

Premier Technology Public Company Limited
and its subsidiary
Report and consolidated interim financial statements
For the three-month and six-month periods ended
30 June 2011

Review report of Independent Auditor

To the Shareholders of Premier Technology Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Premier Technology Public Company Limited and its subsidiary as at 30 June 2011, the related consolidated statements of comprehensive income for the three-month and six-month periods ended 30 June 2011, and the related consolidated statements of changes in shareholders' equity and cash flows for the six-month period ended 30 June 2011, and the separate financial statements of Premier Technology Public Company Limited for the same period. 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 issue a report on these financial statements based on my review.

I conducted my review in accordance with the auditing standard applicable to review engagements. This standard requires that I plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. I have not performed an audit and, accordingly, I do not express an audit opinion.

Based on my review, nothing has come to my attention that causes me to believe that the accompanying financial statements are not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

The consolidated financial statements of Premier Technology Public Company Limited and its subsidiary and the separate financial statements of Premier Technology Public Company Limited for the year ended 31 December 2010 were audited in accordance with generally accepted auditing standards by another auditor of our firm who expressed an unqualified opinion on those statements, under her report dated 17 February 2011. The consolidated and separate statements of financial position as at 31 December 2010, as presented herein for comparative purposes, formed an integral part of the financial statements which that auditor audited and reported on.

The consolidated statements of income for the three-month and six-month periods ended 30 June 2010, and the consolidated statements of changes in shareholders' equity and cash flows for the six-month period ended 30 June 2010 of Premier Technology Public Company Limited and its subsidiary and the separate financial statements of Premier Technology Public Company Limited for the same period, as presented herein for comparative purposes, formed an integral part of the interim financial statements which were reviewed by the aforementioned auditor who reported, under her report dated 5 August 2010, that nothing had come to her attention that caused her to believe that those financial statements were not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

As described in Note 1.4 to the financial statements, since the first quarter of the current year, the Company adopted the revised and new accounting standards issued by the Federation of Accounting Professions, and applied them in its preparation and presentation of the interim financial statements.

Chonlaros Suntiasvaraporn
Certified Public Accountant (Thailand) No. 4523

Ernst & Young Office Limited
Bangkok: 4 August 2011

Premier Technology Public Company Limited and its subsidiary

Statements of financial position

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2011 (Unaudited but reviewed)	31 December 2010 (Audited)	30 June 2011 (Unaudited but reviewed)	31 December 2010 (Audited)
Assets					
Current assets					
Cash and cash equivalents		70,735	61,961	68,154	25,262
Current investments - bond		9	50,009	9	50,009
Trade accounts receivable					
Related parties	4	5,234	752	-	-
Unrelated parties		362,272	318,557	-	-
Less: Allowance for doubtful accounts		(21,550)	(22,251)	-	-
Trade accounts receivable - net	5	345,956	297,058	-	-
Short-term loan to related party	4	-	-	14,000	-
Inventories - net		177,911	163,447	-	-
Other current assets					
Withholding income tax deducted at source		30,016	30,015	1	1
Accrued income		4,443	10,566	-	-
Prepaid service cost		146,925	82,880	-	-
Others		17,926	19,056	1,186	896
Total current assets		793,921	714,992	83,350	76,168
Non-current assets					
Restricted bank deposits	6	53,726	36,385	-	-
Investment in subsidiary - net	7	-	-	152,727	152,727
Investment in associated company - net	8	1,196	1,384	1,384	1,384
Equipment - net	9	119,522	112,839	14	17
Intangible assets - net	10	9,891	8,804	-	-
Other non-current assets					
Prepaid rental expenses		10,447	11,682	-	-
Others		6,000	4,206	-	-
Total non-current assets		200,782	175,300	154,125	154,128
Total assets		994,703	890,292	237,475	230,296

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

Premier Technology Public Company Limited and its subsidiary

Statements of financial position (continued)

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2011 (Unaudited but reviewed)	31 December 2010 (Audited)	30 June 2011 (Unaudited but reviewed)	31 December 2010 (Audited)
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans from banks	11	49,212	-	-	-
Trade accounts payable		357,919	319,971	-	-
Amounts due to related party	4	1,907	1,616	-	-
Accounts payable - factoring company	5	55,755	44,068	-	-
Current portion of long-term loan	12	2,140	2,140	-	-
Current portion of long-term liabilities	13	35,086	37,971	-	-
Current portion of long-term liabilities under rehabilitation plan	14	-	501	-	501
Income tax payable		2,678	-	-	-
Other current liabilities					
Accrued expenses		59,376	92,528	135	396
Deferred service income		102,878	71,264	-	-
Others		22,989	16,394	27	17
Total current liabilities		689,940	586,453	162	914
Non-current liabilities					
Long-term loan - net of current portion	12	-	2,140	-	-
Long-term liabilities - net of current portion	13	28,672	32,178	-	-
Provision for long-term employee benefits	1.5, 2	37,115	-	-	-
Other non-current liabilities		252	252	-	-
Total non-current liabilities		66,039	34,570	-	-
Total liabilities		755,979	621,023	162	914

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

Premier Technology Public Company Limited and its subsidiary

Statements of financial position (continued)

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>30 June 2011</u>	<u>31 December 2010</u>	<u>30 June 2011</u>	<u>31 December 2010</u>
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Shareholders' equity				
Share capital				
Registered				
142,440,489 ordinary shares of Baht 1 each	142,440	142,440	142,440	142,440
Issued and fully paid up				
141,944,471 ordinary shares of Baht 1 each	141,944	141,944	141,944	141,944
Company's shares held by subsidiary	15	(230)	-	-
Retained earnings				
Appropriated - statutory reserve	7,120	7,120	7,120	7,120
Unappropriated	89,890	120,435	88,249	80,318
Total shareholders' equity	238,724	269,269	237,313	229,382
Total liabilities and shareholders' equity	994,703	890,292	237,475	230,296
	-	-	-	-

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

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Directors
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(Unaudited but reviewed)

Premier Technology Public Company Limited and its subsidiary**Statements of comprehensive income****For the three-month periods ended 30 June 2011 and 2010**

(Unit: Thousand Baht except basic earnings per share expressed in Baht)

	<u>Note</u>	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Profit or loss:					
Revenues					
Sales		374,581	185,780	-	-
Service income		131,751	113,127	-	-
Dividend income	7	-	-	30,000	-
Other income		2,142	3,983	390	145
Total revenues		<u>508,474</u>	<u>302,890</u>	<u>30,390</u>	<u>145</u>
Expenses					
Cost of sales and services		385,044	228,004	-	-
Selling expenses		34,719	29,614	-	-
Administrative expenses		67,648	64,315	706	957
Total expenses		<u>487,411</u>	<u>321,933</u>	<u>706</u>	<u>957</u>
Profit (loss) before share of loss from investment in associated company, finance cost and corporate income tax		21,063	(19,043)	29,684	(812)
Share of loss from investment in associated company		(136)	(497)	-	-
Profit (loss) before finance cost and corporate income tax		20,927	(19,540)	29,684	(812)
Finance cost		(1,670)	(554)	-	-
Profit (loss) before corporate income tax		19,257	(20,094)	29,684	(812)
Corporate income tax	16	(7,278)	-	-	-
Profit (loss) for the period		<u>11,979</u>	<u>(20,094)</u>	<u>29,684</u>	<u>(812)</u>
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		<u>11,979</u>	<u>(20,094)</u>	<u>29,684</u>	<u>(812)</u>
Basic earnings per share (Baht)					
Profit (loss) for the period		<u>0.085</u>	<u>(0.142)</u>	<u>0.209</u>	<u>(0.006)</u>

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

(Unaudited but reviewed)

Premier Technology Public Company Limited and its subsidiary

Statements of comprehensive income

For the six-month periods ended 30 June 2011 and 2010

(Unit: Thousand Baht except basic earnings per share expressed in Baht)

		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>Note</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Profit or loss:					
Revenues					
Sales		595,664	371,518	-	-
Service income		263,409	218,761	-	-
Dividend income	7	-	-	30,000	-
Other income		8,728	8,510	637	620
Total revenues		867,801	598,789	30,637	620
Expenses					
Cost of sales and services		633,255	436,625	-	-
Selling expenses		55,201	61,637	-	-
Administrative expenses		138,559	128,998	1,414	1,884
Total expenses		827,015	627,260	1,414	1,884
Profit (loss) before share of loss from investment in associated company, finance cost and corporate income tax					
		40,786	(28,471)	29,223	(1,264)
Share of loss from investment in associated company		(188)	(497)	-	-
Profit (loss) before finance cost and corporate income tax					
		40,598	(28,968)	29,223	(1,264)
Finance cost		(2,628)	(1,412)	-	-
Profit (loss) before corporate income tax					
		37,970	(30,380)	29,223	(1,264)
Corporate income tax	16	(13,046)	-	-	-
Profit (loss) for the period					
		24,924	(30,380)	29,223	(1,264)
Other comprehensive income for the period					
		-	-	-	-
Total comprehensive income for the period					
		24,924	(30,380)	29,223	(1,264)
Basic earnings per share (Baht)					
Profit (loss) for the period		0.176	(0.214)	0.206	(0.009)

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

(Unaudited but reviewed)

Premier Technology Public Company Limited and its subsidiary**Cash flow statements****For the six-month periods ended 30 June 2011 and 2010**

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Cash flows from operating activities				
Profit (loss) before tax	37,970	(30,380)	29,223	(1,264)
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:				
Reversal of allowance for change in value of marketable securities	-	(18)	-	(18)
Gain on sales of marketable securities	-	(380)	-	(380)
Increase (decrease) in doubtful accounts	(701)	2,298	-	-
Decrease in allowance for diminution in value of inventories	(611)	(185)	-	-
Depreciation	27,577	28,117	3	2
(Gain) loss on sales of equipment	(520)	83	-	-
Amortisation of intangible assets	440	-	-	-
Share of loss from investment in associated company	188	497	-	-
Amortisation of prepaid rental expenses	1,235	1,235	-	-
Provision for long-term employee benefit	2,938	-	-	-
Interest expenses	2,628	1,412	-	-
Profit (loss) from operating activities before changes in operating assets and liabilities	71,144	2,679	29,226	(1,660)
(Increase) decrease in operating assets				
Trade accounts receivable	(48,197)	118,021	-	-
Accrued service income - related parties	-	(68)	-	-
Inventories	(13,853)	(37,493)	-	-
Other current assets	(56,793)	(26,990)	(290)	(112)
Other non-current assets	(1,794)	(335)	-	-
Increase (decrease) in operating liabilities				
Trade accounts payable	37,948	(53,675)	-	-
Amounts due to related parties	291	(31)	-	-
Other current liabilities	5,056	40,574	(251)	155
Cash flows from (used in) operating activities	(6,198)	42,682	28,685	(1,617)
Cash paid for interest expenses	(2,628)	(1,412)	-	-
Cash paid for corporate income tax	(10,367)	(9,033)	-	-
Net cash flows from (used in) operating activities	(19,193)	32,237	28,685	(1,617)

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

(Unaudited but reviewed)

Premier Technology Public Company Limited and its subsidiary**Cash flow statements (continued)**

For the six-month periods ended 30 June 2011 and 2010

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Cash flows from investing activities				
(Increase) decrease in current investment	50,000	(50,000)	50,000	(50,000)
Proceeds from sales of marketable securities	-	5,788	-	5,788
Increase in short-term loan to related party	-	-	(14,000)	-
(Increase) decrease in restricted bank deposits	(17,341)	587	-	-
Acquisition of equipment	(19,308)	(7,470)	-	-
Proceeds from sales of equipment	1,162	432	-	-
Cash paid for investment in associated company	-	(1,534)	-	(1,534)
Cash paid for acquisition of intangible assets	(1,527)	-	-	-
Net cash flows from (used in) investing activities	12,986	(52,197)	36,000	(45,746)
Cash flows from financing activities				
Increase in bank overdrafts and short-term loans from banks	49,212	10,000	-	-
Increase (decrease) in accounts payable - factoring company	11,687	(21,655)	-	-
Repayment of short-term loan	-	(4,098)	-	-
Cash receipt from long-term loans	-	6,420	-	-
Repayment of long-term loans	(2,140)	(3,898)	-	-
Repayment of long-term liabilities	(21,985)	(18,698)	-	-
Repayment of long-term liabilities under rehabilitation plan	(501)	(1,032)	(501)	(1,032)
Dividend paid	(21,292)	(14,194)	(21,292)	(14,194)
Net cash flows from (used in) financing activities	14,981	(47,155)	(21,793)	(15,226)
Net increase (decrease) in cash and cash equivalents	8,774	(67,115)	42,892	(62,589)
Cash and cash equivalents at beginning of period	61,961	93,085	25,262	72,709
Cash and cash equivalents at end of period	70,735	25,970	68,154	10,120
	-	-	-	-
Supplementary disclosures of cash flows information				
Non cash items				
Assets acquired under finance lease agreements	15,594	31,965	-	-

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

(Unaudited but reviewed)

Premier Technology Public Company Limited and its subsidiary

Statements of changes in shareholders' equity (continued)

For the six-month periods ended 30 June 2011 and 2010

(Unit: Thousand Baht)

	Separate financial statements					
	Issued and paid-up share capital	Retained earnings		Gain on sale of investment to related company	Other components of shareholders' equity	Total shareholders' equity
		Appropriated- statutory reserve	Unappropriated		Total other components of shareholders' equity	
Balance as at 31 December 2009 - as previously reported	141,944	2,870	20,162	68,000	68,000	232,976
Transferred of gain on sale of investment to related company to retained earnings	-	-	68,000	(68,000)	(68,000)	-
Balance as at 31 December 2009 - as restated	141,944	2,870	88,162	-	-	232,976
Dividend paid	-	-	(14,194)	-	-	(14,194)
Total comprehensive income for the period	-	-	(1,264)	-	-	(1,264)
Balance as at 30 June 2010	<u>141,944</u>	<u>2,870</u>	<u>72,704</u>	<u>-</u>	<u>-</u>	<u>217,518</u>
Balance as at 31 December 2010	141,944	7,120	80,318	-	-	229,382
Dividend paid (Note 17)	-	-	(21,292)	-	-	(21,292)
Total comprehensive income for the period	-	-	29,223	-	-	29,223
Balance as at 30 June 2011	<u>141,944</u>	<u>7,120</u>	<u>88,249</u>	<u>-</u>	<u>-</u>	<u>237,313</u>

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

(Unaudited but reviewed)

Premier Technology Public Company Limited and its subsidiary

Statements of changes in shareholders' equity

For the six-month periods ended 30 June 2011 and 2010

(Unit: Thousand Baht)

Consolidated financial statements							
	Issued and paid-up share capital	Company's shares held by subsidiary	Retained earnings		Other components of shareholders' equity		
			Appropriated - statutory reserve	Unappropriated	Gain on sale of investment to related company	Total other components of shareholders' equity	Total shareholders' equity
Balance as at 31 December 2009 - as previously reported	141,944	(230)	2,870	25,488	68,000	68,000	238,072
Transferred of gain on sale of investment to related company to retained earnings	-	-	-	68,000	(68,000)	(68,000)	-
Balance as at 31 December 2009 - as restated	141,944	(230)	2,870	93,488	-	-	238,072
Dividend paid	-	-	-	(14,194)	-	-	(14,194)
Total comprehensive income for the period	-	-	-	(30,380)	-	-	(30,380)
Balance as at 30 June 2010	<u>141,944</u>	<u>(230)</u>	<u>2,870</u>	<u>48,914</u>	<u>-</u>	<u>-</u>	<u>193,498</u>
Balance as at 31 December 2010	141,944	(230)	7,120	120,435	-	-	269,269
Cumulative effect of change in accounting policy for employee benefits (Note 2)	-	-	-	(34,177)	-	-	(34,177)
Dividend paid (Note 17)	-	-	-	(21,292)	-	-	(21,292)
Total comprehensive income for the period	-	-	-	24,924	-	-	24,924
Balance as at 30 June 2011	<u>141,944</u>	<u>(230)</u>	<u>7,120</u>	<u>89,890</u>	<u>-</u>	<u>-</u>	<u>238,724</u>

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

Premier Technology Public Company Limited and its subsidiary
Notes to consolidated interim financial statements
For the three-month and six-month periods ended 30 June 2011

1. General information

1.1 Corporate 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 at 1 Premier Corporate Park, Soi Premier 2, Srinakarin Road, Nongbon, Prawet, Bangkok.

1.2 Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with Accounting Standard No. 34 (revised 2009) "Interim Financial Reporting", with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in shareholders' equity, and cash flows in the same format as that used for the annual financial statements.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

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

1.3 Basis of consolidation

These consolidated financial statements include the financial statements of Premier Technology Public Company Limited and its subsidiary (“the Group”) and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2010. There have been no changes in the composition of the Group during the current period.

1.4 Application of new accounting standards during the period

Since the first quarter of the current year, the Company adopted a number of revised and new accounting standards, issued by the Federation of Accounting Professions, as listed below.

Accounting standards:

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

Financial reporting standards:

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

Post-employment benefits (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. Such determination is made based on various assumptions, including discount rate, future salary increase rate, staff turnover rate, and mortality rate.

For the first-time adoption of TAS 19 Employee Benefits, the Company and its subsidiary elected to recognise the transitional liability, which exceeds the liability that would have been recognised at the same date under the previous accounting policy, through an adjustment to the beginning balance of retained earnings in the current period.

2. Cumulative effect of changes in accounting policy due to the adoption of new accounting standard

In the first quarter of the current year, the Company and its subsidiary made the changes to their significant accounting policy described in Note 1.5 to the financial statements, as a result of the adoption of revised and new accounting standards. The cumulative effect of the changes in the accounting policy has been separately presented in the statements of changes in shareholders' equity.

The amounts of adjustments affecting the statements of financial position as at 30 June 2011 and the statements of comprehensive income for the three-month and six-month periods ended 30 June 2011 are summarised below.

	(Unit: Thousand Baht)	
	30 June 2011	
	Consolidated	Separate
	financial statements	financial statements
Statements of financial position		
Increase in provision for long-term employee benefits	37,115	-
Decrease in unappropriated retained earnings	(37,115)	-

(Unaudited but reviewed)

For the three-month period ended 30 June 2011

	Consolidated	Separate
	financial statements	financial statements
Statements of comprehensive income		
Increase in employee expenses	1,469	-
Decrease in basic earnings per share (Baht per share)	(0.01)	-

For the six-month period ended 30 June 2011

	Consolidated	Separate
	financial statements	financial statements
Statements of comprehensive income		
Increase in employee expenses	2,938	-
Decrease in basic earnings per share (Baht per share)	(0.02)	-

3. New accounting standards issued during the period not yet effective

In the first quarter of the current year, the Federation of Accounting Professions issued the below listed new accounting standards that are effective for fiscal years beginning on or after 1 January 2013.

Accounting Standard Interpretations:

- SIC 10 Government Assistance - No Specific Relation to Operating Activities
- SIC 21 Income Taxes - Recovery of Revalued Non-Depreciable Assets
- SIC 25 Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

(Unaudited but reviewed)

4. Related party transactions

During the periods, 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 financial statements				Separate financial statements				Pricing policy
	For the		For the		For the		For the		
	three-month periods		six-month periods		three-month periods		six-month periods		
	ended 30 June		ended 30 June		ended 30 June		ended 30 June		
	2011	2010	2011	2010	2011	2010	2011	2010	
<u>Transactions with related companies</u>									
Sales and service income	14.1	10.2	26.9	21.0	-	-	-	-	Note 4.1
Cost of sales and services	11.2	-	21.9	-	-	-	-	-	Contract price, which is price in the ordinary course of business
Selling and administrative expenses	4.8	6.5	10.8	13.3	0.4	0.7	0.8	1.3	Contract price, which is price in the ordinary course of business

- 4.1 Sale prices are determined based on cost plus a certain margin while prices of service are based on the contract price, which is price in the ordinary course of business. However, pricing depend 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.

(Unaudited but reviewed)

The balances of accounts as at 30 June 2011 and 31 December 2010 between the Company, a subsidiary and those related companies are as follows:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	30 June	31 December	30 June	31 December
	2011	2010	2011	2010
		(Audited)		(Audited)
<u>Trade accounts receivable - related parties</u>				
<u>Related companies</u>				
Professional Training Services Company Limited	2,171	361	-	-
Premier Metrobus Company Limited	701	279	-	-
Premier Marketing Public Company Limited	559	-	-	-
Premier Resorts and Hotels Company Limited	538	8	-	-
P.M. Food Company Limited	375	-	-	-
Premier Canning Industry Company Limited	136	-	-	-
Premier Fission Capital Company Limited	116	20	-	-
Premier Inter Leasing Company Limited	421	84	-	-
Others	217	-	-	-
Total trade accounts receivable - related parties	5,234	752	-	-
<u>Short-term loan to related party</u>				
<u>Subsidiary</u>				
Datapro Computer Systems Company Limited	-	-	14,000	-
Total short-term loan to related party	-	-	14,000	-
<u>Amounts due to related party</u>				
<u>Related company</u>				
Professional Training Services Company Limited	1,907	1,616	-	-
Total amounts due to related party	1,907	1,616	-	-

(Unaudited but reviewed)

During the period, movements of short-term loan to related party were as follow:

(Unit: Thousand Baht)

	Separate financial statements			
	Balance as at	During the period		Balance as at
	1 January 2011	Increase	Decrease	30 June 2011
<u>Short-term loan to related party</u>				
Datapro Computer Systems Company Limited	-	14,000	-	14,000

Short-term loan to related party

Loan to Datapro Computer Systems Company Limited represents the loan in form of promissory note of Baht 14.0 million due for repayment at call and carrying interest at the rate of 3.5 percent per annum.

Directors and management's remuneration

The Company and its subsidiary had salaries, bonuses, meeting allowances and gratuities to their directors and management recognised as expenses for the three-month and six-month periods ended 30 June 2011 totaling Baht 6.0 million and Baht 12.0 million, respectively (2010: Baht 4.9 million and Baht 9.5 million, respectively) and for the Company Only Baht 0.1 million and Baht 0.2 million, respectively (2010: Baht 0.1 million and Baht 0.2 million, respectively).

5. Trade accounts receivable

The balances of trade accounts receivable as at 30 June 2011 and 31 December 2010, aged on the basis of due dates, are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	
	30 June 2011	31 December 2010
		(Audited)
<u>Age of receivables</u>		
<u>Related parties</u>		
Not yet due	2,526	42
Past due		
Up to 3 months	1,350	635
3 - 6 months	1,358	-
6 - 12 months	-	75
Over 12 months	-	-
Total	5,234	752
Less: Allowance for doubtful accounts	-	-
Net	5,234	752

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated financial statements	
	30 June 2011	31 December 2010
		(Audited)
<u>Unrelated parties</u>		
Not yet due	229,335	187,897
Past due		
Up to 3 months	98,212	80,528
3 - 6 months	8,026	4,924
6 - 12 months	7,193	12,324
Over 12 months	19,506	32,884
Total	362,272	318,557
Less: Allowance for doubtful accounts	(21,550)	(22,251)
Net	340,722	296,306
Trade accounts receivable - net	345,956	297,058

The balance of trade accounts receivable as at 30 June 2011 included trade receivables amounting to Baht 62 million (31 December 2010: Baht 49 million) which the subsidiary has assigned its rights over collection to a 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.

6. Restricted bank deposits

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

(Unaudited but reviewed)

7. Investment in subsidiary

(Unit: Thousand Baht)

Company's name	Separate financial statements					
	Paid-up capital		Shareholding percentage		Cost	
	30 June	31 December	30 June	31 December	30 June	31 December
	2011	2010	2011	2010	2011	2010
			(%)	(%)		(Audited)
Datapro Computer Systems Company Limited	30,000	30,000	100	100	255,887	255,887
Less: Allowance for impairment of investment in subsidiary					(103,160)	(103,160)
Investment in subsidiary - net					<u>152,727</u>	<u>152,727</u>

On 24 June 2011, a meeting of subsidiary's Board of Directors approved the payment of interim dividend for 2011 of Baht 30 million to the shareholders at Baht 100 per share. The subsidiary paid such dividend in June 2011.

8. Investment in associated company

(Unit: Thousand Baht)

Company's name	Consolidated financial statements					
	Shareholding percentage		Cost		Carrying amounts based on equity method	
	30 June	31 December	30 June	31 December	30 June	31 December
	2011	2010	2011	2010	2011	2010
	(%)	(%)		(Audited)		(Audited)
Advance Cyber Technology Company Limited	26	26	<u>5,200</u>	<u>5,200</u>	<u>1,196</u>	<u>1,384</u>

(Unit: Thousand Baht)

Company's name	Separate financial statements							
	Shareholding percentage		Cost		Allowance for impairment of investment		Carrying amounts based on cost method - net	
	30 June	31 December	30 June	31 December	30 June	31 December	30 June	31 December
	2011	2010	2011	2010	2011	2010	2011	2010
	(%)	(%)		(Audited)		(Audited)		(Audited)
Advance Cyber Technology Company Limited	26	26	<u>5,200</u>	<u>5,200</u>	<u>(3,816)</u>	<u>(3,816)</u>	<u>1,384</u>	<u>1,384</u>

(Unaudited but reviewed)

Share of income or loss of associate was determined based on the financial statements prepared by its managements and was not reviewed by its auditor. The Company believes that the value of the investment would not significantly differ if the financial statements had been reviewed by auditor.

9. Equipment

Movements of the equipment account during six-month period ended 30 June 2011 are summarised below.

	(Unit: Thousand Baht)
	Consolidated financial statements
Net book value as at 1 January 2011	112,839
Acquisitions during period - at cost	34,902
Disposals during period - net book value at disposal date	(642)
Depreciation for period	(27,577)
Net book value as at 30 June 2011	<u>119,522</u>

As at 30 June 2011, the subsidiary had equipment under finance lease agreements with net book values amounting to Baht 70.4 million (31 December 2010: Baht 72.1 million).

10. Intangible assets

Movements of the intangible assets account during the six-month period ended 30 June 2011 are summarised below.

	(Unit: Thousand Baht)
	Consolidated financial statements
Net book value as at 1 January 2011	8,804
Acquisitions during period	1,527
Amortisation for period	(440)
Net book value as at 30 June 2011	<u>9,891</u>

(Unaudited but reviewed)

11. Bank overdrafts and short-term loans from banks

(Unit: Thousand Baht)

	Interest rate (Percent per annum)	Consolidated financial statements	
		30 June 2011	31 December 2010 (Audited)
Bank overdrafts	MOR	9,254	-
Short-term loans from banks	MLR, MLR + 0.25%	39,958	-
Total		49,212	-

Bank overdrafts and short-term loans from banks of a subsidiary are secured by the pledge of bank deposits of the subsidiary and the transfer of the right of the claim of collections from sales and service income from a customer to a bank.

12. Long-term loan

Long-term loan of the subsidiary represent loan obtained from a company for use in the purchase of assets of the subsidiary. Such loan is to be repaid in yearly installments within 3 years from the dates specified in the agreement, together with interest as stipulated in the agreement.

(Unit: Thousand Baht)

	Consolidated financial statements	
	30 June 2011	31 December 2010 (Audited)
Long-term loan	2,140	4,280
Less: Current portion	(2,140)	(2,140)
Long-term loan - net of current portion	-	2,140

Movements in the long-term loan account during the six-month period ended 30 June 2011 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements
Balance as at 1 January 2011	4,280
Less: Repayment	(2,140)
Balance as at 30 June 2011	2,140

(Unaudited but reviewed)

13. 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	
	30 June 2011	31 December 2010
		(Audited)
Liabilities under finance lease		
agreements - net of deferred interest	63,758	70,149
Less : Current portion	(35,086)	(37,971)
Long-term liabilities - net of current portion	<u>28,672</u>	<u>32,178</u>

Movements in the long-term liabilities account during the six-month period ended 30 June 2011 are summarised below.

	(Unit: Thousand Baht)
	Consolidated
	financial statements
Balance as at 1 January 2011	70,149
Add: Additional borrowings	15,594
Less: Repayment	(21,985)
Balance as at 30 June 2011	<u>63,758</u>

As at 30 June 2011, Future minimum lease payments required under the finance lease agreements were as follows:

	(Unit: Million Baht)		
	Less than		
	1 year	1-3 years	Total
Present value of future minimum lease payments	35.1	28.7	63.8

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

(Unaudited but reviewed)

14. Long-term liabilities under rehabilitation plan

As at 30 June 2011 and 31 December 2010, the outstanding long-term liabilities restructuring under rehabilitation plan are as follows:

	(Unit: Thousand Baht)	
	Consolidated/ Separate financial statements	
	30 June 2011	31 December 2010
		(Audited)
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
Add: Interest expenses pending recognition in future year	-	1
Long-term liabilities under rehabilitation plan	-	501
Less: Current portion	-	(501)
Long-term liabilities under rehabilitation plan - net of current portion	-	-

Movements in the long-term liabilities under rehabilitation plan account during the six-month period ended 30 June 2011 are summarised below.

	(Unit: Thousand Baht)
	Consolidated /Separate financial statements
Balance as at 1 January 2011	501
Less: Repayment	(501)
Balance as at 30 June 2011	-

15. Company's shares held by subsidiary

As at 30 June 2011, 230,175 shares of the Company were held by subsidiary (31 December 2010: 230,175 shares). They are presented as a deduction in shareholders' equity and are stated at cost.

16. Corporate income tax

Interim corporate income tax was calculated on profit before income tax for the periods, after adding back expenses and deducting income which are disallowable for tax computation purposes, using the estimated effective tax rate for the year.

The Company had no interim corporate income tax payable for the period ended 30 June 2011 since dividend income is exempted from income tax under section 65 bis (10) of the Revenue Code.

17. Dividend paid

On 21 April 2011, the Annual General Meeting of the Company's shareholders passed a resolution approving the payment of a dividend for the year 2010 of Baht 0.15 per share to the Company's shareholders, a total of Baht 21.3 million. The Company paid the dividend in May 2011.

18. Commitments and contingent liabilities

18.1 Operating lease commitments

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

As at 30 June 2011, future minimum lease payments required under these operating leases contracts were as follows:

	<u>Million Baht</u>
Payable within the year:	
2011	10.5
2012 - 2013	34.2
2014 - 2022	15.4

18.2 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 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.

18.3 Bank guarantees

The subsidiary has outstanding bank guarantees of approximately Baht 56.5 million (31 December 2010: Baht 35.3 million) 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 concern guarantee contractual performance.

18.4 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 three-month and six-month periods ended 30 June 2011, the subsidiary recorded the licensing costs amounting to approximately Baht 0.7 million and Baht 1.4 million, respectively under such agreement.

19. Foreign exchange risk

As at 30 June 2011, the subsidiary had the net liabilities denominated in foreign currency, amounting to USD 5.4 million which had not been hedged against foreign exchange rate risk.

20. 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 profit (loss) and assets reflected in these financial statements pertain to the aforementioned industry segment and geographic area.

21. Subsequent Events

On 4 July 2011, a meeting of the Company's Board of Directors passed a resolution approving its participation in the bidding to acquire a plot of land with an office building thereon through an auction arranged by the Executive Department, the Ministry of Justice. On 5 July 2011, the Company joined and won the bidding to acquire the property, at a price of Baht 244 million, and a deposit of Baht 49.8 million was paid. The remaining Baht 194.2 million will be paid within 20 October 2011.

22. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 4 August 2011.