. In addition, the Company conducts control self-assessments in collaboration with the Internal Control Department annually, as well as monitors events and risk factors on a regular basis.

### **2.7.3. Management Operations Control**

The Company has established important policies for business operations as the basis for systematic and efficient operations to achieve the set objectives and goals. A written manual has been prepared clearly detailing the scope of duties and the authorized approval limits for each level of management. The work structure has been organized to clearly segregate the duties for the approval of transactions, recording of accounting entries, and assets supervision and storage. The Company's operational performance and its strict compliance with prevailing laws and regulations are also monitored.

### **2.7.4. Information Technology System and Communication**

The Company has put in place an appropriate information system for important information and communication channels for sourcing internal and external information. This is to allow all concerned parties to receive information that is accurate, complete and timely in order to assist them in meeting their work objectives. Reports containing information on each business unit are prepared and presented to the management to support their decision-making, including accounting and financial reports. For its accounting policy, the Company uses generally accepted accounting principles and stores its financial documents as prescribed by the laws and regulations of the Revenue Department.

The Company has as system through which to communicate various matters, i.e. the informing of the scope of duties and responsibilities of the personnel when they start working for the Company, orientations, training, and probation periods. The Company has also opened channels through which its employees express their opinions, as well as for communication between business units and with outside parties. Any reports or complaints regarding the Company's products and services or any other matter is promptly attended to and rectified.

### **2.7.5. Monitoring System**

The Company monitors its operational performance in order to ensure that predetermined targets are met by comparing the actual results with estimates before preparing a rolling plan for every quarter. Each business unit is also required to analyze the reasons for such difference and determine ways to improve operational efficiency so as to achieve the Company's targets. There is sufficient, complete and accurate information disclosure, including the disclosure of connected transactions or transactions with conflict of interest with transparency and accountability.

The Company has a comprehensive internal control structure comprising all 5 components of the Internal Control Standard, which is effective, sufficient and appropriate for preventing or minimizing probable risks.

The Audit Committee has reviewed the assessment of the internal control system for the year 2010 performed by the Company's Internal Control Department and found no material error or weakness. This is in line with the opinion of the Company's external auditor that the Company has an effective internal control system that is sufficient and effective for preventing or minimizing any risk that may occur.

## **2.8 Dividend Payment Policy**

The Company has dividend payment policy based on its performance and cash flow. The Company's Board of Directors will propose dividend payment to shareholders' meeting for consideration on a yearly basis.

For its subsidiary, Datapro Computer Systems Co., Ltd., has a policy to pay dividend to the Company not less than 50% of after-tax profit, legal reserve, liabilities and reserve for investment in subsidiary extension.

Regarding the dividend payment of 2010, the Company paid dividend from the performance of 2009 to shareholders at the rate of 0.10 Baht per share, totaling 14.2 million baht of dividends which were paid in May 2010 according to the resolution of Annual General Meeting of Shareholders of 2010 held on 22 April 2010.

## Related Transactions

(1) Related Transactions between the Company and its subsidiaries and related persons incurred in 2009

Million Baht

Related Companies	Transaction Type	Description	Transaction	Value	Necessity and Rational
				In 2010	
Premier Capital (2000) Co., Ltd. Premier Inter Leasing Co., Ltd. Premier LMS Co., Ltd. Premier Brokerage Co., Ltd. Premier Marketing PCL Premier Canning Industry Co., Ltd. Premier Frozen Products Co., Ltd.	Normal Business	Subsidiary - Sales of License Software - Services in email, internet and IT systems	Co-directors	41.52	Selling prices and service fee are under normal business conditions.
P.M. Food Co., Ltd. Premier Product Co., Ltd. Premier Motors Co., Ltd. Premier Home Appliance Co., Ltd. Premier Resorts and Hotels Co., Ltd. Raya Heritage Co., Ltd. Seri Premier Co., Ltd.					



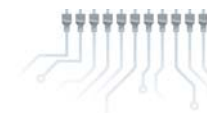
Million Baht

Related Companies	Transaction Type	Description	Transaction	Value	Necessity and Rational
				In 2010	
Premier Fission Capital Co., Ltd. Broadband Technology Service Co., Ltd. Professional Training Service Co., Ltd. Premier Pet Product Co., Ltd. Premier Manufacturing Co., Ltd.		Account receivable		0.75	
Premier Fission Capital Co., Ltd.	Support Normal Business	Subsidiary - Purchase of products for selling	Co-directors	7.54	Prices are under the normal business practice.
Premier Inter Leasing Co., Ltd.	Support normal business	Subsidiary - Car rental as operation lease for using in the business	Co-directors	0.82	Rental fee is under normal business practice
Premier Resorts and Hotels Co., Ltd/ Raya Heritage Co., Ltd.	Support normal business	Subsidiary - Hotel room complimentary for employees working from 15 – 20 years	Co-directors	0.58 0.066	Price is under the normal business practice.



Million Baht

Related Companies	Transaction Type	Description	Transaction	Value	Necessity and Rational
Professional Training Service Co., Ltd.	Support normal business	Subsidiary - Meeting Room for Training and service for project arrangement on staff development training	Co-directors	13.18	Price is under the normal business practice.
Seri Property Holdings Co., Ltd.	Support normal business	Subsidiary - Service fee for common facilities under the Lease Agreement - Utilities expenses in actual basis	Co-directors	4.06	Common facilities fee is under normal business practice. Electricity and telephone charges are in actual basis.
Advanced Cyber Technology Co., Ltd.	Normal business	Subsidiary - Equipment purchase for server to use in the business	Co-directors	1.593	Prices are normal business practice.



## **(2) Policy of Trends of Related Transaction in the Future**

The company and/or its subsidiaries expect that in the future related transactions still remain based on normal business practice or normal business support e.g. purchase of goods for resale, leasehold amortization, service on office space rental contract, management under management and consulting contract, information technology service contract, car rental for business operations and accounts receivable discount, etc. All of the related transactions will incur as necessary and for business operation effectiveness within the group. Pricing policies are clearly determined based on the appropriate and fair price and conditions by significantly considering the company's benefits. However, the company's Audit Committee will review related transactions as normal business practice or normal business support every quarter.

In the mean time, for related transactions that may incur conflict of interest in the future, it requires that the Board of Directors must comply to securities and exchange laws and Office of Securities and Exchange Commission's rules, notification, order and requirement. The company must also follow requirements on disclosure regarding related transactions, acquisition and sales of the company's and its subsidiaries' assets as well as the accounting standards as determined by The Institute of Certified Accountants and Auditors of Thailand.



## Business Analysis

### EXPLANATION AND ANALYSIS OF PERFORMANCE AND FINANCIAL POSITION

#### 1. OPERATING PERFORMANCE

According to the operating results of the Company as of 31 December 2010 to which the company and the subsidiary has the profit in the amount of 28.39 Million Baht increasing from the previous year in the amount of 35.84 Million Baht, the ratio of which is exceeding 20 %. The Company would like to make a clarification as follows;

The financial status and performance of the Company compared in the year 2010 with the year 2009 is that the Company and its subsidiary has net profit at the amount of 28.39 million Baht due to the significant changes as follows:

1. The gross profit from sell and service increasing by 114.12 Million Baht to which the sell revenue of the year 2010 is 1,036.34 Million Baht increasing from the same period of the previous year by 218.33 Million Baht or 26.70 % and the service revenue is 504.10 Million Baht increasing by 109.57 million Baht or 27.80% mostly derived from the project customer.

2. The other revenue of the year 2010 is 27.05 Million baht increasing by 8.91 Million Baht derived from the income from the discount of the purchased goods and the gain from currency exchange.

3. The selling expense of the year 2010 is 142.97 Million Baht, increasing by 74.19 Million Baht which is proportionally in line with the increase in the sell and service revenue and the result from the payment of the sell and service commission in the competing rate to the industry. Such selling expense equal to 9.28 % of the selling and service revenue and increasing from the previous year by 3.61%.

4. The Company recognized the loss participated from the investment in an associated company in the amount of 1.33 Million Baht.

5. The Company will be liable for the corporate income tax of the year 2010 in the amount of 11.09 Million Baht.

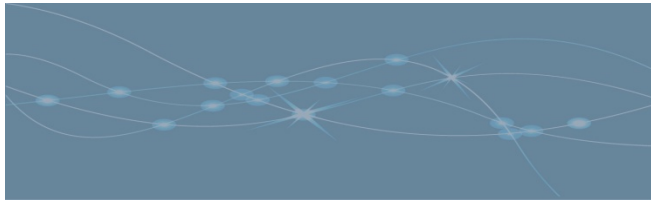
#### 2. FINANCIAL STATUS

The total assets of the Company and its subsidiaries in the amount of 890.29 million Baht increased by 172.75 million Baht, comprising cash and cash equivalents decreased by 31.12 million Baht, current investment increased by 50 Million Baht, net trade receivable decreased by 15.76 million Baht, remaining of the inventory increased by 112.28 million Baht, other current assets increased by 45.12 million Bath, restricted fixed deposits with banks decreased by 0.48 million Baht, investment in associated company increased by 0.21 million Baht, net equipments increased by 8.80 million Baht and other non-current assets increased by 6.46 million Baht.

The total liabilities of the Company and its subsidiaries in the amount of 621.02 million Baht increased by 141.56 million Baht, comprising account payable increased by 91.69 million Baht, account payable in associated company increased by 1.53 million Baht, factoring payable account increased by 19.34 million Baht, short-term loan decreased by 4.10 million Baht, other current liabilities increased by 25.13 million Baht, long-term loans increased by 0.74 million Baht, long-term liabilities increased 8.76 million Baht and current portion of long term liabilities under rehabilitation plan due within 1 year decreased by 1.55 million Baht.

Shareholder's equity of the Company and its subsidiaries in the amount of 269.27 million Baht increased by 31.20 million Baht comprising retained earnings transferred to statutory reserve increased by 4.25 million Baht and Unappropriated retained earnings increased by 26.95 million Baht.





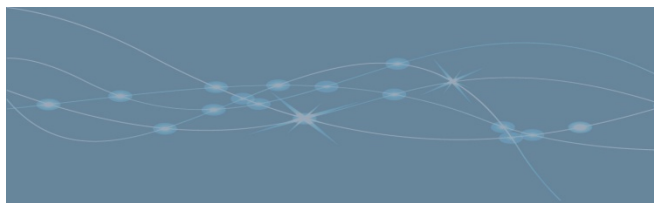
## Report of the Board of Director's Responsibilities

### REPORT OF BOARD OF DIRECTORS' RESPONSIBILITIES FOR FINANCIAL STATEMENTS

Board of Directors are responsible for the financial report as prepared by Premier Technology Public Co., Ltd. and its subsidiaries in order to ensure the accurate and reasonable presentation of financial position, revenues and expenses and statement of cash flow. The presentation reflects accurate, complete and sufficient data entry of assets; prevents frauds and abnormal business operations. In preparing the financial report, appropriate accounting policies have been practiced consistently and in compliance with the generally accepted accounting standards. Significant information has also been sufficiently disclosed in notes to financial statements and the auditors provided their opinion in Report of the Independent Auditors.

Board of Directors appointed Audit Committee consisting of the independent directors monitoring the financial report and assessing the internal control system, which have been approved by Audit Committee as appeared in Report of the Audit Committee, which has been exhibited in the annual report.

(Mr. Vichien Phongsathorn)  
Chairman  
On behalf of the Board of Directors



## Report of Audit Committee

### REPORT OF THE AUDIT COMMITTEE

Board of Audit Committee of Premier Technology Public Co., Ltd. consisted of 3 independent directors:

1. Mr. Udom Chatiyant as the Chairman of the Audit Committee
2. Mr. Suchai Vatanatrinakul as members of the Audit Committee
3. Mr. Katiya Greigarn as members of the Audit Committee

The requirements of Audit committee are full-featured office for the Securities and Exchange Commission (SEC) and Stock Exchange of Thailand (SET).

The Audit Committee complies with scope, duties and responsibilities as assigned by the Board of Directors in compliance with Stock Exchange of Thailand's requirements. In 2010 Audit Committee held a total 4 meeting, the Audit Committee to all participants all the time and meeting with executives, external auditor and internal auditor, which can significantly by summarized as follows:

1. Review quarterly financial statements and annual financial statements through review and audit by the auditor by asking and listening to the executives' and the auditor's explanation regarding the accuracy and completeness of financial statements as well as the sufficiency of disclosure. The Audit Committee expresses their opinions in compliance with the auditor that the substances of such financial statements are appropriately accurate following the generally accepted accounting standards.

2. Review the adequacy of internal controls based on the results of monitoring and evaluating the adequacy of internal control guidelines set by the SEC of the internal audit department. The Audit Committee is of the opinion consistent with the audit. That the company has adequate internal controls and appropriate manner based business. And found no weaknesses or deficiencies to be material.

3. Consider internal audit plan covering both the Company and its subsidiaries and advice to perform their jobs effectively and efficiently.

4. Review its compliance with securities and exchange laws, Stock Exchange of Thailand requirement and laws related to the company's businesses, which the Audit



Committee conclude that significant issues regarding noncompliance with laws and requirements have not been found.

5. Reviewed the appropriateness and adequacy of risk management, by meeting with the management involved so as to be aware of all the operations of the Company's risk management, and give recommendations to make the risk management systems even more efficient and most suitable to the prevailing economic situations.

6. Considered connected transactions or transactions that may have conflicts of interest to comply with laws and regulations of the Stock Exchange. The auditors have commented with items related to the material disclosed and then listed in the financial statements and Notes to Financial Statements. The Audit Committee is of the opinion consistent with the auditor as well as see a list of such items at reasonable. And most firms.

7. Meeting specifically with auditors without management meeting to ensure that auditors are independent in operation and considering the properties of the auditor, quality of the auditing team expertise and independent operations. The Audit Committee should offer to see the Board of Directors for approval the Annual General Meeting of Shareholders appointed auditor of the Office of Ernst & Young Ltd. as the auditor of the company in 2011 as auditor at the audit work has always been very good.

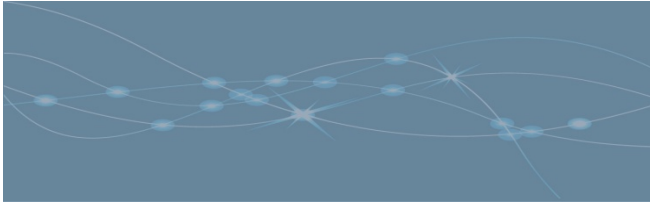
8. The Audit Committee report results of the performance as well as recommendations to the Board of Directors every time in the Board's meeting.

On behalf of Audit Committee



(Mr. Udom Chatiyant)  
Chairman of the Audit Committee

Premier Technology Public Company Limited  
and its subsidiary  
Report and consolidated financial statements  
31 December 2010 and 2009



## Report of Independent Auditor

### REPORT OF INDEPENDENT AUDITOR TO THE SHAREHOLDERS OF PREMIER TECHNOLOGY PUBLIC COMPANY LIMITED

I have audited the accompanying consolidated balance sheets of Premier Technology Public Company Limited and its subsidiary as at 31 December 2010 and 2009 and the related consolidated statements of income, changes in shareholders' equity and cash flows for the years then ended, and the separate financial statements of Premier Technology Public Company Limited for the same periods. These financial statements are the responsibility of the Company's management as to their correctness and the completeness of the presentation. My responsibility is to express an opinion on these financial statements based on my audits.

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

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Premier Technology Public Company Limited and its subsidiary and of Premier Technology Public Company Limited as at 31 December 2010 and 2009, and the results of their operations, and cash flows for the years then ended in accordance with generally accepted accounting principles.

Siraporn Ouaanunkun  
Certified Public Accountant (Thailand) No. 3844  
Ernst & Young Office Limited  
Bangkok: 17 February 2011

Premier Technology Public Company Limited and its subsidiary

Balance sheets

As at 31 December 2010 and 2009

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2010	2009	2010	2009
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	6	61,961,038	93,085,136	25,261,718	72,709,326
Current investments - bond	7	50,008,876	8,794	50,008,876	8,794
Current investments - marketable securities	8	-	5,390,000	-	5,390,000
Trade accounts receivable					
Related parties	9	751,688	801,849	-	-
Unrelated parties		318,556,969	327,301,212	-	-
Less: Allowance for doubtful accounts		(22,250,789)	(15,282,442)	-	-
Trade accounts receivable - net	10	297,057,868	312,820,619	-	-
Inventories - net	11	163,447,291	51,164,280	-	-
Other current assets					
Withholding income tax deducted at source		30,015,111	21,915,471	772	716
Accrued income		10,565,557	4,164,305	-	-
Prepaid service cost		82,879,842	58,256,070	-	-
Others		19,056,829	13,063,902	897,160	737,667
<b>Total current assets</b>		<b>714,992,412</b>	<b>559,868,577</b>	<b>76,168,526</b>	<b>78,846,503</b>
<b>Non-current assets</b>					
Restricted fixed deposits with banks	25.4	36,385,115	36,860,843	-	-
Account receivable from transfer of rights					
of claim - related party - net	9	-	-	-	-
Investment in subsidiary - net	12	-	-	152,726,861	152,726,861
Investment in associated company	13	1,383,701	1,177,301	1,383,701	3,666,000
Equipment - net	14	112,839,471	101,405,164	17,221	23,556
Other non-current assets					
Intangible assets	15	8,803,822	-	-	-
Prepaid rental expenses		11,682,364	14,162,159	-	-
Others		4,206,043	4,066,582	-	-
<b>Total non-current assets</b>		<b>175,300,516</b>	<b>157,672,049</b>	<b>154,127,783</b>	<b>156,416,417</b>
<b>Total assets</b>		<b>890,292,928</b>	<b>717,540,626</b>	<b>230,296,309</b>	<b>235,262,920</b>

The accompanying notes are an integral part of the financial statements.

Premier Technology Public Company Limited and its subsidiary

Balance sheets (continued)

As at 31 December 2010 and 2009

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2010	2009	2010	2009
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Trade accounts payable		319,970,830	228,278,567	-	-
Amounts due to related parties	9	1,615,973	87,412	-	-
Accounts payable - factoring company	10	44,068,351	24,726,257	-	-
Short-term loan	16	-	4,098,426	-	-
Current portion of long-term loans	17	2,140,000	3,537,889	-	-
Current portion of long-term liabilities	18	37,970,873	33,692,716	-	-
Current portion of long-term liabilities under rehabilitation plan	19	500,986	1,547,836	500,986	1,547,836
Other current liabilities					
Accrued expenses		92,528,092	68,628,615	395,957	226,233
Deferred service income		71,264,415	70,304,320	-	-
Others		16,394,033	16,121,081	16,706	11,087
<b>Total current liabilities</b>		<b>586,453,553</b>	<b>451,023,119</b>	<b>913,649</b>	<b>1,785,156</b>
<b>Non-current liabilities</b>					
Long-term loans - net of current portion	17	2,140,000	-	-	-
Long-term liabilities - net of current portion	18	32,178,111	27,691,974	-	-
Long-term liabilities under rehabilitation plan - net of current portion	19	-	500,986	-	500,986
Other non-current liabilities		252,000	252,000	-	-
<b>Total non-current liabilities</b>		<b>34,570,111</b>	<b>28,444,960</b>	<b>-</b>	<b>500,986</b>
<b>Total liabilities</b>		<b>621,023,664</b>	<b>479,468,079</b>	<b>913,649</b>	<b>2,286,142</b>

The accompanying notes are an integral part of the financial statements.

Premier Technology Public Company Limited and its subsidiary

Balance sheets (continued)

As at 31 December 2010 and 2009

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2010	2009	2010	2009
<b>Shareholders' equity</b>					
<b>Share capital</b>					
Registered					
142,440,489 ordinary shares of Baht 1 each		<u>142,440,489</u>	<u>142,440,489</u>	<u>142,440,489</u>	<u>142,440,489</u>
Issued and fully paid up					
141,944,471 ordinary shares of Baht 1 each		141,944,471	141,944,471	141,944,471	141,944,471
Company's shares held by subsidiary		(230,175)	(230,175)	-	-
Retained earnings					
Appropriated - statutory reserve	20	7,120,000	2,870,000	7,120,000	2,870,000
Unappropriated		<u>120,434,968</u>	<u>93,488,251</u>	<u>80,318,189</u>	<u>88,162,307</u>
<b>Total shareholders' equity</b>		<u>269,269,264</u>	<u>238,072,547</u>	<u>229,382,660</u>	<u>232,976,778</u>
<b>Total liabilities and shareholders' equity</b>		<u>890,292,928</u>	<u>717,540,626</u>	<u>230,296,309</u>	<u>235,262,920</u>
		-	-	-	-

The accompanying notes are an integral part of the financial statements.



Premier Technology Public Company Limited and its subsidiary

Income statements

For the years ended 31 December 2010 and 2009

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2010	2009	2010	2009
<b>Revenues</b>					
Sales		1,036,338,394	818,012,987	-	-
Service income		504,102,803	394,533,783	-	-
Dividend income	12	-	-	-	23,999,520
Other income		27,046,465	18,136,369	992,623	508,185
<b>Total revenues</b>		<b>1,567,487,662</b>	<b>1,230,683,139</b>	<b>992,623</b>	<b>24,507,705</b>
<b>Expenses</b>					
Cost of sales and services		1,117,334,658	903,558,740	-	-
Selling expenses		142,974,934	68,780,272	-	-
Administrative expenses		241,381,160	236,197,465	2,755,995	4,609,338
Management benefit expenses		21,182,055	23,235,386	820,000	984,000
Loss on impairment of investment in associated company		-	-	3,816,299	-
Other expenses		51,051	640,406	-	639,761
<b>Total expenses</b>		<b>1,522,923,858</b>	<b>1,232,412,269</b>	<b>7,392,294</b>	<b>6,233,099</b>
<b>Income (loss) before share of loss from investment in associated company, finance cost and corporate income tax</b>					
		44,563,804	(1,729,130)	(6,399,671)	18,274,606
Share of loss from investment in associated company		(1,327,600)	(2,488,699)	-	-
<b>Income (loss) before finance cost and income tax</b>					
		43,236,204	(4,217,829)	(6,399,671)	18,274,606
Finance cost		(3,759,631)	(2,775,932)	-	-
<b>Income (loss) before corporate income tax</b>					
		39,476,573	(6,993,761)	(6,399,671)	18,274,606
Corporate income tax	22	(11,085,409)	-	-	-
<b>Net income (loss) for the year</b>		<b>28,391,164</b>	<b>(6,993,761)</b>	<b>(6,399,671)</b>	<b>18,274,606</b>
<b>Basic earnings per share</b>					
Net income (loss)	23	0.20	(0.05)	(0.05)	0.13

The accompanying notes are an integral part of the financial statements.

Premier Technology Public Company Limited and its subsidiary

Cash flow statements

For the years ended 31 December 2010 and 2009

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
<b>Cash flows from operating activities</b>				
Net income (loss) before tax	39,476,573	(6,993,761)	(6,399,671)	18,274,606
Adjustments to reconcile net income (loss) before tax to net cash provided by (paid from) operating activities:				
Unrealised loss on current investments	-	18,306	-	18,306
Reversal of allowance for change in value of marketable securities	(18,000)	-	(18,000)	-
Gain on sale of marketable securities	(380,000)	-	(380,000)	-
Allowance for doubtful accounts	6,968,347	2,185,381	-	-
Increase (decrease) from allowance for diminution in value of inventories	376,969	(3,181,646)	-	-
Depreciation	54,931,639	61,706,204	6,335	6,334
(Gain) loss on sale of equipment	15,076	(571,679)	-	-
Loss on impairment of investment in associated company	-	-	3,816,299	-
Share of loss from investment in associated company	1,327,600	2,488,699	-	-
Amortisation of prepaid rental expenses	2,479,795	2,479,795	-	-
Income from investment - dividend received from investment in subsidiary	-	-	-	(23,999,520)
Interest expenses	3,759,631	2,775,932	-	-
Income (loss) from operating activities before changes in operating assets and liabilities	108,937,630	60,907,231	(2,975,037)	(5,700,274)
(Increase) decrease in operating assets				
Trade accounts receivable	8,794,404	45,425,477	-	-
Inventories	(112,659,980)	60,435,966	-	-
Other current assets	(37,017,951)	(18,172,264)	(159,548)	520,707
Other non-current assets	(139,461)	(674,726)	-	-
Increase (decrease) in operating liabilities				
Trade accounts payable	91,692,263	(36,753,888)	-	-
Amounts due to related parties	1,528,561	31,303	-	-
Other current liabilities	25,132,524	(38,929,522)	175,343	45,620
Cash from (used in) operating activities	86,267,990	72,269,577	(2,959,242)	(5,133,947)
Cash paid for interest expenses	(3,759,631)	(2,775,932)	-	-
Cash paid for corporate income tax	(19,185,049)	(17,910,505)	-	-
<b>Net cash flows from (used in) operating activities</b>	<b>63,323,310</b>	<b>51,583,140</b>	<b>(2,959,242)</b>	<b>(5,133,947)</b>

The accompanying notes are an integral part of the financial statements.

Premier Technology Public Company Limited and its subsidiary

Cash flow statements (continued)

For the years ended 31 December 2010 and 2009

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
<b>Cash flows from investing activities</b>				
Increase in current investment	(50,000,082)	(151)	(50,000,083)	(151)
Proceeds from sales of marketable securities	5,788,000	-	5,788,000	-
Acquisition of marketable securities	-	(5,408,306)	-	(5,408,306)
Decrease in restricted fixed deposits with banks	475,728	13,073,978	-	-
Acquisition of equipment	(17,874,448)	(21,579,230)	-	-
Proceeds from sales of equipment	904,324	1,267,095	-	-
Cash paid for investment in associated company	(1,534,000)	(1,716,000)	(1,534,000)	(1,716,000)
Proceed from sales of other long-term investment	-	10,000,000	-	10,000,000
Cash paid for acquisition of intangible assets	(8,803,822)	-	-	-
Cash receipt from remuneration	17,000,000	17,000,000	17,000,000	17,000,000
Dividend received from investment in subsidiary	-	-	-	23,999,520
<b>Net cash flows from (used in) investing activities</b>	<b>(54,044,300)</b>	<b>12,637,386</b>	<b>(28,746,083)</b>	<b>43,875,063</b>
<b>Cash flows from financing activities</b>				
Decrease in short-term loans from financial institution	-	(10,000,000)	-	-
Increase (decrease) in accounts payable - factoring company	19,342,094	24,726,257	-	-
Increase in short-term loan	(4,098,426)	4,098,426	-	-
Repayment of long-term loans	(5,677,889)	(4,821,093)	-	-
Cash receipt from long-term loan	6,420,000	-	-	-
Repayment of long-term liabilities	(40,646,604)	(43,938,512)	-	-
Repayment of long-term liabilities under rehabilitation plan	(1,547,836)	(2,153,699)	(1,547,836)	(2,153,699)
Dividend paid	(14,194,447)	(14,194,447)	(14,194,447)	(14,194,447)
<b>Net cash flows used in financing activities</b>	<b>(40,403,108)</b>	<b>(46,283,068)</b>	<b>(15,742,283)</b>	<b>(16,348,146)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(31,124,098)</b>	<b>17,937,458</b>	<b>(47,447,608)</b>	<b>22,392,970</b>
Cash and cash equivalents at beginning of the year	93,085,136	75,147,678	72,709,326	50,316,356
<b>Cash and cash equivalents at end of the year</b>	<b>61,961,038</b>	<b>93,085,136</b>	<b>25,261,718</b>	<b>72,709,326</b>
	-	-	-	-
<b>Supplementary disclosures of cash flows information:</b>				
Non-cash transactions				
Assets acquired under finance lease agreements	49,410,898	30,910,612	-	-

The accompanying notes are an integral part of the financial statements.

Premier Technology Public Company Limited and its subsidiary

Statements of changes in shareholders' equity

For the years ended 31 December 2010 and 2009

(Unit: Baht)

<b>Consolidated financial statements</b>							
	Note	Issued	Gain on sale of	Retained earnings		Total	
		and paid-up share capital		Company's shares held by subsidiary	investment to related company		Appropriated - statutory reserve
<b>Balance as at 31 December 2008</b>		141,944,471	(230,175)	51,000,000	1,950,000	47,596,459	242,260,755
Net loss for the year		-	-	-	-	(6,993,761)	(6,993,761)
Gain on sale of investment to related company	9	-	-	17,000,000	-	-	17,000,000
Dividend paid	24	-	-	-	-	(14,194,447)	(14,194,447)
Unappropriated retained earnings transferred to statutory reserve	20	-	-	-	920,000	(920,000)	-
<b>Balance as at 31 December 2009 - as previous reported</b>		141,944,471	(230,175)	68,000,000	2,870,000	25,488,251	238,072,547
Transferred of gain on sale of investment to related company to retained earnings	9	-	-	(68,000,000)	-	68,000,000	-
<b>Balance as at 31 December 2009 - as restated</b>		141,944,471	(230,175)	-	2,870,000	93,488,251	238,072,547
<b>Balance as at 31 December 2009 - as previous reported</b>		141,944,471	(230,175)	68,000,000	2,870,000	25,488,251	238,072,547
Transferred of gain on sale of investment to related company to retained earnings	9	-	-	(68,000,000)	-	68,000,000	-
<b>Balance as at 31 December 2009 - as restated</b>		141,944,471	(230,175)	-	2,870,000	93,488,251	238,072,547
Net income for the year		-	-	-	-	28,391,164	28,391,164
Gain on sale of investment to related company	9	-	-	17,000,000	-	-	17,000,000
Transferred of gain on sale of investment to related company to retained earnings	9	-	-	(17,000,000)	-	17,000,000	-
Dividend paid	24	-	-	-	-	(14,194,447)	(14,194,447)
Unappropriated retained earnings transferred to statutory reserve	9, 20	-	-	-	4,250,000	(4,250,000)	-
<b>Balance as at 31 December 2010</b>		141,944,471	(230,175)	-	7,120,000	120,434,968	269,269,264

The accompanying notes are an integral part of the financial statements.

Premier Technology Public Company Limited and its subsidiary  
Statements of changes in shareholders' equity (continued)  
For the years ended 31 December 2010 and 2009

(Unit: Baht)

	Note	Separate financial statements				Total
		Issued and paid-up share capital	Gain on sale of investment to related company	Retained earnings		
				Appropriated - statutory reserve	Unappropriated	
<b>Balance as at 31 December 2008</b>		141,944,471	51,000,000	1,950,000	17,002,148	211,896,619
Net income for the year		-	-	-	18,274,606	18,274,606
Gain on sale of investment to related company	9	-	17,000,000	-	-	17,000,000
Dividend paid	24	-	-	-	(14,194,447)	(14,194,447)
Unappropriated retained earnings transferred to statutory reserve	20	-	-	920,000	(920,000)	-
<b>Balance as at 31 December 2009 - as previously reported</b>		141,944,471	68,000,000	2,870,000	20,162,307	232,976,778
Transferred of gain on sale of investment to related company to retained earnings	9	-	(68,000,000)	-	68,000,000	-
<b>Balance as at 31 December 2009 - as restated</b>		141,944,471	-	2,870,000	88,162,307	232,976,778
					-	-
<b>Balance as at 31 December 2009 - as previously reported</b>		141,944,471	68,000,000	2,870,000	20,162,307	232,976,778
Transferred of gain on sale of investment to related company to retained earnings	9	-	(68,000,000)	-	68,000,000	-
<b>Balance as at 31 December 2009 - as restated</b>		141,944,471	-	2,870,000	88,162,307	232,976,778
Net loss for the year		-	-	-	(6,399,671)	(6,399,671)
Gain on sale of investment to related company	9	-	17,000,000	-	-	17,000,000
Transferred of gain on sale of investment to related company to retained earnings	9	-	(17,000,000)	-	17,000,000	-
Dividend paid	24	-	-	-	(14,194,447)	(14,194,447)
Unappropriated retained earnings transferred to statutory reserve	9, 20	-	-	4,250,000	(4,250,000)	-
<b>Balance as at 31 December 2010</b>		141,944,471	-	7,120,000	80,318,189	229,382,660
					-	-

The accompanying notes are an integral part of the financial statements.

## Premier Technology Public Company Limited and its subsidiary

### Notes to consolidated financial statements

For the years ended 31 December 2010 and 2009

#### 1. General information

Premier Technology Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in a holding company and its registered address is One Premier Corporate Park, Soi Premier 2, Srinakarin Road, Nongbon, Prawet, Bangkok.

#### 2. Basis of preparation

2.1 The financial statements have been prepared in accordance with accounting standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 30 January 2009, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

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

#### 2.2 Basis of consolidation

a) The consolidated financial statements include the financial statements of Premier Technology Public Company Limited (“the Company”) and the following subsidiary (“the subsidiary”):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding		Assets as a percentage to the consolidated total assets as at 31 December		Revenues as a percentage to the consolidated total revenues for the year ended 31 December	
			2010	2009	2010	2009	2010	2009
			Percent	Percent	Percent	Percent	Percent	Percent
Datapro Computer Systems Company Limited	Distributor of computer software and hardware	<u>Thailand</u>	100	100	91	88	100	100

- b) Subsidiary is fully consolidated as from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
  - c) The financial statements of the subsidiary are prepared using the same significant accounting policies as the Company.
  - d) Material balances and transactions between the Company and its subsidiary have been eliminated from the consolidated financial statements.
- 2.3 The separate financial statements, which present investments in subsidiary and associated company under the cost method, have been prepared solely for the benefit of the public.

### 3. Adoption of new accounting standards

During the current year, the Federation of Accounting Professions issued a number of revised and new accounting standards as listed below.

- 3.1 Accounting standards that are effective for fiscal years beginning on or after 1 January 2011 (except Framework for the Preparation and Presentation of Financial Statements, which is immediately effective):

Framework for the Preparation and Presentation of Financial Statements  
(revised 2009)

TAS 1 (revised 2009)	Presentation of Financial Statements
TAS 2 (revised 2009)	Inventories
TAS 7 (revised 2009)	Statement of Cash Flows
TAS 8 (revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2009)	Events after the Reporting Period
TAS 11 (revised 2009)	Construction Contracts
TAS 16 (revised 2009)	Property, Plant and Equipment
TAS 17 (revised 2009)	Leases
TAS 18 (revised 2009)	Revenue
TAS 19	Employee Benefits
TAS 23 (revised 2009)	Borrowing Costs
TAS 24 (revised 2009)	Related Party Disclosures
TAS 26	Accounting and Reporting by Retirement Benefit Plans

TAS 27 (revised 2009)	Consolidated and Separate Financial Statements
TAS 28 (revised 2009)	Investments in Associates
TAS 29	Financial Reporting in Hyperinflationary Economies
TAS 31 (revised 2009)	Interests in Joint Ventures
TAS 33 (revised 2009)	Earnings per Share
TAS 34 (revised 2009)	Interim Financial Reporting
TAS 36 (revised 2009)	Impairment of Assets
TAS 37 (revised 2009)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2009)	Intangible Assets
TAS 40 (revised 2009)	Investment Property
TFRS 2	Share-Based Payment
TFRS 3 (revised 2009)	Business Combinations
TFRS 5 (revised 2009)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6	Exploration for and Evaluation of Mineral Resources
TFRIC 15	Agreements for the Construction of Real Estate

3.2 Accounting standards that are effective for fiscal years beginning on or after 1 January 2013:

TAS 12	Income Taxes
TAS 20 (revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates

The Company's management believes that these accounting standards will not have any significant impact on the financial statements for the year when they are initially applied, except for the following accounting standards which management expects the impact on the financial statements in the year when they are adopted.

**TAS 19 Employee Benefits**

This accounting standard requires employee benefits to be recognised as expense in the period in which the service is performed by the employee. In particular, an entity has to evaluate and make a provision for post-employment benefits using actuarial techniques. Currently, the Company accounts for such employee benefits when they are incurred.



At present, the management is evaluating the impact on the financial statements in the year when this standard is adopted.

#### **TAS 12 Income Taxes**

This accounting standard requires an entity to identify temporary differences, which are differences between the carrying amount of an asset or liability in the accounting records and its tax base, and to recognise deferred tax assets and liabilities under the stipulated guidelines.

At present, the management is evaluating the impact on the financial statements in the year when this standard is adopted.

### **4. Significant accounting policies**

#### **4.1 Revenue recognition**

##### *Sale of goods*

Sales of goods are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are the invoiced value, excluding value added tax, of goods supplied after deducting discounts and allowances.

##### *Rendering of service*

Service revenue is recognised when services have been rendered taking into account the stage of completion. The Company assessed the stage of completion in accordance with the services rendered in proportion to the total services to be rendered.

##### *Dividends*

Dividends are recognised when the right to receive the dividends is established.

#### **4.2 Cash and cash equivalents**

Cash and cash equivalents consist of cash in hand, cash at bank, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

#### **4.3 Trade accounts receivable**

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated collection losses that may be incurred in the collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

#### **4.4 Inventories**

Inventories are valued at the lower of cost (under the first-in, first-out method and the specific identification method) and net realisable value.

#### 4.5 Investments

- a) Investments in securities held for trading are stated at fair value. Changes in the fair value of these securities are recorded as gains or losses in the income statement.
- b) Investment in associate is accounted for in the consolidated financial statements using the equity method.
- c) Investments in subsidiary and associate are accounted for in the separate financial statements using the cost method.
- d) Investments in non-marketable equity securities, which the Company classifies as other investments, are stated at cost net of allowance for loss on diminution in value (if any).

The fair value of marketable securities is based on the latest bid price of the last working day of the year.

The weighted average method is used for computation of the cost of investments.

In the event the Company reclassifies investments from one type to another, such investments will be readjusted to their fair value as at the reclassification date. The difference between the carrying amount of the investments and the fair value on the date of reclassification are recorded as gains or losses in the income statement or recorded as surplus (deficit) from changes in the value of investments in shareholders' equity, depending on the type of investment that is reclassified.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised as income or expenses in the income statement.

#### 4.6 Equipment and depreciation

Equipment is stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of equipment is calculated by reference to its costs using the straight-line basis, over the following estimated useful lives:-

Leasehold improvements	-	5 years
Furniture and office equipment	-	3, 5 years

Depreciation is included in determining income.

No depreciation has been provided on assets under installation.

An item of equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

#### **4.7 Intangible assets**

Intangible assets are recognised at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to the income statement.

The Company amortises intangible assets, which comprise product design and development costs on the straight-line basis, with the periods of economic benefit being approximately 10 years.

#### **4.8 Related party transactions**

Related parties comprise enterprises and individuals that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies and individuals which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors and officers with authority in the planning and direction of the Company's operations.

#### **4.9 Long-term leases**

Leases of equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in other long-term payables, while the interest element is charged to the income statements over the lease period. The equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease period.

Operating lease payments are recognised as an expense in the income statement on a straight line basis over the lease term.

#### **4.10 Foreign currencies**

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the balance sheet date.

Gains and losses on exchange are included in determining income.

#### **4.11 Impairment of assets**

At each reporting date, the Company performs impairment reviews in respect of equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in the income statement.

In the assessment of asset impairment if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Company estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the income statement unless the asset is carried at a revalued amount, in which case the reversal, which exceeds the carrying amount that would have been determined, is treated as a revaluation increase.

#### **4.12 Employee benefits**

Salaries, wages, bonuses and contributions to the social security fund and provident fund are recognised as expenses when incurred.

#### **4.13 Provisions**

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

#### **4.14 Income tax**

Income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

### **5. Significant accounting judgments and estimates**

The preparation of financial statements in conformity with generally accepted accounting principles at times requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures and actual results could differ. Significant judgments and estimates are as follows:

#### **Leases**

In determining whether a lease is to be classified as an operating lease or finance lease, the 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.

#### **Allowance for doubtful accounts**

In determining an allowance for doubtful accounts, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

#### **Equipment/Depreciation**

In determining depreciation of equipment, the management is required to make estimates of the useful lives and salvage values of the Company's equipment and to review estimate useful lives and salvage values when there are any changes.

In addition, the management is required to review equipment for impairment on a periodical basis and record impairment losses in the period when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

## 6. Cash and cash equivalents

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Cash	90,000	90,000	5,000	5,000
Bank deposits	61,871,038	62,995,136	25,256,718	42,704,326
Bank of Thailand Bond	-	30,000,000	-	30,000,000
<b>Total</b>	<b>60,961,038</b>	<b>93,085,136</b>	<b>25,261,718</b>	<b>72,709,326</b>

As at 31 December 2010, bank deposits in saving accounts carried interests between 0.25 and 0.75 percent per annum (2009: bank deposit in saving accounts and Bank of Thailand bond carried interest between 0.25 and 1.16 percent per annum).

## 7. Current investment - bond

As at 31 December 2010, the Company had an investment in Bank of Thailand interest-free bond with the face value of Baht 50 million. The bond matured in March 2011.

## 8. Current investments - marketable securities

(Unit: Baht)

	Consolidated financial statements / Separate financial statements			
	2010		2009	
	<u>Cost</u>	<u>Fair value</u>	<u>Cost</u>	<u>Fair value</u>
Marketable securities	-	-	5,408,306	5,390,000
Less: Allowance for change in value	-	-	(18,306)	-
<b>Current investments - net</b>	<b>-</b>	<b>-</b>	<b>5,390,000</b>	<b>5,390,000</b>

During the year 2009, the Company acquired marketable securities that are shares of a related company in the normal course of its trading on the Stock Exchange of Thailand. The purpose of such acquisitions was short-term working capital management, by means of stock market investments in securities that are liquid and provide an acceptable return.

## 9. Related party transactions

During the years, the Company and its subsidiary had significant business transactions with related parties, which have been concluded on commercial terms and bases agreed upon in the ordinary course of business between the Company and those companies. Below is a summary of those transactions.

(Unit: Million Baht)

	Consolidated		Separate		Pricing policy
	financial statements		financial statements		
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	
<u>Transactions with related companies</u>					
Sales and service income	41.5	46.0	-	-	Note 9.1
Purchase of goods	-	1.6	-	-	Cost plus certain margin.
Selling and administrative expenses	26.3	25.7	2.0	2.6	Contract price, which is price in the ordinary course of business
Purchase of assets	1.5	-	-	-	Contract price, which is price in the ordinary course of business

- 9.1 Sales prices are determined based on cost plus a margin while price of service are based on the contract price, which is price in the ordinary course of business. However pricing depends on the type of product or service and the pricing policy may change according to the type of business and the market situation at the time of the transaction.

The balances of the accounts as at 31 December 2010 and 2009 between the Company and those related companies are as follows:

	(Unit: Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
<b><u>Trade accounts receivable - related parties</u></b>				
Broad Band Technology Service Company Limited	-	195,223	-	-
Professional Training Services Company Limited	361,352	168,525	-	-
Seri Premier Company Limited	-	142,159	-	-
Premier Fission Capital Company Limited	20,052	115,206	-	-
Premier Metrobus Company Limited	278,500	-	-	-
Others	91,784	180,736	-	-
<b>Total trade accounts receivable - related parties</b>	<b>751,688</b>	<b>801,849</b>	<b>-</b>	<b>-</b>
<b><u>Account receivable from transfer of rights of claim - related party</u></b>				
Premier Manufacturing Company Limited	-	17,000,000	-	17,000,000
Less: Deferred gain from sales of investments	-	(17,000,000)	-	(17,000,000)
<b>Total account receivable from transfer of rights of</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
<b>claim - related party - net</b>				
<b><u>Amounts due to related parties</u></b>				
Premier Professional Training Service Company Limited	1,615,973	-	-	-
Others	-	87,412	-	-
<b>Total amounts due to related parties</b>	<b>1,615,973</b>	<b>87,412</b>	<b>-</b>	<b>-</b>

**Accounts receivable from transfer of rights of claim - related party**

During the fourth quarter of 2005, the Company sold investments in two subsidiaries to Premier Manufacturing Company Limited with a gain on the sale of the investments amounting to Baht 143.6 million. The Company also transferred to the related company rights of claim in loans and receivable of Premier CE Company Limited and Premier Home Appliance Company Limited, with balances as at 30 November 2005, amounting to Baht 70 million and Baht 20 million, respectively, for which it is to receive remuneration amounting to Baht 90 million. The Company has received partial remuneration of Baht 5 million, and the balance of Baht 85 million was recorded as account receivable from transfer of rights of claim - related party. Such remuneration, on which no interest is charged, is to be paid in 5 annual installments of Baht 17 million each, commencing from 1 December 2006. However, for reasons of prudence, the Company has deferred the recognition of the gains on sale of the Baht 85 million of the investments until the payment is received.

During the year 2008, the Company transferred Baht 17 million of accounts receivable from transfer of rights of claim to net it with the amount payable to a related company for a share purchase. And the Company received remuneration of Baht 34 million from the above related company and thus recognised a deferred gain of Baht 51 million as gain on sale of investment to related company in shareholders' equity in the balance sheet.

During the years 2010 and 2009 the Company received remuneration from the related company totaling Baht 34 million and has therefore received the full amount payable under the agreement.

On 17 February 2011, Meeting of the Company's Board of Directors No. 1/2554 approved the transfer of gain on the sale of the investments, which was recorded as gain on sale of investment to related company in shareholders' equity in the balance sheet, totaling to Baht 85 million (the year 2010 amounting to Baht 17 million and the year 2009 amounting to Baht 68 million) to retained earnings and this approval was retroactively effective to the year 2009. The meeting also approved the Company



setting aside 5 percent of the gain on sale of investment to the related company, Baht 4.25 million, to the statutory reserve.

Directors and management's remuneration

In 2010 the Company and its subsidiary had salaries, meeting allowances and gratuities of their directors and management recognised as expenses totaling Baht 21.2 million (The Company only: Baht 0.8 million) (2009: Baht 23.2 million, The Company only: Baht 1.0 million).

**10. Trade accounts receivable**

The balances of trade accounts receivable as at 31 December 2010 and 2009 aged on basis of due dates, are summarised below.

	(Unit: Baht)	
	Consolidated financial statements	
	<u>2010</u>	<u>2009</u>
<b><u>Age of receivables</u></b>		
<u>Related parties</u>		
Not yet due	42,287	631,217
Past due		
Up to 3 months	634,501	170,632
3 - 6 months	-	-
6 - 12 months	74,900	-
Over 12 months	-	-
Total	751,688	801,849
Less: Allowance for doubtful accounts	-	-
Net	751,688	801,849
<u>Unrelated parties</u>		
Not yet due	187,897,139	175,761,748
Past due		
Up to 3 months	80,527,490	82,575,700
3 - 6 months	4,923,731	31,029,562
6 - 12 months	12,324,411	22,848,511
Over 12 months	32,884,198	15,085,691
Total	318,556,969	327,301,212

(Unit: Baht)

	Consolidated financial statements	
	2010	2009
Less: Allowance for doubtful accounts	(22,250,789)	(15,282,442)
Net	296,306,180	312,018,770
Trade accounts receivable - net	297,057,868	312,820,619

The balance of trade accounts receivable as at 31 December 2010 included trade receivables amounting to Baht 49.0 million (2009: Baht 27.5 million) which the subsidiary has assigned its rights over collection to factoring company in accordance with the factoring agreements with interest as stipulated in the agreements. If the assignee is unable to make collection from the subsidiary's debtors, the subsidiary agrees to pay the outstanding debt balances to the assignee.

## 11. Inventories

(Unit: Baht)

	Consolidated financial statements					
	Cost		Allowance of diminution in value of inventories		Inventories - net	
	2010	2009	2010	2009	2010	2009
Finished goods	158,314,888	52,011,502	(1,961,230)	(1,584,261)	156,353,658	50,427,241
Goods in transit	7,093,633	737,039	-	-	7,093,633	737,039
Total	165,408,521	52,748,541	(1,961,230)	(1,584,261)	163,447,291	51,164,280

## 12. Investment in subsidiary

Details of investment in subsidiary as presented in separate financial statements are as follows:

(Unit: Baht)

Company's name	Paid-up capital		Shareholding percentage		Cost	
	2010 Thousand Baht	2009 Thousand Baht	2010 (%)	2009 (%)	2010	2009
Datapro Computer Systems Company Limited	30,000	30,000	100	100	255,887,200	255,887,200
Less: Allowance for impairment of investment in subsidiary					(103,160,339)	(103,160,339)
Investment in subsidiary - net					152,726,861	152,726,861

On 30 November 2009, a meeting of subsidiary's Board of Directors approved the payment of interim dividend for 2009 of Baht 24 million to the shareholders at Baht 80 per share. The subsidiary paid such dividend in December 2009.

### 13. Investment in associated company

#### 13.1 Details of associate:

(Unit: Baht)

Company's name	Nature of business	Country of incorporation	Consolidated financial statements							
			Shareholding percentage		Cost		Carrying amounts based on equity method			
			2010	2009	2010	2009	2010	2009		
			(%)	(%)						
Advance Cyber Technology Company Limited	Service	Thailand	26	26	5,200,000	3,666,000	1,383,701	1,177,301		

(Unit: Baht)

Company's name	Nature of business	Country of incorporation	Separate financial statements									
			Shareholding percentage		Cost		Allowance for impairment of investments	Carrying amounts based on cost method - net				
			2010	2009	2010	2009	2010	2009	2010	2009		
			(%)	(%)								
Advance Cyber Technology Company Limited	Service	Thailand	26	26	5,200,000	3,666,000	(3,816,299)	-	1,383,701	3,666,000		

During the year 2010, Advance Cyber Technology Company Limited called up 29.5 percent of the registered value of its share capital. The Company paid in additional share capital of Baht 1.5 million.

#### 13.2 Share of income/loss and dividend received

During the year, the Company has recognised its share of net loss from investment in associated company in the consolidated financial statements as follows:

(Unit: Baht)

Company's name	Consolidated financial statements	
	Share of loss from investment in associate during the year	
	2010	2009
Advance Cyber Technology Company Limited	(1,327,600)	(2,488,699)

During the years 2010 and 2009, the associated company has not paid dividend.

### 13.3 Summarised financial information of associate

Financial information of the associated company is summarised below.

(Unit: Million Baht)

Company's name	Paid-up capital		Total assets		Total liabilities		Total revenues		Net income (loss)	
	as at		as at		as at		for the year ended		for the year ended	
	31 December		31 December		31 December		31 December		31 December	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Advance Cyber Technology Company Limited	20.0	14.1	8.7	4.9	3.2	0.4	5.6	1.8	(5.1)	(7.4)

Financial information and share of loss of associate were determined based on the financial statements prepared by its managements and were not audited by its auditors. The Company believes that the value of the investment would not significantly differ if the financial statements had been audited by auditor.

## 14. Equipment

(Unit: Baht)

	Consolidated financial statements		
	Furniture and office equipment	Assets under installation	Total
<b>Cost</b>			
31 December 2009	374,816,216	68,938	374,885,154
Additions	34,693,940	32,591,406	67,285,346
Disposals	(27,940,372)	-	(27,940,372)
Transfer in	2,177,086	-	2,177,086
Transfer out	-	(2,177,086)	(2,177,086)
31 December 2010	383,746,870	30,483,258	414,230,128
<b>Accumulated depreciation</b>			
31 December 2009	273,479,990	-	273,479,990
Depreciation for the year	54,931,639	-	54,931,639
Depreciation on disposals	(27,020,972)	-	(27,020,972)
31 December 2010	301,390,657	-	301,390,657
<b>Net book value</b>			
31 December 2009	101,336,226	68,938	101,405,164
31 December 2010	82,356,213	30,483,258	112,839,471
<b>Depreciation for the year</b>			
2009 (Baht 32 million included in service cost, and the balance in administrative expenses)			61,706,204
2010 (Baht 28 million included in service cost, and the balance in administrative expenses)			54,931,639

	(Unit: Baht)
	Separate financial statements
	Furniture and office equipment
<b>Cost</b>	
31 December 2009	31,673
31 December 2010	31,673
<b>Accumulated depreciation</b>	
31 December 2009	8,117
Depreciation for the year	6,335
31 December 2010	14,452
<b>Net book value</b>	
31 December 2009	23,556
31 December 2010	17,221
<b>Depreciation for the year (include in administrative expenses)</b>	
2009	6,334
2010	6,335

As at 31 December 2010, the subsidiary had equipment under finance lease agreements with net book values amounting to Baht 42.7 million (2009: Baht 53.4 million).

As at 31 December 2010, certain equipment items of the subsidiary have been fully depreciated but are still in use. The gross carrying amount (before deducting accumulated depreciation) of those assets amounted to Baht 199.6 million (2009: Baht 165.4 million).

## 15. Intangible assets

Details of intangible assets which are the products' design and development cost are as follows:

(Unit: Baht)

	Consolidated financial statements	
	<u>2010</u>	<u>2009</u>
Cost	8,803,822	-
Accumulated amortisation	-	-
Net book value	<u>8,803,822</u>	<u>-</u>
Amortisation expenses included in the income statements for the year	<u>-</u>	<u>-</u>

#### 16. Short-term loan

As at 31 December 2009, the balance of short-term loan of a subsidiary is Baht 4.1 million, with which the subsidiary has entered into a loan agreement with a company to provide funds to make payment for goods purchased of the subsidiary. The loan is to be repaid in quarterly installments within one year from the due date for payment for the goods, with interest charged as stipulated in the agreement.

#### 17. Long-term loans

Long-term loans (including current portion) of the subsidiary consist of the followings:

(Unit: Baht)

	Consolidated financial statements	
	<u>2010</u>	<u>2009</u>
Other long-term loans	4,280,000	3,537,889
Less: Current portion	<u>(2,140,000)</u>	<u>(3,537,889)</u>
Long-term loans - net of current portion	<u>2,140,000</u>	<u>-</u>

Other long-term loans of the subsidiary represent loans obtained from a company for use in the purchase of assets of the subsidiary. The loans are to be repaid in monthly installments within 3 years from the dates specified in the agreements, together with interest as stipulated in the agreements.

#### 18. Long-term liabilities

Long-term liabilities (including current portion) of the subsidiary consist of the followings:

(Unit: Baht)

	Consolidated financial statements	
	<u>2010</u>	<u>2009</u>
Liabilities under finance lease		
agreements - net of deferred interest	70,148,984	61,384,690
Less : Current portion	(37,970,873)	(33,692,716)
Long-term liabilities - net of current portion	<u>32,178,111</u>	<u>27,691,974</u>

A subsidiary has entered into the finance lease agreements with leasing companies for rental of equipment for use in its operation, whereby it is committed to pay rental on a monthly basis. The terms of the agreements are generally 3 years.

As at 31 December 2010, Future minimum lease payments required under the finance lease agreements were as follows:

(Unit: Million Baht)

	Less than		
	<u>1 year</u>	<u>1-3 years</u>	<u>Total</u>
Present value of future minimum lease payments	38.0	32.1	70.1

#### 19. Long-term liabilities under rehabilitation plan

As at 31 December 2010 and 2009, the outstanding long-term liabilities restructured under the rehabilitation plan are as follows:

(Unit: Baht)

	Consolidated financial statements/ Separate financial statements	
	<u>2010</u>	<u>2009</u>
Senior creditors of loans and financial instruments:		
- Principal is to be repaid in semi-annual installments within 10 years from the date the court issues its final order approving the plan, with a grace period of 3 years (repayment as from the year 2004). Interest is charged at the lower of 6 percent per annum or MLR.	500,000	2,000,000
Add: Interest expenses pending recognition in future year	986	48,822
Long-term liabilities under rehabilitation plan	<u>500,986</u>	<u>2,048,822</u>



Less: Current portion	(500,986)	(1,547,836)
Long-term liabilities under rehabilitation plan - net of current portion	-	500,986

## 20. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net income after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

## 21. Expenses by nature

Significant expenses by nature are as follows:

	(Unit: Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Salary and other employee benefits	368,276,604	286,885,480	820,000	984,000
Depreciation	54,931,639	61,706,204	6,335	6,334
Rental expenses from operating lease agreements	18,502,496	17,764,483	-	-
Purchase of goods	1,117,746,719	746,820,507	-	-
Changes in finished goods	(106,303,386)	49,932,025	-	-

## 22. Corporate income tax

No corporate income tax was payable for the year 2009 since dividend income is exempted from income tax under section 65 bis (10) of the Revenue Code.

## 23. Basic earnings per share

Basic earnings per share is calculated by dividing the net income (loss) for the year by the weighted average number of ordinary shares in issue during the year after deducting the number of shares of the Company held by a subsidiary.

## 24. Dividends

Dividends	Approved by	(Unit: Baht)	
		Total dividends	Dividend per share
Final dividends for 2008	Annual General Meeting of the shareholders on 23 April 2009	14,194,447	0.10
Final dividends for 2009	Annual General Meeting of the shareholders on 22 April 2010	14,194,447	0.10

## 25. Commitments

As at 31 December 2010, the Company and its subsidiary have commitments as follows:

### 25.1 Capital commitment

As at 31 December 2010, the subsidiary had capital commitments of Baht 0.2 million in respect of purchases of equipment.

### 25.2 Operating lease commitments

The subsidiary has entered into several lease agreements in respect of the lease of building, office space and related services. The terms of the agreements are generally between 1 and 13 years.

As at 31 December 2010, future minimum lease payments required under these operating leases contracts were as follows:

	<u>Million Baht</u>
Payable within:	
Less than 1 year	13.9
1 to 5 years	20.7
More than 5 years	11.2

### 25.3 Long-term service commitments

The Company and its subsidiary have entered into management service agreements with a related company, whereby management fees totaling Baht 0.5 million per month are payable in the future, with Baht 0.1 million per month payable by the Company.

The agreements end in December 2011 but they automatically renew for periods of one year each time until terminated.

#### **25.4 Guarantee**

The subsidiary has commitments of Baht 35.3 million (2009: Baht 36.2 million) in respect of bank guarantee issued by banks on behalf of the subsidiary in respect of certain performance bonds as required in the normal course of business. All of letters of guarantee relate to guarantee contractual performance.

A Baht 36.4 million (2009: Baht 36.9 million) fixed bank deposits of the subsidiary have been pledged with banks to secure those bank guarantees and the facilities as discuss in note 26.

#### **25.5 Licensing fee agreement**

The subsidiary has entered into a memorandum of agreement with a local company, granting it the right to install advertising media systems, whereby the subsidiary will install and provide advertising media system services on buses. Under the conditions of the agreement, the subsidiary is required to pay an annual licensing fee from 2009 until 2012, totaling approximately Baht 13.1 million. During the year 2010, the subsidiary recorded the licensing costs amounting to approximately Baht 2.6 million (2009: Baht 1.2 million) under such agreement.

#### **26. Facilities from financial institution**

The subsidiary has been granted various types of credit facilities, by a financial institution of which Baht 37.5 million has not been utilised. Most of the facilities have been guaranteed by a part of fixed deposits with bank of the subsidiary.

#### **27. Provident fund**

The subsidiary and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the subsidiary contributed to the fund monthly at the rate of 5 percent of basic salary. The fund, which is managed by TISCO Assets Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. During the year 2010, the subsidiary contributed Baht 7.8 million (2009: Baht 7.6 million) to the fund.

#### **28. Financial instruments**

##### **28.1 Financial risk management**

The Company's financial instruments, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade accounts receivable, short-term and long-term loans. The financial risks associated with these financial instruments and how they are managed is described below.

### **Credit risk**

The subsidiary is exposed to credit risk primarily with respect to trade accounts receivable. The subsidiary manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, the subsidiary does not have high concentration of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of receivables as stated in the balance sheet.

### **Interest rate risk**

The Company and its subsidiary's exposure to interest rate risk relates primarily to their cash at banks, long-term loans, long-term liabilities and liabilities under rehabilitation plan. However, since most of the Company and its subsidiary's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal. The Company and its subsidiary do not use derivative to hedge such risk.

Significant financial assets and liabilities as at 31 December 2010 classified by type of interest rates are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

Consolidated financial statements						
	Fixed interest rates				Total	Interest rate
	Within 1 year	1-3 Years	Floating interest rate	Non- interest bearing		
						(% p.a.)
	(Million Baht)					
<b>Financial Assets</b>						
Cash and cash equivalent	-	-	62	-	62	0.25 - 0.75
Current investments- bond	50	-	-	-	50	1.75
Trade accounts receivable	-	-	-	319	319	-
Restricted fixed deposits with banks	-	-	36	-	36	0.70 - 1.25
	50	-	98	319	467	
<b>Financial liabilities</b>						
Trade accounts payable	-	-	-	320	320	-
Account payable - factoring company	44	-	-	-	44	6.15 - 6.40
Long-term loans	2	2	-	-	4	6.25 - 7.98
Long-term liabilities	38	32	-	-	70	4.7 - 6.50
Long-term liabilities under rehabilitation plan	-	-	1	-	1	Note 19
	84	34	1	320	439	

### **Foreign currency risk**

The subsidiary's exposure to foreign currency risk arises mainly from trading transactions that are denominated in foreign currencies. As at 31 December 2010, the subsidiary had the net foreign currency - denominated liabilities, amounting to USD 1.9 million (2009: USD 1.8 million) which had not been hedged against foreign exchange rate risk.

### **28.2 Fair values of financial instruments**

As the majority of financial assets are short-term and long-term financial liabilities carry interest rates which close to or lower than market rates, the management of the Company and its subsidiary believe that fair value of their financial assets and liabilities does not materially differ from their carrying value.

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instrument or by using an appropriate valuation technique, depending on the nature of the instrument.

### **29. Financial information by segment**

The Company and its subsidiary's operations involve a single industry segment, information and communications technology, and are carried on in the single geographic area of Thailand. As a result, all of the revenues, operating income (loss) and assets reflected in these financial statements pertain to the aforementioned industry segment and geographic area.

### **30. Capital management**

The primary objective of the Company's capital management is to ensure that it has an appropriate financial structure and preserves the ability to continue its business as a going concern.

According to the balance sheet as at 31 December 2010, the Group's debt-to-equity ratio was 2.3:1 (2009: 2.0:1).

### **31. Approval of financial statements**

These financial statements were authorised for issue by the Company's Board of Directors on 17 February 2011.

## **บริษัท พรีเมียร์ เทคโนโลยี จำกัด (มหาชน)**

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