

Premier Technology Public Company Limited
and its subsidiary
Report and consolidated financial statements
31 December 2014

Independent Auditor's Report

To the Shareholders of Premier Technology Public Company Limited

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Premier Technology Public Company Limited and its subsidiary and of Premier Technology Public Company Limited as at 31 December 2014, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

Chonlaros Suntiasvaraporn
Certified Public Accountant (Thailand) No. 4523

EY Office Limited
Bangkok: 20 February 2015

Premier Technology Public Company Limited and its subsidiary

Statement of financial position

As at 31 December 2014

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
Assets					
Current assets					
Cash and cash equivalents	7	39,723,716	31,768,666	846,354	836,619
Current investments	8	109,795,542	70,978	90,549	70,978
Trade and other receivables	9	589,297,606	521,372,418	-	-
Prepaid service cost		107,143,353	86,716,875	-	-
Inventories	10	206,192,784	305,951,661	-	-
Work in progress		92,893,611	33,334,311	-	-
Other current assets	11	26,096,916	25,614,658	6,894,074	5,612,879
Total current assets		1,171,143,528	1,004,829,567	7,830,977	6,520,476
Non-current assets					
Restricted bank deposits	12	63,336,052	51,789,061	1,203,100	1,203,100
Investment in subsidiary	13	-	-	222,726,261	222,726,261
Investment properties	14	159,141,010	159,031,474	264,297,612	264,115,696
Property, plant and equipment	15	181,025,556	199,204,215	210,551	281,793
Intangible assets	16	8,790,434	10,109,334	-	-
Deferred tax assets	25	6,808,511	5,276,414	-	-
Other non-current assets		15,545,410	14,658,661	-	-
Total non-current assets		434,646,973	440,069,159	488,437,524	488,326,850
Total assets		1,605,790,501	1,444,898,726	496,268,501	494,847,326

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

Premier Technology Public Company Limited and its subsidiary

Statement of financial position (continued)

As at 31 December 2014

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	17	-	74,917,938	-	-
Trade and other payables	18	589,501,001	574,756,237	4,720,765	4,344,883
Advances received for goods and services		100,468,871	92,594,346	-	-
Short-term loan from related party	6	-	-	10,200,000	2,500,000
Short-term loans from other company	19	140,013,196	-	-	-
Current portion of long-term loans	20	14,256,883	11,424,733	14,256,883	11,424,733
Current portion of long-term liabilities	21	14,645,861	26,188,797	-	-
Income tax payable		6,731,073	1,105,399	-	-
Other current liabilities		30,442,682	32,831,345	2,768,680	2,799,395
Total current liabilities		896,059,567	813,818,795	31,946,328	21,069,011
Non-current liabilities					
Long-term loans - net of current portion	20	161,433,680	175,665,487	161,433,680	175,665,487
Long-term liabilities - net of current portion	21	7,540,036	14,545,879	-	-
Provision for long-term employee benefits	22	46,471,851	44,654,983	-	-
Other non-current liabilities		1,264,874	1,264,874	4,905,411	4,905,411
Total non-current liabilities		216,710,441	236,131,223	166,339,091	180,570,898
Total liabilities		1,112,770,008	1,049,950,018	198,285,419	201,639,909

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

Premier Technology Public Company Limited and its subsidiary

Statement of financial position (continued)

As at 31 December 2014

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
Shareholders' equity					
Share capital					
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)	-	-
Retained earnings					
Appropriated - statutory reserve	23	14,194,447	14,194,447	14,194,447	14,194,447
Unappropriated		<u>336,881,575</u>	<u>239,039,965</u>	<u>141,844,164</u>	<u>137,068,499</u>
Total shareholders' equity		<u>493,020,493</u>	<u>394,948,708</u>	<u>297,983,082</u>	<u>293,207,417</u>
Total liabilities and shareholders' equity		<u>1,605,790,501</u>	<u>1,444,898,726</u>	<u>496,268,501</u>	<u>494,847,326</u>
		-	-	-	-

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

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 Directors

Premier Technology Public Company Limited and its subsidiary

Statement of comprehensive income

For the year ended 31 December 2014

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
Profit or loss:					
Revenues					
Sales		1,860,190,831	1,927,899,340	-	-
Rental and service income		720,397,771	667,978,373	42,281,383	43,195,921
Dividend income	13	-	-	61,999,256	83,998,320
Other income		70,659,817	33,879,336	607,786	2,459,403
Total revenues		<u>2,651,248,419</u>	<u>2,629,757,049</u>	<u>104,888,425</u>	<u>129,653,644</u>
Expenses					
Cost of sales and services		1,909,764,741	1,933,578,467	26,540,155	23,312,016
Selling expenses		238,867,247	215,953,581	-	-
Administrative expenses		297,135,388	309,627,769	4,786,514	6,231,715
Total expenses		<u>2,445,767,376</u>	<u>2,459,159,817</u>	<u>31,326,669</u>	<u>29,543,731</u>
Profit before share of loss from investment					
in associate, finance cost					
and income tax expenses					
		205,481,043	170,597,232	73,561,756	100,109,913
Share of loss from investment in associate		-	(656,994)	-	-
Profit before finance cost					
and income tax expenses					
		205,481,043	169,940,238	73,561,756	100,109,913
Finance cost		(19,381,637)	(23,848,687)	(16,266,637)	(17,260,792)
Profit before income tax expenses		<u>186,099,406</u>	<u>146,091,551</u>	<u>57,295,119</u>	<u>82,849,121</u>
Income tax expenses	25	(35,738,342)	(30,982,549)	-	-
Profit for the year		<u>150,361,064</u>	<u>115,109,002</u>	<u>57,295,119</u>	<u>82,849,121</u>
Other comprehensive income:					
Actuarial gains	22	-	1,494,336	-	-
Income tax effect	25	-	(298,867)	-	-
Other comprehensive income for the year		<u>-</u>	<u>1,195,469</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>150,361,064</u>	<u>116,304,471</u>	<u>57,295,119</u>	<u>82,849,121</u>
Basic earnings per share					
Profit for the year	27	<u>1.06</u>	<u>0.81</u>	<u>0.40</u>	<u>0.58</u>

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

Premier Technology Public Company Limited and its subsidiary

Cash flow statement

For the year ended 31 December 2014

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Cash flows from operating activities				
Profit before tax	186,099,406	146,091,551	57,295,119	82,849,121
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Doubtful accounts (reversal)	(5,783,467)	6,327,125	-	-
Reduce cost of inventory to net realisable value (reversal)	3,429,071	(373,538)	-	-
Depreciation	50,895,283	55,442,159	7,612,260	6,251,059
Loss on sales of equipment	31,786	349,838	-	-
Amortisation of intangible assets	1,318,900	1,318,900	-	-
(Gain) loss on sales of investment in associated company	-	(24,678)	-	1,118,501
Unrealised loss on change in value of unit trusts	295,007	-	-	-
Share of loss from investment in associated company	-	656,994	-	-
Amortisation of prepaid rental expenses	999,629	999,629	-	-
Long-term employee benefits expenses	7,379,652	8,049,151	-	-
Income from investment - dividend received from investment in subsidiary	-	-	(61,999,256)	(83,998,320)
Interest income	-	(883,520)	-	(2,408,296)
Interest expenses	19,381,637	23,848,687	16,266,637	17,260,792
Profit from operating activities before changes in operating assets and liabilities	264,046,904	241,802,298	19,174,760	21,072,857
(Increase) decrease in operating assets				
Trade and other receivables	(62,141,721)	(87,796,691)	-	-
Prepaid service cost	(20,426,478)	(17,947,492)	-	-
Inventories	96,329,806	137,402,489	-	-
Work in progress	(59,559,300)	(1,096,343)	-	-
Other current assets	1,009,993	4,769,267	211,057	1,253,427
Other non-current assets	(1,656,203)	1,015,933	-	-
Increase (decrease) in operating liabilities				
Trade and other payables	14,744,764	(66,095,209)	553,422	1,798,145
Advances received for goods and services	7,874,525	(13,704,180)	-	-
Other current liabilities	(2,169,413)	13,327,515	(30,715)	(830,260)
Other non-current liabilities	(5,562,784)	1,264,874	-	4,905,411
Cash flows from operating activities	232,490,093	212,942,461	19,908,524	28,199,580
Cash paid for interest expenses	(19,600,887)	(23,253,584)	(16,444,177)	(17,287,552)
Cash paid for income tax	(33,137,016)	(31,208,523)	(1,492,252)	(1,558,668)
Net cash flows from operating activities	179,752,190	158,480,354	1,972,095	9,353,360

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

Premier Technology Public Company Limited and its subsidiary

Cash flow statement (continued)

For the year ended 31 December 2014

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Cash flows from investing activities				
Increase in current investments	(19,571)	(28,991)	(19,571)	(28,991)
Purchase of investments in unit trusts	(110,000,000)	-	-	-
Decrease in short-term loan to related party	-	-	-	33,399,202
Increase in restricted bank deposits	(11,546,991)	(19,031,516)	-	-
Acquisition and renovation of investment properties	(4,650,195)	(8,259,314)	(7,722,934)	(13,716,873)
Acquisition of equipment	(19,380,797)	(14,668,575)	-	-
Proceeds from sales of equipment	89,300	226,201	-	-
Dividend received from investment in subsidiary	-	-	61,999,256	83,998,320
Cash paid for increasing in share capital of subsidiary	-	-	-	(69,999,400)
Proceeds from sales of investment in associated company	-	265,200	-	265,200
Interest received	-	883,520	-	2,408,296
Net cash flows from (used in) investing activities	(145,508,254)	(40,613,475)	54,256,751	36,325,754
Cash flows from financing activities				
Decrease in short-term loans from financial institutions	(74,917,938)	(54,527,492)	-	-
Increase in short-term loan from related party	-	-	7,700,000	2,500,000
Increase in short-term loans from other company	140,013,196	-	-	-
Repayment of long-term loans	(11,399,657)	(6,909,780)	(11,399,657)	(6,909,780)
Repayment of long-term liabilities	(27,465,033)	(36,837,168)	-	-
Dividend paid	(52,519,454)	(42,583,341)	(52,519,454)	(42,583,341)
Net cash flows used in financing activities	(26,288,886)	(140,857,781)	(56,219,111)	(46,993,121)
Net increase (decrease) in cash and cash equivalents	7,955,050	(22,990,902)	9,735	(1,314,007)
Cash and cash equivalents at beginning of the year	31,768,666	54,759,568	836,619	2,150,626
Cash and cash equivalents at end of the year	39,723,716	31,768,666	846,354	836,619
	-	-	-	-
Supplementary disclosures of cash flows information:				
Non-cash items				
Assets acquired under finance lease agreements	8,916,254	12,193,142	-	-

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

Premier Technology Public Company Limited and its subsidiary

Statement of changes in shareholders' equity

For the year ended 31 December 2014

(Unit: Baht)

Consolidated financial statements					
	Issued and paid-up share capital	Company's shares held by subsidiary	Retained earnings		Total shareholders' equity
<u>Note</u>			Appropriated - statutory reserve	Unappropriated	
Balance as at 1 January 2013	141,944,471	(230,175)	10,820,000	168,693,282	321,227,578
Dividend paid	30	-	-	(42,583,341)	(42,583,341)
Total comprehensive income for the year		-	-	116,304,471	116,304,471
Unappropriated retained earnings transferred to statutory reserve		23	-	(3,374,447)	-
Balance as at 31 December 2013	<u>141,944,471</u>	<u>(230,175)</u>	<u>14,194,447</u>	<u>239,039,965</u>	<u>394,948,708</u>
					-
Balance as at 1 January 2014	141,944,471	(230,175)	14,194,447	239,039,965	394,948,708
Sale of the Company's shares held by subsidiary		230,175	-	-	230,175
Dividend paid	30	-	-	(52,519,454)	(52,519,454)
Total comprehensive income for the year		-	-	150,361,064	150,361,064
Balance as at 31 December 2014	<u>141,944,471</u>	<u>-</u>	<u>14,194,447</u>	<u>336,881,575</u>	<u>493,020,493</u>

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

Premier Technology Public Company Limited and its subsidiary

Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2014

(Unit: Baht)

		Separate financial statements			
	Note	Issued and paid-up share capital	Retained earnings Appropriated - statutory reserve	Unappropriated	Total shareholders' equity
Balance as at 1 January 2013		141,944,471	10,820,000	100,177,166	252,941,637
Dividend paid	30	-	-	(42,583,341)	(42,583,341)
Total comprehensive income for the year		-	-	82,849,121	82,849,121
Unappropriated retained earnings transferred to statutory reserve	23	-	3,374,447	(3,374,447)	-
Balance as at 31 December 2013		<u>141,944,471</u>	<u>14,194,447</u>	<u>137,068,499</u>	<u>293,207,417</u>
					-
Balance as at 1 January 2014		141,944,471	14,194,447	137,068,499	293,207,417
Dividend paid	30	-	-	(52,519,454)	(52,519,454)
Total comprehensive income for the year		-	-	57,295,119	57,295,119
Balance as at 31 December 2014		<u>141,944,471</u>	<u>14,194,447</u>	<u>141,844,164</u>	<u>297,983,082</u>
					-

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 year ended 31 December 2014

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. The registered office of the Company is 1 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 Thai Financial Reporting 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 28 September 2011, 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	
			2014 Percent	2013 Percent
Datapro Computer Systems Company Limited	Distribution and provision of services relating to computer and computer systems	Thailand	100	100

b) The subsidiary is fully consolidated, 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 under the cost method, have been prepared solely for the benefit of the public.

3. New financial reporting standards

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

(a) Financial reporting standards that became effective in the current accounting year

Conceptual Framework for Financial Reporting (revised 2014)

Accounting Standards:

TAS 1 (revised 2012)	Presentation of Financial Statements
TAS 7 (revised 2012)	Statement of Cash Flows
TAS 12 (revised 2012)	Income Taxes
TAS 17 (revised 2012)	Leases
TAS 18 (revised 2012)	Revenue
TAS 19 (revised 2012)	Employee Benefits
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates
TAS 24 (revised 2012)	Related Party Disclosures
TAS 28 (revised 2012)	Investments in Associates
TAS 31 (revised 2012)	Interests in Joint Ventures
TAS 34 (revised 2012)	Interim Financial Reporting
TAS 36 (revised 2012)	Impairment of Assets
TAS 38 (revised 2012)	Intangible Assets

Financial Reporting Standards:

TFRS 2 (revised 2012)	Share-based Payment
TFRS 3 (revised 2012)	Business Combinations
TFRS 5 (revised 2012)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (revised 2012)	Operating Segments

Accounting Standard Interpretations:

TSIC 15	Operating Leases - Incentives
TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29	Service Concession Arrangements: Disclosures
TSIC 32	Intangible Assets - Web Site Costs

Financial Reporting Standard Interpretations:

TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4	Determining whether an Arrangement contains a Lease
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies
TFRIC 10	Interim Financial Reporting and Impairment
TFRIC 12	Service Concession Arrangements
TFRIC 13	Customer Loyalty Programmes
TFRIC 17	Distributions of Non-cash Assets to Owners
TFRIC 18	Transfers of Assets from Customers

Accounting Treatment Guidance for Stock Dividend

These financial reporting standards were amended primarily to align their content with the corresponding International Financial Reporting Standards. Most of the changes were directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of the accounting standards. These financial reporting standards do not have any significant impact on the financial statements.

(b) Financial reporting standards that will become effective in the future

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

TAS 19 (revised 2014) Employee Benefits

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

This revised standard does not have any impact on the financial statements as the Company and its subsidiary already recognised actuarial gains and losses immediately in other comprehensive income.

TFRS 10 Consolidated Financial Statements

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

The management of the Company and its subsidiary believes that this standard will not have any significant impact on the Company and its subsidiary's financial statements.

TFRS 13 Fair Value Measurement

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

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

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 and its subsidiary assessed the stage of completion in accordance with the services rendered in proportion to the total services to be rendered.

Rental income

Rental income is monthly recognised as revenue at the amount as fixed under the related rental agreement.

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 and cash at banks, 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 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 unit trusts are stated at fair value. Changes in the fair value of unit trusts are recorded in profit or loss. The fair value of unit trusts is determined from their net asset value.
- b) Investment in subsidiary is accounted for in the separate financial statements using the cost method.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

4.6 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

Depreciation of investment properties is calculated by reference to their costs on the straight-line basis over estimated useful lives of 5 - 20 years. Depreciation of the investment properties is included in determining income.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

4.7 Property, plant and equipment/Depreciation

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

Depreciation of building and equipment is calculated by reference to their costs, on the straight-line basis over the following estimated useful lives:

Building	-	20 years
Leasehold improvements	-	5 years
Furniture and fixtures	-	5 years
Office equipment	-	5 years
Computer and equipment	-	3, 5 and 10 years
Motor vehicles	-	5 years

Depreciation is included in determining income.

No depreciation is provided on land and assets under installation.

An item of property, plant and 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 is included in profit or loss when the asset is derecognised.

4.8 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 (if any).

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 profit or loss.

The Company and its subsidiary amortise intangible assets, which comprise product design and development costs on the straight-line basis, with the periods of economic useful life being approximately 10 years.

4.9 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.

4.10 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 long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases are depreciated over the useful life of the assets.

Leases of equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

4.11 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

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 end of reporting period.

Gains and losses on exchange are included in determining income.

4.12 Impairment of assets

At the end of each reporting period, the Company and its subsidiary perform impairment reviews in respect of the property, plant and equipment and 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.

An impairment loss is recognised in profit or loss.

4.13 Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

The subsidiary and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the subsidiary. The fund's assets are held in a separate trust fund and the subsidiary's contributions are recognised as expenses when incurred.

Defined benefit plans

The Company and its subsidiary have obligations in respect of the severance payments they must make to employees upon retirement under labor law. The Company and its subsidiary treat these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

4.14 Provisions

Provisions are recognised when the Company and its subsidiary have 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.

4.15 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current 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.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company and its subsidiary recognise deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company and its subsidiary review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company and its subsidiary record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements 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 judgement 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.

Property, plant and equipment/Depreciation

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

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses 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.

Intangible assets

The initial recognition and measurement intangible assets, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

6. 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>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	
<u>Transactions with subsidiary</u>					
(eliminated from the consolidated financial statements)					
Rental and service income	-	-	30	30	Contract price, which is price in the ordinary course of business
Interest income	-	-	-	2	9% per annum
<u>Transactions with related companies</u>					
Sales and service income	55	51	-	-	Note 6.1
Rental and service income	12	13	12	13	Contract price, which is price in the ordinary course of business
Cost of sales and services	2	3	-	-	Contract price, which is price in the ordinary course of business
Administrative expenses	16	16	2	2	Contract price, which is price in the ordinary course of business

6.1 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 2014 and 2013 between the Company and those related parties are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
<u>Trade receivables - related parties (Note 9)</u>				
Related companies (related by common directors)	4,074	5,048	-	-
Less: Allowance for doubtful debts	(279)	-	-	-
	<u>3,795</u>	<u>5,048</u>	<u>-</u>	<u>-</u>
<u>Amounts due to related parties (Note 18)</u>				
Subsidiary	-	-	42	5
Related companies (related by common directors)	2,216	6,052	16	-
	<u>2,216</u>	<u>6,052</u>	<u>58</u>	<u>5</u>

Loan to related party and loan from related party

As at 31 December 2014 and 2013, the balance of loan to and loan from between the Company and the related party and the movement are as follows:

(Unit: Thousand Baht)

	Related by	Separate financial statements			
		Balance as at	During the year		Balance as at
		<u>31 December 2013</u>	<u>Increase</u>	<u>Decrease</u>	<u>31 December 2014</u>
<u>Short-term loan to related party</u>					
Datapro Computer Systems Company Limited	Subsidiary	-	18,500	(18,500)	-
<u>Short-term loan from related party</u>					
Datapro Computer Systems Company Limited	Subsidiary	2,500	15,700	(8,000)	10,200

Short-term loan from related party

Short-term loan from Datapro Computer Systems Company Limited represents the loan in form of promissory note due for repayment at call and carrying interest at the rate of 5.17 and 6.05 percent per annum.

Directors and management's benefits

During the years ended 31 December 2014 and 2013, the Company and its subsidiary had employee benefit expenses of their directors and management as below.

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Short-term employee benefits	35	30	1	1
Post-employment benefits	2	2	-	-
Total	<u>37</u>	<u>32</u>	<u>1</u>	<u>1</u>

7. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Cash	126	105	5	5
Bank deposits	39,598	31,664	841	832
Total	<u>39,724</u>	<u>31,769</u>	<u>846</u>	<u>837</u>

As at 31 December 2014, bank deposits in saving accounts carried interests between 0.13 and 0.50 percent per annum (2013: between 0.13 and 0.85 percent per annum).

8. Current investments

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Fixed deposit	91	71	91	71
Investments in unit trust in equity securities				
open-ended fund (Fair value)	49,521	-	-	-
Investments in unit trust in debt securities				
open-ended fund (Fair value)	60,184	-	-	-
Total	<u>109,796</u>	<u>71</u>	<u>91</u>	<u>71</u>

9. Trade and other receivables

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	<u>2014</u>	<u>2013</u>
<u>Trade receivables - related parties</u> (Note 6)		
Aged on the basis of due dates		
Not yet due	144	438
Past due		
Up to 3 months	1,646	2,949
3 - 6 months	1,725	1,107
6 - 12 months	559	554
Total	4,074	5,048
Less: Allowance for doubtful debts	(279)	-
Total trade receivables - related parties	3,795	5,048
<u>Trade receivables - unrelated parties</u>		
Aged on the basis of due dates		
Not yet due	336,988	344,208
Past due		
Up to 3 months	100,441	122,803
3 - 6 months	11,168	20,215
6 - 12 months	12,612	21,851
Over 12 months	12,640	15,800
Total	473,849	524,877
Less: Allowance for doubtful debts	(10,314)	(16,377)
Total trade receivables - unrelated parties, net	463,535	508,500
Total trade receivables - net	467,330	513,548
<u>Other receivables</u>		
Other receivables	10,201	10,201
Unbilled receivables	121,968	7,824
Total	132,169	18,025
Less: Allowance for doubtful debts	(10,201)	(10,201)
Total other receivables - net	121,968	7,824
Total trade and other receivables - net	589,298	521,372

The balance of trade receivables as at 31 December 2013 included trade receivables amounting to Baht 33 million (2014: None) which the subsidiary has assigned its rights over collection to factoring companies in accordance with the factoring agreements with interest as stipulated in the agreements. If the assignees are unable to make collection from the subsidiary's debtors, the subsidiary agrees to pay the outstanding debt balances to the assignees.

10. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Finished goods	52,690	39,290	(4,831)	(1,401)	47,859	37,889
Goods under installation	153,088	194,315	-	-	153,088	194,315
Goods in transit	5,246	73,748	-	-	5,246	73,748
Total	<u>211,024</u>	<u>307,353</u>	<u>(4,831)</u>	<u>(1,401)</u>	<u>206,193</u>	<u>305,952</u>

During the current year, the subsidiary reduced cost of inventories by Baht 5 million (2013: Baht 1 million), to reflect the net realisable value. This was included in cost of sales. In addition, the subsidiary reversed the write-down of cost of inventories by Baht 2 million (2013: Baht 1 million), and reduced the amount of inventories recognised as expenses during the year.

11. Other current assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Withholding tax deducted at source	3,876	7,757	3,876	2,384
Prepaid expenses	11,153	13,436	157	347
Others	11,068	4,422	2,861	2,882
Total other current assets	<u>26,097</u>	<u>25,615</u>	<u>6,894</u>	<u>5,613</u>

12. Restricted bank deposits

Deposits with banks of the Company and its subsidiary have been pledged as security against credit facilities obtained from the financial institutions which are consist of loans, bank guarantees and other credit facilities.

13. Investment in subsidiary

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

Company's	(Unit: Thousand Baht)							
	Paid-up capital		Shareholding percentage		Cost		Dividend received during the year	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
			(%)	(%)				
Datapro Computer Systems Company Limited	100,000	100,000	100	100	325,886	325,886	61,999	83,998
Less: Allowance for impairment of investment in subsidiary					(103,160)	(103,160)		
Investment in subsidiary - net					<u>222,726</u>	<u>222,726</u>		

In April 2013, the annual general meeting of shareholders of the subsidiary passed a resolution approving the payment of a dividend for the year 2012 of Baht 280 per share, a total of Baht 84 million, to the subsidiary's shareholders. The subsidiary paid such dividend in May 2013.

In April 2014, the annual general meeting of shareholders of the subsidiary passed a resolution approving the payment of a dividend for the year 2013 of Baht 62 per share, a total of Baht 62 million, to the subsidiary's shareholders. The subsidiary paid such dividend in May 2014.

14. Investment properties

The net book value of investment properties as at 31 December 2014 and 2013 are presented below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
	Land and office building	Land and office building
31 December 2014		
Cost	171,552	284,910
<u>Less</u> Accumulated depreciation	<u>(12,411)</u>	<u>(20,612)</u>
Net book value	<u>159,141</u>	<u>264,298</u>

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
	Land and office building	Land and office building
31 December 2013		
Cost	166,901	277,187
<u>Less</u> Accumulated depreciation	(7,870)	(13,071)
Net book value	<u>159,031</u>	<u>264,116</u>

A reconciliation of the net book value of investment properties for the year 2014 and 2013 are presented below.

	(Unit: Thousand Baht)			
	For the years ended 31 December			
	Consolidated financial statements		Separate financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Net book value at beginning of year	159,031	154,490	264,116	256,574
Renovation of office building	4,651	8,259	7,723	13,717
Depreciation charged	(4,541)	(3,718)	(7,541)	(6,175)
Net book value at end of year	<u>159,141</u>	<u>159,031</u>	<u>264,298</u>	<u>264,116</u>

The portion of the Company's investment properties, consist of land and office building, has leased to its subsidiary.

The Company has mortgaged such investment properties as collateral against a long-term loan from a company.

The fair value of the investment properties of the Company as at 31 December 2014 and 2013 stated below.

	(Unit: Thousand Baht)	
	<u>2014</u>	<u>2013</u>
Land and office building	278,000	278,000

The fair value of the above investment properties have been determined based on valuations performed by an accredited independent valuer by using market prices and the cost approach.

15. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements						Total
	Land	Building	Furniture, fixtures and equipment	Computer and equipment	Motor vehicles	Assets under installation	
Cost:							
1 January 2013	55,894	46,500	134,953	294,665	1,590	4,077	537,679
Additions	-	-	2,553	17,624	-	6,028	26,205
Disposals	-	-	(2,423)	(25,159)	(3)	(348)	(27,933)
Transfers in (out)	-	3,928	814	1,154	-	(5,896)	-
31 December 2013	55,894	50,428	135,897	288,284	1,587	3,861	535,951
Additions	-	-	2,888	22,336	-	3,073	28,297
Disposals	-	-	(408)	(4,897)	-	-	(5,305)
Transfers in (out)	-	3,557	-	-	-	(3,557)	-
31 December 2014	55,894	53,985	138,377	305,723	1,587	3,377	558,943
Accumulated depreciation:							
1 January 2013	-	2,642	78,978	229,840	921	-	312,381
Depreciation for the year	-	2,457	12,356	36,697	214	-	51,724
Depreciation on disposals	-	-	(2,388)	(24,967)	(3)	-	(27,358)
31 December 2013	-	5,099	88,946	241,570	1,132	-	336,747
Depreciation for the year	-	3,000	11,847	31,294	213	-	46,354
Depreciation on disposals	-	-	(287)	(4,897)	-	-	(5,184)
31 December 2014	-	8,099	100,506	267,967	1,345	-	377,917
Net book value:							
31 December 2013	55,894	45,329	46,951	46,714	455	3,861	199,204
31 December 2014	55,894	45,886	37,871	37,756	242	3,377	181,026
Depreciation for the year:							
2013 (Baht 25 million included in service cost, and the balance in administrative expenses)							51,724
2014 (Baht 17 million included in service cost, and the balance in administrative expenses)							46,354

15. Property, plant and equipment (continued)

	(Unit: Thousand Baht)
	Separate financial statements
	Furniture and office equipment
Cost:	
1 January 2013	389
31 December 2013	389
31 December 2014	389
Accumulated depreciation:	
1 January 2013	31
Depreciation for the year	76
31 December 2013	107
Depreciation for the year	71
31 December 2014	178
Net book value:	
31 December 2013	282
31 December 2014	211
Depreciation for the year (include in administrative expenses):	
2013	76
2014	71

As at 31 December 2014 and 2013, land and building as presented in the consolidated financial statements is the portion of the Company's investment properties that it has leased to its subsidiary.

As at 31 December 2014, the subsidiary had equipment under finance lease agreements with net book values amounting to Baht 19 million (2013: Baht 33 million).

As at 31 December 2014, 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 279 million (2013: Baht 244 million).

Land and building have been mortgaged as collateral against a long-term loan from a company.

16. Intangible assets

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

	(Unit: Thousand Baht) Consolidated financial statements
As at 31 December 2014:	
Cost	13,188
<u>Less</u> Accumulated amortisation	<u>(4,398)</u>
Net book value	<u><u>8,790</u></u>
As at 31 December 2013:	
Cost	13,188
<u>Less</u> Accumulated amortisation	<u>(3,079)</u>
Net book value	<u><u>10,109</u></u>

A reconciliation of the net book value of intangible assets for the years 2014 and 2013 is presented below.

	(Unit: Thousand Baht) Consolidated financial statements	
	<u>2014</u>	<u>2013</u>
Net book value at beginning of year	10,109	11,428
Amortisation	<u>(1,319)</u>	<u>(1,319)</u>
Net book value at end of year	<u><u>8,790</u></u>	<u><u>10,109</u></u>

17. Short-term loans from financial institutions

		(Unit: Thousand Baht) Consolidated financial statements	
	Interest rate (percent per annum)	<u>2014</u>	<u>2013</u>
Trust receipts	MOR - 1.5	-	44,974
Accounts payable - factoring companies (Note 9)	7.48 and 7.75	<u>-</u>	<u>29,944</u>
Total		<u><u>-</u></u>	<u><u>74,918</u></u>

Credit facilities for short-term loans from financial institutions of the subsidiary are secured by the pledge of bank deposits of the subsidiary.

18. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Trade payables - unrelated parties	411,551	425,820	2,124	-
Amounts due to related parties (Note 6)	2,216	6,052	58	5
Accrued expenses	175,734	142,884	2,539	4,340
Total trade and other payables	<u>589,501</u>	<u>574,756</u>	<u>4,721</u>	<u>4,345</u>

19. Short-term loans from other company

As at 31 December 2014, the balance of short-term loans, amounting to Baht 140 million, is loans granted to a subsidiary under the agreements with a local company, to make payment for goods. It consists of the loans of Baht 101 million, of which principal are to be repaid in quarterly installments, and which have the interest rate equivalent to zero, and a loan of Baht 39 million, of which principal and interest are to be repaid in monthly installments, and on which interest is charged at a rate of 6.64 percent per annum.

20. Long-term loans

Long-term loans of the Company consist of the followings:

(Unit: Thousand Baht)

	Consolidated/Separate	
	financial statements	
	<u>2014</u>	<u>2013</u>
Long-term loans	175,691	187,090
Less: Current portion	(14,257)	(11,425)
Long-term loans - net of current portion	<u>161,434</u>	<u>175,665</u>

In December 2011, the Company entered into a loan agreement with a company, under which interest is to be paid at 9% per annum for the first three years and then at MLR+1.25% per annum. However, if the resulting interest rate is less than 7% per annum, the Company will pay interest at 7% per annum and if the resulting interest rate is greater than 10% per annum, the Company will pay interest at 10% per annum. There is a grace period until April 2013, after which principal and interest are to be paid monthly, with full payment to be made within October 2024. The loan is secured by the mortgage of investment properties of the Company and the pledge of 299,994 shares of the subsidiary.

21. Long-term liabilities

Long-term liabilities of the subsidiary represent liabilities under finance lease agreements which are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	<u>2014</u>	<u>2013</u>
Liabilities under finance lease agreements	22,841	42,606
Less: Deferred interest expenses	(655)	(1,871)
	<u>22,186</u>	<u>40,735</u>
Less: Current portion	(14,646)	(26,189)
Long-term liabilities - net of current portion	<u><u>7,540</u></u>	<u><u>14,546</u></u>

The 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 3 years. The assets acquired by the subsidiary under the finance lease agreements have been recorded at their cash price.

Future minimum lease payments required under the finance lease agreements were as follows:

	(Unit: Million Baht)		
	As at 31 December 2014		
	Less than		
	1 year	1-3 years	Total
Future minimum lease payments	16	7	23
Deferred interest expenses	(1)	-	(1)
Present value of future minimum lease payments	<u>15</u>	<u>7</u>	<u>22</u>

	(Unit: Million Baht)		
	As at 31 December 2013		
	Less than		
	1 year	1-3 years	Total
Future minimum lease payments	28	15	43
Deferred interest expenses	(2)	-	(2)
Present value of future minimum lease payments	<u>26</u>	<u>15</u>	<u>41</u>

22. Provision for long-term employee benefits

Provision for long-term employee benefits which, represents compensations payable to employees after they retire from a subsidiary was as follows:

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	<u>2014</u>	<u>2013</u>
Provision for long-term employee benefits at beginning of year	44,655	38,100
Current service cost	5,471	3,548
Interest cost	1,909	1,578
Benefits paid during the year	(5,563)	-
Increase in past service cost	-	2,923
Actuarial gains	-	(1,494)
Provision for long-term employee benefits at end of year	<u>46,472</u>	<u>44,655</u>

Long-term employee benefit expenses presented in administrative expenses which included in the profit or loss for the year ended 31 December 2014 amounted to Baht 7 million (2013: Baht 8 million).

The cumulative amount of actuarial gains recognised in the other comprehensive income and taken as part of retained earnings of subsidiary for the year ended 31 December 2013 approximately amounted to Baht 1 million.

Key actuarial assumptions used for the valuation are as follows:

	Consolidated	
	financial statements	
	<u>2014</u>	<u>2013</u>
	(% per annum)	(% per annum)
Discount rate	4.4	4.4
Future salary increase rate	5.5	5.5
Staff turnover rate (depending on age of employee)	1.0 - 15.0	1.0 - 15.0

Amounts of defined benefit obligations and experience adjustments for the current year and the past four years are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements	
	Defined benefit obligation	Experience adjustments on the obligation
Year 2014	46,472	-
Year 2013	44,655	51
Year 2012	38,100	-
Year 2011	32,166	-
Year 2010	34,177	-

23. 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 profit 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.

24. Expenses by nature

Significant expenses classified by nature are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Salaries and other employee benefits	500,632	450,555	1,464	1,194
Depreciation	50,895	55,442	7,612	6,251
Rental expenses from operating lease agreements	26,372	26,315	-	-
Purchase of goods and services	1,787,593	1,687,586	-	-
Changes in finished goods and goods under installation	27,827	166,375	-	-

25. Income tax expenses

Income tax expenses for the years ended 31 December 2014 and 2013 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Current income tax:				
Current corporate income tax charge	37,270	30,756	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(1,532)	227	-	-
Income tax expenses reported in the statements of comprehensive income	<u>35,738</u>	<u>30,983</u>	<u>-</u>	<u>-</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2014 and 2013 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Deferred tax relating to actuarial gains	-	299	-	-
	<u>-</u>	<u>299</u>	<u>-</u>	<u>-</u>

The reconciliation between accounting profit and income tax expenses is shown below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Accounting profit before tax	186,099	146,092	57,295	82,849
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by income tax rate	37,220	29,218	11,459	16,570
Tax loss for the year which unrecognised as deferred tax assets	941	225	941	225
Effects of:				
Tax-exempt income	-	-	(12,400)	(16,800)
Non-deductible expenses	2,184	3,004	-	5
Additional expense deductions allowed	(4,607)	(1,464)	-	-
Total	(2,423)	1,540	(12,400)	(16,795)
Income tax expenses reported in the statement of comprehensive income	35,738	30,983	-	-

The components of deferred tax assets and deferred tax liabilities are as follows:

	(Unit: Thousand Baht)			
	Statements of financial position			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Deferred tax assets				
Provision for long-term employee benefits	9,294	8,931	-	-
Others	967	-	-	-
Total	10,261	8,931	-	-
Deferred tax liabilities				
Difference depreciation between tax and accounting base of assets under finance lease agreements	3,452	3,655	-	-
Total	3,452	3,655	-	-
Total deferred tax assets - net	6,809	5,276	-	-

As at 31 December 2014 the Company has unused tax losses totaling Baht 29 million (2013: Baht 30 million), on which deferred tax assets have not been recognised as the Company believes future taxable profits may not be sufficient to allow utilisation of the unused tax losses.

The Company had no corporate income tax payable for the years 2014 and 2013 since dividend income was exempted from income tax under section 65 bis (10) of the Revenue Code.

26. Promotional privileges

The subsidiary has received promotional privileges from the Board of Investment for Enterprise Software and Digital Content, pursuant to the promotion certificate No. 1924(7)/2553 issued on 30 July 2010. Subject to certain imposed conditions, the privileges include an exemption from corporate income tax for a period of 8 years from the date the promoted operations commenced generating revenues (20 June 2012)

However, for the year 2014 and 2013 the subsidiary has operating loss from this promoted activity.

27. Basic earnings per share

Basic earnings per share for the year ended 31 December 2013 are calculated by dividing profit for the year (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year after deducting 230,175 shares of the Company held by a subsidiary.

However, in April 2014, the subsidiary sold investments in the Company of 230,175 shares to non-related persons. Therefore, basic earnings per share for the year ended 31 December 2014 are calculated by dividing profit for the year (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Profit for the year (Thousand Baht)	150,361	115,109	57,295	82,849
Weighted average number of ordinary shares (Thousand shares)	141,887	141,714	141,887	141,714
Earnings per share (Baht/share)	1.06	0.81	0.40	0.58

28. Financial information by segment

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as the Company's Board of Directors.

For management purposes, the Company and its subsidiary are organised into business units based on its products and services and have 2 reportable segments as follows:

- (1) Distribution and provision of services relating to computer and computer systems.
- (2) Rent out space and services.

No other operating segments have been aggregated to form above reportable operating segments.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and total assets and on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements. However, the Company and its subsidiary's central administrative activities, financing activities (including finance costs and finance income) and income taxes are managed on a group basis. Therefore these income and expenses are not allocated to operating segments.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

The following tables present revenue and profit information regarding the Company and its subsidiary's operating segments for the years ended 31 December 2014 and 2013.

(Unit: Million Baht)

	Distribution and provision of services relating to computer and computer systems segment		Rent out space and services segment		Elimination of inter-segment		Consolidation	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Revenues								
Revenues from external customers								
Sales	1,860	1,928	-	-	-	-	1,860	1,928
Rental and service income	708	655	12	13	-	-	720	668
Total revenues from external customers	2,568	2,583	12	13	-	-	2,580	2,596
Inter-segment revenues	-	-	30	30	(30)	(30)	-	-
Total revenues	2,568	2,583	42	43	(30)	(30)	2,580	2,596
Results Segment profit	208	188	11	14	-	-	219	202
Unallocated income and expenses:								
Other income							71	34
Selling expenses							(16)	(8)
Administrative expenses							(69)	(57)
Share of loss from investment in associate							-	(1)
Finance cost							(19)	(24)
Profit before income tax expenses							186	146
Income tax expenses							(36)	(31)
Profit for the year							150	115

Geographic information

The Company and its subsidiary are operated in Thailand only. As a result, all of the revenues and assets as reflected in these financial statements pertain to the aforementioned geographical reportable segment.

Major customers

For the year 2014, the Company and its subsidiary have revenue from three major customers in amount of Baht 593 million (2013: Baht 597 million derived from two major customers), arising from distribution and provision of services relating to computer and computer systems segment.

29. 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 KASIKORN Assets Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. During the year 2014, the subsidiary contributed Baht 8 million (2013: Baht 8 million) to the fund.

30. Dividends

	Approved by	Dividends (Million Baht)	Dividend per share (Baht)	Paid in month
Dividends for 2012	Annual General Meeting of the shareholders on 24 April 2013	21	0.15	May 2013
Interim dividends for 2013	Board of Directors' meeting on 7 August 2013	21	0.15	September 2013
Total dividends for 2013		<u>42</u>		
Dividends for 2013	Annual General Meeting of the shareholders on 23 April 2014	35	0.25	May 2014
Interim dividends for 2014	Board of Directors' meeting on 4 August 2014	17	0.12	September 2014
Total dividend for 2014		<u>52</u>		

31. Commitments and contingent liabilities

31.1 Operating lease commitments

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

Future minimum lease payments required under these operating leases contracts were as follows:

	(Unit: Million Baht)	
	As at 31 December	
	<u>2014</u>	<u>2013</u>
Payable:		
In up to 1 year	17	14
In over 1 year and up to 5 years	11	22
In over 5 years	2	4

31.2 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 (2013: Baht 0.5 million per month) are payable in the future, with Baht 0.1 million per month (2013: Baht 0.1 million per month) payable by the Company. The agreements end in December 2015 but they automatically renew for periods of one year each time until terminated.

31.3 Bank guarantees

As at 31 December 2014, the Company and its subsidiary have outstanding bank guarantees of approximately Baht 106 million (2013: Baht 77 million) issued by banks on behalf of the Company and its subsidiary in respect of certain performance bonds as required in the normal course of business of the Company and its subsidiary. These included letters of guarantee amounting to Baht 105 million (2013: Baht 76 million) to guarantee contractual performance of the subsidiary and amounting to Baht 1 million (2013: Baht 1 million) to guarantee electricity use of the Company.

32. Financial instruments

32.1 Financial risk management

The Company and its subsidiary's financial instruments, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, current investments, restricted bank deposits, trade and other receivables, investments, trade and other payables, short-term and long-term loans and long-term liabilities. 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 receivables. 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 statement of financial position.

Interest rate risk

The Company and its subsidiary's exposure to interest rate risk relates primarily to their cash at banks, short-term and long-term loans and long-term liabilities. 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.

Significant financial assets and liabilities 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.

(Unit: Million Baht)

As at 31 December 2014						
Consolidated financial statements	Fixed interest rates		Floating interest rate	Non-interest bearing	Total	Interest rate (% p.a.)
	Within 1 year	1-3 years				
Financial assets						
Cash and cash equivalents	-	-	40	-	40	0.13 - 0.50
Current investments	-	-	-	110	110	-
Trade and other receivables	-	-	-	589	589	-
Restricted bank deposits	-	-	63	-	63	0.40 and 1.05
	-	-	103	699	802	
Financial liabilities						
Trade and other payables	-	-	-	590	590	-
Short-term loan from other company	39	-	-	101	140	6.64
Long-term loans	-	-	176	-	176	MLR + 1.25
Long-term liabilities	15	7	-	-	22	1.03 - 9.82
	54	7	176	691	928	

(Unit: Million Baht)

As at 31 December 2013						
Consolidated financial statements	Fixed interest rates		Floating interest rate	Non-interest bearing	Total	Interest rate (% p.a.)
	Within 1 year	1-3 years				
Financial assets						
Cash and cash equivalents	-	-	32	-	32	0.13 - 0.85
Trade and other receivables	-	-	-	521	521	-
Restricted bank deposits	-	-	52	-	52	1.30
	-	-	84	521	605	
Financial liabilities						
Short-term loans from financial institutions	30	-	45	-	75	MOR - 1.5, 7.48 and 7.75
Trade and other payables	-	-	-	575	575	-
Long-term loans	11	-	176	-	187	9.00 and MLR + 1.25
Long-term liabilities	26	15	-	-	41	1.03 - 9.84
	67	15	221	575	878	

(Unit: Million Baht)

As at 31 December 2014

Separate financial statements	Fixed interest rates				Total	Interest rate (% p.a.)
	Within 1 year	1-3 years	Floating interest rate	Non-interest bearing		
Financial assets						
Cash and cash equivalents	-	-	1	-	1	0.30
Current investments	-	-	-	110	110	-
Restricted bank deposits	-	-	1	-	1	0.40
	-	-	2	110	112	
Financial liabilities						
Trade and other payables	-	-	-	5	5	-
Short-term loan from related party	10	-	-	-	10	5.17 and 6.05
Long-term loan	-	-	176	-	176	MLR + 1.25
	10	-	176	5	191	

(Unit: Million Baht)

As at 31 December 2013

Separate financial statements	Fixed interest rates				Total	Interest rate (% p.a.)
	Within 1 year	1-3 years	Floating interest rate	Non-interest bearing		
Financial assets						
Cash and cash equivalents	-	-	1	-	1	0.50
Restricted bank deposits	-	-	1	-	1	0.70
	-	-	2	-	2	
Financial liabilities						
Trade and other payables	-	-	-	4	4	-
Short-term loan from related party	3	-	-	-	3	7.48
Long-term loan	11	-	176	-	187	9.00 and MLR + 1.25
	14	-	176	4	194	

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 2014, the subsidiary had the net liabilities denominated in foreign currency amounting to USD 3 million (2013: USD 5 million) which had not been hedged against foreign exchange rate risk.

32.2 Fair values of financial instruments

As the majority of financial instruments are short-term and long-term financial liabilities carry interest rates which are close to market rates, the Company and its subsidiary expect that fair value of their financial instruments are close to the amounts presented in the statements of financial position.

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.

33. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2014, the Group's debt-to-equity ratio was 2.3:1 (2013: 2.7:1) and the Company's was 0.7:1 (2013: 0.7:1).

34. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 20 February 2015.