

Premier Technology Public Company Limited  
and its subsidiary  
Report and consolidated financial statements  
31 December 2008 and 2007

## **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 2008 and 2007 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 audits 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 2008 and 2007, 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: 19 February 2009

**Premier Technology Public Company Limited and its subsidiary**

**Balance sheets**

**As at 31 December 2008 and 2007**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2008	2007	2008	2007
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents		75,147,678	14,453,859	50,316,356	1,476,069
Current investment - fixed deposits with banks		8,643	7,414,182	8,643	7,414,182
Trade accounts receivable					
Related parties	6	410,275	3,076,106	-	-
Unrelated parties		373,118,263	393,446,678	-	-
Less : Allowance for doubtful accounts		(13,097,061)	(7,916,172)	-	-
Trade accounts receivable - net	7	360,431,477	388,606,612	-	-
Inventories - net	8	108,418,600	58,177,350	-	-
Other current assets					
Withholding income tax deducted at source		5,359,736	10,521,159	639,761	643,541
Accrued service income		6,054,442	5,506,031	-	-
Prepaid service cost		39,266,831	37,519,984	-	-
Others		10,635,970	9,455,171	619,329	356,425
<b>Total current assets</b>		<b>605,323,377</b>	<b>531,654,348</b>	<b>51,584,089</b>	<b>9,890,217</b>
<b>Non-current assets</b>					
Restricted fixed deposits with banks	23.3	49,934,821	35,483,590	-	-
Account receivable from transfer of rights					
of claim - related party - net	6	-	-	-	-
Investment in subsidiary - net	9	-	-	152,726,861	117,626,861
Investment in associate	10	1,950,000	-	1,950,000	-
Other long-term investment	11	10,000,000	-	10,000,000	-
Equipment - net	12	111,316,942	124,101,145	29,890	2,012
Other non-current assets					
Prepaid rental expenses		16,641,954	19,123,346	-	-
Deposit on share - related party	6	-	18,100,000	-	18,100,000
Others		3,391,856	3,634,563	-	-
<b>Total non-current assets</b>		<b>193,235,573</b>	<b>200,442,644</b>	<b>164,706,751</b>	<b>135,728,873</b>
<b>Total assets</b>		<b>798,558,950</b>	<b>732,096,992</b>	<b>216,290,840</b>	<b>145,619,090</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 2008 and 2007

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2008	2007	2008	2007
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Short-term loan from financial institution	13	10,000,000	-	-	-
Trade accounts payable		265,032,455	242,070,730	-	-
Amounts due to related parties	6	56,109	513,749	-	-
Accounts payable - factoring company	7	-	21,393,453	-	-
Current portion of long-term loans	14	4,821,093	4,863,263	-	-
Current portion of long-term liabilities	15	40,276,984	38,974,427	-	-
Current portion of long-term liabilities					
Under rehabilitation plan	16	2,153,699	2,274,521	2,153,699	2,274,521
Other current liabilities					
Accrued expenses		121,458,718	106,279,688	178,192	1,332,405
Deferred service income		53,846,113	62,520,489	-	-
Corporate income tax payable		715,725	-	-	-
Others		17,962,982	18,472,516	13,508	1,782
<b>Total current liabilities</b>		<b>516,323,878</b>	<b>497,362,836</b>	<b>2,345,399</b>	<b>3,608,708</b>
<b>Non-current liabilities</b>					
Long-term loans - net current portion	14	3,537,889	1,686,543	-	-
Long-term liabilities - net of current portion	15	34,135,606	32,014,776	-	-
Long-term liabilities under rehabilitation plan - net					
of current portion	16	2,048,822	4,202,521	2,048,822	4,202,521
Other non-current liabilities		252,000	252,000	-	-
<b>Total non-current liabilities</b>		<b>39,974,317</b>	<b>38,155,840</b>	<b>2,048,822</b>	<b>4,202,521</b>
<b>Total liabilities</b>		<b>556,298,195</b>	<b>535,518,676</b>	<b>4,394,221</b>	<b>7,811,229</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 2008 and 2007

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2008	2007	2008	2007
<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	17	(230,175)	(230,175)	-	-
Gain on sale of investment to related company	6	51,000,000	-	51,000,000	-
Retained earnings					
Appropriated - statutory reserve	18	1,950,000	3,150,000	1,950,000	750,000
Unappropriated (deficit)		<u>47,596,459</u>	<u>16,389,427</u>	<u>17,002,148</u>	<u>(4,886,610)</u>
Equity attributable to Company's shareholders		242,260,755	161,253,723	211,896,619	137,807,861
Minority interest - equity attributable to minority shareholders of subsidiary					
		<u>-</u>	<u>35,324,593</u>	<u>-</u>	<u>-</u>
<b>Total shareholders' equity</b>		<u>242,260,755</u>	<u>196,578,316</u>	<u>211,896,619</u>	<u>137,807,861</u>
<b>Total liabilities and shareholders' equity</b>		<u>798,558,950</u>	<u>732,096,992</u>	<u>216,290,840</u>	<u>145,619,090</u>
		-	-	-	-

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

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 Directors  
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**Premier Technology Public Company Limited and its subsidiary**

**Income statements**

**For the years ended 31 December 2008 and 2007**

(Unit: Baht)

	Note	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
<b>Revenues</b>					
Sales		1,209,571,465	1,088,557,349	-	-
Service income		382,378,996	310,620,827	-	-
Dividend income	9	-	-	26,999,460	-
Other income		19,749,379	20,689,583	296,602	2,842,419
<b>Total revenues</b>		<u>1,611,699,840</u>	<u>1,419,867,759</u>	<u>27,296,062</u>	<u>2,842,419</u>
<b>Expenses</b>					
Cost of sales and services		1,177,833,732	1,028,420,215	-	-
Selling expenses		148,286,755	121,759,813	-	-
Administrative expenses		231,407,995	222,122,407	4,207,304	7,737,261
Other expenses		3,258,520	1,240,595	-	-
<b>Total expenses</b>		<u>1,560,787,002</u>	<u>1,373,543,030</u>	<u>4,207,304</u>	<u>7,737,261</u>
<b>Income (loss) before finance cost and income tax</b>		50,912,838	46,324,729	23,088,758	(4,894,842)
Finance cost		(2,638,977)	(5,914,525)	-	-
<b>Income (loss) before corporate income tax</b>		48,273,861	40,410,204	23,088,758	(4,894,842)
Corporate income tax	20	(18,266,829)	(15,710,000)	-	-
<b>Net income (loss) for the year</b>		<u>30,007,032</u>	<u>24,700,204</u>	<u>23,088,758</u>	<u>(4,894,842)</u>
<b>Net income attributable to:</b>					
Equity holders of the parent		30,007,032	18,781,195	23,088,758	(4,894,842)
Minority interest of the subsidiary		-	5,919,009	-	-
<b>Net income for the year</b>		<u>30,007,032</u>	<u>24,700,204</u>		
		-	-		
<b>Basic earnings per share</b>					
Net income (loss) attributable to equity holders of the parent	21	<u>0.21</u>	<u>0.13</u>	<u>0.16</u>	<u>(0.03)</u>

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 2008 and 2007**

(Unit: Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
<b>Cash flows from operating activities</b>				
Net income (loss) before tax	48,273,861	40,410,204	23,088,758	(4,894,842)
Adjustments to reconcile net income (loss) to net cash provided by (paid from) operating activities:				
Allowance for doubtful accounts	5,180,889	2,953,331	-	-
Allowance for diminution in value of inventories	3,566,630	624,253	-	-
Depreciation	67,353,073	64,514,499	1,561	222
Gain on sale of investment in other company	-	(93,527)	-	(93,527)
(Gain) loss on sale of equipment	4,030	(2,105,625)	-	-
Written-off equipment	-	762,206	-	-
Amortisation of prepaid rental expenses	2,481,391	2,479,795	-	-
Interest expenses	<u>2,638,977</u>	<u>5,914,525</u>	-	-
Income (loss) from operating activities before changes in operating assets and liabilities	129,498,851	115,459,661	23,090,319	(4,988,147)
(Increase) decrease in operating assets				
Trade accounts receivable	22,994,246	16,314,310	-	-
Inventories	(53,807,880)	42,410,501	-	-
Other current assets	1,685,366	(4,774,269)	(259,124)	40,093
Other non-current assets	242,707	1,460,946	-	521,673
Increase (decrease) in operating liabilities				
Trade accounts payable	22,961,725	(108,773,011)	-	-
Amounts due to related parties	(457,640)	(2,505,149)	-	(3,018,898)
Other current liabilities	<u>6,056,601</u>	<u>46,434,415</u>	<u>(1,142,487)</u>	<u>(19,173)</u>
Cash from (used in) operating activities	129,173,976	106,027,404	21,688,708	(7,464,452)
Cash paid for interest expenses	(2,700,458)	(5,808,572)	-	-
Cash paid for corporate income tax	<u>(17,551,104)</u>	<u>(30,857,178)</u>	-	<u>(14,451,422)</u>
<b>Net cash from (used in) operating activities</b>	<u>108,922,414</u>	<u>69,361,654</u>	<u>21,688,708</u>	<u>(21,915,874)</u>

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 2008 and 2007**

(Unit: Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
<b>Cash flows from investing activities</b>				
(Increase) decrease in current investment	7,405,539	(7,412,932)	7,405,539	(7,412,932)
Increase in fixed deposits subject to encumbrance	(14,451,231)	(10,530,366)	-	-
Cash receipt from remuneration	34,000,000	-	34,000,000	-
Proceeds from sales of equipment	637,866	3,050,878	-	-
Acquisition of equipment	(15,605,159)	(29,310,714)	(29,439)	(2,234)
Cash return from investment in other company	-	2,343,527	-	2,343,527
Acquisition of investment in associate	(1,950,000)	-	(1,950,000)	-
Acquisition of other long-term investment	(10,000,000)	-	(10,000,000)	-
Deposit on shares paid to related company	-	(18,100,000)	-	(18,100,000)
<b>Net cash from (used in) investing activities</b>	<u>37,015</u>	<u>(59,959,607)</u>	<u>29,426,100</u>	<u>(23,171,639)</u>
<b>Cash flows from financing activities</b>				
Increase in short-term loans from financial institution	10,000,000	-	-	-
Decrease in accounts payable - factoring company	(21,393,453)	(24,026,716)	-	-
Repayment of long-term loans	(8,032,824)	(7,237,720)	-	-
Cash receipt from long-term loan	9,842,000	10,584,830	-	-
Repayment of long-term liabilities	(36,406,812)	(36,508,080)	-	-
Repayment of long-term liabilities under rehabilitation plan	(2,274,521)	(3,246,075)	(2,274,521)	(3,246,075)
Dividend paid	-	(14,194,447)	-	(14,194,447)
<b>Net cash used in financing activities</b>	<u>(48,265,610)</u>	<u>(74,628,208)</u>	<u>(2,274,521)</u>	<u>(17,440,522)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	60,693,819	(65,226,161)	48,840,287	(62,528,035)
Cash and cash equivalents at beginning of the year	<u>14,453,859</u>	<u>79,680,020</u>	<u>1,476,069</u>	<u>64,004,104</u>
<b>Cash and cash equivalents at end of the year</b>	<u>75,147,678</u>	<u>14,453,859</u>	<u>50,316,356</u>	<u>1,476,069</u>
	-	-	-	-
<b>Supplementary disclosures of cash flows information:</b>				
Non-cash transactions				
Assets under finance lease agreements	39,830,199	24,522,390	-	-
Settlement of payable from investment in subsidiary by offsetting with accounts receivable from transfer of right of claim	17,000,000	-	17,000,000	-
Settlement of payable from investment in subsidiary by offsetting with deposit on share	18,100,000	-	18,100,000	-

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 2008 and 2007

(Unit: Baht)

<b>Consolidated financial statements</b>								
Equity attributable to the parent's shareholders								
	Issued and paid-up share capital	Gain on sale of Company's shares held by subsidiary	Retained earnings Investment to related company	Appropriated - statutory reserve	Unappropriated	Total	Minority interest-	Total
						equity attributable to the parent's shareholders	equity attributable to minority shareholders of subsidiary	
<u>Note</u>								
<b>Balance as at 31 December 2006</b>	141,944,471	(230,175)	-	2,400,000	12,552,679	156,666,975	29,405,584	186,072,559
Net income for the year	-	-	-	-	18,781,195	18,781,195	5,919,009	24,700,204
Dividend paid	22	-	-	-	(14,194,447)	(14,194,447)	-	(14,194,447)
Unappropriated retained earnings transferred								
to statutory reserve	18	-	-	750,000	(750,000)	-	-	-
<b>Balance as at 31 December 2007</b>	141,944,471	(230,175)	-	3,150,000	16,389,427	161,253,723	35,324,593	196,578,316
Net income for the year	-	-	-	-	30,007,032	30,007,032	-	30,007,032
Gain on sale of investment to related company	6	-	51,000,000	-	-	51,000,000	-	51,000,000
Unappropriated retained earnings transferred								
to statutory reserve	18	-	-	1,200,000	(1,200,000)	-	-	-
Minority interest - equity attributable to								
minority shareholders of subsidiary		-	-	(2,400,000)	2,400,000	-	(35,324,593)	(35,324,593)
<b>Balance as at 31 December 2008</b>	<u>141,944,471</u>	<u>(230,175)</u>	<u>51,000,000</u>	<u>1,950,000</u>	<u>47,596,459</u>	<u>242,260,755</u>	<u>-</u>	<u>242,260,755</u>

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 2008 and 2007**

(Unit: Baht)

	<b>Separate financial statements</b>					
	Note	Issued and paid-up share capital	Gain on sale of investment to related company	Retained earnings (deficit) Appropriated - statutory reserve	Unappropriated	Total
<b>Balance as at 31 December 2006</b>		141,944,471	-	-	14,952,679	156,897,150
Net loss for the year		-	-	-	(4,894,842)	(4,894,842)
Dividend paid	22	-	-	-	(14,194,447)	(14,194,447)
Unappropriated retained earnings transferred to statutory reserve	18	-	-	750,000	(750,000)	-
<b>Balance as at 31 December 2007</b>		141,944,471	-	750,000	(4,886,610)	137,807,861
Net income for the year		-	-	-	23,088,758	23,088,758
Gain on sale of investment to related company	6	-	51,000,000	-	-	51,000,000
Unappropriated retained earnings transferred to statutory reserve	18	-	-	1,200,000	(1,200,000)	-
<b>Balance as at 31 December 2008</b>		141,944,471	51,000,000	1,950,000	17,002,148	211,896,619
						-

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