

รายงานประจำปี 2556



# ANNUAL REPORT 2013

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

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## Business Policy and Overview

Premier Technology Public Company Limited, a subsidiary of Premier Group of companies, formerly known as Thai Electronic Industry Company Limited was established on July 9, 1973 and operates the business in the area of manufacturing and distribution of car audio products, home entertainment products, and other electronic devices. The Company registered for transformation to a public company limited on November 30, 1992 and changed its name to Premier Engineering and Technology Public Company Limited on March 17, 2005.

In the late 2005, the Company adjusted its business trends by investing in the core business of Information Technology via its subsidiary, Datapro Computer Systems Company Limited (DCS), due to continued business expansion and producing benefits for the Company. Then, the Company changed its name to Premier Technology Public Company Limited (PT) on October 27, 2006.

1. **Vision** -Focus on the investment in the Information Technology Service Business to serve increasing demand of the local business community.

### **Mission**

- Continue to enhance the IT Services to cover enterprise wide requirements
- Invest in on going development and certification of local (Thai) resources to enhance quality and professionalism
- Concentrate on high quality customer services to ensure customer success
- Implementation of the principles of good governance

2. Major changes and developments during 2013 were as follows:

- 1) The ownership structure and management or business operations remained significantly in the past three years.

- 2) The Company has modified the interior and exterior of Premier Place Building since 2012 which have mostly been completed since March 2013. There has been the alteration to the sprinkler systems including the escape stairs pressurization system in order to increase safety, which are expected to be completed in 2014.

- 3) The Company allocated 12,396 square meters of Premier Place Building space to 10,545 square meters of space for lease. Currently, there are tenants occupying 6,621 square meters which consists of its subsidiaries who leases 4,766 square meters of space to operate as the data center services. The rest of the space is other tenants.

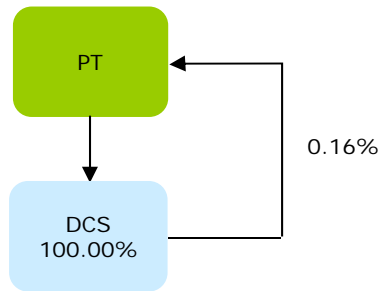
- 4) The Company's annual general meeting (AGM) for 2013 was assessed by the Thai Listed Companies Association and Thai Investors Association (IOD) for which it received an "Excellent" rating.

- 5) The Company's subsidiary was selected as provider of various services to the customers, as well as being certified and presented with awards by various organizations, agencies and trade partners, for instance:

- Certified ISO 222301, Business Continuity Management, from Bureau Veritas (Thailand) Company Limited.

- Awarded the Commercial Partner of the Year from Cisco Systems (Thailand) Company Limited.
- Awarded the Telecommunication Industry Leadership from IBM Company Limited.
- Awarded the APC Best Revenue Solution Achievement from APC Schneider Electric Company Limited
- Earned the trust from leading companies in Thailand by choosing products and services to increase the potential for Information Technology such as
  - IBM and HP Server & Storage for increasing the server capabilities and capacities including improving to support the adaptive systems
  - Network equipment for organizations and data centers
  - BMC Control M for managing the data volumes in terms of the rendering service in the data centers
  - Veritas Software for managing the virtual computer systems
  - Security Infrastructure Software
  - Mimix Software for encouraging the creation of the organizations' backup plan in an emergency via the real-time backup software
  - Data centers and emergency management
  - Multimedia Equipment such as projectors, plasma and LCD displays and CCTV for hotels, theaters, large exhibitions including the education department of leading educational institutes
  - Providing service regarding the digital data dissemination for leading educational institutes and renowned hospitals
  - D-Work, human resources management system developed by its subsidiaries to render services for major organizations in terms of selling software (software as a service)
- Trusted by the Stock Exchange of Thailand to provide live broadcast of the SET Opportunity Day events held every quarter in 2013
- The Company paid interim dividend from the Company's performance of the 6 month period from 1 January 2013 to 30 June 2013 to the shareholders at the rate of 0.15 Baht per share, totaling 21,291,670.65 Baht, in September 2013
- The Company is in the process of applying for certification as a Thai private practice alignment in anti-corruption practices from Collective Action Coalition in Thai private sector Committee within the 2<sup>nd</sup> quarter of 2014

3. The shareholding structure of the Company in Datapro Computer Systems Co., Ltd.



4. Relationship with the major shareholders  
- None -

## Nature of Business

### The Revenue Structure

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

Unit: Million Baht

Products/Services	Operator	% of shareholding	2013		2012		2011	
			Revenue	%	Revenue	%	Revenue	%
Revenue from Sales and Services								
- Hardware and Software Product Group	DCS	100.00	1,927.9	74.3	1,499.7	68.0	1,284.3	69.8
- Service Group	DCS	100.00	654.7	25.2	697.6	31.6	555.8	30.2
- Office Rental	PT		13.2	0.5	7.9	0.4	0	0.0
Total Revenue from Sales and Services			2,595.8	100.0	2,205.2	100.0	1,840.1	100.0

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

The Company's core business is to provide office rental and invest in the information technology business. The Company's subsidiary, Datapro Computer Systems Company Limited, operates the business of a Total Enterprise Solution and Service Provider. The subsidiary also has its own developed products and products that have been appointed as their distributors of the leading global companies. In addition, the Company's products and services can be categorized as follows:

1. Hardware Products Group
  2. Software Products Group
  3. Services Group
1. Hardware Products Group consists of
  - 1) IT Products
    - Server & Storage from IBM, Hewlett-Packard
    - Network Infrastructure and Data Center Infrastructure from Cisco Systems
    - Security Infrastructure from Cisco Systems, Allot, Blue Coat, Juniper, Websense and Check Point
    - Voice and Unified Communications Products from Cisco Systems
  - 2) Multimedia Products
    - LCD, DLP and LCOS Projector from Canon, Panasonic and Hitachi
    - Visualizer from Aver Media, Elmo and Samsung
    - Monitor from Grand view and Razr, CCTV and IP Camera from Canon, LG, Aver Media and Panasonic
    - Interactive Board from Hitachi
    - Training Response System's Wireless accessories from KV Electronics
    - Parts for all multimedia products which is distributed by the company
2. Software Products Group consists of
  - 1) Business Application Software
    - Human Capital Management Software

- Digital Content Management Software
- 2) Operating System and Database
  - Software for Database from IBM, Oracle and Microsoft
  - Operating Systems from IBM, Hewlett-Packard, Microsoft and Red Hat
- 3) Tools & Utilities Software
  - IT Service Management Software from BMC
  - Software for Data Center Automation from BMC
  - Software for Mainframe Solution from BMC
  - Software for Workload Automation from BMC
  - Software for Application and Development Tools from BMC and Tech Berry
  - Backup & Recovery Software and High Availability Software from Hewlett-Packard, IBM, Symantec and Vision
  - Software for Infrastructure Management from BMC
  - Security Infrastructure Software from Blue Coat, Cisco, McAfee, Palo Alto Network, Imprivata, RSA, Vasco, F5, Juniper, ArcSight, Symantec, WebSense, Trend Micro, Check Point, Kaspersky, BSafe, Stone Soft and Info Express
  - Software for Email from IBM and Microsoft
  - Software for Network Management from Cisco Systems, NetQos and Solar Wind
  - Software for Remote Support from Bomgar
  - Virtualization Software from IBM, Hewlett-Packard, Microsoft and VMWare

3. Services Group consists of
- After-Sales service for all products which are developed and distributed by the company
  - SaaS (Software as a Service)
  - Data Center & Disaster Recovery Center
  - Office Continuity Service
  - IT Managed Service
  - Annual Maintenance Services
  - Preventive Maintenance Services
  - Providing consultation on the operating systems of large-scale computer system and a plan for data backup in case of emergency
  - Providing data's security testing services for the organizational network
  - Providing hardware products, information technology equipment and multimedia equipment leasing
  - Providing wiring and installation services for network and power supply equipment
  - Providing Applications Development services
  - Administering and managing database via high-speed networking, such as digital media production and a live broadcast

## Marketing and Competition

### Marketing Policy

The Company and its subsidiary focus on the marketing strategies by delivering excellent service quality in order to promote the achievement in customers' business operations by means of operating a Total Enterprise Solution and Services Provider to meet customer needs, both existing and new customers. The Company has used hardware and software from the strong product owners always conducting research and development or software developed by its subsidiaries for a value add in line with meeting customer requirements. Besides, there are the complete data center and backup data center to support the cloud computing services and a variety of outsourcing services according to customer demand. The Company also equips with the experienced and quality personnel to provide unique services and consulting services in accordance with customer requirements including the current and previous technology.

- Marketing Strategy

The Company and its subsidiary place an emphasis on providing customer services to strengthen and create its customer business's accomplishment. Moreover, the sales and marketing team, who is well knowledgeable about products, is able to give customers the product information and provide services in line with individual customer demand effectively. The Company also highlights on creating a good relation with customers and providing long-term services with the following strategies:

- 1) Developing and maintaining the service procedures according to the acceptable international standards, for instance, ISO 20000 Information Technology Service Management, ISO 22301 Business Continuity, and ISO 27001 Information Security
- 2) Creating readiness for attending the market of Cloud Computing Service Provider that equips with the standard computer center, computer hardware, network system, and security system including a Cloud operating system or Software as a Service allowed users pay per use
- 3) Providing durable and complete products and services for covering all areas of customer business
- 4) Expanding its services with a new service type and improving its business models
- 5) Building business alliances with other information technology service providers in order to collaborate on products and services presentations for large-scale organizations and industries in domestic and neighboring countries. Building alliances with major entrepreneurs to be a role model of information technology services rendered, such as, in the areas of hospitals, education, industrial estates, and hotels etc
- 6) Developing and owning intellectual property for expanding the business of full service providing, for example, in the areas of human resources, and accounting and finance etc
- 7) Hiring an expert personnel granted certificates which are internationally acceptable to assure and meet customer needs along with creating customer satisfaction



- 8) Associating with educational institutes for planning and improving employee productivity for supporting the services and developing software responding to customer requirements, both domestic and international ones
- 9) Placing an emphasis on the Best Quality Service Provider

- Types of Customers and Target Customers

The target customers of the Company and its subsidiary are private sector organizations and state enterprises, from the medium-scale to large-scale ones, such as, the financial institutions, the service business, the business of insurance, the business of transportation and communications, the business communication and telecommunications, the real estate business, the business of mass communication and advertising, the automotive industry, the consumer goods business, the petrochemical business, and the garment and textile industry etc. There are the target customers for expanding the customer base as follows:

- 1) The target customers in the industrial estates by creating alliances with the owners of the industry estates for providing services to the companies and factories within the industry estates.
- 2) A group of foreign customers owned business in Thailand by creating alliances with Foreign Service providers who lack of experienced employees relating to service rendered in Thailand.
- 3) A group of foreign customers requiring specializations by creating alliances with educational institutes for the collaborative development of personnel to develop software responding to demand.
- 4) A group of high technology industries by developing the business model in collaboration with the product owners and specialists for the fast installation for customers.
- 5) The target customers in industries and other service businesses requiring to increase the productivity by creating alliances with distributors for delivering services in line with customer requirements.
- 6) The target customers in healthcare organizations consisting of hospitals, good health centers, and clinics by adopting the application software for deliver services to patients.
- 7) The target customers in heavy industries, such as, cement and steel industries etc. in collaboration with other information technology service providers to arrange the projects.
- 8) A group of foreign customers who require the software services and development in a variety of languages, for instance, the target group in Japan etc.
- 9) A group of international organizations who operate the business in the heavy industry in Thailand and require the outsourcing services comprising of the steel industry and the automotive industry etc.
- 10) The target group who operate the financial industry, such as, financial institutions for small and medium sized etc.

- Distribution and Distribution Channel

With regard to the product and service distributions, the Company directly discusses with customers who are a group of medium to large-scale

organizations for presenting and delivering excellent services and products that meet customer needs individually for the maximum efficiency. In addition, the business alliances who continue the collaborative development are considered as the other channel for further distribution.

### **Industry Competition**

The trend for new technologies in the market will continue to be active. In addition, information technology has come to play an important role in the drive for a speedy recovery of the overall economy, especially in the safety of the operating system and data and including business continuity in unusual situations. Organizations must now consider investing in and selecting information technologies to assist them to timeously cope with various events

International Data Corporation (IDC) expects that in 2013 business organizations will clearly become more and continuously interested in cloud computing in order to better manage their information technology systems while Gartner predicts that the cloud computing market will grow five times faster than the whole information technology market within the next 4 years.

In addition, there is still continuous use of social media and mobile communication devices in digital communication, especially large files that require large storage space, management system and network for data transmission.

The above predictions are in line with the subsidiary's business development plan that includes the establishment of a Data Center and a Disaster Recovery Center, as well as a back-up office, which have been operational since 2008 and have been constantly upgraded. Therefore, the subsidiary is well equipped to provide data center services that are capable of handling large amounts of data and to provide cloud computing services with international information security standard, as well as act as back-up data center and office that is located far away from any risk.

The competition in the technology industry in which the Company operates is relatively fierce, both from local and overseas operators. The Company needed to differentiate itself from other operators by becoming a Total Enterprise Solution and Service Provider that maintains quality and standards that are internationally accepted. This has been accomplished through its professional employees who are continuously trained and have much experience. Because of this accomplishment, the Company has been well-recognized by leading organizations for a long time. This is an important strategy that has made the Company one of Thailand's leading information technology providers throughout the past 27 years.

### **Products and Serviced Sourcing**

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

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

The Company is a direct importer and distributor of various well-known leading information technology products of global companies who have a presence in Thailand, such as products from IBM, Hewlett-Packard, Cisco Systems, Panasonic, Canon and Hitachi and software packages from IBM, BMC Software, Oracle, Microsoft, and, etc. imported from different countries like Japan, U.S.A., France and Great Britain. Moreover, in order to keep pace with changing technology and customer's requirements, the company has been supplying new products over time such as basic software for computer networks' security, software for company's management including software on a cloud computing (Pay per use) such as D-Work system, a human resource's management (Human Capital Management), FileAbility system, a system to store data for the company, OfficeAbility, a system for communication within the organization etc. In addition, the Company continues to develop the potential of high speed internet technology to broadcast high quality video and audio.

Cloud computing Services are very active in Thailand. The company is well equipped for such services since the 2010 as the company is investing to expand computer center to be more modern, equipped with a global technology to save both energy and installation area for computer equipment, also managed the process and procedures by the international standards including ISO 20000, the global provider of technology information, ISO 22301, the continuity of business operations and ISO 27001, information security. The company is ready to support a full function of cloud computing to several businesses.

During the past 27 years, even though the Company is presently distributing a large variety of products, it has not ceased to add value to these products and provides continuous long-term services to its customers. Therefore, the risk of the Company incurring any loss from the provision of services or from being a distributor of products is low.

#### **Incomplete Project**

On December 31, 2013, the subsidiary has had the incomplete projects accounting for 194.3 million Baht.

## Risk Factors

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

### **Risk on the Company and its Subsidiaries Business Operation**

1.1 Risk from factors that may affect revenue from goods and services sales to decrease, which are uncontrollable factors; such as domestic factor in terms of economic, society that was effect by the political conflict and economic at regional level that decline continuously. This also includes external factors such as trade liberalization and entering into ASEAN Economics Community (AEC) allowing large-scale foreign companies to invest in the nation and became potential trade competitors.

The Subsidiaries stipulates guidelines to reduce the impact from the aforementioned external risk by expanding type of service sales that are in long-term agreement with a concise conditions to increase varieties in customers' busienss line that present product and services, are not bound to any particular business line, develop personnel to higher competence, more potential in the competition at international level as well as adjust methods and prcedure in performing task to be more efficient. This will allow a more rapid respons, less mistake and reduce expenses in long run.

1.2 Risk from changes in the government policies, regulations, conditions and laws that may effect business operation and/or subsidiaries such as reporting information on product and service sales to government sector in accordance with the Office of the National Anti-Corruption Commission regulations. If the report is incomplete the Company and its subsidiaries may loose its rights in doing any transaction with the government sector.

The Company had managed this risk by keeping track of the policies and regulations from govern sector that may impact the Company. In keeping track will allow the Company to have up to date information and planned to accommodate such changes.

1.3 Risk from depending on personnel with technical skills

The subsidiaries which operate business in information technology have to rely on personnel with knowledge and technical skills as well as have specialized training. The loss of such personnel for any reason will have an adverse effect on the Company, such as having to replace any individual will increases cost in traning personnel to have technical skills, consume time in recruiting for another personnel which may effect the delivering of goods and services to customer and is not in accordance with the condition of the agreement and may have to pay compensation.

However, the Company has measures in reducing risk from losing such personnel, that is to develop personnel to be able to perform task in place of each other, compile work handbook to ensure that employees can correctly perform task when being replaced and organized knowledge based management system for the rapidity in giving services as well as to reduce problems in replacing personnel with special skill.

#### 1.4 Risk from obsolete products

The subsidiaries operate business in distribution of goods related to IT system, infrastructure system and equipment, multimedias, all of these are goods related to technology. All of these have risk in the change of technology that will impact on goods to be obsolete and replaced by newer model.

The subsidiaries manage such risk by only make purchase order of goods when received order from the customers instead of storing inventories. Inventories will be store for emergencies and/or as a replacement during maintainence for customers only. This helps reduce expenses on goods storage and de[reciation allowance.

1.5 Risk from trade liberalization and entering into AEC in the year 2015 will result in liberalization in transfer of human resources, investment and trade in the ASEAN market, which creates competition indifferent aspect such as increase in cost to maintain quality personnel and quality and price of goods and services.

The subsidiary manage these risk by adapting to such situation and build cooperation with trade partner as well as build good relationship to employees satisfaction toward the organization.

#### 1.6 Risk from Fluctuation of Exchange Rate

The subsidiaries has liabilites from goods and services expenses which are in foreign currencies and due to the fluctuation of exchange rate in the market, resulting in the risk of the amount of cashflow expenses and profit (loss) from exchange rate. The Company mange these risk by receiving credit for forward exchange with Siam Commercial Bank. However, the Company will enter into foreign currency purchase contracts to pay the creditors by considering from value and repayment period

## General Information

Name of Listed Company	:	Premier Technology Public Company Limited
Company Registration Number	:	0107535000320
Type of Business	:	Office Rental and Investment in Information Technology business
Head Office	:	1 Premier Corporate Park, Soi Premier 2 Srinakarin Road, Nongbon Sub-district, Prawet District, Bangkok 10250
Telephone	:	0-2301-1569
Facsimile	:	0-2748-2063
Homepage	:	<a href="http://www.premier-technology.co.th">www.premier-technology.co.th</a>
Registered Capital	:	142,440,489 Baht
Number of Issued Shares	:	141,944,471 Shares

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

Name of Company	:	Datapro Computer Systems Co., Ltd.
Company Registration number	:	0105529045455
Type of Business	:	Total Enterprise Solution and Service Provider
Head Office	:	1 Premier Corporate Park, Soi Premier 2, Srinakarin Road, Nongbon Sub-district, Prawet District, Bangkok 10250
Telephone	:	0-2684-8484
Facsimiles	:	0-2677-3500 – 2
Homepage	:	<a href="http://www.datapro.co.th">www.datapro.co.th</a>
Registered Capital	:	100,000,000 Baht
Number of Issued Shares	:	1,000,000 Shares
Shares held by the Company	:	999,988 Shares

**OTHER REFERENCES**

(1) **Securities Registrar**

Thailand Securities Depository Co., Ltd.  
The Stock Exchange of Thailand Building  
No. 62 Rachadapisek Road,  
Klongtoei Sub-district, Klongtoei District, Bangkok, 10110  
Telephone: 0-2229-2800  
Facsimile : 0-2359-1259  
Call Center : 0-229-2888  
Website : www.tsd.co.th  
Email : contact.tsd@set.or.th

(2) **Debenture Holders' Representations**

- None -

(3) **Auditors**

Mrs. Chonlaros Santiasavaraporn with CPA No. 4523, or  
Mr. Supachai Phanyawattano with CPA No. 3930, or  
Miss Supanee Triyanantakul with CPA No. 4498  
Ernst & Yong Office Limited  
33<sup>rd</sup> Floor, Lake Rajada Office Complex  
193/136-137 Rajadapisek Road, Klongtoey, Bangkok 10110  
Telephone : 0-2264-0777, 0-2661-9190  
Facsimile : 0-2264-0789-90, 0-2661-9192

(4) **Financial Advisors**

- None –

(5) **Legal Advisors**

- None –

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

Business Management and Consulting Contract  
Premier Fission Capital Co., Ltd.  
1 Premier Corporate Park, Soi Premier 2,  
Srinakarin Road, Nongbon Sub-district, Prawet District,  
Bangkok 10250  
Telephone : 0-2301-1000  
Facsimile : 0-2398-1188

## Securities and Shareholders Information

On December 31, 2013, the company has registered capital of 142,440,489 Baht, divided to 142,440,489 ordinary shares of 1 Baht at par, and paid-up capital of 141,944,471 Baht, divided to 141,944,471 ordinary shares of 1 Baht at par.

### Shareholders

#### (1) Top 10 Shareholders

(a) Details of the top 10 shareholders whose names are shown in the shareholder register as of March 7, 2014 are as follows:

Name	Number of Shares	Shareholding %
1. Mrs. Vimolthip Phongsathorn	75,443,923	
- Mrs. Vimolthip Phongsathorn	75,443,883	53.15
- Mr. Vichien Phongsathorn	40	
2. Mr. Vithit Pongpirodom	6,150,000	4.33
3. Thepthannya Co., Ltd.	4,000,000	2.82
4. Mrs. Jarassri Pongpirodom	3,680,000	2.59
5. The Nation Multimedia Group PCL	3,000,000	2.11
6. Mr. Anan Rattanakanon	2,993,000	2.11
7. Mr. Phanurangsri Sriwarattha	2,781,900	1.96
8. Mr. Olarn Apirakaramwong	1,900,000	1.34
9. Miss Vipavee Pongpirodom	1,458,000	1.03
10. Mr. Jessada Sarasinpithak	1,410,000	0.99
<b>Total</b>	<b>102,816,783</b>	<b>72.43</b>

(b) Percent shares in Minor Shareholders (% Free Float): 46.08

(c) Major shareholders who are related persons participating in the company management are as follows:

Name	Type of Business	Related Persons
1. Mrs. Vimolthip Phongsathorn	-	Mr. Vichien Phongsathorn, her spouse, is Chairman

(2) Shareholders of subsidiary: Datapro Computer System Co., Ltd. as of 31 December 2013 are as follows:

Name	Number of Shares	Shareholding %
1. Premier Technology Public Co., Ltd.	999,988	100.00
2. Mr. Vichien Phongsathorn	6	0.00
3. Mr. Viwat Phongsathorn	1	0.00
4. Mrs. Vimolthip Phongsathorn	3	0.00
5. Lieutenant Seri Osathanugrah	1	0.00
6. Mrs. Srisuma Osathanugrah	1	0.00
<b>Total</b>	<b>1,000,000</b>	<b>100.00</b>

#### (3) Agreement between major Shareholders

- None -

#### Issuance of Other Securities

- None -



## Dividend Payment Policy

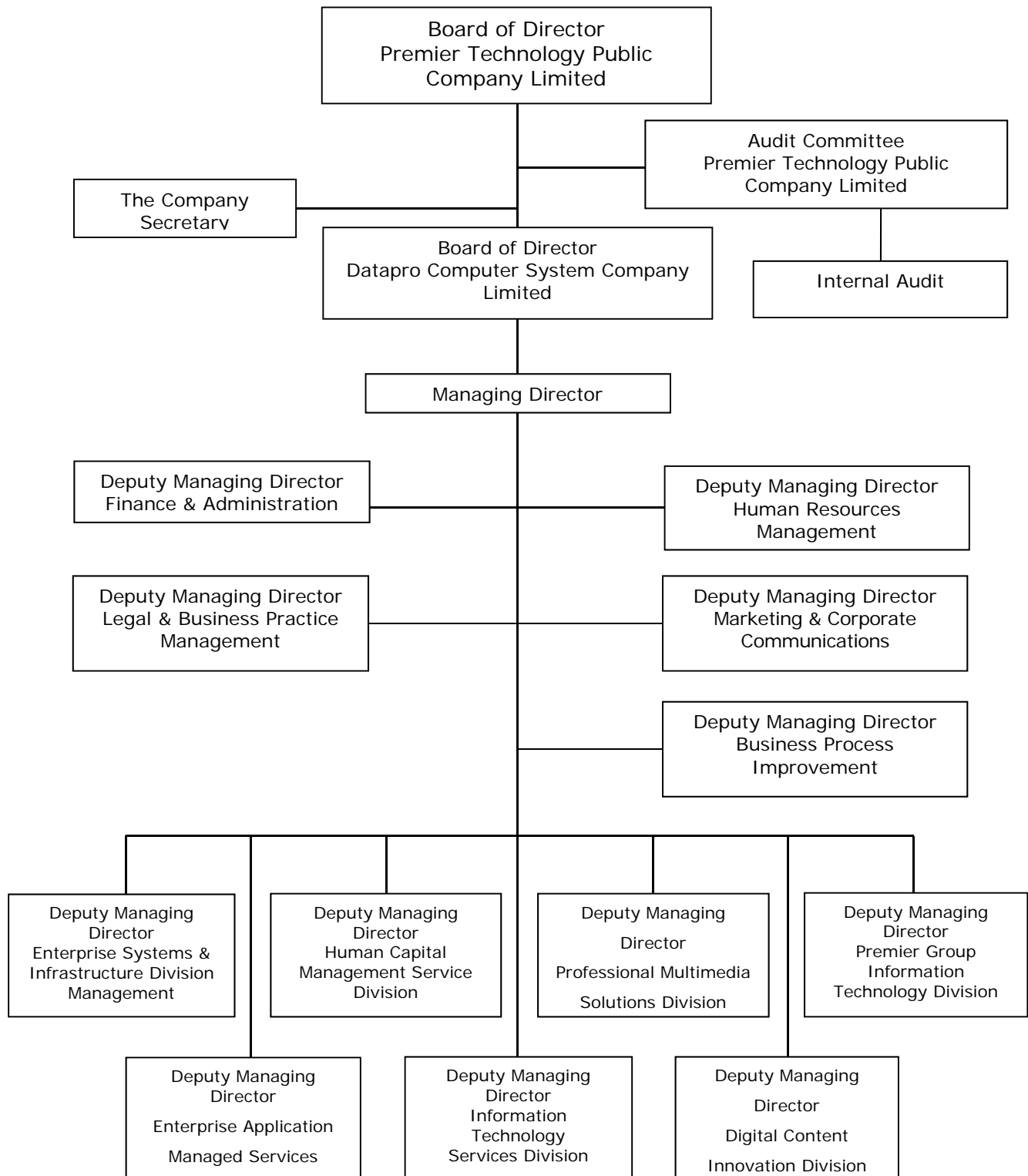
The Company and its subsidiaries have policies to pay dividends to the shareholders at a rate of no less than 50% of net profit after income tax and deduction of legal reserves. However, such dividend policies may be changed depending on the companies' investment plans, necessities and appropriateness in the future. The resolution of the Board of Directors to pay dividend must be presented to the shareholders' meeting for approval in advance, except for interim dividend payment where the Board has the authority to authorize such payments, prior to reporting to the shareholders at the next meeting.

The Company paid dividends from consolidated operating results of the Company to its shareholders. Summarized as follows:

Year	2009	2010	2011	2012	2013*
<b>Earnings per share</b>	0.13	(0.05)	0.32	0.20	0.58
<b>Dividend per share</b>	0.10	0.15	0.20	0.15	0.40
<b>Dividend payout (%)</b>	76.92	-	62.50	75.00	68.97

\* On February 19, 2014, the Board of Directors' resolution to propose the distribution of dividend for the year 2013 to the Annual Meeting of Shareholders to be held on April 23, 2014 at the rate 0.25 Baht per share, after adding the interim dividend payment of 0.15 Baht per share on September 3, 2013, the total dividend payment was 0.40 Baht per share.

## Management Structure



## 1. Board of Directors

As at 31 December 2013, the Board of Directors consisted of 9 directors as follows:

Director's Name	Position	Meetings/ Attendance (Times)	Attendance of Shareholders' Meeting/Total Number of Meetings (Times)
1. Mr. Vichien Phongsathorn	Chairman	4/5	1/1
2. Mrs. Duangthip Eamrungraj	Director	5/5	1/1
3. Mr. Suradej Boonyawatana	Director	5/5	1/1
4. Mr. Paritud Bhandhubanyong	Independent Director	5/5	1/1
5. Mr. Suchai Vatanatrakul	Independent Director and Member of the Audit Committee	5/5	1/1
6. Mr. Katiya Greigarn (was appointed as the Chairman of the Audit Committee since December 20, 2013)	Independent Director and Chairman of the Audit Committee	5/5	1/1
7. Miss Wanna Kolsrichai	Director	4/5	1/1
8. Mr. Harin Upra	Director	5/5	1/1
9. Miss Naengnoi Chai-onnom * (was appointed as the company's director since December 20, 2013)	Independent Director and Member of the Audit Committee	-	-

Remark: Miss Naengnoi Chai-onnom was appointed as the company's director on December 20, 2013, to replace Mr. Udom Chatyanond who passed away on July 31, 2013. In 2013, Mr. Udom Chatyanond attended the Board of Director's meeting 3 out of 5 times and attended the Annual General Meeting 1 out of 1 time.

Mr. Teerapol Juthapornpong, The Company Secretary, acts as Secretary of the Board of Directors and Secretary of the Audit Committee

### Authorized Directors

Mr. Vichien Phongsathorn, Mrs. Duangthip Eamrungraj, Mr. Suradej Boonyawatana and Miss Wanna Kolsrichai, with any two of four directors signing jointly with the Company's seal affixed.

### Term of the Board of Directors

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

### Scope of Responsibilities of the Board of Directors

1. Administer the corporate affairs in compliance with all relevant laws and regulations, the Company's objectives and Articles of Association, including the resolutions of the shareholders' meetings, except for issues where the approval of the shareholders' meeting is required prior to implementation, such as issues that by law requires the resolution of the shareholders' meeting, related transactions,

acquisition or sale of substantial assets according to the criteria of the Stock Exchange of Thailand or as determined by other government agencies, etc.

2. Consider and approve major issues, such as policies, plans and budgets, organization structure, authority of the management, corporate governance policies, and other issues as prescribed by the Stock Exchange of Thailand or by law.

3. Supervise the management to act in accordance with the approved policies, plans and budgets.

4. Appoint a qualified person who does not possess the prohibited characteristics as specified in the Public Company Limited Act B.E. 2535 (1992), including any amendments thereof, and the securities and exchange laws, as well as related notifications, rules and/or regulations, to replace a director who has vacated office by any reason other than retirement by rotation.

5. Appoint an Audit Committee and other sub-committees.

6. Install reliable accounting, financial reporting and financial audit systems, as well as oversee the establishment of efficient and effective internal control and internal audit systems.

7. Ensure that the Company has a comprehensive risk management system and process, with effective reporting and monitoring.

8. Report on the execution of the Board of Directors' responsibilities in the preparation of the financial statements, which is to be presented together with the report from the independent auditor in the annual report.

9. Protect fairly the benefits of the major shareholders and minority shareholders according to their rights; provide equitable treatment of major shareholders and other stakeholders with consideration for the avoidance of conflict of interest; ensure operational transparency and the disclosure of sufficient and accurate information.

10. The following transactions can be undertaken only after approval from the shareholders' meeting has been granted. However, it is prescribed that in a transaction where a director or any other person may have a conflict of interest with the Company or its subsidiary (if any) the director is not eligible to vote on the transaction.

(a) Transactions that by law require the resolution of the shareholders' meeting.

(b) Transactions in which directors have an interest and are required by law or SET's requirements to be approved by the shareholders' meeting.

11. The Board of Directors may delegate one or more director(s) or any other person to carry out particular activities on behalf of the Board. However, this delegation excludes the authorization or sub-authorization of the director(s) or appointee(s) in the approval of transactions with potential conflict of interest with the Company or its subsidiary. Approval from the shareholders' meeting is required for related transactions and the acquisition or sales of substantial assets of the Company as stipulated by the requirement of the Capital Market Supervisory Board.

## 2. Management

The Company has no employees since the company operates an investment in a subsidiary and hired Premier Fission Capital Limited to work in accounting & finance and other supports.

### Authorities and Responsibilities of the Managing Director

The Managing Director has the authority and duty to carry out normal business practices of the Company as assigned by the Board of Directors, which includes the following transactions or activities:

1. Administer and/or manage the company's daily activities.
2. Develop and propose policies, plans and budget, organization structure and management authority for approval by the Board of Directors.
3. Operate and manage the Company's businesses according to the approved policies, plans and budgets.
4. Approve budgeted investments of an amount not exceeding 10 Million Baht per project and approve non-budgeted investments or expenses over budget of not more than 2 Million Baht per year.
5. Develop the quality and effectiveness of the organization and personnel continuously.
6. Act as the Company's authorized person in effectively administering its businesses and affairs to achieve the intentions of its objectives, rules, policies, regulations, requirements, orders, resolution of the shareholders' meeting and/or resolution of the Board of Directors' meeting.
7. Monitor and maintain the corporate image.
8. Perform any other duty as assigned by the Board of Directors and/or Audit Committee.

However, the Managing Director's administrative power, including the delegation of such authority to other persons as deemed appropriate, excludes the administrative power or authorization that empowers the Managing Director or the appointee to approve any transaction in which he/she or related persons may have conflicts of interests with the Company or its subsidiary, or any other transaction not carrying out under normal business practice. The approval of such transactions must be proposed for consideration and approval from the Board of Directors' meeting and/or the shareholders' meeting as stipulated in the Articles of Association or by any relevant law.

The list of the executives of the subsidiary that operates the core business: Datapro Computer Systems Co., Ltd. as of December 31, 2556, comprises 14 executives is as follows:

Name	Position
1. Mr. Harin Upra	Managing Director
2. Mr. Sidthakorn Usanno	Deputy Managing Director Enterprise Systems & Infrastructure Division
3. Mr. Akadej Thongpoosawan	Deputy Managing Director Professional Multimedia Solutions Division

Name	Position
4. Mr. Chatchai Trakoulchokchai	Deputy Managing Director Premier Group Information Technology Division
5. Mr. Mitree Prasan-atikom	Deputy Managing Director Information Technology Services Division
6. Mr. Kittipong Gotiwichien	Deputy Managing Director Digital Content Innovation Division
7. Mr. Sarun Angkulwaranya	Deputy Managing Director Human Capital Management Service Division
8. Miss Khanida Nimmanwattana	Deputy Managing Director Finance & Administration Division
9. Mr. Wanchai Sirinijswong	Deputy Managing Director Human Resources Management Division
10. Miss Rawadee Chaisuksant	Deputy Managing Director Legal & Business Practice Management Division
11. Mrs. Chantiwa Suwanwitwaj	Deputy Managing Director Marketing & Corporate Communications Division
12. Mr. Chanchai Chitladaporn	Deputy Managing Director Business Process Improvement Division
13. Mrs. Charuwan Poomgade	Deputy Managing Director Business Process Improvement Division
14. Mr. Somsak Chantavarannurak	General Managing Professional Multimedia Solutions Division

### 3. Corporate Secretary

The Company determined that a Corporate Secretary shall be appointed to be responsible for the Board of Directors' meetings and the shareholders' meetings, as well as support the implementation of corporate governance to be in accordance with the good corporate governance standard. The Board of Directors shall appoint a person who is competent to perform such duties. The Corporate Secretary must have the following qualifications and responsibilities:

#### Qualifications

- 1) Must possess basic knowledge of the principles of laws and regulations of regulatory agencies related to the public limited companies laws and the securities and exchange laws.
- 2) Must have knowledge and understanding of the principles of good corporate governance and the good practices in corporate governance.

- 3) Must have knowledge in the various businesses of the Company and good communication skills, which are supplementary qualifications that assist the Corporate Secretary in efficiently carrying out his duties.

### **Roles and Responsibilities**

The main roles and responsibilities of the Corporate Secretary are to support the Board of Directors regarding regulatory requirements. The specific roles and responsibilities of the Corporate Secretary include the following duties:

- 1) Manage the meetings of the Board of Directors and related committees appointed by the Board and the shareholders' meeting in accordance with the laws, the Company's Articles of Association, the charter of each committee, and good practices.
- 2) Inform the related executives of the resolutions and policies of the Board of Directors and shareholders and monitor the implementation through the Managing Director of such resolutions and policies.
- 3) Provide advice and preliminary recommendations to the Board of Directors and the committees appointed by the Board on statutory matters, regulatory practices and desirable practices related to corporate governance.
- 4) Ensure that the Corporate Secretary's unit is the center for corporate data, such as the juristic person registration certificate, Memorandum of Association, Articles of Association, shareholder's register and licenses for various types of businesses.
- 5) Supervise the disclosure of information and reports under his responsibility to the regulatory agencies in accordance with the law, regulation and policy on the disclosure of information and news of the Company.
- 6) Contact and communicate with the general shareholders to inform them of their various rights.
- 7) Provide news and information to the directors on issues related to the business operations of the Company to support them in the execution of their duties.
- 8) Arrange for advice to be provided to the newly appointed directors.

The Board of Directors appointed Mr. Teerapol Juthapornpong as the Corporate Secretary and Secretary to the Board of Directors as from February 20, 2013 to replace the former Corporate Secretary and Secretary to the Board of Directors who retired. A profile of Mr. Teerapol Juthapornpong is presented in Appendix 1.

### **4. Remuneration for the Directors and Executives**

The Company has a policy to remunerate the directors and executives at a level that is appropriate with consideration of the Company's performance and by comparison with companies within the same industry, as well as the appropriateness to the duties and responsibilities of each director and executive. The remuneration for the directors is in the form of annual remuneration and meeting allowance while the remuneration of the executives is in the form of salary, bonus and provident fund contribution.

#### **(1) Monetary Remuneration**

##### **a) Remuneration of Director**

##### **1) Premier Technology Public Company Limited**

The Annual General Meeting of Shareholders for 2013 on April 24, 2013 approved the remuneration of directors as follows: -

**Board of Directors**

Meeting Allowance	- Chairman	19,500	(Baht/person/time)
	- Director	15,000	(Baht/person/time)
Annual Remuneration		220,000	(Baht/person/year)

**Audit Committee**

Meeting Allowance	- Chairman	19,500	(Baht/person/time)
	- Director	15,000	(Baht/person/time)

**Board of Directors**

In 2013, the Company paid the remuneration to the Board in form of meeting allowance and annual remuneration due to the amount of attendance the meeting and paid the remuneration to the Audit Committee in form of meeting allowance due to the amount of attendance the meeting as follows:

Name Position	Meeting Allowance (Baht)		Directors' Pension (Baht)	Total Remuneration (Baht)
	Director	Audit Committee		
1. Mr. Vichien Phongsathorn * Chairman	-	-	-	-
2. Mrs. Duangthip Eamrungraj * Director	-	-	-	-
3. Mr. Suradej Boonyawatana * Director	-	-	-	-
4. Mr. Udom Chatianont ** Independent Director and Chairman of Audit Committee	29,000	37,500	128,334	194,834
5. Mr. Katiya Greigarn Independent Director and Chairman of the Audit Committee (was appointed as the Chairman of the Audit Committee since December 20, 2013)	74,000	59,000	220,000	353,000
6. Mr. Suchai Vatanatrinakul Independent Director and Member of the Audit Committee	74,000	59,000	220,000	353,000
7. Mr. Paritud Bhandhubanyong Independent Director	74,000	-	220,000	294,000
8. Miss Wanna Kolsrichai * Director	-	-	-	-
9. Mr. Harin Upa * Director	-	-	-	-
10. Miss Naengnoi Chai-onnom * Independent Director and Member of the Audit Committee (was appointed as the company's director since December 20, 2013)	-	-	-	-
<b>Total</b>				<b>1,194,834</b>

Remarks: \* Directors do not receive any Directors' remuneration.  
\*\* passed away on July 31, 2013

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

(b) Executives

- 1) Premier Technology Public Company Limited  
- None –  
2) Datapro Computer Systems Co., Ltd. : subsidiary



In 2013, the Company paid remuneration in the form of salary and rewards to 14 executives, totaling 29.2 Million Baht

(2) Other remuneration (if any)

1) Premier Technology Public Co., Ltd.

- None -

2) Subsidiary: Datapro Computer System Co., Ltd.

The Company has established a provident fund for its executives and employees with the contribution of the Company being at the rate 5 per cent of the salary. In 2013, the Company made contributions to the provident fund for a total of 14 executives, totaling 1.4 million Baht.

**Employment of Management and Business Consultant**

The Company and its subsidiaries have engaged Premier Fission Capital Co., Ltd. (PFC), a major shareholder of the Company, to provide management and administrative support services to the Company and its subsidiaries under a management and consultancy agreement. The scope of services provided by PFC includes management and policy planning, accounting and finance support, business development and investment, system and data, human resources development and public relations.

The purpose of outsourcing the management and administrative support functions is to centralize these functions within the Premier Group of companies. The expenses are shared by group companies according to the amount of services required by each company, which helps to reduce operating costs, as the companies do not have to recruit additional personnel for the provision of fully comprehensive support services.

The Company and its subsidiaries paid management fees to PFC on a monthly basis. PT paid 125,000 Baht per month and DCS paid 480,000 Baht per month. PFC calculated the fees based on the distribution of costs and expenses of the group companies by taking many factors into consideration, namely, the revenue, asset and number of employees of each company.

Under the terms of the agreement, the Company shall be entitled to terminate the agreement before expiration if PFC fails to perform according to the objectives of the agreement. In such case, PFC shall have no right to demand service fee payable under the remaining term of the agreement or claim for any damage. On expiration of the initial term, the agreement shall be automatically renewed for additional periods of 1 year until it is terminated. The agreement may be terminated by a written notice from either party not less than 90 days prior to the expiration of the current term of the agreement.

However, the agreement with PFC is considered a related transaction that may have conflict of interest. The Company must strictly adhere to its policy, measure and procedure for related transactions. In addition, if PFC proposes to amend the terms of the agreement or the basis for calculating the fees payable by the Company and its subsidiaries, the Company shall always present the proposed amendments to

the Audit Committee for consideration and approval prior to entering into a new agreement.

## 5. Human Resources

The subsidiary has a total of 423 employees. In 2013, the Company paid total remuneration of 214.2 million Baht to its employees, which included salary, overtime pay, cost of living allowance, rewards, financial support, social security contribution, provident fund contribution, etc.

No. of Employee and remuneration in 2013	PT	DCS	Total
Management	- None -		
- Male (Person)		10	10
- Female (Person)		4	4
Operating and Supporting Employee	- None -		
- Male (Person)		262	262
- Female (Person)		147	147
<b>Total Employee (Person)</b>	<b>- None -</b>	<b>423</b>	<b>423</b>
<b>remuneration (Million Baht)</b>	<b>- None -</b>	<b>214.2</b>	<b>214.2</b>

### Provident Fund

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

### Human Resource Development Policy

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

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

The Company has prepared a training roadmap as a guideline for the systematic development of its employees that covers and is consistent with the core competency of the organization, as well as managerial/ professional competency and

functional competency. For the 5<sup>th</sup> consecutive year, the Company has arranged for its employees and management to receive training from experts in different fields so that they can utilize the knowledge gained to help increase their work efficiency. The training focuses on 3 areas as follows:

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

In 2013, the Company had provided training in Enneagram course for management and supervisors, an additional course from the normal courses provided by the personnel training department. 5 Bach with 119 people participated in the training, to develop skills in the distinction between individuals, which will help in performing task, communicating and more efficient in team work.

Moreover, the Company also emphasizes in developing personnel to have technical skills and be accepted for performing task, which will build confidence to customers. The Company encourages and supports employees that perform their task and is certified by the experts from leading organization in Information Technology.

In 2013, the Company allocated a budget for human resource development of 10,350 Baht per person and approximately 56 per cent of the total number of its employees attended training courses.

**DETAILS OF DIRECTORS AS OF 31 DECEMBER, 2013**

**1. Mr. Vichien Phongsathorn  
Chairman**

**Authorized Director**

**Age: 57 years**

**Date of Appointment:** 30 November 1992

**Educational Background**

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

**Percentage of Shareholding (%) :**

- 53.15%

**Relationship with Company's Executive (s) :**

- None

**Working Experiences over the Past 5 Years**

:

- 1992 – Present Chairman, Datapro  
Computer Systems Company Limited
- 1993 – Present Chairman, Premier  
Enterprise Public Company Limited
- 2004 – Present Director, Premier Fission Capital Company Limited
- 2007 – Present Chairman, Premier Marketing Public Company Limited
- Present Director, Companies in the Premier Group of Companies
- Present President & CEO, Premier Group of Companies



2. **Mrs. Duangthip Eamrungrroj**

**Authorized Director**

**Age: 58 years**

**Date of Appointment:** 30 November 1992

**Educational Background**

- Executive Master Degree in Consulting and Coaching for Change (CCC), INSEAD, France
- Master's degree of Business Administration Thammasat University
- Bachelor's degree of Mechanical Engineering Chulalongkorn University
- Diploma in Clinical Organizational Psychology INSEAD, France

**Training from Thai Institute of Directors**

**(IOD):**

- Director Accreditation Program (DAP) Course, Batch 22/2004

**Percentage of Shareholding (%) :**

- 0.00013%

**Relationship with Company's Executive (s) :**

- None

**Working Experiences over the Past 5 Years :**

- 2001 – Present Director, Premier Enterprise Public Company Limited
- 2004 – Present Director, Premier Fission Capital Company Limited
- 2007 – Present Director, Premier Marketing Public Company Limited
- 2012 – Present Director, Premier Products Public Company Limited
- Present Director, Companies in the Premier Group of Companies
- Present Group Corporate Director, Corporate Affairs, Premier Group of Companies



3. **Mr. Suradej Boonyawatana**  
**Authorized Director**  
**Age: 63 years**  
**Date of Appointment:** 22 March 2005

**Educational Background**

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

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

- Director Accreditation Program (DAP) Course,  
Batch 19/2004
- Finance for Non-Finance Director (FND) Course,  
Batch 12/2004
- Director Certification Program (DCP) Course, Batch  
97/2007
- Role of the Nomination and Governance Committee  
(RNG) Course,  
Batch 1/2011
- Role of the Compensation Committee (RCC)  
Course, Batch 15/2012

**Percentage of Shareholding (%) :**

- None

**Relationship with Company's Executive (s) :**

- None

**Working Experiences over the Past 5 Years :**

- 2004 – Present Director, Premier Fission Capital Company Limited
- 2012 – Present Chairman, Premier Products Public Company Limited
- Present Director, Companies in the Premier Group of Companies
- Present Chief Executive Officer of the Environmental Business,  
Premier Group of Companies



4. **Mr. Paritud Bhandhubanyong**  
**Independent Director**  
**Age: 59 years**  
**Date of Appointment: 22 April 1997**

**Educational Background**

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

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

- Director Accreditation Program (DAP) Course,  
Batch 71/2008
- Director Certification Program (DCP) Course,  
Batch 105/2008
- Auditing Committee Program (ACP) Course,  
Batch 36/2011
- Role of the Compensation Committee (RCC)  
Course, Batch 13/2011

**Percentage of Shareholding (%) :**

- None

**Relationship with Company's Executive (s) :**

- None

**Working Experiences over the Past 5 Years :**

- 1999 – 2007 Executive Director, National Metal and Materials Technology Center
- 2008 – Present Advisor to the President, National Science and Technology Development Agency
- 2010 – 2012 Executive Director, Technology Promotion Association (Thailand-Japan)
- 2012 – Present Independent Director and Audit Committee,  
Premier Products Public Company Limited



5. **Mr. Suchai Vatanatrinakul**  
**Independent Director and**  
**Member of the Audit Committee**  
**Age: 73 years**  
**Date of Appointment:** 27 January 1997

**Education Background**

- Bachelor's degree of Education  
Srinakarintaraviroj University

**Training from Thai Institute of Directors**

**(IOD):**

- Director Accreditation Program (DAP)  
Course,  
Batch 38/2005

**Percentage of Shareholding (%) :**

- None

**Relationship with Company's Executive (s)**

:

- None

**Working Experiences over the Past 5 Years :**

- 2011 – Present Independent Director and Audit Committee,  
Premier Enterprise Public Company Limited
- Present Freelance consultant; design and provide services on  
Compensation Management Salary/Wages Structure  
Employee Benefits and Rewards System
- Present Director, Retail Training Company Limited





6. **Mr. Katiya Greigarn**  
**Independent Director and**  
**Chairman of the Audit Committee**  
**Age: 61 years**  
**Date of Appointment: 17 March 2005**  
**Date of Appointment as Chairman of the**  
**Audit Committee: 20 December 2013**

**Educational Background**

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

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

- Director Accreditation Program (DAP) Course, Batch  
37/2005
- Financial Statements for Director (FSD) Course, Batch  
3/2008
- Director Certification Program (DCP) Course, Batch  
110/2008
- Auditing Committee Program (ACP) Course, Batch 34/2011

**Percentage of Shareholding (%) :**

- None

**Relationship with Company's Executive (s) :**

- None

**Working Experiences over the Past 5 Years :**

- 1988 – Present Managing Director, KV Electronics Company Limited
- 2002 – Present Director, Chok-Udom Property Company Limited
- 2002 – Present Director, Sub-Udom Property Company Limited
- 2003 – Present Director, Nanotechnology Center (NANOTEC)  
Ministry of Science and Technology
- 2005 – Present Director, Electrical and Electronics Institute (EEI)  
Ministry of Industry
- 2007 – Present Independent Director and Chairman of Audit Committee,  
Premier Marketing Public Company Limited
- 2008 – Present Director, Viptel Company Limited
- 2008 – Present Director, Makpha Development Company Limited
- Apr. 2011 – Present Independent Director and Chairman of Audit Committee,  
Plannet Communication Asia Public Co., Ltd
- Jun. 2012 – Present Independent Director, MK Restaurant Group Public  
Company Limited
- Aug. 2013 – Present Director, LYNX Corporation Company Limited



7. **Miss Wanna Kolsrichai**  
**Director**  
**Age: 56 years**  
**Date of Appointment:** 16 February 2012

**Educational Background**

- B.A. in Education, Chulalongkorn University
- 

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

- Director Accreditation Program (DAP) Course, Batch 106/2013

**Percentage of Shareholding (%) :**

- None

**Relationship with Company's Executive (s) :**

- None

**Working Experiences over the Past 5 Years :**

- 2012 – Present      Director, Datapro Computer Systems Company Limited
- Present              Director, Companies in the Premier Group of Companies
- Present              Chief Executive Officer of the Real Premier Group of Companies



Estate and Hotel Group Business,

8. **Mr. Harin Upra**  
**Director**  
**Age: 42 years**  
**Date of Appointment:** 26 April 2012

**Educational Background**

- Master's degree of Business Administration, Khon Kaen University
- Bachelor's degree of Computer Science, Payap University

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

- None

**Percentage of Shareholding (%) :**

- 0.6028%

**Relationship with Company's Executive (s) :**

- None

**Working Experiences over the Past 5 Years :**

- 2010 – Present Managing Director, Datapro Computer System Company Limited



9. **Miss Naengnoi Chai-onnom**  
**Independent Director and**  
**Member of the Audit Committee**  
**Age: 71 years**  
**Date of Appointment: 20 December 2013**

**Educational Background**

- Bachelor's degree of Commerce, Thammasat University
- Bachelor's degree of Accounting, Thammasat University
- M.B.A. (Accounting) University of Detroit, U.S.A.

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

- Director Accreditation Program (DAP) Course, Batch 73/2008
- Director Certification Program (DCP) Course, Batch 121/2009
- Fraud and Corruption Risk in Economics Downturn Course
- Auditing Committee Program (ACP) Course, Batch 34/2011
- Monitoring the Internal Audit Function (MIA) Course, Batch 10/2011
- Monitoring Fraud Risk Management (MFM) Course, Batch 5/2011
- Monitoring the System of Internal Control and Risk Management (MIR) Course, Batch 11/2011
- Monitoring the Quality of Financial Reporting (MFR) Course, Batch 15/2012



**Percentage of Shareholding (%) :**

- None

**Relationship with Company's Executive (s) :**

- None

**Working Experiences over the Past 5 Years :**

- 1997 - Present Chairman, Measures Supervision on Faculty of Accounting, North Eastern University
- 2002 - 2011 Dean, Faculty of Business, University of Thai Chamber of Commerce
- 2002 - 2009 Director, Institute of Trade Strategies, Thai Chamber of Commerce
- 2004 - 2010 Director, Accounting Education and Technology, Federation of Accounting Professions
- 2004 - 2010 Sub-Committee, Qualifications of Candidate for Certified Public Accountant of Federation of Accounting Professions
- 2005 - 2009 President, Accounting Sub-Committee and Academic and Education Assurance Committee, Association of Private Higher Education Institute of Thailand
- 2007 - Present Independent Director and Audit Committee, Premier Marketing Public Company Limited
- 2008 - 2011 Audit Discipline Adviser, Securities and Exchange Commission
- 2009 - 2011 Audit Adviser, Securities and Exchange Commission
- 2009 - 2012 Member of the Audit Committee, Thai Public Broad Casting Service (TPBS)
- 2010 - 2013 Director of the Professional Ethic Committee,

- 2010 - Present Federation of Accounting Professions  
Independent Director and Member of Audit Committee,  
Ratchthani Leasing Public Company Limited
- 2012 - Present Vice President for Administration, University of  
Thai Chamber of Commerce
- 2013 – Present Chairman of the Professional Ethic Committee,  
Federation of Accounting Professions

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

PFC	Premier Fission Capital Co., Ltd.	SP	Seri Premier Co., Ltd.
PE	Premier Enterprise Public Co., Ltd.	MS	Moo Ban Seri Co., Ltd.
PC2000	Premier Capital (2000) Co., Ltd.	SPH	Seri Properties Holding Co., Ltd.
PIL	Premier Inter Leasing Co., Ltd.	PGCAP	Premier Global Capital Co., Ltd.
PB	Premier Brokerage Co., Ltd.	SRS	Sarasuk Co., Ltd.
PLMS	Premier LMS Co., Ltd.	PTDO	Premier TDO Co., Ltd.
PM	Premier Marketing Public Co., Ltd.	LQ5	Liquidation 5 Co., Ltd.
PMF	P.M. Food Co., Ltd.	P-PET	Premier Pet Products Co., Ltd.
PCI	Premier Canning Industry Co., Ltd.	Seto	Seto Restaurant Co., Ltd.
PFP	Premier Frozen Products Co., Ltd.	PSC	Premier Sukhumvit Center Co., Ltd.
PPP	Premier Products Public Co., Ltd.	SA	Seri Assets Co., Ltd.
PHA	Premier Home Appliance Co., Ltd.	PAM	Premier Alternative Motors Co., Ltd.
IGC	Infinite Green Co., Ltd.	PMN	Premier Manufacturing Co., Ltd.
PPW	PP Wind Energy Co., Ltd.	IME	Imperial Eagle Co., Ltd.
PMC	Premier Motors Co., Ltd.	PPlanner	Premier Planner Co., Ltd.
PMB	Premier Metrobus Co., Ltd.	PCE	Premier CE Co., Ltd.
PRH	Premier Resorts and Hotels Co., Ltd.	LPCE	LPCE Co., Ltd.
RYH	Raya Heritage Co., Ltd.	PID	Premier Infrastructure Development Co., Ltd.
SHR	Sea Harrier Co., Ltd.	SNE	Senanee Co., Ltd.

## The Shareholding of the Board of Director and Management

The Shareholding of Directors, Executives and their spouse minor children as at 31 December 2013

Name	Number of share owned			
	January 1, 2013	December 31, 2013	Share held in the Company	Increase (Decrease)
Mr. Vichien Phongsathorn	75,443,923	75,443,923	53.15%	-
Mrs. Duangthip Eamrungraj	180	180	0.0001%	-
Mr. Suchai Vatanatrakul	-	-	0.00%	-
Mr. Paritud Bhandhubanyong	-	-	0.00%	-
Mr. Katiya Greigarn	-	-	0.00%	-
Mr. Suradej Boonyawatana	-	-	0.00%	-
Miss Wanna Kolsrichai	-	-	0.00%	-
Mr. Harin Upa	855,600	855,600	0.60%	-
Miss Naengnoi Chai-Onnom	-	-	0.00%	-

**Mr. Teerapol Juthapornpong**

**Age** 49 years

**Company Secretary**

**Date of Appointment:** 20 February 2013

**Education:**

- Master of Business Administration, Thammasat University
- Graduate Diploma in Business Law, Thammasat University
- Barrister at Law, Institute of Legal Education of Thai Bar Association
- Bachelor Degree of Laws, Ramkhamhaeng University

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

- Training on Company Secretary Program (CSP) Course, Batch 6/2004

**Percentage of Shareholding (%) :** None

**Relationship with Company's Executive (s) :** None

**Experiences over the Past 5 Years :**

- 1985 - 1992 Legal Advisor, DKSH (Thailand) Limited
- 1992 - 2001 Lawyer, PBS Law Limited
- 2001 - 2002 Partner, Natee International Law Office Limited
- 2002 - Present Corporate Director, Legal and Corporate Registration, Premier Group of Companies





**Mr. Akapun Nuanmuang**

**Age** 50 years

**Corporate Director, Internal Audit Office**

**Date of Appointment:** 8 May 2008

**Education Qualification:**

- Master Degree in General Management, Burapa University
- Mini MBA Degree in General Management, Chulalongkorn University
- Higher Diploma in Auditing (Accounting Examination), Chulalongkorn University
- Bachelor Degree in Business Administration, Programme (Accounting), Ramkhamhaeng University

**Education and Training:**

- Business Continuity Managing Disruption Related Risk in Compliance with ISO 31000
- Application of Risk Management International Standard ISO 31000:2009 and Risk Assessment Techniques IEC 31010:2009
- Integrated Risk Management ISO31000-2009 / COSO-ERM

**Percentage of Shareholding (%) :**

- None

**Relationship with Company's Executive (s) :**

- None

**Experiences over the Past 5 Years :**

- 1995 - 2012 Department Manager, Internal Audit Office,  
Premier Capital (2000) Company Limited  
Premier Enterprise Public Company Limited  
Premier LMS Company Limited  
Premier Global Capital Company Limited
- 2012 – Present Corporate Director, Internal Audit Office,  
Premier Fission Capital Company Limited



## Corporate Governance

### Corporate Governance Policy

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

1. Conduct business with integrity, fairness, transparency and accountability, and disclose adequate information to all relevant parties.
2. Provide appropriate and effective internal control, risk management and internal audit systems.
3. Emphasize on the rights of shareholders and treat shareholders equally with fairness to all parties.
4. Comply with the requirements of all relevant laws and regulations and business ethics in order to protect the rights of all groups of stakeholders.
5. Organize the structure, duties and responsibilities of each group of directors clearly.

The Company's good corporate governance policy adheres to the Principles of Good Corporate Governance for Listed Companies B.E. 2555 (2012) promulgated by the Stock Exchange of Thailand, which covers 5 categories of principles as follows:

### Chapter 1 The Rights of Shareholders

The Company recognizes and places importance on the various basic rights of the shareholders, both as investors in securities and as owners of the Company, by defining the guidelines to encourage the exercise of shareholders' rights as follows:

#### 1. Shareholders' Meeting

1.1 The Board of Directors has a policy to support or encourage all groups of shareholders, including institutional investors, to attend the shareholders' meetings and exercise their rights, which covers the basic legal rights, i.e. obtain a share in the profit of the Company; buy, sell or transfer shares; obtain adequate news and information on the Company; and participate and vote in the shareholders' meetings to elect or remove directors, approve the remuneration of directors, appoint the external auditor and determine the audit fee, and make decisions on any matter that affects the Company, such as dividend payment, determination or amendment of the Articles of Association and Memorandum of Association, capital decreases or increases, and the approval of extraordinary transactions.

1.2 The Company has provided information on the date, time, venue and agenda, with rationale and explanation for each agenda item or resolution requested, in the notice of the annual general meeting or extraordinary general meeting of shareholders or attachments to the agenda. The Company has refrained from any action that limits the opportunity of the shareholders to study the information on the Company. The details of which are as follows:

- 1.2.1 The Company does not undermine the rights of the shareholders to study the Company's information that must be disclosed according to various requirements and to attend the shareholders' meeting.

For instance, the Company does not abruptly distribute documents containing additional important information in the meetings, add new agenda items or alter sensitive information without prior notice to the shareholders, not provide shareholders with the right to pose questions to the Board of Directors in the meeting, restrict the right to attend of shareholders who come late for the meeting, etc.

1.2.2 The Company has provided information as to the date, time, venue and agenda of the meetings. Each agenda item of the shareholders' meeting is set as individual subjects and the objective and rationale of each agenda item is clearly defined. Adequate information is provided for decision-making as follows:

a. Agenda for appointment of directors

- 1) Preliminary information of the nominated person, such as title, name, age, type of director, educational background, experience, etc.
- 2) Positions held in other companies with clear details of any company that may potentially have a conflict of interest with the Company.
- 3) Nomination criteria and procedures (in the case of appointment of a new director).
- 4) Number of years in position and performance during the period as director (in the case of reappointment of directors).
- 5) Approved by the Board of Directors serving as the Nominating Committee.
- 6) The opinion of the Board of Directors is sufficient and clear for the shareholders to cast their vote.

b. Agenda to consider the remuneration of directors

- 1) Amount and form of remuneration by position or responsibilities of the directors.
- 2) Directors' remuneration policy.
- 3) Criteria and procedures for determining remuneration.
- 4) Other benefits received as director (presently the directors do not receive any other benefit apart from meeting allowance and annual bonus).
- 5) Approved by the Board of Directors serving as the Remuneration Committee.
- 6) The opinion of the Board of Directors is sufficient and clear for the shareholders to cast their vote.

c. Agenda to appoint the auditor and determine the audit fee.

- 1) Name of the auditor and the audit firm.
- 2) Experience and competence of the auditor.
- 3) Independence of the auditor.

- 4) Years of service to the Company (in case of appointment of the current auditor) or reason for the change of auditor (in case of appointment of a new auditor).
  - 5) How the suitability of the audit fee together with other fees of the auditor is determined.
  - 6) Approved by the Audit Committee.
  - 7) The opinion of the Board of Directors is sufficient and clear for the shareholders to cast their vote.
- d. Agenda on dividend payment
- 1) Dividend policy.
  - 2) Actual amount to be allocated compared with the policy.
  - 3) Reason why dividend payment does not conform to the policy.
  - 4) The opinion of the Board of Directors is sufficient and clear for the shareholders to cast their vote.
- e. Agenda to consider material matters of the Company, such as capital increase/decrease, amendment of regulations, business sale/dissolution/transfer/merger, etc.
- 1) Details of the matter proposed.
  - 2) Objective, reason or necessity.
  - 3) Impact on the Company and its shareholders.
  - 4) The opinion of the Board of Directors is sufficient and clear for the shareholders to cast their vote.

1.3 The Board of Directors facilitates shareholder participation and voting in meetings and refrains from any action that could limit the opportunities of the shareholders to attend the meeting. The procedures for attending and voting should not be complicated or too costly for shareholders, and the meeting location should be easily accessible.

1.4 The Company provides the shareholders with an opportunity to send their questions prior to the meeting date, by clearly determining the criteria for submission of questions in advance and duly informing the shareholders along with the delivery of the notice to the shareholders' meeting. In addition, the Company also disseminates the criteria for submission of questions in advance on its website. The Board of Directors has prescribed the procedure for screening the questions submitted in advance and requires that the Company to provide answers to the shareholders in advance, as well as inform the shareholders' meeting. The details of the procedure are as follows:

1.4.1 The Company provides shareholders with the opportunity to submit questions related to the meeting agenda to the Board of Directors in advance throughout the submission period. As for the general meeting of shareholders, the Board will gather the questions until December 31 of the calendar year preceding the meeting date. The Company adheres to the following guidelines:

- 1) Clearly determine the criteria for submission of questions in advance.

- 2) Inform the shareholders along with the delivery of the notice to the shareholders' meeting.
- 3) Prescribe procedures for advance submission of the questions, such as allowing the shareholders to send the questions through the Company's website, by email or by post to the Board of Directors.
- 4) Set the submission period for advance submission of the questions prior to the date of the shareholders' meeting.
- 5) Prescribe the procedure for screening the questions submitted in advance by the shareholders for consideration of the Board of Directors in answering those questions.
- 6) The Company answers the questions for the shareholders in advance of the meeting date.
- 7) The Company answers the questions for the shareholders on the day of the meeting.
- 8) The Company informs the shareholders' meeting of the questions submitted in advance by the shareholders and the answers to such questions.

1.5 The Board of Directors encourages shareholders to use proxy forms on which they can specify their votes and proposes as an option at least 1 independent director for shareholders to appoint as their proxy.

## **2. Procedures on the Shareholders' Meeting Date**

2.1 The Board of Directors encourages the use of technology with the shareholders' meetings, including registration of the attending shareholders and vote counting and reporting, so that the meeting can be conducted quickly, accurately and precisely.

### **2.2 Directors' Attendance at Shareholders' Meetings**

2.2.1 All directors should attend the shareholders' meetings.

2.2.2 In the case where not all the directors can attend, at least the following persons must attend the shareholders' meetings:

- 1) Chairman
- 2) Managing Director
- 3) Chairman of the Audit Committee

2.2.3 The shareholders are presented with the opportunity to pose questions to the chairpersons of the various committees on matters in which they are involved.

2.3 In the shareholders' meeting, voting is made separately for each item in the case of several items in an agenda, such as the election of directors.

2.4 The Company has in place a process for vote counting, storage of voting papers for every agenda item and full video recording of the meetings, which is disclosed on the Company's website. The meeting and vote counting for every agenda item are conducted with transparency and accountability.

2.5 The Chairman has allocated adequate time for discussion and encourages the shareholders to express opinions and pose questions related to the Company to the meeting.

### **3. Preparation and Disclosure of the Minutes of the Shareholders' Meetings**

3.1 The minutes of shareholders meetings records the explanation of the voting and vote counting procedures used to the meeting prior to commencement of the meeting, as well as the opportunity provided for the shareholders to raise issues and questions. It also records the questions and answers, the voting results for each agenda item of the number of shareholders approving, dissenting and abstaining, and the list of directors who attended or missed the meetings.

3.2 The Company discloses to the public the voting results and the minutes of the meeting on its website. The details of the practice are as follows:

- 3.2.1 Disclose the resolutions of the meeting separated into approving, dissenting or abstaining votes on the next working day.
- 3.2.2 Disseminate the minutes of the meeting within 14 days from the shareholders' meetings to serve as a channel for shareholders to express an opinion without having to wait for the next meeting.
- 3.2.3 Post the videos of the shareholders' meeting on the Company's website.

### **4. The Company provides more care to the shareholders than their legal rights by providing current important information on its website.**

For the annual general meeting of shareholders for the year 2013, the Company held the meeting on April 24, 2013 at 10.00 hours at Meeting Room No. 501, 5th Floor, Premier Corporate Park, No.1, Soi Premier 2, Srinakarin Road, Nongbon Sub-district, Prawet District, Bangkok. A total of 47 shareholders attended the meeting in person and by proxy or 67.966% of the total number of subscribed shares after deduction of treasury stock. The meeting was attended by 9 directors comprising the Chairman, Chairman of the Audit Committee, Managing Director and 7 other directors. In addition, the Company's senior management, Corporate Secretary and external auditor also joined the meeting.

The Company assigned the Thailand Securities Depository Co., Ltd, which is the share registrar of the Company, to send the notice of the meeting together with the rules and procedures for attending the meeting and all relevant supporting information of the various agendas, which included adequate and clear opinions from the directors for each agenda item, to inform the shareholders 34 days prior to the meeting date. Such information in both Thai and English were also posted 39 days prior to the meeting date on the Company's website [www.premier-technology.co.th](http://www.premier-technology.co.th) so as to allow the shareholders time to review the information in advance of the date of the meeting. The minutes of the meeting was prepared and filed with the Stock Exchange of Thailand and disseminated on the Company's website within 14 days from the date of the meeting for the shareholders to review.

In 2013, the Company was assessed for the management quality of its annual general shareholders' meeting under the Annual General Shareholders Meeting (AGM) Assessment project organized by the Thai Investors Association together with the Office of the Securities and Exchange Commission and the Thai Listed Companies

Association. The criteria used in the assessment covers the various steps in arranging the shareholders' meeting before the meeting day, on the meeting day and after the meeting day. The Company received an "Good" rating.

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

The Board of Directors supervises and protects the fundamental rights of all individual and groups of shareholders equally, including the process of calling the meeting of shareholders, the protective measures to prevent the use of inside information by the directors, management and employees for abusive self-dealing, and for the directors and management to disclose information regarding their interests and those of their related parties.

The Company has established guidelines for the equitable treatment of shareholders as follows:

### **1. Release of Information Prior to the Shareholders' Meeting**

1.1 The Company informs the Stock Exchange of Thailand of the meeting schedule together with the agenda and opinions of the Board of Directors and disseminated this information on the Company's website. The details of the procedures are as follows:

- 1.1.1 The Company provides an opportunity for the shareholders to review the supporting information of the meeting on its website at least 30 days prior to the date of the shareholders' meeting.
- 1.1.2 The supporting information of the meeting posted on the Company's website contains the same information that the Company will send to the shareholders in the form of hard copy documents.
- 1.1.3 The Company sends the notice of the meeting and the supporting documents to the shareholders for more days in advance than that stipulated by law (at least 30 days prior to the meeting date).

1.2 The Company informs the shareholders of the various meeting rules and procedures for voting, including the voting rights attached to each class of shares, both in the notice of the meeting and at the shareholders' meeting.

1.3 The above notice of the shareholders' meeting is fully translated into English and disseminated at the same time as the Thai version.

In The General Meeting of Shareholders for the year 2013, There were no change agenda's sequence or more agenda and did not request the meeting to consider matters other than those specified in the invitation.

### **2. Procedures on the Shareholders' Meeting Date**

2.1 The Board of Directors encourages the use of technology with the shareholders' meetings, including registration of the attending shareholders and vote counting and reporting, so that the meeting can be conducted quickly, accurately and precisely.

#### **2.2 Directors' Attendance at Shareholders' Meetings**

- 2.2.1 All directors should attend the shareholders' meetings.
- 2.2.2 In the case where not all the directors can attend, at least the following persons must attend the shareholders' meetings:
  - 1) Chairman



- 2) Managing Director
- 3) Chairman of the Audit Committee

2.2.3 The shareholders are presented with the opportunity to pose questions to the chairpersons of the various committees on matters in which they are involved.

2.3 In the shareholders' meeting, voting is made separately for each item in the case of several items in an agenda, such as the election of directors.

2.4 The Company has in place a process for vote counting, storage of voting papers for every agenda item and full video recording of the meetings, which is disclosed on the Company's website. The meeting and vote counting for every agenda item are conducted with transparency and accountability.

2.5 The Chairman has allocated adequate time for discussion and encourages the shareholders to express opinions and pose questions related to the Company to the meeting.

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3.1 The minutes of shareholders meetings records the explanation of the voting and vote counting procedures used to the meeting prior to commencement of the meeting, as well as the opportunity provided for the shareholders to raise issues and questions. It also records the questions and answers, the voting results for each agenda item of the number of shareholders approving, dissenting and abstaining, and the list of directors who attended or missed the meetings.

3.2 The Company discloses to the public the voting results and the minutes of the meeting on its website. The details of the practice are as follows:

- 3.2.1 Disclose the resolutions of the meeting separated into approving, dissenting or abstaining votes on the next working day.
- 3.2.2 Disseminate the minutes of the meeting within 14 days from the shareholders' meetings to serve as a channel for shareholders to express an opinion without having to wait for the next meeting.
- 3.2.3 Post the videos of the shareholders' meeting on the Company's website.

### **4. The Company provides more care to the shareholders than their legal rights by providing current important information on its website.**

For the annual general meeting of shareholders for the year 2013, the Company held the meeting on April 25, 2013 at 14.00 hours at Meeting Room No. 501, 5th Floor, Premier Corporate Park, No.1, Soi Premier 2, Srinakarin Road, Nongbon Sub-district, Prawet District, Bangkok. A total of 118 shareholders attended the meeting in person and by proxy or 66.6526% of the total number of subscribed shares after deduction of treasury stock. The meeting was attended by 7 of the 8 directors comprising the Chairman, Chairman of the Audit Committee, Managing Director and 4 other directors. In addition, the Company's senior management, Corporate Secretary and external auditor also joined the meeting.

The Company assigned the Thailand Securities Depository Co., Ltd, which is the share registrar of the Company, to send the notice of the meeting together with the



rules and procedures for attending the meeting and all relevant supporting information of the various agendas, which included adequate and clear opinions from the directors for each agenda item, to inform the shareholders 34 days prior to the meeting date. Such information in both Thai and English were also posted 39 days prior to the meeting date on the Company's website [www.premier-marketing.co.th](http://www.premier-marketing.co.th) so as to allow the shareholders time to review the information in advance of the date of the meeting. The minutes of the meeting was prepared and filed with the Stock Exchange of Thailand and disseminated on the Company's website within 14 days from the date of the meeting for the shareholders to review.

In 2013, the Company was assessed for the management quality of its annual general shareholders' meeting under the Annual General Shareholders Meeting (AGM) Assessment project organized by the Thai Investors Association together with the Office of the Securities and Exchange Commission and the Thai Listed Companies Association. The criteria used in the assessment covers the various steps in arranging the shareholders' meeting before the meeting day, on the meeting day and after the meeting day. The Company received an "Excellent" rating with a full score of 100 points for the third consecutive year.

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

The Board of Directors supervises and protects the fundamental rights of all individual and groups of shareholders equally, including the process of calling the meeting of shareholders, the protective measures to prevent the use of inside information by the directors, management and employees for abusive self-dealing, and for the directors and management to disclose information regarding their interests and those of their related parties.

The Company has established guidelines for the equitable treatment of shareholders as follows:

### **1. Release of Information Prior to the Shareholders' Meeting**

1.1 The Company informs the Stock Exchange of Thailand of the meeting schedule together with the agenda and opinions of the Board of Directors and disseminated this information on the Company's website. The details of the procedures are as follows:

- 1.1.1 The Company provides an opportunity for the shareholders to review the supporting information of the meeting on its website at least 30 days prior to the date of the shareholders' meeting.
- 1.1.2 The supporting information of the meeting posted on the Company's website contains the same information that the Company will send to the shareholders in the form of hard copy documents.
- 1.1.3 The Company sends the notice of the meeting and the supporting documents to the shareholders for more days in advance than that stipulated by law (at least 30 days prior to the meeting date).

1.2 The Company informs the shareholders of the various meeting rules and procedures for voting, including the voting rights attached to each class of shares, both in the notice of the meeting and at the shareholders' meeting.

1.3 The above notice of the shareholders' meeting is fully translated into English and disseminated at the same time as the Thai version.

## **2. Protection of the Rights of Minority Shareholders**

2.1 The Board of Directors has clearly pre-determined the criteria for minority shareholders to propose additional agenda items in advance of the shareholders' meeting date. In order to demonstrate fairness and transparency in considering whether the agenda items proposed by the minority shareholders should be included, the Company has the following criteria:

- 1) All shareholders have the right to propose agenda items.
- 2) Details of the supporting information for consideration.
- 3) Criteria to determine inclusion/non-inclusion of the matter proposed as an agenda item.
- 4) Channels through which to propose agenda items, such as send a letter to the Board of Directors that may be sent in advance through the Company's website, by email, etc.
- 5) Period for proposing agenda items.
- 6) The Board of Directors informs the shareholders via the Company's website of the criteria for proposing agenda items.
- 7) There is a screening process of the matters proposed by the shareholders for consideration by the Board of Directors in the Board meeting.
- 8) Inform the shareholders of the Board of Directors' decision together with the reasoning by informing the shareholder who proposed the agenda item and informing the shareholders' meeting.

2.2 The Board of Directors established procedures for minority shareholders to nominate candidates to serve as directors and to provide supporting information regarding the candidates' qualifications and their consent in advance of the shareholders' meeting date. The rules for nomination are as per the following topics:

- 1) Nomination channel is by submitting a letter to the Board of Directors.
- 2) Nomination period is from 1 January to 31 December of every year.
- 3) Supporting information for consideration, such as detailed information on the qualifications of the proposed candidates, the candidates' letters of consent, etc.
- 4) The Board of Directors informs the shareholders of the rules for nomination candidates through the dissemination channels of the Stock Exchange of Thailand and through the Company's website.
- 5) The Board of Directors considers the qualifications of the candidates proposed by the minority shareholders according to the criteria set by the Company.
- 6) The Corporate Secretary informs the shareholders who proposed candidates of the Board of Directors' decision and its reasoning and the Chairman informs the shareholders' meeting.

2.3 Shareholders in a management position may not add an agenda item without prior notice unless necessary, especially important agenda items that the shareholders require time to review before making a decision.

2.4 The Board of Directors provides the opportunity for the shareholders to exercise their rights to elect directors individually.

### **3. Protection against Abuse of Inside Information**

3.1 The Board of Directors has established in writing the procedures for safeguarding and prevention of use of inside information and has communicated them to everyone in the Company for compliance, together with the rules for trading the Company's shares for the directors, executives and employees with knowledge of inside information to use as a guideline.

3.2 All directors and executives who have a duty by law to report on their securities holding of the Company are required to regularly send such report to the Board of Directors and this information must be disclosed in the Company's annual report.

### **4. Conflicts of Interest of Directors**

4.1 The Board of Directors has a requirement for the directors and executives to report any conflict of interest regarding each agenda item prior to consideration and that such conflict must be minuted in the minutes of the Board of Directors' meeting as follows:

- 1) The Board of Directors has set the guideline for the directors and executives to disclose their interests and those of their related persons to the Board so that it can make a decision for the benefit of the Company as a whole.
- 2) This guideline is consistent with the nature of the business and the regulations of the relevant authorities, such as the Bank of Thailand, the Securities and Exchange Commission, the Stock Exchange of Thailand, etc.
- 3) The Corporate Secretary has been assigned as the recipient for information on any interest of the directors, executives and their related persons.
- 4) The Corporate Secretary has the duty to report any interest of the directors and executives, together with related persons to the Board of Directors, especially when the Board has to consider any transaction between the Company and the director or executive who have an interest or is connected.

4.2 The Board of Directors supervises that directors with material interest in a manner that may impede the said directors from providing an independent opinion shall not participate in the meeting to consider the agenda item in which he has an interest.

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

The Company operates its business under the vision of "The Premier Business, The Premier People, The Premier Society" with the aim for sustained success with consideration of the rights, righteousness and fairness to all groups of stakeholders, including not committing any violation against the rights of these stakeholders. As guidance for its management and employees, the Company has prepared a written code of conduct that covers the treatment of all groups of stakeholders, including shareholders, customers, trade partners, business alliances, employees and society.

The Company has established guidelines on the role of stakeholders as follows:

## **1. Setting Policies Affecting Stakeholders**

1.1 The Board of Directors has set the policy on the treatment of each stakeholder group together with implementation measures that are in effect. The policy has been announced and there are measures related to fair treatment that ensures that the Company and its value chain are responsible for the stakeholders as follows:

### **1) Shareholders**

Perform duties with integrity, transparency and for the benefit of the Company and its shareholders; manage the Company's operations cautiously and carefully in order to prevent any damages to the shareholders; refrain from seeking personal gains for oneself or related persons by exploiting any non-public information of the Company; and refrain from any action that might cause conflicts of interest with the Company, including the divulgence of any confidential information of the Company to outsiders, especially its competitors.

### **2) Employees**

The Company recognizes the importance of its employees as valuable assets and has treated all employees equally and fairly based on human rights principles without discrimination of skin color, race, sex or religion and without the use of child or illegal labor. The Company has compensation and remuneration policies that are based on the principles of fairness, which are appropriate for the job description, responsibilities and competency of each employee and are comparable with other companies within the same industry. The Company also has a policy for the continuous development and promotion of knowledge and competency for the employees to develop their skills and abilities for career advancement.

As for its welfare policy, the Company provides employee benefits, such as provident fund for employees, social security fund, group health insurance, group life insurance, group accident insurance, annual health check-up, in-house medical clinic, shuttle bus service, and financial support for employees on various occasions.

The Company has set a safety policy and set up a committee to oversee that safety, bio-sanitation, and the work environment are in accordance with the laws and international standards and to closely monitor performance. Knowledge and training on safety, bio-sanitation, and the work environment are provided to the employees and related persons along with promotion of all employees' awareness towards the importance of safety and to seriously comply. There is regular testing of the office building's safety system and annual fire drills, as well as illumination and noise intensity measurements.

### **3) Customers**

The Company has set a policy to meet customer satisfaction by offering quality products of standard that are safe to fulfill the needs of the customers. Complete and accurate information about the products and services are disclosed without distortion of facts, as well as provision of information that is accurate, adequate, and beneficial to the customers. It also has a product recall process in case any quality defect is found.

**4) Trade Partners and Creditors**

The Company selects its trade partners impartially and conducts mutual business fairly without exploitation, respects and abides by the terms of the agreement, and does not solicit, accept or give any undue benefit in dealing with trade partners or creditors. In the case that there should be any information regarding the bestowment of any undue benefits, the Company will consult with the trade partners or creditors to mutually resolve the matter quickly and with fairness to all parties.

**5) Competitors**

The Company conducts its business ethically and transparently with fair competition with its competitors, competes under the rules of fair business competition, refrains from seeking confidential information of the business competitors through dishonest or improper means, and refrains from discrediting competitors through slandering or take any action without the truth and unjustifiably.

**6) Communities/Society**

The Company has set the rules for the treatment of communities and society in its Code of Conduct for use as a guideline for practice by all employees as follows:

- 1) Support activities that are beneficial to the communities and society as a whole and build a good relationship with the communities in which the Company's place of business is located.
- 2) Comply or ensure compliance with relevant laws and regulations.
- 3) Refrain from supporting or participating in transactions with any persons that are detrimental to the communities and society.
- 4) Pay attention to and be responsible for rectifying any danger that society is apprehensive of that may have been caused by the Company's products/services or business operation.
- 5) Participate in the improvement of quality of life, build a harmonious society, develop virtue and morality, preserve good traditions, and instill a strong sense of social responsibility and volunteerism among the employees.

**7) Environment**

- 1) Refrain from any action that may damage the natural resources and the environment.
- 2) Comply or ensure compliance with laws and regulations related to the environment.
- 3) Refrain from supporting or participating in transactions with outside persons that threaten the environment as a whole.
- 4) Encourage the efficient use of resources and set policies on conservation of energy and other resources through the adoption of energy-efficient technologies for use in the Company.

1.2 The Board of Directors has assigned the Corporate Secretary as the recipient of complaints and to handle the complaints filed by the stakeholders. The

reporting procedures and channels have been disclosed on the website and in the annual report of the Company.

1.3 Have in place mechanisms for whistle-blower protection and compensation measures in the case that stakeholders receive any damage from the Company's violation of their legal rights.

## **2. Disclosure of compliance to the policies and preparation of the sustainability report on corporate social responsibility (CSR Report)**

2.1 The Company discloses various activities that demonstrate the implementation of the policies mentioned above and also discloses the mechanisms to encourage the participation of employees in compliance with the afore-mentioned policies.

2.2 The Board of Directors ensures that the Company prepares a sustainability report on corporate social responsibility as part of its annual report or as a separate report from the annual report.

**3. The Company has policies and practices in anti-corruption**, as well as supports activities that promotes and instills all employees to comply with the relevant laws and regulations.

**4. The Company has set policies on intellectual property** for which employees are prohibited from infringement of the intellectual property rights of others, disregarding whether domestic or foreign, and are prohibited from bringing pirated software for use in the Company. The Company has anti-corruption policies and prohibits bribery for business gain by the Company. The Company has informed all employees of these policies to which they have complied with all along. In addition, the Company has signed the declaration of intent to join the Private Sector Collective Action Coalition against Corruption.

## **Chapter 4 Disclosure and Transparency**

The Board of Directors recognizes the importance of disclosure of information, both financial and non-financial, that is accurate, complete and transparent as stipulated by the regulations of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET), as well as other material information that may affect the price of the Company's securities that influences the decision-making process of its investors and stakeholders. Information on the Company is disseminated to the shareholders, investors and general public through the channels of the SET and the Company's website in Thai and English, which is constantly updated.

The Company has set guidelines on the disclosure and transparency of information as follows:

### **1. Disclosure of Information**

1.1 The Board of Directors has mechanisms to ensure that the information disclosed to the investors is accurate, not misleading and adequate for their decision-making as follows:

1.1.1 The disclosure of material information, both financial and non-financial, of the Company is accurate, complete, timely, transparent and in accordance with the criteria stipulated by the SEC and the SET.



1.1.2 The effectiveness of the disclosure process is evaluated regularly.

1.2 The Board of Directors provides a summary of the corporate governance policy, code of conduct, risk management policy and corporate social responsibility policy as approved by the Board and the steps in implementing such policies, including cases of non-compliance along with the reasons, through various channels, such as the Company's annual report and website.

1.3 The Board of Directors has arranged for the Report of the Board of Directors' Responsibilities for Financial Statements to be presented together with the report of the independent auditor in the annual report. The report covers the following subjects:

- 1) Compliance with generally accepted accounting principles that is suitable for the business and use of appropriate accounting policies that are consistently adopted.
- 2) The financial reports contain information that is accurate, complete and factual in accordance with accounting standards.
- 3) The Report of the Board of Directors' Responsibilities for Financial Statements is signed by the Chairman and the Managing Director.

1.4 The Board of Directors encourages the Company to prepare a Management Discussion and Analysis (MD&A) to supplement the disclosure of each quarterly financial statement. This is done in order for investors to be informed of the information and to understand the changes that occurred to the financial position and results of operations, the significant changes in the Company, including factors and events that affect the financial position or results of operations, and not just be presented with only the figures in the financial statements.

1.5 The Board of Directors stipulates that the audit and other fees of the auditor be disclosed in the Company's annual report.

1.6 The Board of Directors stipulates that the following information be disclosed in the annual report:

- 1) Roles, duties and opinions from their work performance in the previous year of the Board of Directors.
- 2) Roles, duties and opinions from their work performance in the previous year of the committees.
- 3) Number of meetings held and attendance record of each director in the previous year.
- 4) Record of training and ongoing professional education of the directors.

1.7 The Board of Directors discloses the policy for remuneration of directors and executives that corresponds with the duties and responsibilities of each person, including the forms and manner of remuneration, the remuneration amount and the amount of payment received by each director as a director of the Company's subsidiary.

## 2. Minimum Information Disclosed on the Company's Website

2.1 In addition to disclosing information as specified by the regulations through the SET, annual statements (Form 56-1), and annual report, the Board of Directors deems it appropriate to regularly disclose information that is up-to-date both in Thai and English through other channels, such as the Company's website. The minimum information on the Company's website should at least comprise the following and must be regularly updated:

- (1) Vision and mission of the Company;
- (2) Nature of business of the Company;
- (3) Organization chart and list of members of the Board of Directors and management team;
- (4) Qualification and experience of the Corporate Secretary;
- (5) Financial statements and reports on the financial position and results of operations for both the current and prior year.
- (6) Downloadable annual statements (Form 56-1), and annual report;
- (7) Information or other materials provided in briefings to analysts, fund managers and the media;
- (8) Direct and indirect shareholding structure;
- (9) Group corporate structure, detailing the subsidiaries, affiliates, joint ventures and special purpose enterprises/vehicles (SPEs/SPVs);
- (10) Direct and indirect shareholding of beneficial owners holding 5% or more of the total paid-up shares with voting rights;
- (11) Direct and indirect shareholdings of major and/or substantial shareholders, directors, and senior management;
- (12) Notice of the annual general meeting and extraordinary general meetings;
- (13) Articles of Association, Memorandum of Association and shareholders' agreement (if any);
- (14) Policy and practices according to the principles of good corporate governance of the Company;
- (15) Risk management policy and its implementation;
- (16) or responsibilities, qualifications and term of office of the Board of Directors, including the types of decisions requiring Board approval;
- (17) Charter or responsibilities, qualifications and term of office of the committees;
- (18) Code of conduct of the Company's employees and directors;
- (19) Code of conduct of the investor relations officer;
- (20) News of the Company and its subsidiaries;
- (21) Contact details of the unit or officer responsible for investor relations (e.g. name of contact person who can provide information and telephone number);
- (22) Annual investor relations plan.

In 2013, the Company presented its operational results, both financial and non-financial information, to the analysts, retail investors, institutional investors and shareholders through various channels and participated at the Stock Exchange of



Thailand's Opportunity Day on August 15, 2013. There were also company visits where the Company's management met with analysts, local and foreign institutional investors and retail investors. 6 conference calls were held with analysts and investors. In addition, the Company regularly replied to email and telephone queries.

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

The Board of Directors is responsible for overseeing the work of the management to ensure compliance with policies, plans and budgets, as well as its responsibilities toward the Company and its shareholders.

The Company has set the guidelines regarding the responsibilities of the Board of Directors as follows:

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

1.1 The Board of Directors has prescribed that the structure of Board should consist of directors with various qualifications in terms of skills, experience, expertise that is beneficial to the Company and gender. There should be at least one non-executive director having prior working experience in the business or major industry in which the Company is operating.

1.2 The Board of Directors ensures that the Board's diversity policy and the number of years each director has served as a director of the Company are disclosed in the annual report and on the Company's website.

- 1.2.1 Disclose the procedures for selection of directors that is formal and transparent and the number of years each director has served as a director of the Company are disclosed in the annual report and on the Company's website.
- 1.2.2 Disclose the name, history, qualifications, experience and shareholding in the Company of the directors in order to show that the Board has the knowledge, skills, characteristics and experience that are useful to the Company in the annual report and on the Company's website.
- 1.2.3 Disclose clearly in the annual report the directors representing the shareholders / non-executive directors / independent directors / executive directors.

1.3 The Board is appropriately sized and is composed of persons with sufficient knowledge, experience and skills to perform their duties efficiently. The Board is composed of at least 5 but not more than 12 directors.

1.4 The Board consists of independent directors who can independently comment on the performance of the management in the number prescribed in the notification of the Securities and Exchange Commission (SEC).

1.5 The proportion of directors is in accordance with the director nomination process, which is mainly based on the criteria of knowledge, competency and suitability of the person to be appointed as a director rather than on the criteria on proportion of investments.

1.6 The Company takes into account the benefits to corporate management according to the director nomination process set by the Company rather than the number or proportion of independent directors.

1.7 The Board of Directors has determined the tenure of each term of office but has not set the limit on the number of consecutive terms in office.

1.8 The Board considers the qualifications of the person to be appointed as an “independent director” to ensure that the independent directors of the Company are truly independent and are appropriate for the specific nature of the Company. Their independence must at least be in accordance with the criteria set by the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET).

1.9 The continuous tenure of the independent director will be beneficial to the corporate management and business operations of the Company. In addition, the search for a competent person to serve as independent directors cannot be implemented immediately.

1.10 The Chairman of the Board and the Managing Director have different roles and responsibilities. The Board has clearly defined the roles and responsibilities of the Chairman and the Managing Director and has recruited different persons to hold the positions of Chairman and Managing Director so that neither person has unlimited power.

1.11 The Board of Directors respects the judgment of the Managing Director and senior executives of the Company not to serve as a director of other companies with the same business as or are in competition with the business of the Company or are contrary to the interests of the Company.

1.12 The Company has appointed a Corporate Secretary to be responsible for advising on laws and regulations of relevance to the Board of Directors and for overseeing the activities of the Board, including coordinating the compliance with the Board’s resolutions.

The Board of Directors has determined the qualifications and experience of the appropriate Corporate Secretary who will perform the duty as the secretary of the Company. The qualifications and experience of the Corporate Secretary are disclosed in the annual report and on the website of the Company.

1.13 The Corporate Secretary has received training and continuous development in legal, accountancy, or company secretarial practices. The Company determines the qualifications and appoints a person as the Corporate Secretary by taking into consideration of mainly his knowledge, capability and work experience, disregarding whether such person is a permanent employee of the Company or not.

## **2. Committees**

2.1 The Board of Director has appointed an Audit Committee in accordance with the requirement of the Stock Exchange of Thailand with a term of office of 3 year to perform specific duties and to propose matters for consideration or acknowledgement by the Board. The Audit Committee has rights and duties as set out in the Scope of

Responsibilities of the Audit Committee and has qualifications according to the criteria prescribed by the SEC.

2.2 The Board of Directors appointed a Remuneration Committee and a Nomination Committee. The entire Board, except for directors with conflicts of interest, will consider the criteria for and form of remuneration to the directors and present its opinion to the Board, which the Board must propose to the shareholders' meeting for approval. The Board will also consider the criteria and process for nomination of persons with appropriate qualifications to serve as directors, as well as select persons according to the determined nomination process and present its recommendation to the Board, which will propose to the shareholders' meeting to appoint as directors.

### **3. Roles and Responsibilities of the Board**

3.1 The Board's duties and responsibilities should include the following matters:

- 1) Consider and approve key matters on the Company's operations, such as the vision and mission, strategy, financial targets, risks, plans, budget, etc.
- 2) Monitor and ensure efficient and effective implementation by the management of approved policies and plans.
- 3) Internal control and risk management, including the process for receiving and handling complaints.
- 4) Ensure long-term business continuity, including employee development plan and succession plan.

3.2 The Board of Directors has determined in writing a corporate governance policy for the Company as follows:

- 1) The Board has determined and approved a written corporate governance policy.
- 2) Communicate to everyone in the organization for their understanding.
- 3) Have method to encourage everyone in the organization to comply with the corporate governance policy.
- 4) Assess compliance to the corporate governance policy and review the policy at least annually.

3.3 The Board of Director promotes the preparation of a written code of conduct so all directors, executives and employees will understand the ethical standards the Company uses in its business operations and seriously monitors compliance with the code.

3.4 The Board of Directors considers any conflict of interests thoroughly. There should be clear guidelines on the approval of transactions with possible conflicts of interest, which is chiefly for the best interests of the Company and all its shareholders. Persons with vested interests should not participate in the decision-making process. The Board should also monitor compliance with regulations regarding the procedures for and disclosure of information on transactions that may have conflicts of interest to ensure accuracy and completeness.

3.5 The Board of Directors ensures that internal control systems for financial reporting and compliance with regulations and policies are in place. The Board has assigned a person or a department that is independent to audit such systems and to

review the main systems at least annually, as well as disclose the review results in the annual report.

3.6 The Board has established a risk management policy covering the whole Company and has assigned the management to implement the policy and regularly report to the Board. The risk management system is reviewed or the effectiveness of risk management is assessed at least once a year with the results disclosed in the annual report, and whenever, there is a change in risk level, which includes focusing on early warning signs and unusual transactions.

3.7 The Board of Directors or Audit Committee should provide its opinion on the adequacy of the Company's internal controls and risk management systems in the annual report.

3.8 The Board of Directors has set clear procedures for whistle-blowers or stakeholders through its website or directly to the Company or report directly to the Company. The Board has assigned the Corporate Secretary as the recipient and handler of complaints from the stakeholders. The procedures and channels for filing complaints are disclosed on the Company's website and annual report. The Company has mechanisms for whistle-blower protection and compensation measures in the case stakeholders receive damages from the Company's violation of their legal rights.

3.9 The Board of Directors has mechanisms for governing its subsidiaries in order to protect the benefits from its investment. The Board is responsible for determining the suitability of persons to be appointed as directors of the subsidiary companies in order to ensure that its management complies with the policies of the Company and that various transactions are executed correctly according to securities and exchange laws and notifications of the SET.

#### **4. Board of Directors' Meetings**

4.1 The Company sets the schedules and agendas of the Board of Directors' meeting in advance and notifies each director of the schedule so that all directors can manage time to attend the meetings.

4.2 The number of Board meetings should correspond with the duties and responsibilities of the Board and the nature of business of the Company. In the case the meetings are not held monthly, the Company will send a performance report to the directors for the months in which there was no meeting so that they can continuously and timeously supervise and oversee the performance of the management.

4.3 The Chairman of the Board and the Managing Director jointly select matters for inclusion in the agenda of the Board meeting and ensures that all important matters are included. Opportunity is provided for each director to independently propose any matter that is beneficial to the Company as an agenda item.

4.4 The meeting documents are sent to the directors at least 5 working days in advance of the meeting date.

4.5 All directors attended at least 75 per cent of all Board meetings held during the year.

4.6 The Chairman allocated adequate time for the management to propose matters and enough time for all directors to discuss important problems carefully. The Chairman promotes the prudent use of discretion. All directors paid attention to all matters raised at the meeting, including those concerning corporate governance.

4.7 The Board of Directors encourages the Managing Director to invite the senior executives to attend the Board meetings to provide additional information on the problems to which they are directly related and to provide an opportunity for the Board to learn more about the senior executives for use in supporting the consideration of the succession plan.

4.8 The Board of Directors has access to additional necessary information from the Managing Director, Corporate Secretary or other executives assigned under the scope of the policy set. If necessary, the Board may obtain independent opinions from external consultants or practitioners at the Company's expense.

4.9 The Board of Directors considers it a policy to provide opportunities for non-executive directors to meet among themselves as necessary to discuss various management issues of interest without participation of the management and to inform the Managing Director of the outcome of such meetings

4.10 The minutes of the meeting should consist of at least the following information and there should be a good storage system with easy data search but cannot be amended without approval of a Board meeting.

- Date, start time and end time;
- Names of the directors present and absent;
- Summary of important information on the matters proposed to the Board;
- Summary of the matters discussed and observations of the directors;
- Resolutions of the Board and opinions of the dissenting directors (if any);
- Recorder of the minutes – Secretary of the Board of Directors;
- Certifier of the minutes – Chairman.

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

5.1 The Board of Director and the committees conduct self-assessment of its performance at least once a year so that the directors can collectively consider its performance and problems for further improvement by setting a benchmark for systematic comparison with its performance.

5.2 The Board self-assessment is an assessment of the Board as a whole and the assessment criteria and process is disclosed in the Company's annual report.

The Company's Board of Directors has the highest authority and is responsible for the administration of the affairs and business of the Company. The Board of Directors consists of individuals who are already competent. Therefore, the

assessment of the performance of the Board as a whole is a self-assessment that has already been conducted every year.

## 6. Remuneration

The remuneration of directors is comparable with the industry level and reflects the experience, duties, accountability and responsibilities, as well as expected contributions of each director. Directors who are assigned to more tasks and has more duties and responsibilities, such as being a member of a committee, should receive additional remuneration as appropriate.

## 7. Board and Management Training

7.1 The Board encourages and facilitates training and educating for those involved in corporate governance of the Company, such as directors, members of the audit committee, executives, Corporate Secretary, etc., to assist them to continuously improve their performance. Training and educating can be done internally or through the use of the services of external institutions.

7.2 Every time new directors are appointed, the management will provide these directors with all documents and information that are beneficial for them in fulfilling their duties, including an introduction to the nature of the business and business practices of the Company.

7.3 The Board requires the Managing Director to present them with the Company's succession plan at least once a year. The Managing Director and senior executives have prepared continuous succession plans in case they cannot perform their duties.

7.4 The Board has assigned the Managing Director to organize an executive development program and disclose it in the Company's annual report.

In 2013, the Directors have attended seminars and training courses of the Thai Institute of Director (IOD) as follows:

Course	Number of Training Hours/Person	Number of Persons
Director Accreditation Program (DAP)	9	1

In addition, the Board of Directors has established guidelines for the regular annual review of its good corporate governance policy to correspond with the circumstances of the Company.

## 9.2 Committees

The Board of Director has appointed an Sub-Committee as follows:

### Audit Committee

As at December 31, 2013, the Audit Committee comprised 3 members

Name	Position	Meetings/ Attendance (Times)	Attendance of Shareholders' Meeting/Total Number of Meetings (Times)
1. Mr. Katiya Greigarn (was appointed as the Chairman of the Audit Committee since December 20, 2013)	Chairman of the Audit Committee	4/4	1/1
2. Mr. Suchai Vatanatrinnakul	Member of the Audit Committee	4/4	1/1
3. Miss Naengnoi Chai-onnom * (was appointed as the company's director since December 20, 2013)	Member of the Audit Committee	-	-

\* a person with sufficient knowledge and experience to verify the creditability of the financial statements.

Remark: Miss Naengnoi Chai-onnom was appointed as the company's director to replace Mr. Udom Chatianond who passed away on July 31, 2013. In 2013, Mr. Udom Chatianond attended the meeting of the Audit Committee 2 out of 4 times.

Mr. Teerapol Juthapornpong, The Company Secretary, acts as the Secretary of the Audit Committee. The Audit Committee appointed Mr. Teerapol Juthapornpong as the Secretary of the Audit Committee from February 20, 2013 to replace the former Secretary who retired.

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

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

#### **Scope of Duties and Responsibilities of the Audit Committee**

The Audit Committee has duties and responsibilities as delegated by the Board of Directors as follows:

- 1) Review the Company's financial reporting process to ensure accuracy and adequacy;
- 2) Review that the Company has appropriate and efficient internal control and internal audit systems, determine the independence of the internal audit unit, as well as recommend the appointment, transfer and dismissal of the chief of the internal audit unit or any other unit responsible for internal audit.
- 3) Review the Company's compliance with the securities and exchange law, regulations of the Stock Exchange and other laws relevant to the Company's businesses.
- 4) Consider, select, nominate and dismiss an independent person to act as the Company's auditor and propose the remuneration of such person, as well as attend a non-management meeting with the auditor at least once a year.
- 5) Review and approve the connected transactions or those with possible conflicts of interest to ensure that they comply with all relevant laws and regulations of the Stock Exchange. This is to ensure that these transactions are reasonable and of maximum benefit to the Company.



6) Prepare and disclose a report on the Audit Committee's monitoring activities in the Company's annual report, which must be signed by the Chairman of the Audit Committee and consist of at least the following information:

- An opinion on the accuracy, completeness and creditability of the Company's financial reporting;
- An opinion on the adequacy of the Company's internal control system;
- An opinion on the compliance with the securities and exchange laws, regulations of the Stock Exchange or laws relevant to the Company's business;
- An opinion on the suitability of the auditor;
- An opinion on transactions that may have conflicts of interest;
- The number of audit committee meetings and attendance of such meetings by each committee member;
- Opinions or observations received by the audit committee through the performance of its duties as defined in its charter;
- Disclosure of other reports that the Audit Committee considers the shareholders and general investors should be aware of, within the scope of its duties and responsibilities as assigned by the Company's Board of Directors.

7) To perform any other task assigned by the Company's Board of Directors with the approval of the Audit Committee.

8) Verify the appropriateness and adequacy of the Company's risk management system.

9) Review the Company's corporate governance policy and evaluate the implementation of such policy at least once a year.

Apart from the said Audit Committee meetings, the Audit Committee in 2013 held a meeting with the auditor without participation of the management once in February 2013, and held meetings with the management of the Company and its subsidiaries to verify the appropriateness and adequacy of each company's risk management system in October 2013. The Audit Committee also visited the company and held meetings with the management.

#### **Remuneration Committee and Nomination Committee**

The directors who have no conflict of interest will consider guidelines for remuneration paid to the board of directors and the Company's directors will present the remuneration to the Annual General Meeting for approval. And served as criteria for the selection of qualified directors, the Company's directors will present the Nomination to the Annual General Meeting for approval.

### **9.3 Selection and Appointment of Directors and Executives**

The Company has not yet appointed a Nomination Committee but has already set the criteria for the selection and appointment of directors and executives as detailed below.

#### **(1) Independent Directors**

The Board of Directors or the shareholders' meeting (depending on the case) shall appoint independent directors to join the Company's Board. The Company has a policy that not less than one-third of the Board must be independent directors



and that it must have at least 3 independent directors. Currently, the Company has 3 independent directors.

The Company has defined an independent director as specified in the regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand according to notification Tor Jor. 4/2552 of the Capital Market Supervisory Board dated February 20, 2009 regarding the qualifications of the independent director. Independent director means a director who has the following qualifications:

1. Must not hold more than 1 per cent of all shares with voting rights of the Company, its parent company, a subsidiary company, an affiliated company, major shareholder or a controlling person of the Company. This shall also include shareholding by related persons of the independent director.

2. Must not be or have been either a director with management authority, an employee, staff, consultant on retainer or a controlling person of the Company, unless relieved of such characteristics for not less than two years prior to appointment. Such prohibited characteristic shall not include independent directors who are former government officials or consultants to a government agency that is a major shareholder or a controlling person of the Company.

3. Not being a person related by blood or by legal registration as a father, mother, spouse, sibling and child, including spouse of children of the executive, major shareholder, controlling person of the Company or any persons that has been nominated as an executive or controlling person of the Company or its subsidiary companies.

4. Neither having nor used to having a business relationship with the Company, its parent company, subsidiary company, affiliated company, major shareholder or controlling person of the Company in a manner which may impede his independent judgment. Neither being nor used to being a principal shareholder or a controlling person of any person having a business relationship with the Company, its parent company, subsidiary company, affiliated company, major shareholder or controlling person of the Company unless relieved of such characteristics for not less than two years prior to the date of appointment as an independent director.

The business relationship under the first paragraph includes normal business transactions for rental or lease of immovable property, transactions related to assets or service or the granting or receipt of financial assistance through the receipt or extension of loans, guarantees, provision of asset as collateral, and other similar actions that result in the Company or its counterparty being subject to indebtedness payable to the other party of 3 per cent or more of the Company's net tangible assets, or of 20 million Baht or more, whichever is the lower. The amount of such indebtedness shall be calculated according to the calculation method for the value of connected transactions specified in the notification of the Capital Market Supervisory Board concerning rules on connected transactions mutatis mutandis. However, in the consideration of such indebtedness, any indebtedness that occurred during the course of one year prior to the commencement date of the business relationship with the same person shall also be included.

5. Neither being nor used to being an auditor of the Company, its parent company, subsidiary company, affiliated company, major shareholder or controlling

person of the Company, and not being a principal shareholder, controlling person or partner of an audit firm that employs the auditors of the Company, its parent company, subsidiary company, affiliated company, major shareholder or controlling person of the Company unless relieved of such characteristics for not less than two years prior to the date of appointment as an independent director.

6. Neither being nor used to being a provider of any professional service, including legal counselor or financial advisor, who receives a service fee exceeding 2 million Baht per year from the Company, its parent company, subsidiary company, affiliated company, major shareholder or controlling person of the Company, and not being a principal shareholder, controlling person or partner of the provider of professional service unless relieved of such characteristics for not less than two years prior to the date of appointment as an independent director.

7. Not being a director appointed as a representative of the Company's director, major shareholder or shareholder who is related to the major shareholder.

8. Not operate any business of the same nature as and is in significant competition with the business of the Company or its subsidiary company or not being a principal partner in a partnership or being an executive director, employee, staff, consultant on retainer or holding more than 1 per cent of all shares with voting rights of any other company operating a business of the same nature as and is in significant competition with the business of the Company or its subsidiary company.

9. Not having any other characteristic that impedes the ability to render independent opinions with regard to the Company's operations.

## **(2) Directors and Executives**

### **A. Board of Directors**

In the selection of directors, the Company's Board of Directors, excluding any director with conflicts of interest, will identify and select qualified candidates for nomination to the Board of Directors for its approval. The Board would then nominate the selected candidates to the shareholders' meeting for election and appointment. The appointment of the Company's directors will be in line with the criteria prescribed in the Company's Articles of Association as follows:

1. The Board of Directors of the Company will comprise not less than 5 members whose appointment has been approved by the shareholders' meeting and not less than half of the directors must reside in Thailand.

2. The shareholders' meeting elects the directors according to the following criteria and procedures:

- (1) Each shareholder shall be entitled to one share to one vote.
- (2) Each shareholder must exercise all his votes under (1) above to elect one or more nominees to be directors but may not divide the votes among several nominees.
- (3) Nominees who receive the largest number of votes in descending order shall be elected as directors equal to the number of directors to be elected at that time. In the event of that the nominees elected in subsequent order

receives equal votes and the number of directors to be elected at that time is exceeded, the chairman of the meeting shall cast the deciding vote.

3. At every annual general meeting of shareholders, one-third of the directors shall retire. If one-third is not a round number, the number closest thereto shall be the applicable number.

The directors to vacate office within the first and second year following company registration shall draw lots. In subsequent years, the directors serving the longest shall retire. The directors who retire by rotation are eligible for re-election by the shareholders.

4. Any director who wishes to resign from office shall submit a letter of resignation to the Company. The resignation shall be effective on the date that the Company receives the letter. The director may notify the Registrar of his resignation.

5. In the event that a position of director becomes vacant for any reason other than the end of the office term, the Board of Directors shall appoint any individual with the characteristics prescribed by law to be a new director at the next Board meeting, except if the remaining office term is less than 2 months. The replacement director shall hold office only for the remainder of the office term of the director whom he replaces.

The resolution of the Board of Directors pursuant to the first paragraph must consist of votes of not less than three-fourths of the number of remaining directors.

6. The shareholders' meeting may remove any director from office before the end of term with a resolution of not less than three-fourths of the total votes of shareholders present and eligible to vote and altogether holding not less than one-half of the total number of all shares held by the shareholders present and eligible to vote at that meeting.

#### **B. Audit Committee**

The Board of Directors appoints at least 3 members to serve as the Audit Committee of the Company. Each member of the Audit Committee must be an independent director and must possess the qualifications stipulated by the securities and exchange laws, as well as relevant notifications, regulation and/or rules of the Stock Exchange of Thailand that prescribes the qualifications and scope of duties and responsibilities of the Audit Committee.

#### **C. Executives**

The Company has a policy to recruit executives through the selection of persons who possess knowledge, capability, skill and experience beneficial for the Company's operations, fully understands the Company's business and is capable of managing the business to achieve the objectives and goals set by the Board of Directors. Selections are made in accordance with the human resource regulations and must be approved by the Board of Directors and/or any person assigned by the Board of Directors.

#### 9.4 Governance of the Subsidiary's Operations

The Company has a policy for its subsidiaries to adhere to and comply with the corporate governance principles of the Company according to the guidelines set by the Company. It is set in the authorization manual of the subsidiaries that important operations or material transactions must first be approved by the Company's Board of Directors. In addition, a large number of directors of the subsidiaries are also directors of the Company and, therefore, the various operations of the subsidiaries will largely take into consideration and adhere to the guidelines for operation of the Company.

#### 9.5 Supervision of Inside Information Usage

The Company supervises and protects against the use of inside information according to the good corporate governance principles, as well as requires the directors and executives to disclose information on their interests and those their related parties. The Company has the following guidelines:

1) Set policies regarding the safe-guarding of the information system in order to maintain the standard of the work system, computer system, and information and communication system, which are important in the creation of a control system of quality.

2) Set policies regarding trade secrets and intellectual properties. The Company has entered into confidentially agreements with its employees, contractors, suppliers/service providers and visitors of the Company to prevent disclosure of information or news of the Company and its subsidiaries that are confidential. In addition, the employees are prohibited from infringement of the intellectual property rights of others.

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

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

Securities and Exchange Commission for further dissemination to the public. The Company also requires the directors to report their securities holding at every Board of Directors' meeting.

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

## 9.6 Remuneration of the Auditor

### (1) Audit Fee

The Company and its subsidiaries paid remuneration for the audit to Ernst & Young Office Ltd., the audit firm, and related persons/parties of the auditors during the past financial year as follows:

Item	Company Paying	Auditor	Audit Fee
1	Premier Technology Public Co., Ltd	Mrs Chonlaros Suntiasvaraporn	480,000.00
2	Datapro Computer System Co., Ltd.	Mrs Chonlaros Suntiasvaraporn	780,000.00
Total Remuneration Paid for the Audit			1,260,000.00

### (2) Non-Audit Fee

- None -

## 9.7 Compliance with Good Corporate Governance Principles in Other Matters Whistle-Blowing Measures and Whistle-Blower Protection Mechanisms

The Company requires that executives at all levels assume responsibility for ensuring that employees under their supervision acknowledge, understand and comply rigorously with the code of conduct and policy/regulations/requirements of the Company, the principles of good corporate governance and various laws. The Company has determined the procedures for consideration and investigation of grievances or complaints that are systematic, transparent and accountable so that the complainants will have trust and confidence in a fair investigation process.

In order to treat all stakeholders equally and with fairness, the Company has set up channels for whistle-blowing, complaints, suggestions or recommendations that indicate that the stakeholders are affected or are at risk of being affected by any action that may cause damages for all groups of stakeholders arising from its business operations or violation of laws, rules, regulations and the code of conduct by its employees, as well as behaviors that may indicate fraud, unfair treatment, or careless or reckless actions. Whistle-blowing or filing of complaints together with details and evidences can be made through the following channels:

- Audit Committee
- Secretary to the Board of Directors / Board of Directors  
Premier Technology Public Co., Ltd.  
No.1 Premier Corporate Park, Soi Premier 2, Srinakarin Road  
Nong-bon, Prawet, Bangkok 10250  
Telephone: 02 - 3011569  
Facsimile: 02 - 7482063  
Email: Teerapol@pfc.premier.co.th

The whistle-blowers or filers of complaints that are employees, customers, individuals hired for work by the Company or other groups of stakeholders who are whistle-blowers will have their rights protected and defended according to the law or the guidelines set by the Company.

In 2013, the Company did not have any material dispute with the stakeholders.

## Corporate Social Responsibilities: CRS

### Policy and Procedure

The Company believes that the private sector is a significant factor of the economic and social of the country and the Company is deemed responsible for taking care of the survival and the sustainability of the social. Therefore, the Company and its subsidiary adhere to their intention to operate business by recognizing the significant of all stakeholders under the Premier Group's business philosophy of "The Premier Business, The Premier People, The Premier Society" or Harmonious Alignment for Success which is the core value in operating business of Premier Group in which the Company and its subsidiary adhere to focus in operating the business to have hollistic sustainable success; with integrity and fairness to all group of stakeholders such as shareholders, customers, trade partners, payable, employees and community. By analyzing stakeholders that my be effected from the business operation in economic, society and environemntal, which has been analysed by the collaboration of the representative of Executives and employees in subsidiary by using "ISO 26000" together with "Practice Guideline on Corporate social responsibility"

The Company and the subsidiary has supported and cooperated with the Social Sustainability Development Unit of Premier Group of Companies, i.e. Yuwabadhana Foundation, Khonthai Foundation and Enlive Foundation in activities concerning development of education for adverted youth, the creation of the sharing society, the subsidy to adverted handicapped and the creation of the participation in the sustainable development of social and environment, under the principle of creation of direct benefit and creation of tool or organization for participation and repeatable action of public which result in sustainable and multiple result.



From reviewing business operation activities that positively and negatively effect the stakeholders in the previous year, the working group has stipulate development



plan for the year 2014 on the appropriate issues. This is to develop business operation of the Company and its subsidiaries to operate with sustainable corporate social responsibility and is in line with social responsibility principles for sustainable development. The detail of the part concerning such business activities, the activities of staffs and the activities of the said Foundations is as follows:

#### **1. Fair Business Operation**

The Company and its subsidiary operate business by adhered to rightness and fairness, which is the core value of “Premier People”, where executive officers and employees continuously abided by; and is in accordance with good corporate governance policies. The Company and its subsidiary have also stipulate code of conduct toward the customers, trade partners, creditors, competitors, shareholders, employees, societies and environment in the “Premier Group Ethics” handbook (publicize on website) so that the Company’s executive officers and employees will practices in accordance to the guidelines.

##### Development plan in 2014

- The executive officers and employees of sales unit and sales promotion unit participated in the Business Process Improvement Training to be in line with the business operation of the subsidiary. The training is to increase knowledge and understanding on good corporate governance and to be able to correctly pass on knowledge or give information to agencies or organizations. It is expected to be 100 percent complete in the 2<sup>nd</sup> quarter of 2014.
- Improve service level agreement standard by reviewing the agreement to be able to put into actual practice and be accepted by the subsidiaries and customers. Develop business process and documents in recording of the delivering services to customer to be able to detect the deliver and receive service clearly.

#### **2. Anti- Fraud and Corruption**

The Company and its subsidiary operate business with “Premier Group Ethics” and in accordance with good corporate governance, integrity, morality, accurately, transparently and have corporate social responsibility.

In 2011, Premier Technology Public Co., Ltd co-sign to show intention to be “Collective Anti-Corruption : CAC”. This is to show intention and determination on Anti-corruption in any form and in 2013, the Company and its subsidiary have conduct self-evaluation on Anti-Corruption measures and risk evaluation related to fraud in the company.

Moreover, the subsidiary has provided “Our People” training to all new employees for the year 2013. Topic such as things that employees should do to be able to practice with integrity, adhere to principles of morals, ethics, rightness, transparency and have social responsibility in line with Premier Group ethics that the executive officers and employees have been continuously practicing.

##### Development Plan for 2014

Practice in accordance with the “Anti-Corruption Policies” continuously, as well as compile “Measures for Anti-Fraud and Corruption Handbook” in written form for the executive officers and employees to use as guidelines in preventing fraud and



corruption in the company, subsidiary, trade partners' company and customers. Set penalty to deterrence fraud and corruption. This also includes eliminating risk on fraud and corruption in subsidiaries business operation. The handbook is expected to be complete in the 2<sup>nd</sup> quarter of 2014 and plan to have all executives officer and employees signature to ensure that they have acknowledge and consent to practice in line with the mentioned measures.

### **3. Respect Human Rights and Treat Labour Fairly**

The Company and its subsidiary treat their employees equally and fairly on the principle of human rights. There is no discrimination on skin color, race, gender and religion. Does not use child labour or any illegal labour and provide policies on wages and remuneration management by adhered to principle of fairness, suitable with the nature of job responsibility and the competence of each employees, which is comparable to the company with the same type of industry.

For Welfare policy, The company provided welfare for employees such as employee provident fund, social security fund, Group health insurance, group life insurance, group accident insurance, annual health check up, company's sick bay, employees bus, other welfare on money support for employees on different occasions etc.

The Company stipulates policy on intellectual property, refrain employees from violating others intellectual property, whether if its domestic or international intellectual property and forbid the use of any software that violates copy right in the Company.

As in previous year, there are no violation of labour law, law on hiring, consumers, business competition and environment or any violation of other intellectual property.

Moreover, the subsidiary established the club which is known as "DCS Club". DCS Club is manged by employees from every department and jointly set plan and activities which will benefits in terms of creative recreation promote on having volunteer mind to customers, trade partner and employees. To build participation of employees and conducting activities that promote environment protection according to the employees interest.

#### Development Plan for the year 2014

##### Respect Human Rights

- Provide "Prepare and/or breast feeding room" that are clean and comfortable by applying available meeting room and reserve the rights for women staff that are in the period of breastfeeding their child to use the room. The room will be readiness in the first quarter of 2014.
- Decrease contagious disease in workplace by defining measures in controlling of epidemic at the sick person. The human resources management department will provide hygiene mask to every office.

##### Treating Labour

- To prepare job position and responsibility development plan to change the status of temporary to permanent employee, so they will have good quality

of life and stable life, as well as can also help reduce shortage of human resources in giving Company's services.

- Build good relationship of employees with the present communication, at which the increased in number of employees and having to perform their task with other offices or other department may create confusion. This will be done by adjusting E-mail system to show the picture of the sender and the receiver through email messages to allow the employees to be acquaintance and familiar with each other.

#### **4. Responsibility to Consumers**

The Company and its subsidiary have the policy to response to the customer satisfaction by selecting fine quality products that has been accepted by the international standard as well as provide after sales services that has ISO 20000, is safe in accordance with ISO27001 standardize and give services that are ongoing in accordance with ISO 22301.

The Subsidiary regularly discloses information on product and services that are beneficial to the customer and people in general through online social and seminar training that was organized regularly.

The Subsidiary provided channels for customers to complain or comment through customer satisfaction of products or services survey, which is conduct twice; as well as provide help desk system that is available 24 hours through telephone and internet.

#### Development plan for the year 2014

- Human resource management sector regularly prepared personnel development plan for employees to realize on strictly delivering products and services with responsibility and in accordance with the condition specified in the service agreement.
- Be the agency in marketing and corporate communication to improve information for sales of goods and services by focusing on "Value" and "Worthiness" in using product and service from subsidiaries, which helps customer to understand correctly on price setting and services of the subsidiaries.
- Market and organization communication department collaborate with business alliances organized training and seminar to provide news and information on products and services to customer and general people every quarter.
- Organize knowledge of services management system and regulation to enhance potential and rapidity in giving services to customers.

#### **5. Environmental Care**

The Company and its subsidiary operate business in accordance with "Environment and Society Policy" of Premier Group (Publicize on Company and subsidiary's website) and strictly practices in accordance with the environmental laws and safety of public sector.

The Company and its subsidiary selected products that utilize resources efficeintly to be use in business operation by doing so allow the company, subsidiary, employees, organization and customers that uses the service to be part in environmental care. The can clearly be seen from the procurement of equipment and

technology, which consider on the power consumption worthily and provided it in the data center energy saving or “Green Data Center”, as well as regularly manage the measurement of power consumption process. Which, all along, is able to measure power consumption or have PUE lower than 1.7 which is considered as able to consume power efficiently and save 30% of energy if compare with systems that are use generally. This helps the business organization to reduce business cost in long-term.

The Subsidiary has continuously publicize information on Data Center Energy Saving Services or “Green Data Center” to customers, trade partners and general people; to create understanding and awareness of consuming power efficiently, especially customers that used the Company services will be considered as part of the society that helps save energy.

Moreover, the Subsidiary has utilized technology that it is expert in to replace the use of paper and copy, such as the development of work process by using IT and using digital media technology to broadcast news and information to employees in the organization both at the headquarter and branches in replacement of using the wall notice board.

#### Development Plan in 2014

- Due to the services given to subsidiary's information center, which required regular test on reserve generator causing noise pollution to the neighbours, to solve this problem the subsidiary has determined a plan to build soundproof walls on the impact area.
- To develop work process by using information technology system to support the process. This helps reduce 30 percent of the use of paper and copy, as well as helps reduce 10 percent pollution in the office that occur from using the photocopying machine.

#### **6. Participate in community and society development**

The Company and its subsidiary practice in accordance with the “regulation to the public society” that is specified in the business ethics in supporting activities that are benefit to the society and community. By which in the year 2013, the subsidiary has organized a project on keeping Khlong Tachang to always be clear and clean. Khlong Tachang is a drain canal that located next to the Premier place building, Srinakarin Rd., which is the Company's building and the subsidiary office. The “Khlong Tachang Sai Hoi SodCheun” project was established with the collaboration of volunteer executive officers and employees, working together digging water-lettuce and duckweed as well as collect garbage in the canal on November and December 2013.

Moreover, the company participated in the community and society development activities thought business operation of different foundations donating 5 percent of net profit of each year to the foundations. This is Premier Group's main mechanism in driving participation in society development.

- Yuvabadhana Foundation: is a public charity which is in accordance with the Ministry of Finance's notification, the foundation main objectives and activity is to support education with the aim of providing assistance to underprivileged student who are committed to learning; both in general education and vocational education. In 2013, the Foundation gives scholarship to youth at the amount of 1,728 students and 3,942 students who had already received scholarship from the foundation

- Khon Thai Foundation: that campaigns for Thai people in every sector to realize their civic duties to the country and become involved in creating a well-being in Thai society through listening, talking, thinking and acting systematically. In 2013, the executive officer and employees participate in Thai private sector network campaign on Anti-Corruption by participating in "Walk Run Cycle Anti-Corruption" activity, which was organized by Thailand Anti-Corruption Organization on December 15, 2013.
- EnLive Foundation: Main obligation is to support activities in a creative way. Ongoing support in managing community area by emphasizing on instilling consciousness in conserving nature and environment to be sustainable.

As mentioned earlier about employee club or DCS Club under the above topic, DCS Club has contributed DCS Club fund to Yuvabadhana Foundation to manage the fund to be in accordance with the main objectives of the Foundation. The mentioned fund come from collecting annual donations by the employees from the club's activities and in 2013, the total amount of donation that was supported by the employees was amounted to 22,410.00 baht. At present, 6 students received support from DCS Club fund.

#### Development Plan for the year 2014

- Top up "Khleng Tachang Sai Hoi SodCheun" project to be a continuous activity that can instill consciousness in social responsibility and to have volunteers among employees and community. This is done by inviting employees and nearby community to participate in developing the project for keeping Khleng Tachang to always be clear and clean and to not make any water pollution, as water is the sources of smell and bacteria. The activity will be organized every quarter of the year 2014.
- Subsidiary stipulates long-term policy to support goods that Yuvabadhana Foundation distribute and uses it as New Year gifts for the customers and trade partner. The activity has been ongoing for more than 10 years.
- Executive officers and employees participate in fund raising activity of employee club to invest money into "DCS Club" Fund.

#### **7. Innovations and Propagation of Innovations from conducting corporate social responsibility**

The Company and its subsidiary support to create and promote co-creation of stakeholders in developing innovation that creates balance between value and worthiness to community, society and environment along with sustainable growth of business. The Company has examine the current operating procedures to ensure that whether or not it cause any risk or have any negative effect to the society and environment. By appointing risk management committee and compile risk management manual, to create opportunities in development which lead to business innovation.

## Internal Control and Risk Assessment

### Internal Control

The Company and its subsidiary' Board of Directors have placed a priority on the internal control constantly by assigning the Audit Committee who comprises of the independent directors to be an auditor regarding the assessment of internal control system. The internal audit will perform independently from the management and report directly to the audit committee. The auditors perform the verification of each department's operations in the Company and its subsidiaries following the annual audit plan approved by the audit committee. In addition, the Board of Directors has determined that all employees must adopt The Control Self-Assessment (CSA) to take personal responsibility and develop the internal control systems of their work system under their own responsibility in order to strengthen the internal control system to meet all applicable requirements to reasonably ensure that the outcome will be able to help achieve the Company and its subsidiaries' objective.

The Company and its subsidiary have assessed the internal control system aligned with the internal control framework based on the standard of The Committee of Sponsoring Organization of the Treadway Commission (COSO) which adjusted the new framework in May 2013 and developed from the five components to 17 principles which are as follows:

#### 1. Organization's Internal Control

The Company and its subsidiary clearly define the targets and objectives which are measurable. The target will be reviewed and compared the actual outcomes to the expected ones periodically. Moreover, the Company has provided the structure of reporting and the organization chart classifying the duties and responsibilities, as well as determined proper authority and responsibility in order to reach the objectives under oversight of the Board. Additionally, the Company has established the Code of Business Ethics, the corporate governance policies, anti-corruption policy and the conflict of interest which represents the adherence of moral and integrity values including the process of written authority to operate. There is the operations manual relating to the major operations which has always been revised in line with the updated standards. Furthermore, the Company and its subsidiaries have improved the performance appraisal system by using Key Performance Indicators (KPIs) with the senior management and encouraged the management to operate the business in accordance with the corporate governance policies as defined.

The Board of Director is independent of the activities of management. Its responsibilities are to perform the oversight functions, develop the operations of internal control, and aim to motivate, develop, and keep efficient employees. Besides, the committee defines the employees' duties and responsibility for the internal control to achieve the organization's objectives.

#### 2. Risk Assessment

The Company and its subsidiary have clearly determined the objectives in order to identify and assess risk concerning the organization's goal achievement. The audit committee has worked together with the management of the Company and its subsidiary to consider and assess the internal and external risks affecting the business operations. The risk identification and analysis including the Corruption Risk

Assessment will be determined the impact of each type of potential threat on the objectives within the organization. Apart from risk analysis, the Company needs to prioritize risks according to their impact and probability in each business process for defining the risk management plan. The Company and its subsidiaries have determined the significant policies and strategies of risk management by combining the risk management with its business plan along with considering the chance of corruption in the business through the identification and assessment of variation which may effect on the internal control system. In addition, the Company and its subsidiaries have followed up the circumstance and risk factors from The Control Self-Assessment (CSA) regularly.

### **3. Operational Control**

The Company and its subsidiary have defined the significant policies in the business operations for using as guideline to operate the business systematically and efficiently as well as be able to reach the goals and objectives. There are control measures to reduce risks to an acceptable level. Besides, the Company has also selected and developed the general control activities with the technology system in order to ensure the achievement of objectives. The organization has arranged the control activities through the policies determined the expectation and the operational procedures in order to become the practical policies. The delegation of authority manual has been designed to determine the scope of authority and incur the expenditure of the management at each level clearly in writing. An anti-corruption manual has also been prepared in accordance with the determined policy. The operational structure has been organized by separating the function of approval, recording transactions, and custody of assets. Furthermore, the organization will conduct the operations in strict compliance with laws and regulations.

### **4. Information Systems and Data Communications**

The Company and its subsidiary have provided the important information systems such as providing the internal and external information completely, precisely and potentially in order to ensure that the internal control is able to operate as designed. Besides, the organization is required to achieve the objectives. The Company has set and to make the information reports relating all departments to propose the management for decision-making including providing the accounting and financial reports as well.

The Company has established the proper communication channels to share duties and responsibilities, and other relevant topics with its employees. The Company has also set secure channels for whistle-blowing and filing of complaints regarding fraud and corruption. There is communication between the business units within the Company and with external parties regarding matters that may affect the functioning of internal control.

### **5. Monitoring System**

The Company and its subsidiary have followed up and assessed the results of internal control to ensure that the internal control has operated completely and properly. There is the evaluation and prompt communication of the internal control defects for whom is responsible including the executive management and the audit committee. Additionally, the organization has tracked and monitored the business performance regularly by comparing the actual results with the planned objectives. In



case of difference, each department will analyze the determinants to improve the operational guidelines effectively together with determining the monitoring session clearly. Besides, there is the sufficient and accurate disclosure of information concerning the connected transactions or the conflict of interest which are transparently verifiable.

At the Board of Directors' Meeting No.1/2014 on 19<sup>th</sup> February 2014, the 4 independent directors, 3 out of 4 are the members of audit committee, have attended the meeting. The Board of Directors has assessed the Company's internal control system by questioning the management and approving the assessment tools designed by the management. The results from the report of audit committee concluded that according to the evaluation of the internal control system in the area of 5 components, the internal control, the risk assessment, the operational control, the information system and data communication, and the monitoring system, the Company has implemented the appropriate and adequate internal control system. In addition, the organization has provided the employees sufficiently to operate the system effectively including the internal control system in regard to monitor the operations of its subsidiaries. As a result, it is able to protect the Company and its subsidiaries' interest from the Board or the executive who may have any concerns regarding any aspect of company business or may have a conflict of interest. With regard to other subjects of internal control, the audit committee has an opinion that the Company has implemented the adequate internal control as well.

The audit committee has appointed Mr. Akapan Nuanmuang, Corporate Director of Internal Audit office, to take the major responsibility for the Company's internal auditor according to his appropriate qualifications in terms of independence and experiencing in the operation of internal control. In addition, he had attended the course concerning the internal control.

The audit committee must approve decisions regarding the appointment, dismissal, and transfer of the chief audit executive.

### **Risk Management**

The Board of Directors has given precedence to the risk management in the overall organization based on a globally accepted standard of ISO 31000:2009 and The Committee of Sponsoring Organizations of the Treadway Commission (COSO) in order to manage risks to acceptable levels and monitor of the risk management process regularly. The Company has performed the Control Self-Assessment at all levels to work together to assess risks or associated uncertainty which may affect the Company's goal achievement including incidents that make the organization lost the business opportunities. In addition, the Company has the principles that if there are either internal or external risks affecting the business goal achievement, the Company will adopt the risk management approaches.

The Company has determined the risk management policy that all of executive and employees must follow. Moreover, the risk management has been encouraged as the organizational culture. The Company has established the risk management committee consisting of the senior executives of the company who are in charge of the overall risk management and the working group of internal procedures and risk management comprising of the mid-level executives from all of its business units in

order to responsible for the risk management. Their duties are to create and develop the operations following the effective risk management and internal control plans, to evaluate and monitor the operational results, and to report the progress of operational results to the risk management sub-committee.

In addition, the Company has evaluated the risks and obstacles that may have an effect on the operations together with assessing the adequate system of internal control in order to consider the guidelines for improving the operations to obtain the better operational performance with the coverage of the administration and management, marketing, selling, warehouses and logistics, human resources, purchasing and administrative services, financial and accounting, and credit. The Company has delegated to the executives who are in charge of each operation to monitor following the improvement guidelines including encouraging all relevant to adhere the guidelines for increasing the performance efficiency.

In 2013, the risk management committee's meeting has been held 4 times. The working group of internal procedures and risk management has also arranged the meeting, monthly and sub-meetings, with relevant department to reach consensus on the agreed conclusion for the instant improvement.



## Related Transactions

(1) Related Transactions between the Company and its subsidiaries and related persons incurred in 2013

[illegible]

Related Companies	Transaction Type	Description	Transaction	Value In 2013	Necessity and Rational
		contract of 1,515.60 square metres at Premier Place, owned by the Company, for the period of 3 years			under normal business conditions. Electricity is actual cost.
Infinite Green Co., Ltd.	Normal Business	Company <ul style="list-style-type: none"> <li>Rental and service contract of 130.74 square metres at Premier Place, owned by the Company, for the period of 3 years</li> </ul>	Common Directors	0.74	Rental and service are under normal business conditions. Electricity is actual cost.
Premier Fission capital Co., Ltd.	Normal Business	Company <ul style="list-style-type: none"> <li>Rental and service contract of 209 square metres at Premier Place, owned by the Company, for the period of 3 years</li> </ul>	Common Directors	1.37	Rental and service are under normal business conditions. Electricity is actual cost.
Professional Training Service Co., Ltd.	Normal Business	Subsidiary <ul style="list-style-type: none"> <li>Cost of Sales is the fee payable to Professional Training Service Co., Ltd. for provision of services for the JDE system to the customers of the subsidiary company</li> </ul>	Common Directors	2.67	Service fee are under normal business conditions.

Related Companies	Transaction Type	Description	Transaction	Value In 2013	Necessity and Rational
		arising from the corporate reorganization of the subsidiary.			
Premier Fission Capital Co., Ltd.	Support Normal Business	Subsidiary - Consulting fee is under management and business consultancy contract	Common Directors	6.33	Service fee is computed from the average actual cost of each business structure of Premier Fission Capital Co., Ltd's customer.
Premier Resorts and Hotels Co., Ltd/ Raya Heritage Co., Ltd.	Support normal business	Subsidiary - Hotel room complimentary for employees working from 15 – 20 years  - Account receivable	Common Directors	0.62  0.17	Price is under the normal business practice.
Premier Inter Leasing Co., Ltd.	Support normal business	Subsidiary - Rental for business used	Common Directors	0.24	Rental fee is under normal business practice
Professional Training Service Co., Ltd.	Support normal business	Subsidiary - Meeting Room for Training and service for project arrangement on staff development training. - Account payable	Common Directors	4.92  1.08	Price is under the normal business practice.

Related Companies	Transaction Type	Description	Transaction	Value In 2013	Necessity and Rational
Seri Properties Holding Co., Ltd.	Support normal business	Subsidiary - Meeting Room for Training and service for project arrangement on staff development training. - Account payable	Common Directors	4.92  1.08	Price is under the normal business practice.
Premier Home Appliance Co., Ltd.	Support normal business	Subsidiary - Service fee for the repair of the water cooler.	Common Directors	0.004	Service fee is under normal business conditions.
Premier Home Appliance Co., Ltd.	Support normal business	Subsidiary - Purchase water hotter-cooler.	Common Directors	0.004	Price is under the normal business practice.

### **Policy of Trends of Related Transaction in the Future**

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

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

## Financial Summary

### (1) Financial Information

(Unit: Million Baht)

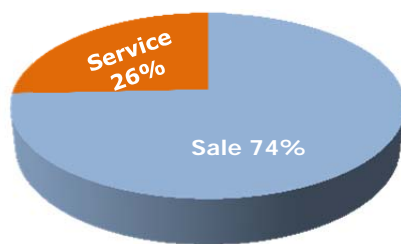
	2013	2012 (Restated)	2011
Total Assets	1,444.90	1,514.21	1,236.48
Total Liabilities	1,049.95	1,192.98	980.34
Total Shareholders' Equity	394.95	321.23	256.14
Sales and Services Revenues	2,595.88	2,205.21	1,841.02
Total Revenues	2,629.75	2,232.57	1,860.18
Gross Profit	662.30	558.49	501.55
Net Income (Loss)	115.11	75.71	51.33

### (2) Financial Ratio

	2013	2012 (Restated)	2011
Gross Profit Margin (%)	25.51	25.33	27.26
Net Profit Margin (%)	4.38	3.39	2.76
Return on Equity (%)	32.15	26.22	19.54
Return on Total Assets (%)	11.51	9.23	8.65
Net Income (Loss) per share (Baht)	0.58	0.20	0.32
Dividend per Share (Baht)	0.40	0.15	0.20

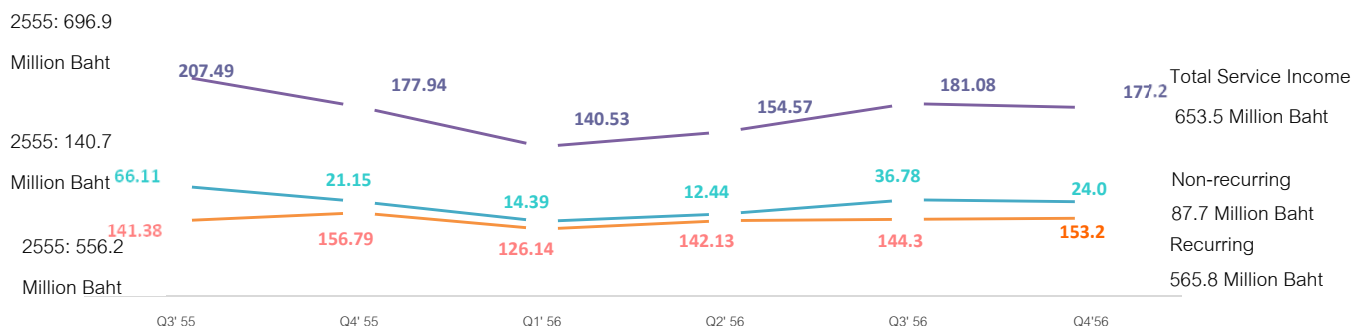
## Management's Discussion and Analysis: MD&A

The business of selling and servicing for computer and computer systems are growing continuously. For 2013, revenue from sales and services relating to computer and computer system increased 17.5 percent, nearly the Industry growth rate of 10-15 percent. Sales Revenue was the major income for the company, at 74 percent of the total revenue, especially investment in financial business, communication and entertainment. Subsidiary received orders for IT infrastructure products and network products since 2012 and continuing in 2013, while the growth for Multimedia products was not much as market competition in price, product and technology.



Revenue for 2013

Services relating to computer and computer system were likely to grow although they were affected by changing policy in sales and maintenance services of software's distributors. The Data Center Services tended to slow down since the projects occurred were large project which required high investment. Providing Data Center and Office Continuity, for subsidiary, are still ongoing as the effect of the uncertain political situation since the 4th quarter of 2013.



Revenue from Computer Services and Computer Systems in 2013

Rental business and services of the company were mainly served customers in the group of companies and is in the process of building renovation. In 2013, building renovation work has been completed in many systems. All renovations are expected to be completed by the year 2014.

## Operating Results for the 2013

Unit: Million Baht

Operating Results	For the year ended 31 December			
	2013	2012 (Restated)	Increase (decrease)	
			Amount	%
Operating Income	2,595.9	2,205.2	390.7	17.7%
Other Income	33.9	27.3	6.6	24.2%
Cost of sales and services	1,933.6	1,646.7	286.9	17.4%
Selling expenses	216.0	180.7	35.3	16.3%
Administrative expenses	309.6	277.7	31.9	10.3%
Finance cost	23.8	31.6	(7.8)	(24.7%)
Income tax expenses	31.0	19.8	11.2	56.6%
<b>Profit for the year</b>	<b>115.1</b>	<b>75.7</b>	<b>39.4</b>	<b>52.0%</b>
<b>Total comprehensive income for the year</b>	<b>116.3</b>	<b>75.7</b>		
<b>Earnings per share: Profit for the year</b>	<b>0.81</b>	<b>0.53</b>	<b>0.27</b>	

### Income from operations

#### Revenue from the sale of computer and computer system

Sales Revenue was 1,927.9 million baht, increasing by 428.2 million baht or 28.6 percent compared to last year because of continuous sales of IT Infrastructure products and Networking systems project, which has orders from late 2012 and continuing in 2013. While sales of Multimedia decreased due to the slow orders from customers and high competition in the market, both price and products, especially in the 2<sup>nd</sup> and 3<sup>rd</sup> quarter of the year 2013

#### Revenue from services relating to computer and computer system

Service revenue increased in 2013 but decreased from 2012. Service revenue for the year 2013 was 655.0 million baht, decreasing by 41.9 million baht or 6.3 percent compared to the last year. Service revenue decreased in 2013 due to a decline of non-recurring services. The recurring services increased by a small amount in Data Center and Maintenance service agreement since the customers purchased maintenance service contract instead of new investments. However, Software Maintenance decreased from last year as the result of changing policy in sales and maintenance services of software's distributors since the 1<sup>st</sup> quarter of 2013.

#### Income from rental and service

In Consolidated financial statements for the year 2013, the revenue from rental and services was 13.0 million baht, increasing 4.4 million baht from last year, due to adjusted rental and service charges, including the increased of tenants in October 2012.



## **Cost of Goods Sold**

### Cost of sales of computer and computer systems

Cost of sales for the year 2013 was 1,582.8 million baht, increasing by 355.5 million baht or 29.0 percent compared to last year, related to the increased sales and especially the imported products because of the exchange rate fluctuations in 2013 and the weak in baht compared to 2012.

### Cost of services relating to computer and computer system

Service costs for the year 2013 was 345 million baht, decreasing by 59.9 million baht or 14.8 percent from the year 2012, as the result of the cost savings from a number of service contracts increased (Economy of Scale) and depreciation of assets used in the services decreased.

### Cost of rental and services

Office rental costs in the consolidated financial statements for the year 2013 was 6.1 million baht, decreasing by 0.5 million baht, increased from the depreciation of the building renovation which completed by the leasehold improvements and decreased from the adjustment of depreciation rates accordingly.

## **Selling and administrative expenses**

### Sales of computer and computer system

Sales costs increased 35.3 million baht or 16.3 percent for the year 2013. Administration costs was 316.0 million baht, increased by 24.7 million baht or 8.5 percent, due to the employee increased, advertising and promotional, the allowance for doubtful accounts for the liabilities of the company policy.

### From rental and service

Administrative expenses increased by 2.1 million baht or 51.2 percent, mainly from the consulting engineers on the building renovation

## **Financial cost**

### Sales of computer and computer systems

Financial Costs for the year 2013 was 9.0 million baht, decreasing by 7.1 million baht, from the faster collection period which effected the repayment of loans from financial institutions continued in 2013 as well as credit institutions and financial institution offered lower interest rate.

### From rental and service

Interest expense was 17.3 million baht, by decreasing 0.3 million baht, due to the repayment of long-term loans from financial institutions under contract since May 2013.

## **Financial Status**

### Assets

The Company and its subsidiary have total assets worth 1,444.90 million baht, decreasing by 69.31 million baht or 4.57 percent due to the following changes:

- **Cash and cash equivalents /** bank deposit guarantees

Cash and cash equivalents decreased 23.0 million baht from from business transaction and bank deposits increased by 19.1 million baht

- **Net trade and other receivables**

Net trade and other receivables increased 81.5 million baht compared to the year of 2012 due to the sale and shipment for major projects in late December 2013 and drop-off receivables 3 cases which had provision for doubtful.

- **Inventories**

Inventories were 305.9 million baht, decreasing by 137.1 million baht due to delivery and installation in December 2012 and 1<sup>st</sup> quarter in 2013 in conjunction with the sale of about 6 days faster compared to the year 2012. (from 65 days to 59 days)

### **Liabilities**

The Company and its subsidiary have total liabilities of 1,049.95 million baht, decreasing by 143.03 million baht came due to the following changes:

- **Short-term loans from financial institutions**

The balance of short-term loans from financial institutions was 74.9 million baht, decreasing by 54.5 million baht, from the repayment of loans during the year and the improvement of working capital used in operations and short-term loans from financial institutions decreased.

- **Trade**

Trade and other payable decreased 66.1 million baht due to receive from the account payable in 1<sup>st</sup> quarter of 2013.

- **Long-term loans / current portion of long term loan**

The balance of long-term loans from financial institutions decreased 10.7 million baht, decrease of repayment loan of building renovation in May 2013 and re-classified to be current portion of long term loan. At December 31, 2013, the outstanding loans due within one year was 11.4 million baht

- **Long-term debt / current portion of long term loan**

The balance of long-term debt and current portion of long term loan decreased 15.6 million baht and 9.0 million baht respectively from the repayment of financing lease of assets and no new contract during the year

### **Shareholders' Equity**

Shareholders' equity as of December 31, 2013 was 394.9 million baht, increasing by 73.7 million baht due to profit was 116.3 million baht (net profit 115.1 baht million and Appropriated retained earnings 1.2 million baht) and a decrease of the dividend payment of 42.4 million baht (21.2 million baht dividend for 2012 and the interim dividend for 2013 of 21.2 million baht).

## Report of the Board of Director's Responsibilities for Financial Statements

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

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

The Board of Directors is of the opinion that the company's overall internal control is adequate and appropriate to be rationally confident that the company's financial statements and the consolidated financial statements for the year ended 31 December 2013 are reliable in accordance with the generally accepted accounting standards and accurate under the relevant laws and procedures.



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

## Report of the Audit Committee

The Audit Committee of Premier Technology Public Co., Ltd. consisted of 3 independent directors. The qualifications of all the three members meet with the regulations of the Securities and Exchange Commission (SEC) and Stock Exchange of Thailand, one of which is competent and has experience in accounting.

The Audit Committee well complies with the scope, duties and responsibilities as assigned by the Board of Directors, according to the Stock Exchange of Thailand's requirements. In 2013, the Audit Committee held a total 4 meetings, each committee member attended the meetings according to the following details.

Mr. Katiya Greigarn                      Chairman of the Audit Committee      attended 4/4 meetings  
(was appointed as the Chairman of the Audit Committee since December 20, 2013)

Mr. Suchai Vatanatrinnakul      Member of the Audit Committee      attended 4/4 meetings

Miss Naengnoi Chai-onnom      Member of the Audit Committee      attended - meetings  
(was appointed as the company's director since December 20, 2013, to replace Mr. Udom Chatayanond who passed away on July 31, 2013. In 2013, Mr. Udom Chatayanond attended the meeting of the Audit Committee 2 out of 4 times)

The Audit Committee also has meeting with all the Company's management, and both external and internal auditors, which could be summarized as the followings.

1. Quarterly reviewed the financial statements and annual financial statements already examined and verified by the external auditor, by reviewing them together with the executives and external auditor regarding the accuracy and completeness of the documents as well as the sufficiency of disclosure. The Audit Committee members gave their opinions in compliance with the external auditor that the Company's financial statements were appropriately accurate according to the generally accepted accounting standards. In addition, the Audit Committee considered and provided advice on improvement of the accounting practices of the Company and its subsidiaries so as to be in compliance with the new accounting standards that will be effective for accounting periods commencing on or after January 1, 2013.

2. Reviewed the adequacy of the internal control, following the monitor and evaluation guidelines set by the SEC. The Audit Committee's opinions were consistent with the internal audit; that the Company has adequate internal control and appropriate to the nature of the Company's business. The Audit Committee found no significant weaknesses or deficiencies.

3. Considered the internal audit plan, which covering both the Company and its subsidiaries; and also made recommendations to them to perform their jobs even more effectively and efficiently.

4. Reviewed the Company's compliance with the securities and exchange laws, Stock Exchange of Thailand's requirement and laws related to the Company's business; and the Audit Committee concluded that no significant issues regarding the non-compliance with such laws and requirements were found.

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

6. Reviewed compliance with the anti-corruption measures according to the Private Sector Collective Action Coalition against Corruption (CAC), as well as reviewed the internal control, the preparation of the financial statements and other processes related to the anti-corruption measures. In 2013, the Company is in process of preparing an anti-corruption manual and it will proceed to be certified as a member of the CAC by the CAC Council in the second quarter of 2014. For 2013, the Audit Committee has monitored the progress of such compliance and provided its opinions, and the internal audit unit has reviewed the preparation of the anti-corruption manual.

7. Considered the connected transactions and transactions which may cause conflicts of interest, in compliance with the laws and regulations of the Stock Exchange. The external auditor reviewed these items and found that they had all been sufficiently disclosed in the Company's financial statements. The Audit Committee was of the opinion with the external auditor, and agreed that the disclosures was reasonable and benefit to the Company.

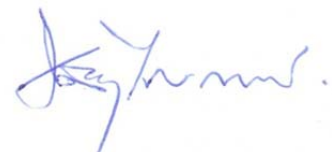
8. Reviewed and monitored, as assigned by the Board of Directors, the Company's corporate governance policy and provided recommendations for development of the Company's corporate governance.

9. Engaged in meetings with the external auditors without the presence of the Company's management, to ensure the external auditor's independence in operations, and considering the properties of the auditor, quality of the auditing team expertise and independent operations. The Audit Committee, seeing the external auditor's skill, efficiency and independence, had recommended the Board of Directors to nominate, in the Annual General Meeting of Shareholders, Ernst & Young Ltd. to be re-appointed as the Company's external auditor for the year 2013.

10. The Audit Committee also reported the result of such meeting and submitted its recommendations to the Board of Directors, in the Board's meeting.

The Audit Committee had performed its duties with prudence and independence and all opinions expressed were straightforward, transparent and verifiable in accordance with the principles of good corporate governance. The Audit Committee is of the opinion that the Company's financial information and disclosure of information are complete and reliable, consistent with generally accepted accounting principles. Risk management and internal control systems have been implemented effectively and appropriately. Internal audits are conducted independently on all high risk operating processes and the internal audit process conforms with the internal audit standards. In addition, there is appropriate supervision of the operation to ensure compliance with applicable laws and regulations consistent with the current business environment.

On behalf of Audit Committee



(Mr. Katiya Greigarn)

Chairman of the Audit Committee

## 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 2013, 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

In my opinion, the 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 2013, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

### Emphasis of matter

I draw attention to Note 4 to the financial statements regarding the change in accounting policy as the result of adoption of Thai Accounting Standard 12 *Income Taxes*. The Company has restated the consolidated and separate financial statements for the year ended 31 December 2012, presented herein as comparative information, to reflect the adjustments resulting from such change. The Company has also presented consolidated and separate statements of financial position as at 1 January 2012 as comparative information, using the newly adopted accounting policy for income taxes. My opinion is not qualified in respect of this matter.



Chonlaros Suntiasvaraporn  
Certified Public Accountant (Thailand) No. 4523

Ernst & Young Office Limited  
Bangkok: 19 February 2014

## Financial Report

Premier Technology Public Company Limited and its subsidiary

Statement of financial position

As at 31 December 2013

(Unit: Baht)

	Note	Consolidated financial statements			Separate financial statements		
		As at	As at	As at	As at	As at	As at
		31 December 2013	31 December 2012	1 January 2012	31 December 2013	31 December 2012	1 January 2012
			(Restated)				
<b>Assets</b>							
<b>Current assets</b>							
Cash and cash equivalents	8	31,768,666	54,759,568	10,632,603	836,619	2,150,626	449,052
Current investments		70,978	41,986	1,212,109	70,978	41,986	1,212,109
Trade and other receivables	9	521,372,418	439,902,853	376,606,881	-	1,942,040	541,033
Prepaid service cost		86,716,875	68,769,383	96,745,574	-	-	-
Dividend receivable from subsidiary		-	-	-	-	-	26,999,460
Short-term loan to related party	7	-	-	-	-	33,399,202	-
Inventories	10	305,951,661	442,980,612	215,371,870	-	-	-
Work in progress		33,334,311	31,582,186	33,293,880	-	-	-
Other current assets	11	25,614,658	28,825,257	47,151,188	5,612,879	3,365,599	1,040,328
<b>Total current assets</b>		<b>1,004,829,567</b>	<b>1,066,861,845</b>	<b>781,014,105</b>	<b>6,520,476</b>	<b>40,899,453</b>	<b>30,241,982</b>
<b>Non-current assets</b>							
Restricted bank deposits	12	51,789,061	32,757,545	48,511,696	1,203,100	1,203,100	-
Investment in subsidiary	13	-	-	-	222,726,261	152,726,861	152,726,861
Investment in associate	14	-	897,516	1,184,521	-	1,383,701	1,383,701
Investment properties	15	159,031,474	154,490,264	175,463,110	264,115,696	256,573,762	254,008,232
Property, plant and equipment	16	199,204,215	225,298,374	204,368,323	281,793	357,913	10,887
Intangible assets	17	10,109,334	11,428,234	10,727,294	-	-	-
Deferred tax assets	25	5,276,414	5,802,576	3,578,169	-	-	-
Other non-current assets		14,658,661	16,674,223	15,213,599	-	-	-
<b>Total non-current assets</b>		<b>440,069,159</b>	<b>447,348,732</b>	<b>459,046,712</b>	<b>488,326,850</b>	<b>412,245,337</b>	<b>408,129,681</b>
<b>Total assets</b>		<b>1,444,898,726</b>	<b>1,514,210,577</b>	<b>1,240,060,817</b>	<b>494,847,326</b>	<b>453,144,790</b>	<b>438,371,663</b>

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 2013

(Unit: Baht)

		Consolidated financial statements			Separate financial statements		
		As at	As at	As at	As at	As at	As at
	Note	31 December 2013	31 December 2012	1 January 2012	31 December 2013	31 December 2012	1 January 2012
		(Restated)					
<b>Liabilities and shareholders' equity</b>							
<b>Current liabilities</b>							
Short-term loans from financial institutions	18	74,917,938	129,445,430	140,429,141	-	-	-
Trade and other payables	19	574,756,237	640,851,446	383,077,497	4,344,883	2,573,498	2,673,216
Advances received for goods and services		92,594,346	106,298,526	145,698,270	-	-	-
Short-term loan from related party	7	-	-	-	2,500,000	-	2,372,700
Current portion of long-term loans	20	11,424,733	7,592,915	2,140,000	11,424,733	7,592,915	-
Current portion of long-term liabilities	21	26,188,797	35,251,565	30,648,650	-	-	-
Income tax payable		1,105,399	-	5,245,990	-	-	-
Other current liabilities		32,831,345	18,908,727	25,874,431	2,799,395	3,629,655	79,136
<b>Total current liabilities</b>		<b>813,818,795</b>	<b>938,348,609</b>	<b>733,113,979</b>	<b>21,069,011</b>	<b>13,796,068</b>	<b>5,125,052</b>
<b>Non-current liabilities</b>							
Long-term loans - net of current portion	20	175,665,487	186,407,085	194,000,000	175,665,487	186,407,085	194,000,000
Long-term liabilities - net of current portion	21	14,545,879	30,127,137	20,812,664	-	-	-
Provision for long-term employee benefits	22	44,654,983	38,100,168	32,166,437	-	-	-
Other non-current liabilities		1,264,874	-	252,000	4,905,411	-	-
<b>Total non-current liabilities</b>		<b>236,131,223</b>	<b>254,634,390</b>	<b>247,231,101</b>	<b>180,570,898</b>	<b>186,407,085</b>	<b>194,000,000</b>
<b>Total liabilities</b>		<b>1,049,950,018</b>	<b>1,192,982,999</b>	<b>980,345,080</b>	<b>201,639,909</b>	<b>200,203,153</b>	<b>199,125,052</b>

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 2013

(Unit: Baht)

	Consolidated financial statements			Separate financial statements		
	As at	As at	As at	As at	As at	As at
	Note 31 December 2013	31 December 2012	1 January 2012	31 December 2013	31 December 2012	1 January 2012
		(Restated)				
<b>Shareholders' equity</b>						
Share capital						
Registered						
142,440,489 ordinary shares of Baht 1 each	142,440,489	142,440,489	142,440,489	142,440,489	142,440,489	142,440,489
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	141,944,471	141,944,471
Company's shares held by subsidiary	(230,175)	(230,175)	(230,175)	-	-	-
Retained earnings						
Appropriated - statutory reserve	23 14,194,447	10,820,000	9,420,000	14,194,447	10,820,000	9,420,000
Unappropriated	239,039,965	168,693,282	108,581,441	137,068,499	100,177,166	87,882,140
<b>Total shareholders' equity</b>	<b>394,948,708</b>	<b>321,227,578</b>	<b>259,715,737</b>	<b>293,207,417</b>	<b>252,941,637</b>	<b>239,246,611</b>
<b>Total liabilities and shareholders' equity</b>	<b>1,444,898,726</b>	<b>1,514,210,577</b>	<b>1,240,060,817</b>	<b>494,847,326</b>	<b>453,144,790</b>	<b>438,371,663</b>
	-	-	-	-	-	-

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

Premier Technology Public Company Limited and its subsidiary

Statement of comprehensive income

For the year ended 31 December 2013

(Unit: Baht)

		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>Note</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
<b>Profit or loss:</b>					
<b>Revenues</b>					
Sales		1,927,899,340	1,499,675,296	-	-
Rental and service income		667,978,373	705,539,247	43,195,921	28,089,033
Dividend income	13	-	-	83,998,320	39,899,202
Other income		33,879,336	27,358,443	2,459,403	2,011,037
<b>Total revenues</b>		<u>2,629,757,049</u>	<u>2,232,572,986</u>	<u>129,653,644</u>	<u>69,999,272</u>
<b>Expenses</b>					
Cost of sales and services		1,933,578,467	1,646,722,218	23,312,016	20,473,195
Selling expenses		215,953,581	180,681,614	-	-
Administrative expenses		309,627,769	277,735,580	6,231,715	4,082,939
<b>Total expenses</b>		<u>2,459,159,817</u>	<u>2,105,139,412</u>	<u>29,543,731</u>	<u>24,556,134</u>
<b>Profit before share of loss from investment in associate, finance cost and income tax expenses</b>					
Share of loss from investment in associate	14.2	(656,994)	(287,005)	-	-
<b>Profit before finance cost and income tax expenses</b>					
Finance cost		(23,848,687)	(31,646,513)	(17,260,792)	(17,553,665)
<b>Profit before income tax expenses</b>					
Income tax expenses	25	(30,982,549)	(19,793,768)	-	-
<b>Profit for the year</b>		<u>115,109,002</u>	<u>75,706,288</u>	<u>82,849,121</u>	<u>27,889,473</u>
<b>Other comprehensive income:</b>					
Actuarial gains	22	1,494,336	-	-	-
Income tax effect	25	(298,867)	-	-	-
<b>Other comprehensive income for the year</b>		<u>1,195,469</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total comprehensive income for the year</b>		<u>116,304,471</u>	<u>75,706,288</u>	<u>82,849,121</u>	<u>27,889,473</u>
<b>Basic earnings per share</b>	27				
Profit for the year		<u>0.81</u>	<u>0.53</u>	<u>0.58</u>	<u>0.20</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 2013**

(Unit: Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
<b>Cash flows from operating activities</b>				
Profit before tax	146,091,551	95,500,056	82,849,121	27,889,473
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Doubtful accounts (reversal)	6,327,125	(1,954,334)	-	-
Reduce cost of inventory to net realisable value (reversal)	(373,538)	136,908	-	-
Depreciation	55,442,159	60,244,495	6,251,059	5,760,311
Loss on sales of equipment	349,838	5,149,391	-	-
Amortisation of intangible assets	1,318,900	880,382	-	-
(Gain) loss on sales of investment in associated company	(24,678)	-	1,118,501	-
Share of loss from investment in associated company	656,994	287,005	-	-
Amortisation of prepaid rental expenses	999,629	1,818,075	-	-
Reversal of allowance for impairment loss on assets	-	(1,953,156)	-	-
Long-term employee benefits expenses	8,049,151	5,933,731	-	-
Income from investment - dividend received from investment in subsidiary	-	-	(83,998,320)	(39,899,202)
Interest income	(883,520)	-	(2,408,296)	-
Interest expenses	23,848,687	31,646,513	17,260,792	17,553,665
Profit from operating activities before changes in operating assets and liabilities	241,802,298	197,689,066	21,072,857	11,304,247
(Increase) decrease in operating assets				
Trade and other receivables	(87,796,691)	(61,341,637)	-	-
Prepaid service cost	(17,947,492)	27,976,191	-	-
Inventories	137,402,489	(227,745,650)	-	-
Work in progress	(1,096,343)	10,615,042	-	-
Other current assets	4,769,267	24,878,841	1,253,427	(3,043,037)
Other non-current assets	1,015,933	(1,325,542)	-	-
Increase (decrease) in operating liabilities				
Trade and other payables	(66,095,209)	257,773,949	1,798,145	(99,718)
Advances received for goods and services	(13,704,180)	(39,399,744)	-	-
Other current liabilities	13,327,515	(7,587,567)	(830,260)	3,550,519
Other non-current liabilities	1,264,874	(252,000)	4,905,411	-
Cash flows from operating activities	212,942,461	181,280,949	28,199,580	11,712,011
Cash paid for interest expenses	(23,253,584)	(31,024,650)	(17,287,552)	(17,553,665)
Cash paid for income tax	(31,208,523)	(33,817,075)	(1,558,668)	(683,240)
<b>Net cash flows from (used in) operating activities</b>	<b>158,480,354</b>	<b>116,439,224</b>	<b>9,353,360</b>	<b>(6,524,894)</b>

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 2013**

(Unit: Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
<b>Cash flows from investing activities</b>				
(Increase) decrease in current investments	(28,991)	1,170,122	(28,991)	1,170,122
(Increase) decrease in short-term loan to related party	-	-	33,399,202	-33,399,202
(Increase) decrease in restricted bank deposits	(19,031,516)	15,754,151	-	(1,203,100)
Acquisition and renovation of investment properties	(8,259,314)	(5,006,624)	(13,716,873)	(8,314,883)
Acquisition of equipment	(14,668,575)	(13,083,320)	-	(357,984)
Proceeds from sales of equipment	226,201	218,755	-	-
Cash paid for acquisition of intangible assets	-	(1,581,322)	-	-
Dividend received from investment in subsidiary	-	-	83,998,320	66,898,662
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	-
<b>Net cash flows from (used in) investing activities</b>	<b>(40,613,475)</b>	<b>(2,528,238)</b>	<b>36,325,754</b>	<b>24,793,615</b>
<b>Cash flows from financing activities</b>				
Decrease in short-term loans				
from financial institutions	(54,527,492)	(10,983,711)	-	-
Increase (decrease) in short-term loan from related party	-	-	2,500,000	(2,372,700)
Repayment of long-term loans	(6,909,780)	(2,140,000)	(6,909,780)	-
Repayment of long-term liabilities	(36,837,168)	(42,465,863)	-	-
Dividend paid	(42,583,341)	(14,194,447)	(42,583,341)	(14,194,447)
<b>Net cash flows used in financing activities</b>	<b>(140,857,781)</b>	<b>(69,784,021)</b>	<b>(46,993,121)</b>	<b>(16,567,147)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(22,990,902)</b>	<b>44,126,965</b>	<b>(1,314,007)</b>	<b>1,701,574</b>
Cash and cash equivalents at beginning of the year	54,759,568	10,632,603	2,150,626	449,052
<b>Cash and cash equivalents at end of the year</b>	<b>31,768,666</b>	<b>54,759,568</b>	<b>836,619</b>	<b>2,150,626</b>
	-	-	-	-
<b>Supplementary disclosures of cash flows information:</b>				
Non-cash items				
Assets acquired under finance lease agreements	12,193,142	56,383,250	-	-
Transfers of investment properties to property, plant and equipment	-	22,517,623	-	-

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 2013

(Unit: Baht)

Consolidated financial statements					
Note	Issued and paid-up share capital	Company's shares held by subsidiary	Retained earnings		Total shareholders' equity
			Appropriated - statutory reserve	Unappropriated	
<b>Balance as at 1 January 2012 - as previously reported</b>	141,944,471	(230,175)	9,420,000	105,003,272	256,137,568
Cumulative effect of change in accounting policy for deferred tax	4	-	-	3,578,169	3,578,169
<b>Balance as at 1 January 2012 - as restated</b>	141,944,471	(230,175)	9,420,000	108,581,441	259,715,737
Dividend paid	30	-	-	(14,194,447)	(14,194,447)
Total comprehensive income for the year - restated		-	-	75,706,288	75,706,288
Unappropriated retained earnings transferred to statutory reserve	23	-	1,400,000	(1,400,000)	-
<b>Balance as at 31 December 2012 - as restated</b>	<u>141,944,471</u>	<u>(230,175)</u>	<u>10,820,000</u>	<u>168,693,282</u>	<u>321,227,578</u>
					-
<b>Balance as at 1 January 2013 - as previously reported</b>	141,944,471	(230,175)	10,820,000	162,890,706	315,425,002
Cumulative effect of change in accounting policy for deferred tax	4	-	-	5,802,576	5,802,576
<b>Balance as at 1 January 2013 - as restated</b>	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	(3,374,447)	-
<b>Balance as at 31 December 2013</b>	<u>141,944,471</u>	<u>(230,175)</u>	<u>14,194,447</u>	<u>239,039,965</u>	<u>394,948,708</u>

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

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**Premier Technology Public Company Limited and its subsidiary**  
**Statement of changes in shareholders' equity (continued)**  
**For the year ended 31 December 2013**

(Unit: Baht)

	Note	Separate financial statements		
		Issued and paid-up share capital	Retained earnings Appropriated - statutory reserve	Unappropriated
				Total shareholders' equity
<b>Balance as at 1 January 2012</b>		141,944,471	9,420,000	87,882,140
Dividend paid	30	-	-	(14,194,447)
Total comprehensive income for the year		-	-	27,889,473
Unappropriated retained earnings transferred to statutory reserve	23	-	1,400,000	(1,400,000)
<b>Balance as at 31 December 2012</b>		<u>141,944,471</u>	<u>10,820,000</u>	<u>100,177,166</u>
				-
<b>Balance as at 1 January 2013</b>		141,944,471	10,820,000	100,177,166
Dividend paid	30	-	-	(42,583,341)
Total comprehensive income for the year		-	-	82,849,121
Unappropriated retained earnings transferred to statutory reserve	23	-	3,374,447	(3,374,447)
<b>Balance as at 31 December 2013</b>		<u>141,944,471</u>	<u>14,194,447</u>	<u>137,068,499</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 2013**

**1. General information**

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	
			2013 Percent	2012 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 and associate under the cost method, have been prepared solely for the benefit of the public.



### 3. New accounting standards

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

#### (a) Accounting standards that became effective in the current accounting year

Accounting standards:

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

Financial Reporting Standard:

TFRS 8	Operating Segments
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Accounting Standard Interpretations:

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

Accounting Treatment Guidance for Transfers of Financial Assets

These accounting standards, financial reporting standard, accounting standard interpretations and accounting treatment guidance do not have any significant impact on the financial statements, except for the following accounting standard.

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

This accounting standard requires an entity to identify temporary differences between the carrying amount of an asset or liability in the statement of financial position and its tax base and recognise the tax effects as deferred tax assets or liabilities subjecting to certain recognition criteria. The Company and its subsidiary have changed this accounting policy in this current year and restated the prior year's financial statements, presented as comparative information, as though the Company and its subsidiary had initially recognised the tax effects as deferred tax assets or liabilities. The cumulative effect of this change in accounting policy has been presented in Note 4 to the financial statements.

**(b) Accounting standards that will become effective in the future**

		<u>Effective date</u>
Accounting Standards:		
TAS 1 (revised 2012)	Presentation of Financial Statements	1 January 2014
TAS 7 (revised 2012)	Statement of Cash Flows	1 January 2014
TAS 12 (revised 2012)	Income Taxes	1 January 2014
TAS 17 (revised 2012)	Leases	1 January 2014
TAS 18 (revised 2012)	Revenue	1 January 2014
TAS 19 (revised 2012)	Employee Benefits	1 January 2014
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates	1 January 2014
TAS 24 (revised 2012)	Related Party Disclosures	1 January 2014
TAS 28 (revised 2012)	Investments in Associates	1 January 2014
TAS 31 (revised 2012)	Interests in Joint Ventures	1 January 2014
TAS 34 (revised 2012)	Interim Financial Reporting	1 January 2014
TAS 38 (revised 2012)	Intangible Assets	1 January 2014
Financial Reporting Standards:		
TFRS 2 (revised 2012)	Share-based Payment	1 January 2014
TFRS 3 (revised 2012)	Business Combinations	1 January 2014
TFRS 4	Insurance Contracts	1 January 2016
TFRS 5 (revised 2012)	Non-current Assets Held for Sale and Discontinued Operations	1 January 2014
TFRS 8 (revised 2012)	Operating Segments	1 January 2014
Accounting Standard Interpretations:		
TSIC 15	Operating Leases - Incentives	1 January 2014
TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	1 January 2014
TSIC 29	Service Concession Arrangements: Disclosures	1 January 2014
TSIC 32	Intangible Assets - Web Site Costs	1 January 2014
Financial Reporting Standard Interpretations:		
TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	1 January 2014
TFRIC 4	Determining whether an Arrangement contains a Lease	1 January 2014
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	1 January 2014
TFRIC 7	Applying the Restatement Approach under TAS 29 <i>Financial Reporting in Hyperinflationary Economies</i>	1 January 2014
TFRIC 10	Interim Financial Reporting and Impairment	1 January 2014
TFRIC 12	Service Concession Arrangements	1 January 2014
TFRIC 13	Customer Loyalty Programmes	1 January 2014
TFRIC 17	Distributions of Non-cash Assets to Owners	1 January 2014
TFRIC 18	Transfers of Assets from Customers	1 January 2014

At present, the management of the Company has assessed the effect of the above accounting standard, financial reporting standard, accounting standard interpretations

and financial reporting standard interpretations and believes that they will not have any effect to the financial statements of the year in which they are initially applied

#### 4. Cumulative effect of changes in accounting policies due to the adoption of new accounting standard

During the current year, the Company and its subsidiary made the changes described in Note 3 to the financial statements to its significant accounting policies, as a result of the adoption of Thai Accounting Standard 12 Income Taxes. The cumulative effect of the changes in the accounting policies has been separately presented in the statements of changes in shareholders' equity.

The amounts of adjustments affecting the statements of financial position and the statements of comprehensive income are summarised below.

		(Unit: Thousand Baht)					
		As at 31 December 2013		As at 31 December 2012		As at 1 January 2012	
		Consolidated	Separate	Consolidated	Separate	Consolidated	Separate
		financial	financial	financial	financial	financial	financial
		statements	statements	statements	statements	statements	statements
<b>Statements of financial position</b>							
Increase in deferred tax assets	5,276	-	5,802	-	3,578	-	
Increase in unappropriated retained earnings	5,276	-	5,802	-	3,578	-	

		(Unit: Thousand Baht)			
		For the year ended		For the year ended	
		31 December 2013		31 December 2012	
		Consolidated	Separate	Consolidated	Separate
		financial	financial	financial	financial
		statements	statements	statements	statements
<b>Statements of comprehensive income</b>					
<b>Profit or loss:</b>					
Increase (decrease) in income tax	227	-	(2,224)	-	
Increase (decrease) in profit for the year	(227)	-	2,224	-	
Increase (decrease) in basic earnings per share (Baht/share)	(0.002)	-	0.016	-	
<b>Other comprehensive income:</b>					
Income tax effect - actuarial gains	299	-	-	-	

#### 5. Significant accounting policies

##### 5.1 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.

**5.2 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.

**5.3 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.

**5.4 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.

**5.5 Investments**

- a) Investment in associate is accounted for in the consolidated financial statements using the equity method.
- b) Investments in subsidiary and associate are 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.

**5.6 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.

#### 5.7 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.

#### 5.8 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.

#### 5.9 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.

#### 5.10 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.

#### 5.11 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.

#### 5.12 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.

#### 5.13 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.

#### **5.14 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.

#### **5.15 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.

#### **6. 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.

### **7. 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 financial statements		Separate financial statements		Pricing policy
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	
<u>Transactions with</u> <u>subsidiary</u> (eliminated from the					



(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		Pricing policy
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	
consolidated financial statements)					
Rental and service income	-	-	30	20	Contract price, which is price in the ordinary course of business
Interest income	-	-	2	2	9% per annum
<u>Transactions with related companies</u>					
Sales and service income	51	53	-	-	Note 7.1
Rental and service income	13	8	13	8	Contract price, which is price in the ordinary course of business
Cost of sales and services	3	15	-	-	Contract price, which is price in the ordinary course of business
Administrative expenses	16	18	2	2	Contract price, which is price in the ordinary course of business

- 7.1 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 2013 and 2012 between the Company and those related parties are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
<b><u>Trade receivables - related parties (Note 9)</u></b>				
Related companies (related by common directors)	5,048	3,098	-	-
<b><u>Other receivables-related party (Note 9)</u></b>				
Subsidiary	-	-	-	1,942
<b><u>Amounts due to related parties (Note 19)</u></b>				
Subsidiary	-	-	5	-
Related companies (related by common directors)	6,052	1,837	-	15
	6,052	1,837	5	15

**Loan to related party and loan from related party**

As at 31 December 2013 and 2012, the balance of loan to and loan from between the Company and the related party and the movement are as follows:

(Unit: Thousand Baht)

		Separate financial statements			
		Balance as at	During the year		Balance as at
Related by		31 December 2012	Increase	Decrease	31 December 2013
<b><u>Short-term loan to related party</u></b>					
Datapro Computer Systems Company Limited	Subsidiary	33,399	83,998	(117,397)	-
<b><u>Short-term loan from related party</u></b>					
Datapro Computer Systems Company Limited	Subsidiary	-	2,500	-	2,500

**Short-term loan to related party**

Short-term loan to 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 9 percent per annum. During the year 2013, the Company received all payment of such loan.

### **Short-term loan from related party**

Short-term loan from Datapro Computer Systems Company Limited represents the loan in form of promissory note of Baht 2.5 million due for repayment at call and carrying interest at the rate of 7.48 percent per annum.

### **Directors and management's benefits**

During the years ended 31 December 2013 and 2012, 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>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Short-term employee benefits	30	25	1	1
Post-employment benefits	2	1	-	-
Total	32	26	1	1

## **8. Cash and cash equivalents**

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Cash	105	108	5	5
Bank deposits	31,664	54,652	832	2,146
Total	31,769	54,760	837	2,151

As at 31 December 2013, bank deposits in saving accounts carried interests between 0.13 and 0.85 percent per annum (2012: between 0.60 and 0.63 percent per annum).

## 9. Trade and other receivables

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	<u>2013</u>	<u>2012</u>
<u>Trade receivables - related parties</u> (Note 7)		
Aged on the basis of due dates		
Not yet due	438	1,002
Past due		
Up to 3 months	2,949	2,028
3 - 6 months	1,107	-
6 - 12 months	554	68
Total trade receivables - related parties	<u>5,048</u>	<u>3,098</u>
<u>Trade receivables - unrelated parties</u>		
Aged on the basis of due dates		
Not yet due	344,208	277,165
Past due		
Up to 3 months	122,803	97,339
3 - 6 months	20,215	49,385
6 - 12 months	21,851	7,134
Over 12 months	15,800	10,080
Total	<u>524,877</u>	<u>441,103</u>
Less: Allowance for doubtful debts	(16,377)	(10,050)
Total trade receivables - unrelated parties, net	<u>508,500</u>	<u>431,053</u>
Total trade receivable - net	<u>513,548</u>	<u>434,151</u>
<u>Other receivables</u>		
Other receivables	10,201	10,201
Accrued income	7,824	5,752
Total	<u>18,025</u>	<u>15,953</u>
Less: Allowance for doubtful debts	(10,201)	(10,201)
Total other receivables - net	<u>7,824</u>	<u>5,752</u>
Total trade and other receivables - net	<u>521,372</u>	<u>439,903</u>

(Unit: Thousand Baht)

Separate

financial statements

	<u>2013</u>	<u>2012</u>
<u>Other receivables</u>		
Other receivables-related party (Note 7)	-	1,942
Total other receivables	-	1,942

The balance of trade receivables as at 31 December 2013 included trade receivables amounting to Baht 33 million (2012: Baht 112 million) 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>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Finished goods	39,290	134,542	(1,401)	(1,775)	37,889	132,767
Goods under installation	194,315	265,439	-	-	194,315	265,439
Goods in transit	73,748	44,775	-	-	73,748	44,775
Total	<u>307,353</u>	<u>444,756</u>	<u>(1,401)</u>	<u>(1,775)</u>	<u>305,952</u>	<u>442,981</u>

## 11. Other current assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Withholding tax deducted at source	7,757	6,694	2,384	825
Prepaid expenses	13,436	12,989	347	386
Others	4,422	9,142	2,882	2,155
Total other current assets	<u>25,615</u>	<u>28,825</u>	<u>5,613</u>	<u>3,366</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:

(Unit: Thousand Baht)

Company's	Paid-up capital		Shareholding percentage		Cost		Dividend received during the year	
	2013	2012	2013	2012	2013	2012	2013	2012
			(%)	(%)				
Datapro Computer Systems Company Limited	100,000	30,000	100	100	325,887	255,887	83,998	39,899
Less: Allowance for impairment of investment in subsidiary					(103,160)	(103,160)		
Investment in subsidiary - net					<u>222,727</u>	<u>152,727</u>		

On 3 June 2013, the extraordinary general meeting of shareholders of Datapro Computer Systems Company Limited approved the increase of its registered capital by Baht 30 million (300,000 ordinary shares of Baht 100 each) to Baht 100 million (1,000,000 ordinary shares of Baht 100 each), through the issuance of 700,000 additional ordinary shares with a par value of Baht 100 each, for offer to existing shareholders of the subsidiary. The subsidiary registered the increase of its capital with the Ministry of Commerce on 21 June 2013 and received such share subscription in full.

In April 2013, the annual general meeting of shareholders of subsidiary approved the payment of a dividend for the year 2012 of approximately Baht 84 million to the shareholders at Baht 280 per share. The subsidiary paid such dividend in May 2013.

In June 2012, a meeting of subsidiary's Board of Directors approved the payment of an interim dividend for 2012 of approximately Baht 40 million to the shareholders at Baht 133 per share. The subsidiary paid such dividend in June 2012.

## 14. Investment in associate

### 14.1 Details of associate:

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Consolidated financial statements					
			Shareholding percentage		Cost		Carrying amounts based on equity method	
			<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
			(%)	(%)				
Advance Cyber Technology Company Limited	Service	Thailand	-	26	-	5,200	-	898

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Separate financial statements							
			Shareholding		Cost		Allowance for impairment of		Carrying amounts based on	
			percentage				investment		cost method - net	
			<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
			(%)	(%)						
Advance Cyber Technology Company Limited	Service	Thailand	-	26	-	5,200	-	(3,816)	-	1,384

On 7 August 2013, the Company's Board of Directors meeting had a resolution approving the sales of all investment in Advance Cyber Technology Company Limited at a price of Baht 0.3 million to an unrelated person. The Company sold such investment in September 2013.

#### 14.2 Share of profit/loss

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

(Unit: Thousand Baht)

Company's name	Consolidated financial statements	
	Share of loss from investment in associate	
	during the year	
	2013	2012
Advance Cyber Technology Company Limited	(657)	(287)

#### 15. Investment properties

The net book value of investment properties as at 31 December 2013 and 2012 are presented below.

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

	Consolidated financial statements	(Unit: Thousand Baht) Separate financial statements
	Land and office building	Land and office building
31 December 2012		
Cost	158,744	263,470
Less Accumulated depreciation	(4,254)	(6,896)
Net book value	154,490	256,574



A reconciliation of the net book value of investment properties for the year 2013 and 2012 are presented below.

(Unit: Thousand Baht)

	For the years ended 31 December		Separate	
	Consolidated		financial statements	
	financial statements		financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Net book value at beginning of year	154,490	175,463	256,574	254,008
Transfers of investment properties to property				
and plant	-	(22,518)	-	-
Renovation of office building	8,259	5,007	13,717	8,315
Depreciation charged	(3,718)	(3,462)	(6,175)	(5,749)
Net book value at end of year	<u>159,031</u>	<u>154,490</u>	<u>264,116</u>	<u>256,574</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 2013 and 2012 stated below.

(Unit: Thousand Baht)

	<u>2013</u>	<u>2012</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.

## 16. Property, plant and equipment

(Unit: Thousand Baht)

### Consolidated financial statements

	Land	Building	Furniture, fixtures and equipment	Computer and equipment	Motor vehicles	Assets under installation	Total
<b>Cost:</b>							
1 January 2012	43,440	35,460	128,732	310,229	1,590	2,866	522,317
Additions	-	-	3,709	46,106	-	10,748	60,563
Disposals	-	-	(6,048)	(61,670)	-	-	(67,718)
Transfers in (out)	-	977	8,560	-	-	(9,537)	-
Transfers of investment properties to property and plant	12,454	10,063	-	-	-	-	22,517
31 December 2012	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
<b>Accumulated depreciation:</b>							
1 January 2012	-	355	71,696	245,192	706	-	317,949
Depreciation for the year	-	2,287	13,215	41,066	215	-	56,783
Depreciation on disposals	-	-	(5,933)	(56,418)	-	-	(62,351)
31 December 2012	-	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
<b>Net book value:</b>							
31 December 2012	55,894	43,858	55,975	64,825	669	4,077	225,298
31 December 2013	55,894	45,329	46,951	46,714	455	3,861	199,204
<b>Depreciation for the year:</b>							
2012 (Baht 28 million included in service cost, and the balance in administrative expenses)							56,783
2013 (Baht 25 million included in service cost, and the balance in administrative expenses)							51,724

## 16. Property, plant and equipment (continued)

(Unit: Thousand Baht)

Separate  
financial statements  
Furniture and  
office equipment

### Cost:

1 January 2012	31
Additions	358
31 December 2012	389
31 December 2013	389

### Accumulated depreciation:

1 January 2012	20
Depreciation for the year	11
31 December 2012	31
Depreciation for the year	76
31 December 2013	107

### Net book value:

31 December 2012	358
31 December 2013	282

### Depreciation for the year (include in administrative expenses):

2012	11
2013	76

As at 31 December 2013 and 2012, 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 2013, the subsidiary had equipment under finance lease agreements with net book values amounting to Baht 33 million (2012: Baht 73 million).

As at 31 December 2013, 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 244 million (2012: Baht 232 million).

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

## 17. 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 2013	
Cost	13,188
<u>Less</u> Accumulated amortisation	(3,079)
Net book value	10,109
As at 31 December 2012	
Cost	13,188
<u>Less</u> Accumulated amortisation	(1,760)
Net book value	11,428

A reconciliation of the net book value of intangible assets for the years 2013 and 2012 is presented below.

	(Unit: Thousand Baht) Consolidated financial statements	
	<u>2013</u>	<u>2012</u>
Net book value at beginning of year	11,428	10,727
Development costs	-	1,581
Amortisation	(1,319)	(880)
Net book value at end of year	10,109	11,428

## 18. Short-term loans from financial institutions

		(Unit: Thousand Baht) Consolidated financial statements	
	Interest rate (percent per annum)	<u>2013</u>	<u>2012</u>
Short-term loans from banks	MLR, MLR+0.25	-	28,198
Trust receipts	MOR - 1.5	44,974	-
Accounts payable - factoring companies (Note 9)	7.48 and 7.75	29,944	101,247
Total		74,918	129,445

Short-term loans from banks and trust receipt of the subsidiary are secured by the pledge of bank deposits of the subsidiary.

## 19. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Trade payables - unrelated parties	425,820	531,325	-	-
Amounts due to related parties (Note 7)	6,052	1,837	5	15
Accrued expenses	142,884	107,689	4,340	2,558
Total trade and other payables	<u>574,756</u>	<u>640,851</u>	<u>4,345</u>	<u>2,573</u>

## 20. Long-term loans

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Long-term loans	187,090	194,000	187,090	194,000
Less: Current portion	<u>(11,425)</u>	<u>(7,593)</u>	<u>(11,425)</u>	<u>(7,593)</u>
Long-term loans - net of current portion	<u>175,665</u>	<u>186,407</u>	<u>175,665</u>	<u>186,407</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		
	2013	2012
Liabilities under finance lease agreements	42,606	70,081
Less: Deferred interest expenses	(1,871)	(4,702)
	40,735	65,379
Less: Current portion	(26,189)	(35,252)
Long-term liabilities - net of current portion	14,546	30,127

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 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	26	15	41

(Unit: Million Baht)			
As at 31 December 2012			
Less than			
	1 year	1-3 years	Total
Future minimum lease payments	38	32	70
Deferred interest expenses	(3)	(2)	(5)
Present value of future minimum lease payments	35	30	65

## 22. Provision for long-term employee benefits

Provision for long-term employee benefits which is compensations on employees' retirement, was as follows:

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	<u>2013</u>	<u>2012</u>
<b>Provision for long-term employee benefits at beginning of year</b>	38,100	32,166
Current service cost	3,548	4,521
Interest cost	1,578	1,413
Increase in past service cost	2,923	-
Actuarial gains	(1,494)	-
<b>Provision for long-term employee benefits at end of year</b>	<u>44,655</u>	<u>38,100</u>

Long-term employee benefit expenses presented in administrative expenses which included in the profit or loss for the year ended 31 December 2013 amounted to Baht 8 million (2012: Baht 6 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 amounted to Baht 1 million.

Principal actuarial assumptions at the valuation date were as follows:

	Consolidated	
	financial statements	
	<u>2013</u>	<u>2012</u>
	(% per annum) (% per annum)	
Discount rate	4.4	4.0
Future salary increase rate	5.5	5.0, 5.5
Staff turnover rate (depending on age of employee)	1.0 - 15.0	1.0 - 15.0

Amounts of defined benefit obligation for the current and previous three years are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements	
	Defined benefit obligation	Experience adjustments on the obligation
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 by nature are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Salary and other employee benefits	450,555	397,492	1,194	1,194
Depreciation	55,442	60,244	6,251	5,760
Rental expenses from operating lease agreements	26,315	26,002	-	-
Purchase of goods and services	1,687,586	1,717,628	-	-
Changes in finished goods and goods under installation	166,375	(200,865)	-	-



## 25. Income tax expenses

Income tax expenses for the years ended 31 December 2013 and 2012 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
	(Restated)			
<b>Current income tax:</b>				
Current corporate income tax charge	30,756	22,018	-	-
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	<u>227</u>	<u>(2,224)</u>	<u>-</u>	<u>-</u>
<b>Income tax expenses reported in the statements of comprehensive income</b>	<u>30,983</u>	<u>19,794</u>	<u>-</u>	<u>-</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2013 and 2012 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Deferred tax relating to actuarial gains	<u>299</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>299</u>	<u>-</u>	<u>-</u>	<u>-</u>

Reconciliation between income tax expenses and the product of accounting profit multiplied by the applicable tax rates for the years ended 31 December 2013 and 2012.

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	2013	2012	2013	2012
	(Restated)			
Accounting profit before tax	146,092	95,500	82,849	27,889
Applicable tax rate	20%	23%	20%	23%
Accounting profit before tax multiplied by applicable tax rate	29,218	21,965	16,570	6,414
Effects of changes in the applicable tax rates	-	376	-	-
Tax loss for the year which unrecognised as deferred tax assets	225	1,589	225	1,589
Effects of:				
Additional taxable income	-	1,128	-	1,128
Tax-exempt income	-	-	(16,800)	(9,177)
Non-deductible expenses	3,004	683	5	46
Additional expense deductions allowed	(1,464)	(5,947)	-	-
Total	1,540	(4,136)	(16,795)	(8,003)
Income tax expenses reported in the statement of comprehensive income	30,983	19,794	-	-

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

(Unit: Thousand Baht)

	Statements of financial position					
	Consolidated financial statements			Separate financial statements		
	As at	As at	As at	As at	As at	As at
	31	31	1 January	31	31	1 January
	December	December	1 January	December	December	1 January
	2013	2012	2012	2013	2012	2012
	(Restated)					
<b>Deferred tax assets</b>						
Provision for long-term employee benefits	8,931	7,620	6,433	-	-	-
Others	-	1,320	-	-	-	-
Total	8,931	8,940	6,433	-	-	-
<b>Deferred tax liabilities</b>						
Difference depreciation between tax and accounting base of assets under finance lease agreements	3,655	3,138	2,855	-	-	-
Total	3,655	3,138	2,855	-	-	-
Total deferred tax assets - net	5,276	5,802	3,578	-	-	-

In December 2011, there was a royal decree to reduce the corporate income tax rates for 2012 - 2014 according to the resolution of the cabinet to reduce the corporate income tax rate from 30 percent to 23 percent in 2012, and then to 20 percent from 2013. The Company and its subsidiary have reflected the changes in the income tax rates in its deferred tax calculation, as presented above.

As at 31 December 2013 the Company has unused tax losses totaling Baht 30 million (2012: Baht 29 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 2013 and 2012 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 2013 and 2012 the subsidiary has operating loss from this promoted activity.

## 27. Basic earnings per share

Basic earnings per share is 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 the subsidiary.

	Consolidated financial statements		Separate financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
	(Restated)			
Profit for the year (Thousand Baht)	115,109	75,706	82,849	27,889
Weighted average number of ordinary shares (Thousand shares)	141,714	141,714	141,714	141,714
Earnings per share (Baht/share)	0.81	0.53	0.58	0.20

## 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, profit and total assets information regarding the Company and its subsidiary's operating segments for the years ended 31 December 2013 and 2012.

(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>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
								(Restated )
<b>Revenues</b>								
Revenues from external customers								
Sales	1,928	1,500	-	-	-	-	1,928	1,500
Rental and service income	655	697	13	8	-	-	668	705
Total revenues from external customers	2,583	2,197	13	8	-	-	2,596	2,205
Inter-segment revenues	-	-	30	20	(30)	(20)	-	-
<b>Total revenues</b>	<u>2,583</u>	<u>2,197</u>	<u>43</u>	<u>28</u>	<u>(30)</u>	<u>(20)</u>	<u>2,596</u>	<u>2,205</u>
<b>Results</b>								
<b>Segment profit</b>	<b>188</b>	<b>172</b>	<b>14</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>202</b>	<b>176</b>
<b>Unallocated income and expenses:</b>								
Other income							34	27
Selling expenses							(8)	(19)
Administrative expenses							(57)	(57)
Share of loss from investment in associate							(1)	-
Finance cost							(24)	(32)
<b>Profit before income tax expenses</b>							146	95
Income tax expenses							(31)	(20)
<b>Profit for the year</b>							<u>115</u>	<u>75</u>
<b>Segment total assets</b>	<b>1,179</b>	<b>1,251</b>	<b>495</b>	<b>453</b>	<b>(229)</b>	<b>(190)</b>	<b>1,445</b>	<b>1,514</b>

## 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 2013, the Company and its subsidiary have revenue from one major customer in amount of Baht 597 million (2012: Baht 653 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 2013, the subsidiary contributed Baht 8 million (2012: Baht 7 million) to the fund.

## 30. Dividends

	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)	Paid in month
Dividends for 2011	Annual General Meeting of the shareholders on 26 April 2012	14	0.10	May 2012
Total dividends for 2012		14		
Dividends for 2012	Annual General Meeting of the shareholders on 24 April 2013	21	0.15	May 2013
Interim dividends for 2013	Board of Director's meeting on 7 August 2013	21	0.15	September 2013
Total dividends for 2013		42		

## 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>2013</u>	<u>2012</u>
Payable:		
In up to 1 year	14	14
In over 1 year and up to 5 years	22	36
In over 5 years	4	6

### 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 (2012: Baht 0.5 million per month) are payable in the future, with Baht 0.1 million per month (2012: Baht 0.1 million per month) payable by the Company. The agreements end in December 2014 but they automatically renew for periods of one year each time until terminated.

### 31.3 Bank guarantees

As at 31 December 2013, the Company and its subsidiary have outstanding bank guarantees of approximately Baht 77 million (2012: Baht 73 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 76 million (2012: Baht 72 million) to guarantee contractual performance of the subsidiary and amounting to Baht 1 million (2012: 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, restricted bank deposits, trade and other receivables, loans, 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, loans, 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)

Consolidated financial statements	As at 31 December 2013					
	Fixed interest rates		Floating interest rate	Non-interest bearing	Total	Interest rate
	Within 1 year	1-3 years				
						(% p.a.)
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)

Consolidated financial statements	As at 31 December 2012					
	Fixed interest rates		Floating interest rate	Non-interest bearing	Total	Interest rate
	Within 1 year	1-3 years				
						(% p.a.)
<b>Financial assets</b>						
Cash and cash equivalents	-	-	55	-	55	0.60 - 0.63
Trade and other receivables	-	-	-	440	440	-
Restricted bank deposits	-	-	33	-	33	1.60
	-	-	88	440	528	
<b>Financial liabilities</b>						
Short-term loans from financial institutions	101	-	28	-	129	MLR,MLR+0.25, 7.48 and 7.75
Trade and other payables	-	-	-	641	641	-
Long-term loans	8	8	178	-	194	9.00 and MLR + 1.25
Long-term liabilities	35	30	-	-	65	3.14 - 9.84
	144	38	206	641	1,029	



(Unit: Million Baht)

As at 31 December 2013						
Separate financial statements	Fixed interest rates		Floating interest rate	Non-interest bearing	Total	Interest rate (% p.a.)
	Within 1 year	1-3 years				
<b>Financial assets</b>						
Cash and cash equivalents	-	-	1	-	1	0.50
Restricted bank deposits	-	-	1	-	1	0.70
	-	-	2	-	2	
<b>Financial liabilities</b>						
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	

(Unit: Million Baht)

As at 31 December 2012						
Separate financial statements	Fixed interest rates		Floating interest rate	Non-interest bearing	Total	Interest rate (% p.a.)
	Within 1 year	1-3 years				
<b>Financial assets</b>						
Cash and cash equivalents	-	-	2	-	2	0.50
Other receivables	-	-	-	2	2	-
Short-term loan to related party	33	-	-	-	33	9.00
Restricted bank deposits	-	-	1	-	1	1.60
	33	-	3	2	38	
<b>Financial liabilities</b>						
Trade and other payables	-	-	-	3	3	-
Long-term loan	8	8	178	-	194	9.00 and MLR + 1.25
	8	8	178	3	197	

### 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 2013, the subsidiary had the net liabilities denominated in foreign currency amounting to USD 5 million (2012: USD 6 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 2013, the Group's debt-to-equity ratio was 2.7:1 (2012: 3.7:1) and the Company's was 0.7:1 (2012: 0.8:1).

**34. Approval of financial statements**

These financial statements were authorised for issue by the Company's Board of Directors on 19 February 2014.

**บริษัท พรีเมียร์ เทคโนโลยี จำกัด (มหาชน)**

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