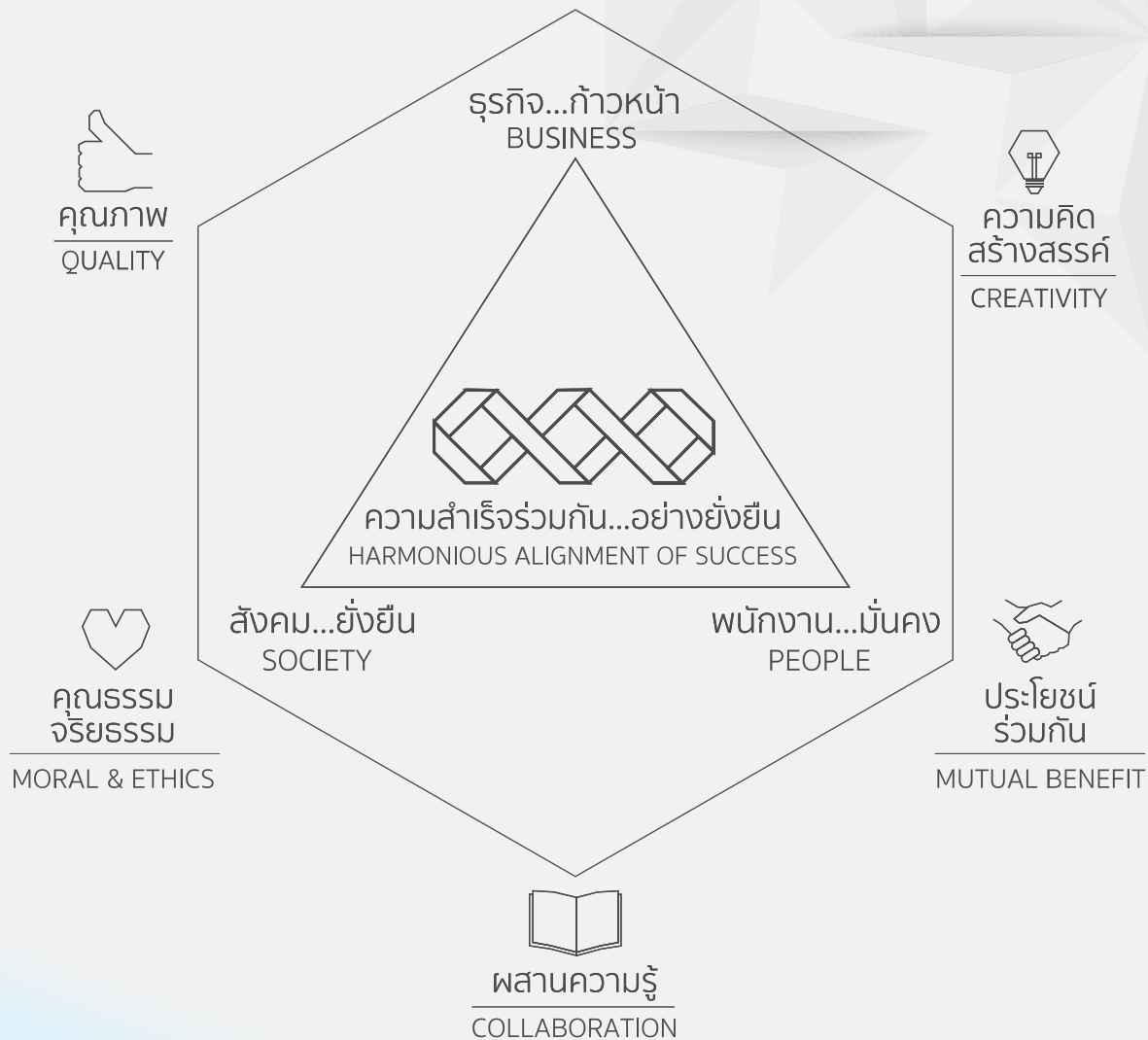


รายงานประจำปี 2562

# 2019 ANNUAL REPORT



PREMIER  
TECHNOLOGY



## “HARMONIOUS ALIGNMENT OF SUCCESS”

Our philosophy is best defined as  
“working to achieve the harmonious alignment of success.”  
with the belief that everything is inter-connected.  
We work hard to maintain the perfect balance  
of business, society and employees.

# BOARD OF DIRECTORS



Mr. Vichien Phongsathorn  
Director and  
Chairman of the Executive  
Committee



Mrs. Duangthip Eamrungraj  
Director and  
Executive Committee



Mr. Suradej Boonyawatana  
Director



Miss Wanna Kolsrichai  
Director



Mrs. Walairat Pongjitt  
Director and  
Executive Committee



Mr. Harin Upa  
Director and  
Executive Committee



Mr. Pirom Chamsai  
Independent Director  
and Chairman of  
the Audit Committee



Mr. Surabhan Purnagupta  
Independent Director and  
Audit Committee



Mrs. Suphasri Sutanadhan  
Independent Director and  
Audit Committee



Mr. Surapol Srangsomwong  
Independent Director and  
Audit Committee

# VISION

Focus on investing and operating the Information Technology Service Business with professionalism to have excellent products and services, create a sustainable balance for businesses, employees and society.

# MISSION

To produce quality products and services.

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To present a new concept in developing quality of life, social and environment.

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Conducting business in ways that are mutually beneficial to employees, organization and social.

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To incorporate the knowledge and ability to co-create ideas.

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Implement the principles of good governance and adhere to morality and ethics in the Thai traditional way.



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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 9 July 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 30 November 1992 and changed its name to Premier Engineering and Technology Public Company Limited on 17 March 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 27 October 2006.

In 2011, the Company has invested in land and buildings, Premier Place Building, and renovated both inside and outside the building for use as an office and Disaster Recovery Center to serve the customers of its subsidiary and space for rent.

### Vision and Mission

The Board of Directors has reviewed vision and mission every year. And the 2019's vision and mission has already been approved by the Board of Directors.

#### Vision

Focus on investing and operating the Information Technology Service Business with professionalism to have excellent products and services, create a sustainable balance for businesses, employees and society.

#### Mission

- To produce quality products and services.
- To present a new concept in developing quality of life, social and environment.
- Conducting business in ways that are mutually beneficial to employees, organization and social.
- To incorporate the knowledge and ability to co-create ideas.
- Implement the principles of good governance and adhere to morality and ethics in the Thai traditional way.

### Major changes and developments during 2017-2019 were as follows:

1) The ownership structure and management or business operations has the significantly changed in the past three years as follow

1.1 In 2017, the Company's registered and paid-up capital has changed according to the resolution of the Annual General Meeting of Shareholders on 26 April 2017 as follows:

- ♦ The reduction of registered capital of the Company from Baht 142,440,489 to be Baht 141,944,471 (141,944,471 ordinary shares with par value at Baht 1 each) by cutting out 496,018 ordinary shares with par value at Baht 1 each.
- ♦ The increase of registered capital of the Company from Baht 141,944,471 to be Baht 283,888,942 (283,888,942 ordinary shares with par value at Baht 1 each) by issuing 141,944,471 new ordinary shares with par value at Baht 1 each which will be allocated as stock dividend to the shareholders of the Company.

The Company registered the capital increase with the Ministry of Commerce on 18 May 2017.

### 1.2 Dividend Payment

In 2017, on Wednesday 26 April 2017, The Company's Annual General Meeting of Shareholders approved the dividend payment to the shareholders on May 2017 as follows:

- a) stock dividend in the total number of 141,944,471 shares with par value at 1 Baht each which shall be allocated to the shareholders of the Company at the ratio of 1 existing share per 1 new share, being the total value of 141,944,471 Baht and dividend pay-out rate of 1 Baht per share; and
- b) cash dividend at the rate of 0.88 Baht per share, being the total amount of 124,911,134.48 Baht.

In total, the dividend will be paid at the rate of 1.88 Baht per share, being the total amount of 266,855,605.48 Baht. And Interim dividend from the six-month operating results from 1 January 2017 to 30 June 2017, to shareholders at the rate of 0.12 Baht per share, totaling 17,033,336.52 Baht in September 2017

In 2018, on Wednesday 25 April 2018, The Company's Annual General Meeting of Shareholders approved the dividend payment to the shareholders at the rate of 0.40 Baht per share, totaling 113,555,576.80 Baht, in May 2018 and paid interim dividend from the Company's performance of the 6-month period from 1 January 2018 to 30 June 2018 to the shareholders at the rate of 0.15 Baht per share, totaling 42,583,341.30 Baht, in September 2018.

In 2019, on Wednesday 24 April 2019, The Company's Annual General Meeting of Shareholders approved the dividend payment to the shareholders at the rate of 0.50 Baht per share, totaling 141,944,471.00 Baht, in May 2019 and paid interim dividend from the Company's performance of the 6-month period from 1 January 2019 to 30 June 2019 to the shareholders at the rate of 0.15 Baht per share, totaling 42,583,341.30 Baht, in September 2019.

### 1.3 Dividend Received:

In 2017, the Company received dividend from the operating results of the year 2016 from the subsidiary company; Datapro Computer Systems Company Limited, totaling 150,000,000.00 Baht in May 2017.

In 2018, the Company received dividend from the operating results of the year 2017 from the subsidiary company; Datapro Computer Systems Company Limited, totaling 195,000,000.00 Baht in May 2018.

In 2019, the Company received dividend from the operating results of the year 2018 from the subsidiary company; Datapro Computer Systems Company Limited, totaling 195,000,000.00 Baht in May 2019.

## 2. The Company has improved the Premier Place building both inside and outside as follows:

In 2017, the Company has improved car park, lighting around the building, improvement of sanitary system, renovation of disabled toilets and installation of fire alarms, totaling 3.18 million Baht.

In 2018, the Company has improved the fire extinguishing system in the building (Sprinkle), fire escape with air compressed system, installation of CCTV systems and Fire Alarm systems to increase security for tenants, wastewater treatment system improvement, sanitary and electrical systems, film installation around the building to reduce energy consumption and protect the environment, making ramps for wheelchairs, landscape architecture, outdoor parking lot, air conditioning system improvement, total amount of 16.5 million baht.

In 2019, the Company has improved the security of the building's entrance by the Flap Gate System installation and Visitor Management card exchange system for screening people in and out of the building, installing LED lamps to illuminate the backup fire exit paths inside the building, renovate the stairs by using Epoxy paint to prevent

slipping. install a spray system on the rooftop around the building to reduce electricity consumption, reduce heat and dust, total amount of 11.2 million baht

3) The Company allocated 11,295.00 square meters of Premier Place Building space to 9,719.45 square meters of space for lease.

In 2017, the total occupancy rate in the Premier Place building is 81.52 percent of the total rental area, divided into rental of subsidiary 60.34 percent and rental by other companies 39.66 percent.

In 2018, the total occupancy rate in the Premier Place building is 81.34 percent of the total rental area, divided into rental of subsidiary 60.34 percent and rental by other companies 39.66 percent.

In 2019, the total occupancy rate in the Premier Place building is 85.48 percent of the total rental area, divided into rental of subsidiary 46.26 percent and rental by other companies 53.73 percent.

4) The Company has been assessed by the Securities and Exchange Commission (SEC) and the Thai Listed Companies Association to the 2019 Annual General Shareholders Meeting (AGM) rated as "excellent" with a score of 100 points for a period of 6 consecutive years from 2014 - 2019, out of a total of 672 listed companies participated.

5) The Company received 87 percent of the rating from the Thailand Institute of Directors (IOD) regarding 2019 Corporate Governance of listed companies, which is 4 stars or "Good" (80-89 percent) for a period of 8 consecutive years from 2012 - 2019. The listed companies that participated in the survey in 2019 totaled 677 companies and the average score was 82.

6) The Company has been renewed as member of the Thailand's Private Sector Collective Action Coalition Against Corruption by the Private Sector Collective Action Coalition against Corruption on 25 May 2017.

7) The Company has been selected to be listed in Thailand Sustainability Investment 2019 for companies with market capitalization of not more than 3,000 million baht from the Stock Exchange of Thailand on 17 October 2019.

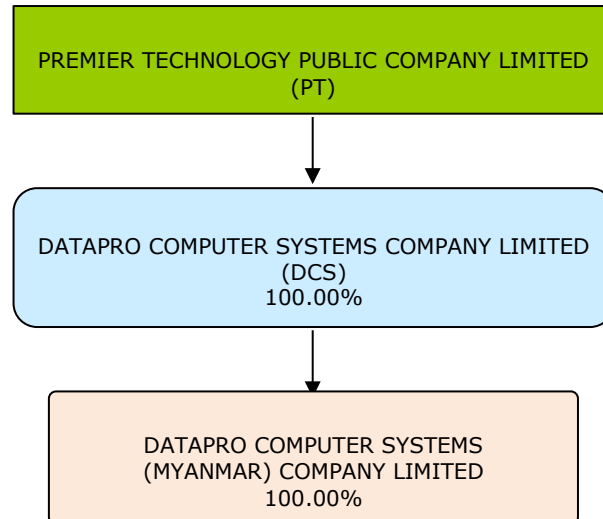
8) The Company's subsidiary was selected as provider of various services to the customers, as well as being certified and presented with awards by various organizations, agencies and trade partners, for instance:

- Earned the trust from the large digital TV media in selection of products and services for Server & Storage and Data Management (Media Content) inclusive.
- Earned the trust from media executives in convenience stores as a provider of installation and maintenance of digital media in convenience stores across the country.
- Earned the trust from leading companies in Thailand by choosing products and services to increase the potential for Information Technology such as
  - IBM HP and Dell Server & Storage for increasing the server & storage capabilities and capacities including improving new product features to support the adaptive
  - 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 for financial service business
  - Visualization Solution for managing the virtual computer systems
  - Security Infrastructure Software
  - Mimix Software and service for encouraging the creation of the organizations' backup plan in an emergency via the real-time backup software
  - Service for data centers and emergency offices
  - Multimedia Equipment such as projectors, plasma & LCD displays and CCTV for hotels, theaters, large exhibitions, convention hall, 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 subsidiary to render services for major organizations in terms of selling software (software as a service)

### **The shareholding structure of the Company in Subsidiary companies**



### **Relationship with the major shareholders**

The company is a major shareholder in DataPro Computer Systems Company Limited (DCS), which is a provider of computer equipment and software, along with providing services related to various information systems and other related services for the companies in Premier Group of Companies, details appear in the topic "Related transactions"

## 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	2019		2018		2017	
			Revenue	%	Revenue	%	Revenue	%
Revenue from Sales and Services								
- Hardware and Software Product Group	DCS	100.00	1,682.75	60.15	1,639.12	61.5	2,132.15	69.1
- Service Group	DCS	100.00	1,083.86	38.74	1,003.09	37.7	935.36	30.3
- Office Rental and Services	PT		31.02	1.11	21.52	0.8	19.47	0.6
Total Revenue from Sales and Services			2,797.63	100.00	2,663.73	100.0	3,086.98	100.0

Remark: DCS means Datapro Computer Systems Company Limited

### Nature of products and services

The Company's core business is to invest in the information technology business and provide office rental. 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 and has invested in Datapro Computer Systems (Myanmar) Company Limited, in the Republic of the Union of Myanmar, to engage in the service on a computer system. 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, Dell, Cisco Systems, Brocade, Nutranix, Lenovo and Hewlett-Packard
  - Network Infrastructure and Data Center Infrastructure from Cisco Systems and APC
  - Security Infrastructure from Cisco Systems, Websense, Imperva, F5, Symantec, McAfee, Palo Alto, Dell, Hewlett-Packard, RSA, Vasco, Cyber Ark, IBM, Trend Micro, CiTrix, Micro Focus and Check Point
  - Voice and Unified Communications Products from Cisco Systems
  - Accessories and peripherals such as Data Media Storage Printer from IBM, Dell, Hewlett-Packard, Lenovo and Imation
  - UPS from APC
- 2) Multimedia Products
  - LCD, DLP and LCOS Projector from Canon, Panasonic and Hitachi
  - Visualizer from Aver Vision, Elmo, Razr and Samsung
  - Monitor from Grand view, Dalite, Vertex and Razr.
  - CCTV and IP Camera from Canon, LG, Aver Vision, Panasonic and Samsung.
  - Interactive Board from Hitachi and Panasonic.
  - Accessories for Video Conference from Aver Vision and Panasonic
  - Parts for all multimedia products which is distributed by the Company
- 3) Accessories for Digital Content Products which the Company is the developer.

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, Microsoft and Linux
  - 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 IBM
    - Backup & Recovery Software and High Availability Software from Hewlett-Packard, IBM, Oracle, Symantec, CA, Veeam and Vision
    - Software for Infrastructure Management from BMC
    - Security Infrastructure Software from Cisco Systems, Websense, Imperva, F5, Symantec, McAfee, Palo Alto, Dell, Hewlett-Packard, Cyber Ark, IBM, Trend Micro, Microsoft, Kaspersky, RSA, Vasco and Check Point.
    - Software for Email from IBM and Microsoft
    - Software for Network Management from Cisco Systems, CA and Solar Wind
    - Software for Remote Support from Bomgar
    - Virtualization Software from 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 subsidiary 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 and ISO 27001 Information Security.
- 2) Readiness to be a Cloud Computing Service Provider that equips with the standardized computer center, computer hardware, network system and security system including "Software as a Service" that allows users to use the service and pay monthly fees according to the actual usage (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 in form of more services.
- 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 hospital business, educational, industrial estate, restaurant and Coffee shop 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) Having highly skilled personnel and receiving a certificate that is internationally recognized in order to build confidence and be able to meet the customer needs efficiently and create 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.
- 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 financial institutions, service business, insurance business, transportation and communications business, communication and telecommunications business, real estate business, mass communication and advertising business, automotive business, consumer goods business, petrochemical business and garment and textile business 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) 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.
- 7) A group of international organizations who operate the business in the heavy industry in Thailand and require the outsourcing services.
- 8) The target group who operate the financial industry, bank and insurance.
- 9) Customers and partners in the Union of Myanmar such as communication and telecommunications business, information technology business, financial business and hotel business 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**

Information from the World Economic Forum stated that the industrial revolution each time had caused a dramatic change. For the 4th Industrial Revolution, Gartner discussed the trend of technology that was regarded as the Mega Trend of the 4th Industrial Revolution which would affect business operations. The corporate executives need to study, understand in order to adjust the organization to meet the changing technological trends that will occur in the near future, including Blockchain, Big Data Analytic, AI & ML (Machine Learning), IOT, and Cyber Security & Privacy.

In addition, Gartner also revealed the trend of IT investment in 2019 that organizations around the world will invest US \$ 3.8 trillion in IT, or about 125 trillion baht, with enterprise software and IT services were the core of investment. The trend of investment in IT began to shift from owning equipment or IT services to renting, such as using services on the cloud, especially organizations that want to make digital transformation will change more to invest in IT as "Pay for Use" because it helped the organization to cope with changes in digital business quickly and sustainably

From the trend of technological change that is more capable causing the subsidiary to adjust in business operations to be consistent with changes especially providing comprehensive information technology services that includes hardware, software, service, installation and maintenance to be a service contract where customers do not have to invest in information technology equipment themselves which is in line with the trend of investment in information technology of the organization that has changed. In addition, the subsidiary continues to build alliances with various market leaders continuously to provide a variety of services to customers. The business of the subsidiary still has the tools and services that can support such changes. There is a computer center and emergency backup center that includes the emergency reserve office which has been in service since 2009 and has continuously developed and improved, making it ready for service as a data center that can support large data with safety of information according to international standards. It is also a computer center and a backup office that is far from various risks.

The competition in the technology industry in which the Company operates is highly competitive from both domestic and foreign entrepreneurs. 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.



### **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. Moreover, in order to keep pace with changing technology and customer's requirements, the Company has to supply and selection of new products and services which are quality and be recognized internationally, with the contracting partner with vendors who operate a reliable and recognized by users around the world such as basic software for computer networks' security which increased by multiples to diverse in response to the different use of customers, 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.

During the past 33 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 31 December 2019, the subsidiary has had the incomplete projects accounting for 163.9 million Baht.

## Risk Factors

### **Risk management framework**

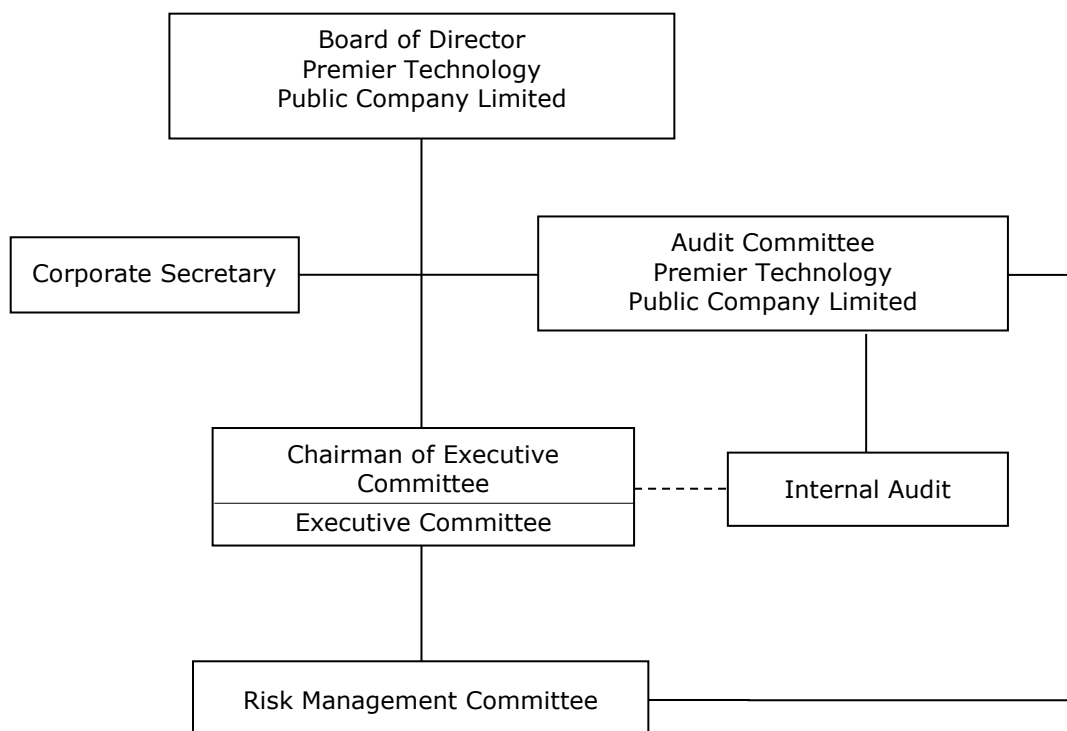
The Company had developed risk management system by using the regulations, principles and framework of ISO 31000:29009, also COSO ERM which is the international standard for risk management system, to apply in analyzing and evaluating risk in accordance with the principle, procedures and guidelines.

The Company has appointed Risk Management Committee to stipulate policies and criteria in analyzing risk level and prioritizing risk, which includes analyzing risk that may occur from performing that are not in conform with the anti-corruption policy of Premier Technology Public Co., Ltd. that were promulgate on 12 May 2014 and The Company was officially certified as a full member of Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) on 4 July 2014 and has been certified Membership Renewal of the Thailand's Private Sector Collective Action Coalition Against Corruption by the Private Sector Collective Action Coalition against Corruption on 25 May 2017. By considering from the assessment of likelihood of risk and the severity of the impact from the risk events, with the purpose to use as measures for the risk management and internal procedure development business group which was appointed from all parts of the organization. As well as used it to analyze, evaluate risk and compile plan in controlling risk that happened to be in an acceptable level. This is done by referring from the risk management policy announcement (dated 1 January 2013) along with determined to continuously review and monitor on a quarterly basis.

Moreover, the Company had announced risk management policy and had compiled risk management handbook on 2 July 2014 to be disseminate to employees to acknowledge and uses this handbook in operating on risk management. Such handbook covers fraud and corruption risk.

In managing such risk will help the organization to be able to enhance the operation and governance to create trustworthiness to stakeholder, improve the efficiency of management system and the flexibility in responding to changes effectively. As well as protect the Company's business, products and services.

### **Risk Management Structure and Responsibilities**



The Board of Directors and Audit Committee are responsible for stipulating policy and governance risk management, including significant risk management guideline, where the Audit Committee evaluates the efficiency of risk management and promotes to create risk management culture within the Company. As well as consider and approve Risk appetite & Risk tolerance.

In working in risk management, the Executive Committee announced the appointment of the Risk Management Committee, consisting of Executives from the main departments of the subsidiary as well as assigning responsibilities as follows

- Define / recommend / approve the framework and guidelines for Company's risk management which consisted of risk management policies, risk management structure, acceptable risks and the risk management procedure, including an analysis of the risks that may arise from practices that do not comply with anti-corruption policy.
- Support / promote / develop and communicate risk management and internal control to be a continuous procedure, in accordance with the Company's objectives and goals as well as be the organization culture.
- Monitor / notice / governance the risk management in accordance with the risk management policies and handbook, and proposed to the Managing Director to consider on a quarterly basis or proposed to the Managing Director to approve. (if any)
- Arrange the meeting to review operating performance according to the risk management system at least once a year.
- Report significant risk and the results to the board of directors and audit committee at least once a year.
- Specify the risk management committee to appoint risk management working group, which consists of representatives from various department, which has been assigned by the management to consider various risk issues in terms of Subsidiary's operations by having a chairperson and a working group as appropriate.

In 2019, the Subsidiary has continuously improved the business plan to cover the whole company by using ISO22301 as a guideline for the preparation and require the written continuous business plan and annual plan rehearsals in the 2nd quarter of 2020.

### **Risk Management Process**

The Company has risk management process by starting from determining risk management process and managing risk according to the impact and likelihood of risk assessment procedure. Determined measure for control and manage risk in accordance with the remedy plan to reduce the impact and likelihood that may be the cause of such risk. Monitor the overview risk management and evaluate risk at least once a year. For the purpose to create confidence that the executives have tools and process in managing risk appropriately, which proceed with efficiently and effectively.

From analyzing and evaluating subsidiary's risk, the working group had separated risk into 6 aspects, which are

- Strategic Risk
- Financial Risk
- Compliance Risk
- External Risk
- Operational Risk
- Corruption Risk

There are risks that are significant to the business goals, which are both internal factors and external factors, as well as risks from the global situation and emerging risks (Global Risks and Emerging Risks) that may affect the Company's operations, in term of economic, social and environmental. In summary, risk factors, nature of risk and the supporting measures to reduce the risk by separating the risk factors that still need the measures to reduce the risk level and the risk that needs to be monitored, even if the level of risk from the assessment is at an acceptable level.

### **Risks that need support measures to reduce risk levels** **Strategic Risk**

- **Risks from Business Management Factors**

- ◆ **Risk from changes in business needs**

At present, rapidly improvement and changes occur all the time in operating business organizations. The use of information technology to support the business operation needs to cope with such changes. So, the business can operate smoothly. The subsidiary, as the provider to such information technology service, has established appropriate business operation policies to be in comply with the business organizations demand.

**Measures to Reduce Risk:** Established business operation policies by adding from the usual way of presenting the products to providing service pattern that covers both the product and services or Total Solution Services. This should be a long-term service contract in order to support the present information technology demand.

The subsidiary also has to improve its services by using new technologies that can support the market needs. At the same time, it enables to care of costs in line with revenue from services, coupled with the development of human resources.

In 2019, after the subsidiary has adopted the mitigation measures to reduce the said risk, resulting in more choices for customers to use products and services, creating a trading opportunity for both customers and subsidiary, and subsidiary are still able to continuously generate more revenue from sales of services.

- **Risk from Competition Condition**

The competition of information technology business is increasing due to the adjusting of goods and services that change rapidly. Both old and new business owner tried to manufacture Substituted Products and designate diversified representative or distributor, which provide alternative for consumers causing high competition.

**Measures to Reduce Risk:** By proposing system solution that covered both good products and services after installation to create higher service standard when compare to new competitors; especially presenting the system to Enterprise Business that demand such total solution service.

For Small and Medium Business, the Subsidiary can propose a monthly service that covers both products and services which meets the customers' needs in managing the investment, as part of making a difference and competitive advantage in the market.

In 2019, after the subsidiary has adopted the mitigation measures to reduce the said risk, allowing the company to create more competitive opportunities from sales of products in the form of work systems or solutions, as can be seen from the growth of sales to large customers and the turnover in the project has increased.

### **Compliance Risk**

- **Risk from regulatory conditions, rules and regulations**

Since 2020, the cyber security act will be enforced and the Personal Information Act in which the subsidiary is a company that engages in business relating to information and communication arising from services or applications of computer networks, internet system or telecommunications network through the subsidiary's data center which may pose a risk from cyber threats both from within and outside the company.

**Measures to Reduce Risk:** Information technology department of a subsidiary company has been assigned to study the impact and prepare for the business operations of the subsidiary consistent with the said law.

### **Operational Risk**

- ♦ **Illegal Software**

Due to the current software product owners to support various operations, allow users to download software from the internet with various usage conditions, may result in a risk of misuse of the said software and may have legal effect on copyright.

**Measures to Reduce Risk:** The subsidiary emphasizes on the use of software by employees, by specifying process procedures and having tools to control and monitor usage to prevent piracy, including

- ❖ Set regulations for employees not to install unlicensed software under the law and have the staff sign the acknowledgment of the said regulations. In this regard, the subsidiary's information technology department also has a system to regularly check and alert the number of software users according to existing licenses in order to have the right amount of software copyright management and conditions appropriate to the number of users.
- ❖ The subsidiary chooses to use the Cloud Services software to help manage and control the number of software licenses.

### **The risk that remains vigilant**

#### **Financial Risk**

- **Risk from Exchange Rate**

Due to the economic conditions and situations that occur in both domestic and international resulting in fluctuations in exchange rate which impact on earnings of the Subsidiary inevitable. Most purchases are denominated in US dollars. Therefore, the Subsidiary must find a way to prevent risks arising from exchange rates in order to minimize the impact on revenues and profits.

**Measures to Reduce Risk:** The Subsidiary has studied ways to prevent risk in exchange rate by closely observing the movement of foreign currency exchange rate and contemplate in making transactions, to prevent forward contract risk with the bank in the circumstances which the Subsidiary sees appropriate. This is to prevent or reduce losses that may occur from the exchange rate. Moreover, the Subsidiary has regularly provided information and tendencies related to exchange rate to the related division to use as a guideline in calculating the cost of goods and selling price that will propose to the customers in order to reduce the chance of quoting a lower price than it should be.

In 2019, although the direction of the Thai baht tends to strengthen, especially when compared with the United States dollar, which is the foreign currency that the subsidiary use to buy certain products. However, the subsidiary still closely monitors the movement of exchange rates and considers entering forward foreign exchange contracts for most foreign trade creditors to prevent the said risk.

- **Risk from Working Capital Management**

The nature of business of the Subsidiary, which is the total solution service provider, and at present new technology tends to become more and more complex, along with customer's demand in using new technology as a tool to support more operations. As a



result, the sale of the Subsidiary, especially in the big project, the Subsidiary has to responsible for installing and testing the computer system and various peripheral devices which sometimes it takes certain period to install to be able to present invoice to the customers, while the scheduled product payments to the creditor is between 30-60 days, so the Subsidiary may be facing a lack of working capital needed for operation.

**Measures to Reduce Risk:** The Subsidiary has the Company's working capital reserved. In addition, the Subsidiary also has credit from various financial institutions which are immediately available as per requested.

In addition, the subsidiary has a policy on inventory management to a minimum. Ordering can be done when there is a demand from customers or there is a plan for short-term sales, have an information system that shows accurate and fast inventory age, classified by business unit to provide information to relevant parties to use in the analysis and finding methods to reduce the inventory, including outdated product groups

In 2019, the subsidiary has complied with the inventory information every quarter to find ways to reduce the number of products that may have the tendency to become outdated. In addition, the sales department will send information about sales plans that require a high amount of investment in advance so that support agencies can allocate working capital in time to meet the demand for money.

### **External Risk**

- **Risk from the situation inside and outside the country**

- ◆ **Risk from change of IT Technology**

- **Progress and Changes in Information Technology** impact on the demand for daily life and operation of business sector at all times and the trend of such changes is high and fast. IT usage in the organizations change from ownership to rental of products or services increasingly according to the trend of Cloud Computing and Cloud Services.

**Supporting measures to reduce risk:** The subsidiary is the company that has been operating business for a long time and is accepted by the trade partner who's the owner of international level technology. The subsidiary has an investment in skills training, both inside and outside the country, for human resource development in learning and following the change of technology in able to respond to the business needs of our customers more effectively. It has developed systems for human resource management (HRM, HRD) in the form of a Cloud provider with its customers to meet the customers' needs who want to use the software as "Software as a Services" instead of buying and owning.

- **Risk from Internet Threats** with the rapid development are becoming more complex and the increased in the severity of the wider impact in the era of the borderless world that tends to spread quickly; in parallel to the development of IT capabilities and such threats will cause damages to many business as well as may affect the subsidiary's Data Center services that provide services to many customers if attacked by malicious users.

**Measures to Reduce Risk:**

- ❖ ISO 27001 Standards for Information Security is the supporting measures to reduce risk from being attack through the network system. The subsidiary has process in regularly verifying such standard.
- ❖ The Subsidiary is well accepted expertise from trade partner that owns the technology dealing network system threats for more than 20 years. This allowed the Subsidiary to have experience and expertise in

managing such threats to both Company and customers, where such threats can be considered as the Company's business opportunities.

- ❖ The subsidiary has increased the threat surveillance by establishing the Security Operation Center (SOC) to monitor and access the various systems of the organization that there are unusual access or external intrusion or not. And there is a process to respond quickly to the invasion 7 days 24 hours
- ❖ The Subsidiary is organized the training to raise safety awareness in the use of information technology to employees so that all employees are aware of the operation and use of information technology.

## **Operational Risk**

### **• Risk from Human Resource Management**

- ♦ **Expertise:** In information technology business, the personnel is considered as significant assets in conducting business activities. The Subsidiary has to depend on their knowledge and experience starting from presenting, installing and finding solution to the problems that may occur from using the product or services.

**Measures to Reduce Risk:** The Subsidiary provide training to enhance an in-depth knowledge and understanding of the products or systems that are present to the customers and to regularly track the progress as well as changes of such products. Certificate from the product owner will build customers' confidence, which the Company should contemplatively support.

- ♦ **Maintaining Human Resource:** If the Subsidiary loses personnel who have knowledge and competence, it may impact with the business operation and the ability to provide customers with good services. This may cause the customer lack of confidence and turned to use the service provided by the competitor instead.

**Measures to Reduce Risk:** The Subsidiary must provide employees the welfare in different aspect such as salary when compare with the same industries, carrier path and provident fund as well as provide activities and labor relations.

- ♦ **Difficulty in recruiting:** Due to the new concept of new generation that have higher demand to own their own business causing the lack of personnel available in the market, where the Subsidiary, partner and customer are facing the recruitment for personnel problems as well.

**Measures to Reduce Risk:** Proposed that the Subsidiary present employees invite or recruit their friends to apply for the job (Friend gets friend). Another option is to contact various educational institutions and accept students for internship during their last term, which will help the Subsidiary to be able to recruit and accepted as employees when they graduated

- ♦ **Risks from use of buildings and space for data center business**

Subsidiary's data center services are business focused on physical security and management systems. It can be trusted and accepted to use services from partners and customers. Currently, the subsidiary provides data center services to customers who need to use the space. Therefore, the management of the building and the overall area must take care strictly. This may be different from the use of office space, from the security system before entering the building, outdoor and indoor environment, use of building equipment and tools especially electrical and electrical equipment which may cause fire if it is not working properly. This will severely affect the business of the subsidiary.

**Measures to Reduce Risk:** The Subsidiary's Information Technology Division and the management of Premier Place provide a common plan for care and maintenance through a security management meeting on a quarterly basis to

report and monitor the situation, progress on the need to improve the management of the building to secure the business operations. And in case of an emergency, the Subsidiary will issue incident reports to the building management for development and revision.

In 2019, the relevant departments held a quarterly meeting on security management as planned. And there were no urgent cases of significant improvements in business operations

- **Corruption Risk**

Problem of Fraud and corruption are internal factors, external factors and factors in a macro level that all over the world are aware of, as well as have activities that may risk and that may indicate as fraud and corruption in a board area. Covering from sales, services, employment, procurement, donation, provide support in various form, entertainment and giving and receiving presents, which are activities that occur all the time in operating business and may be the cause of unnecessary higher costs which may greatly affect the Company's reliability reputation if not strictly monitored.

**Measures to Reduce Risk:**

- ❖ The Company and its Subsidiary had stipulated policy and compiled handbook on anti-corruption to submit to the Company's executives and employees in order to adhere as regulations.
- ❖ Defining activities to support and promote anti-corruption activities to be more lucid such as short filmmaking for digital media communication within the organization from 2014 and distributed to the management and every employee constantly, and management training for all executives and employees from 2016 continuously.
- ❖ The Subsidiary has managed employees' training for all levels to understand the exact information about the anti-corruption.
- ❖ The Subsidiary has set up a monitoring and evaluation annually.
- ❖ The scope of the audit is as follows.
  - Review the operation as accurately as possible in accordance with the operating manual policy, acting authority, rules and regulations associated
  - Check the Company's documents which specified in "Reference Evidence", based on the 71 criteria of the "self-assessment on anti-corruption measures", by considering the sufficiency and appropriateness of the evidence. (According to management characteristics and the Company's size)
  - Check the Company's documents in the meeting of the Risk Management Committee to follow-up on corruption risk assessment results from operations.

## General Information and Other Important Information

### General Information

Name of Listed Company	:	Premier Technology Public Company Limited
Company Registration Number	:	0107535000320
Type of Business	:	Investment in Information Technology business And Office Rental
Head Office	:	1 Premier Corporate Park, Soi Premier 2 Srinakarin Road, Nongbon Sub-district, Prawet District, Bangkok 10250
Telephone	:	0-2301-1550
Facsimile	:	0-2398-1188
Homepage	:	<a href="http://www.premier-technology.co.th">www.premier-technology.co.th</a>
Registered Capital	:	283,888,942 Baht
Number of Issued Shares	:	283,888,942 Shares
Corporate Secretary		
Telephone	:	0-2301-1569
Facsimile	:	0-2748-2063
e-mail	:	<a href="mailto:teerapol@pfc.premier.co.th">teerapol@pfc.premier.co.th</a>
Investor Relation		
Telephone	:	0-2684-8405
Facsimile	:	0-2677-3500
e-mail	:	<a href="mailto:ircontact@premier-technology.co.th">ircontact@premier-technology.co.th</a>

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

Name of Company	:	Datapro Computer Systems Company Limited
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

Name of Company : Datapro Computer Systems (Myanmar) Company Limited  
 Company Registration number : 752FC/2014-2015  
 Type of Business : Computer System Service Provider  
 Office : Room No. 117 Inya Lake Hotel, 37 Kaba Aye Pagoda Road, Mayangone Township, Yangon, The Republic of the Union of Myanmar  
 Telephone : 0-2684-8484  
 Facsimiles : 0-2677-3500 - 2  
 Homepage : www.datapro.co.th  
 Registered Capital : 50,000 US\$  
 Number of Issued Shares : 50,000 Shares  
 Shares held by the Company : - Shares  
 Shares held by the Subsidiary : 49,999 Shares

#### **OTHER REFERENCES**

##### **1) Securities Registrar**

Thailand Securities Depository Company Limited  
 The Stock Exchange of Thailand Building  
 No. 93 Rachadapisek Road, Din Daeng Sub-district,  
 Din Daeng District, Bangkok, 10400  
 Telephone: 0-2009-9378-89 Facsimile: 0-2009-9476 Call Center: 0-2009-9999  
 Website: <http://www.set.or.th/tsd>  
 Email: TSDCallCenter@set.or.th

##### **2) Debenture Holders' Representations**

- None -

##### **3) Auditors**

Miss Siraporn Ouaanunkun, Certified Public Accountant (Thailand) No. 3844 or  
 Mrs. Chonlaros Suntiasvaraporn, Certified Public Accountant (Thailand) No. 4523 or  
 Mr. Chatchai Kasemsrithanawat, Certified Public Accountant (Thailand) No. 5813  
 EY Office Limited  
 33<sup>rd</sup> Floor, Lake Rajada Office Complex  
 193/136-137 Rajadapisek Road, Klongtoey District, 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 Company Limited

1 Premier Corporate Park, Soi Premier 2, Srinakarin Road,  
Nongbon Sub-district, Prawet District, Bangkok 10250

Telephone: 0-2301-1000

Facsimile: 0-2398-1188

**Other Important Information**

- None -

## Securities and Shareholders Information

On 31 December 2019, the Company has registered capital of 283,888,942 Baht, divided to 283,888,942 ordinary shares of 1 Baht per par, and paid-up capital of 283,888,942 Baht, divided to 283,888,942 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 30 December 2019 are as follows:

Name	Number of Shares	Shareholding %
1. Mrs. Vimolthip Phongsathorn - Mrs. Vimolthip Phongsathorn - Mr. Vichien Phongsathorn (spouse)	117,887,846 117,887,766 80	41.53 41.53 0.00
2. Mr. Harkishin Tanwani	28,000,000	9.86
3. Thai NVDR Company Limited	18,066,582	6.36
4. Premier Fission Capital Company Limited	14,713,600	5.18
5. Thepthannya Company Limited	8,000,000	2.82
6. NOMURA PB NOMINEES LTD.	5,152,800	1.81
7. Miss Chotika Tantiwatin	3,285,000	1.16
8. Mr. Sirisak Tharatharn	2,346,700	0.83
9. Mr. Thawat Tantimeth	2,340,000	0.82
10. Mr. Sophon Virasaeranee	2,150,000	0.76
<b>Total</b>	<b>201,942,528</b>	<b>71.13</b>

(b) Percent shares in Minor Shareholders (% Free Float): 41.56

(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 Company Limited as of 31 December 2019 is as follows:

<b>Name</b>	<b>Number of Shares</b>	<b>Shareholding %</b>
1. Premier Technology Public Co., Ltd.	999,988	100.00
2. Miss Tipchaya Phongsathorn	9	0.00
3. Mr. Viwat Phongsathorn	1	0.00
4. Lieutenant Seri Osathanugrah	1	0.00
5. Mrs. SrisumaOsathanugrah	1	0.00
<b>Total</b>	<b>1,000,000</b>	<b>100.00</b>

Datapro Computer System (Myanmar) Company Limited as of 31 December 2019 is as follows:

<b>Name</b>	<b>Number of Shares</b>	<b>Shareholding %</b>
1. Datapro Computer System Company Limited	49,999	100.00
2. Mr. Harin Upra	1	0.00
<b>Total</b>	<b>50,000</b>	<b>100.00</b>

3) Agreement between major Shareholders

The Company has no agreement between any shareholders (Shareholder's agreement) on matters affecting the administration of the Company.

**Issuance of Other Securities**

- None -

## Dividend Payment Policy

The Company and its subsidiary 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.

Dividend payment from the operating results of the Company to its shareholders from the pass 5 years.

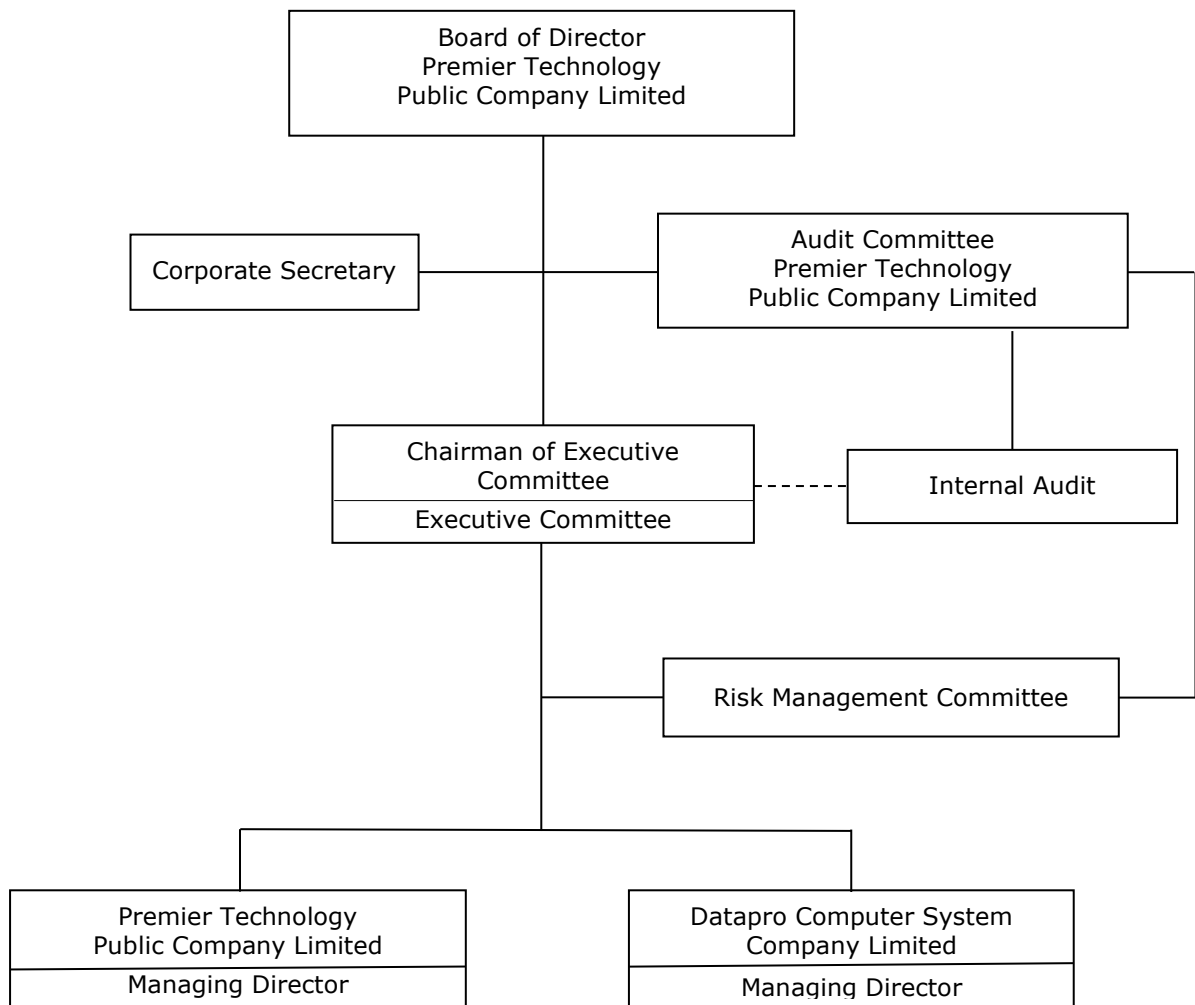
Year	Earnings per share	Cash Dividend per share (Baht)			Stock Dividend per share	Grand Total (Baht)	Dividend payout ratio (%)
		Interim	For the year	Total			
2015	0.77	0.12	0.28	0.40	-	0.40	51.95
2016	0.67**	0.12	0.88	1.00	1.00	2.00	298.51**
2017	0.52	0.10	0.40	0.50	-	0.50*	96.15
2018	0.67	0.15	0.50	0.65	-	0.65	97.01
2019	0.56	0.12	0.40*	0.52*	-	0.52*	92.86

Remarks:

\* The Board of Directors' Meeting No. 1/2563 on 12 February 2020 has passed the resolution to the Annual Meeting of Shareholders to be held on 22 April 2020 to propose the dividend payment for the year 2019 to the shareholders of the Company at the rate of 0.40 Baht per share.

\*\* The 2016's basic earnings per share has been recalculated as if the stock dividend had been distributed at the beginning of the earliest period reported.

## Management Structure





## Board of Directors

As at 31 December 2019, the Board of Directors consisted of 10 directors as follows:

Director's Name	Position	Attendance the Meeting/Total Number of Meetings (Times)			
		Board of Director	Audit Committee	Risk Management Committee	Annual General Meeting of Shareholder
1. Mr. Vichien Phongsathorn	Chairman and Chairman of the Executive Committee	4/4	-	-	1/1
2. Mrs. Duangthip Eamrunroj	Director	4/4	-	-	1/1
3. Mr. Suradej Boonyawatana	Director	4/4	-	-	1/1
4. Mrs. Walairat Pongjitt	Director	4/4	-	-	1/1
5. Mr. Harin Upra	Director	4/4	-	-	1/1
6. Miss Wanna Kolsrichai	Director	4/4	-	-	1/1
7. Mr. Pirom Chamsai	Independent Director and Chairman of the Audit Committee	4/4	4/4	1/1	1/1
8. Mr. Surabhan Purnagupta	Independent Director and Member of the Audit Committee	4/4	4/4	1/1	1/1
9. Mrs. Suphasri Sutanadhan	Independent Director and Member of the Audit Committee	4/4	4/4	1/1	1/1
10. Mr. Surapol Srangsomwong	Independent Director and Member of the Audit Committee	4/4	4/4	1/1	1/1

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

### Authorized Directors

The authorized directors of the Company are Mr. Vichien Phongsathorn, Mr. Suradej Boonyawatana, Mrs. Duangthip Eamrunroj, Mr. Harin Upra and Mrs. Walairat Pongjitt, two of these five jointly sign 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, missions or strategies, plans and budgets, organization structure, authority of the management, corporate governance policies, vision, mission 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, missions or strategies, 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. Approve the appointment of an Audit Committee, other sub-committees and Chairman of the Executive Committee.

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. Responsible to the shareholders, both major and minor, about the Company's operations and ensure to manage based on policies and goals that will bring the most benefit to the shareholders within the framework of legal and ethical behavior, 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.

#### **Authorities and Responsibilities of Chairman**

1. Call Board of Directors' meetings and preside as Chairman of the Board of Directors and shareholders meetings.

2. Consider and determine the agenda of the Board of Directors' meeting together with Chairman of the Executive Committee.

3. Control the Board of Directors' meeting and shareholders' meetings to be carried effectively in accordance with the Company's rules and regulations, to encourage and provide opportunities for the Directors to express their opinions independently.

4. Support and encourage the Board of Directors to perform their duties to their full capacity in accordance with the scope of authority, responsibilities and the principles of good corporate governance, to support and advise the management on operation.
5. Perform duty as assigned by the Board of Directors and/or the Audit Committee.

#### **Subsidiary's Board of Directors: Datapro Computer Systems Co., Ltd.**

As at 31 December 2019, the Board of Directors consisted of 4 directors as follows:

Director's Name	Position	Attendance the Meeting/Total Number of Meetings (Times)		
		Board of Director	Annual General Meeting of Shareholder	Extraordinary Meeting of Shareholder
1. Mrs. Duangthip Eamrungrroj	Chairman	5/5	1/1	1/1
2. Mrs. Walairat Pongjitt	Director	5/5	1/1	1/1
3. Mrs. Pensri Dettingeng	Director	5/5	1/1	1/1
4. Mr. Harin Upa *	Director	4/5	1/1	-
5. Miss Wanna Kolsrichai #	Director and Chairman of the Executive Committee	-	-	-

Remarks:

\* Directors resigned from the Board of Directors, with the effect on 1 August 2019

# Directors who were appointed the directors of the Subsidiary, with the effect on 16 October 2019

And were appointed the Chairman of the Executive Committee, with the effect on 21 November 2019

**Authorized Directors** consist of "Two directors jointly sign 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.

#### **Management**

The Company has no employees since the Company operates an investment in a subsidiary and hired Premier Fission Capital Company Limited to work in accounting & finance and other supports. The Company has delegated authority and responsibility to the Chairman of the Executive Committee and Managing Director for the implementation of policies, strategies and goals of the Company.

In 2018, the Board of Directors' Meeting No. 1/2018 held on 14 February 2018 approved the appointment of 5 executive directors, effective from 1 March 2018 onwards as follow:

No.	Name	Position
1	Mr. Vichien Phongsathorn	Chairman of the Executive Committee
2	Mrs. Duangthip Eamrungrroj	Member of the Executive Committee
3	Mr. Harin Upa	Member of the Executive Committee
4	Mrs. Pensri Dettingeng	Member of the Executive Committee
5	Mrs. Walairat Pongjitt	Member of the Executive Committee

### **Authorities and Responsibilities of Chairman of the Executive Committee**

1. Consider and screen the policies, mission or strategies, plans and budgets, management structure and management authority of the Company prior to presenting them to the Board of Directors for further approval.
2. Supervise and monitor the administration of the Company and its subsidiary to be in accordance with approved policies, mission or strategies, plans and budgets to be efficient and productive.
3. Has the power to execute and approve various expenditures within the scope prescribed in the authorization manuals of the Company and its subsidiary.
4. Provide consultation and advice on management to senior executives.
5. Foster and preserve the core values of the organization and promote the management of the business in accordance with the core values of the organization.
6. Perform duty as assigned by the Board of Directors and/or the Audit Committee.

### **Authorities and Responsibilities of the Executive Committee**

1. Plan the overall image, policy, mission or strategy, plan and budget.
2. Provide advice on the administration of the Company and its subsidiary in accordance with approved policies, mission or strategies, plans and budgets.
3. Foster and preserve the core values of the organization and promote the management of the business in accordance with the core values of the organization.
4. Consider and acknowledge any other matters both related and unrelated to the management of the Company's business that the Executive Directors deem necessary or appropriate to propose for acknowledgement.
5. Acknowledge the internal audit report on issues related to measures to prevent, review and rectify problems and in case of the occurrence of damage or probable damage to the Company or its subsidiary.
6. Perform any other duties assigned by the Board of Directors and/or the Audit Committee.

### **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, mission or strategies, plans and budget, organization structure and management authority for approval by Chairman of the Executive Committee.
3. Operate and manage the Company's businesses according to the approved policies, mission or strategies, plans and budgets.
4. Have the power to execute and approve all expenditures within the scope prescribed by the Company's delegation of authority manual.
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 Chairman of the Executive 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 Company Limited as of 31 December 2019, comprises 10 executives is as follows:

Name	Position
1. Miss Wanna Kolsrichai	Chairman of the Executive Committee
2. Mr. Sidthakorn Usanno	Managing Director Enterprise Systems & Infrastructure Business
3. Mrs. Nattika Kanjanarin	Managing Director Digital Solution Business
4. Mr. Chanchai Chitladaporn	Deputy Managing Director Information Technology Services Division
5. Mr. Sarun Angkulwaranya	Deputy Managing Director Human Capital Management Service Division
6. Mr. Sumit Phattanajindakij	Deputy Managing Director Business Software Management Division
7. Mrs. Rawadee Chaisuksant	Deputy Managing Director Legal Division
8. Miss Piyada Sooksamai	Deputy Managing Director Finance and Administration Division
9. Mrs. Chantiwa Suwanwitwaj	Deputy Managing Director Marketing & Corporate Communications Division
10. Mrs. Onuma Ninratana	Deputy Managing Director Human Resources Management Division

### **Corporate Secretary and the person assigned to take direct responsibility for supervising accounting**

The Board of Directors appointed Mr. Teerapol Juthapornpong as the Corporate Secretary as from 20 February 2013 to be responsible for the shareholders' meetings, the Board of Directors' meetings and other Committees, as well as support the implementation of corporate governance to be in accordance with the good corporate governance standard. 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 company limited 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.

In this regard, the Company has appointed Miss Piyada Sooksamai to be the person who is directly responsible for overseeing the accounting and financial work.

### 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 on 24 April 2019 approved the remuneration of directors as follows:-

Remuneration	2018	2019
<u>Meeting Allowance of Board of Directors</u>		
- Chairman (Baht/time)	21,000	21,000
- Director (Baht/person/time)	16,000	16,000
<u>Meeting Allowance of Audit Committee</u>		
- Chairman of Audit Committee (Baht/time)	21,000	21,000
- Audit Committee (Baht/person/time)	16,000	16,000
<u>Annual Remuneration</u>		
- Chairman (Baht/year)	260,000	300,000
- Chairman of Audit Committee (Baht/year)	325,000	325,000
- Audit Committee (Baht/person/year)	290,000	290,000
- Other Director (Baht/person/year)	230,000	230,000
Other special benefits and any other benefits	-None-	-None-

Meeting allowances are paid only to the directors who attend the meeting without any special benefits, including any other benefits.  
For all executive directors would like to waive the right to receive directors' remuneration, both for meeting allowance and annual remuneration.

In 2019, 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	Remuneration of Director(Baht)			
	Meeting Allowance		Annual Remuneration	Total
	Board of Director	Audit Committee		
1. Mr. Vichien Phongsathorn * Chairman and Chairman of the Executive Committee	-	-	-	-
2. Mr. Suradej Boonyawatana * Director	-	-	-	-
3. Mrs. Duangthip Eamrungraj * Director and Member of the Executive Committee	-	-	-	-
4. Miss Wanna Kolsrichai Director	32,000.00	-	-	32,000.00
5. Mrs. Walairat Pongjitt * Director and Member of the Executive Committee	-	-	-	-
6. Mr. Harin Upra * Director and Member of the Executive Committee	-	-	-	-
7. Mr. Pirom Chamsai Independent Director and Chairman of the Audit Committee	64,000.00	105,000.00	325,000.00	494,000.00
8. Mr. Surabhan Purnagupta Independent Director and Member of the Audit Committee	64,000.00	80,000.00	290,000.00	434,000.00
9. Mrs. Suphasri Sutanadhan Independent Director and Member of the Audit Committee	64,000.00	80,000.00	290,000.00	434,000.00
10. Mr. Surapol Srangsomwong Independent Director and Member of the Audit Committee	64,000.00	80,000.00	290,000.00	434,000.00
<b>Total</b>	<b>288,000.00</b>	<b>45,000.00</b>	<b>1,195,000.00</b>	<b>1,828,000.00</b>

Remarks: \* Directors do not receive any remuneration as directors of the Company and its subsidiary

2) Subsidiary: Datapro Computer Systems Company Limited

- None -

(b) Executives

1) Premier Technology Public Company Limited

- None -

2) Subsidiary: Datapro Computer Systems Company Limited

In 2019, the Subsidiary paid remuneration in the form of salary and rewards to 10 executives, totaling 27.13 Million Baht

## (2) Other remuneration (if any)

1) Premier Technology Public Company Limited

- None -

2) Subsidiary: Datapro Computer System Company Limited

The Subsidiary has established a provident fund for its executives and employees with the contribution of the Subsidiary being at the percentage of the salary



based on the Subsidiary. In 2019, the Subsidiary made contributions to the provident fund for a total of 10 executives, totaling 1.99 million Baht.

### (3) Employment of Management and Business Consultant

The Company and its subsidiaries have engaged Premier Fission Capital Co., Ltd. (PFC) to provide management and administrative support services to the Company and its subsidiaries under a management and business consultancy agreement. The objective of such hiring is the separation of tasks (outsourcing) in order to employ the services of the centralized unit of the Premier Group, which is a type of centralization and cost sharing according to the size and volume of transactions of each company, in order to reduce overall costs from the Company having to recruit more personnel to handle all aspects of the support functions.

#### **The scope of services covers various areas as follows:**

Management and governance of the business and support of strategies and business innovations to achieve the goals of each organization, operation of the business in accordance with the core values of the organization and in compliance with relevant rules and legal requirements, and provision of personnel with ability and expertise to serve as directors and executives in each organization serviced.

Consulting services where counsel is provided to the organizations in all aspects related to business operation of the enterprises, including planning, determining business strategies, financial planning, compliance with relevant laws on human resources management, office administration and corporate communication together with provision of knowledge in various areas to develop the knowledge base of officers within the organizations.

Services on education, analysis, planning and work to the organizations in order that the business operations achieve the goals and are in accordance with various relevant rules and regulations or in case where such matters require specialized expertise such as internal audit, corporate governance, compliance with laws related to the Stock Exchange of Thailand, litigation, company register, accounting and taxation, including management of funding sources of the businesses and in contacting financial institutions.

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 subsidiary, the Company shall always present the proposed amendments to the Audit Committee for consideration and approval prior to entering into a new agreement.

### **Human Resource**

The Company assigns the employee's remuneration policy depend on the operating results. As of 31 December 2019, the subsidiary has a total of 429 employees. In 2019, the Company paid total remuneration of 410.4 million Baht to its employees, which included salary, overtime pay, cost of living allowance, rewards, financial support, social security contribution, provident fund contribution and welfare etc.

<b>No. of Employee and remuneration in 2019</b>	<b>PT</b>	<b>DCS</b>	<b>DCS (Myanmar)</b>	<b>Total</b>
Management - Male (Person)	- None -	6	- None -	6
- Female (Person)		5		5
Operating and Supporting Employee	- None -		- None -	
- Male (Person)		262		262
- Female (Person)		156		156
<b>Total Employee (Person)</b>	- None -	429	- None -	429
<b>Remuneration (Million Baht)</b>	- None -	410.4	- None -	410.4

## 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 and its Subsidiary have 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 and its Subsidiary have 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 and its Subsidiary realize 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's Subsidiary 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. The Company's Subsidiary 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.

Moreover, the Company's Subsidiary 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.

### Training courses in 2019

Course	No. of attendance
Sales Effectiveness - Consultative Selling	19
Personal Effectiveness - Get It Done Right	18
UPDATE Knowledge of Information Technology Law	27
Anti-Corruption Workshop Year 2019	52

In 2019, the Company's Subsidiary allocated a budget for human resource development (Soft Skills) of 1,000.86 Baht per person, approximately 21 percent of the total number of its employees (429 persons) attended training courses and average hours of employee training is 2.29 hours per year.

## Detail of Directors and Executives

### Details of Directors as of 31 December 2019

1. **Mr. Vichien Phongsathorn**  
**Chairman**  
**Authorized Director**  
**Chairman of the Executive Committee**  
**Age: 64 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 (%)**:

- 41.53%

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

- None

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

**Other Listed Companies:**

- 1993 - 2017 Chairman, Premier Enterprise Public Company Limited
- 2007 - 2017 Chairman, Premier Marketing Public Company Limited
- 2018 - Present Chairman of the Executive Committee,  
Premier Marketing Public Company Limited

**Other Business (Non-Listed Companies):**

- 1992 - 2017 Chairman, Datapro Computer Systems Company Limited
- 2004 - Present Director, Premier Fission Capital Company Limited
- Present Director, Companies in the Premier Group of Companies
- Present Chairman, Premier Group of Companies
- 1993 - Present Chairman, Yuvabadhana Foundation
- 2011 - Present Chairman, Khonthai Foundation
- 2011 - Present Vice Chairman, Enlive Foundation
- 2014 - Present Vice Chairman, Anti-Corruption Organization of Thailand Foundation
- 2018 - Present Chairman, Anti-Corruption Organization (Thailand)
- 2019 - Present Expert Director,  
Government Procurement and Procurement Policy  
Committee, Comptroller General's Department

2. **Mrs. Duangthip Eamrunroj**  
**Authorized Director**  
**Member of the Executive Committee**  
**Age: 64 years**  
**Date of Appointment:**  
 26 April 2017



**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
- Family Business Governance for Sustainability Course, Batch 5/2016

**Percentage of Shareholding (%):**

- 0.70%

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

- None

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

**Other Listed Companies:**

- 2001 - 2017 Director, Premier Enterprise Public Company Limited
- 2007 - Present Director, Premier Marketing Public Company Limited
- 2012 - Present Director, Premier Products Public Company Limited

**Other Business (Non-Listed Companies):**

- 2017 - Present Director, Datapro Computer Systems Company Limited
- 2004 - Present Director, Premier Fission Capital Company Limited
- Present Director, Companies in the Premier Group of Companies
- Present Group Corporate Director, Human Resources Division and Corporate Governance, Legal & Registration Division, Premier Group of Companies
- 2017 - Present Advisor to the Chairman, Premier Group of Companies
- 2010 - Present Director, Kor. Khon Co., Ltd.
- 1993 - Present Director and Treasurer, Yuvabadhana Foundation
- 2011 - Present Vice Chairman and Treasurer, Khonthai Foundation
- 2011 - Present Director and Treasurer, Enlive Foundation

3. **Mr. Suradej Boonyawatana**  
**Authorized Director**  
**Age: 69 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
- Successful Formulation & Execution of Strategy (SFE) Course, Batch 3/2009
- Role of the Nomination and Governance Committee (RNG) Course, Batch 1/2011
- Role of the Compensation Committee (RCC) Course, Batch 15/2012
- Anti-Corruption for Executive Program (ACEP) Course, Batch 9/2014
- Role of the Chairman Program (RCP) Course, Batch 34/2014
- Ethic Leadership Program (ELP), Batch 2/2015
- Independent Observer Program (IOP), Batch 3/2016
- Board Matters and Trends Program (BMT), Batch 1/2016
- Digital Transformations a must for all Companies Course, Year 2018
- National Director Conference Course, Year 2019

**Special Training**

- Executive Program, Capital Market Academy (CMA) Batch 19/2014

**Percentage of Shareholding (%)**

- None

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

- None

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

**Other Listed Companies:**

- 2012 - Present Chairman, Premier Products Public Company Limited
- 2014 - Present Director, Premier Marketing Public Company Limited

**Other Business (Non-Listed Companies):**

- 2004 - Present Director, Premier Fission Capital Company Limited
- Present Director, Companies in the Premier Group of Companies
- 1999 - 2016 Chief Executive Officer of the Environmental Business, Premier Group of Companies
- 2017 - 2018 Advisor to the Group CEO, Premier Publicly Listed Companies, Premier Group of Companies
- 2017 - Present Advisor to the Chairman, Premier Group of Companies
- 2011 - Present Vice Chairman, Enlive Foundation
- 2015 - Present Director, Yuvabadhana Foundation

**4. Miss Wanna Kolsrichai**  
**Director**  
**Age: 62 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
- Director Certification Program (DCP) Course, Batch198/2014
- Successful Formulation & Execution of Strategy Program (SFE), Batch 26/2016

**Percentage of Shareholding (%):**

- 0.35 %

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

- None

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

**Other Listed Companies:**

- None

**Other Business (Non-Listed Companies):**

- 2012 - 2017 Director, Datapro Computer Systems Company Limited
- 2019 - Present Director and Chairman of the Executive Committee, Datapro Computer Systems Company Limited
- 2003 - 2017 Director, Companies in the Premier Group of Companies
- 2013 - 2016 Chief Executive Officer of the Real Estate and Hotel Group Business, Premier Group of Companies
- 2017 Advisor to the Chairman, Premier Group of Companies
- 1993 - 2018 Director, Yuvabadhana Foundation
- 2011 - Present Director, Khonthai Foundation

5. **Mrs. Walairat Pongjitt**  
**Authorized Director**  
**Member of the Executive Committee**  
**Age: 57 years**  
**Date of Appointment:**  
 10 May 2018



**Educational Background**

- Master of Public Administration, National Institute of Development Administration (NIDA)
- Bachelor of Laws, Chulalongkorn University
- Bachelor of Business Administration (Finance and Banking), Ramkhamhaeng University

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

- Training on Director Accreditation Program (DAP) Course, Batch 106/2013
- Successful Formulation & Execution of Strategy (SFE) Course, Batch 21/2014
- Director Certification Program (DCP) Course, Batch 198/2014
- Anti-Corruption: The Practical Guide (ACPG) Course, Batch 15/2014
- Anti-Corruption for Executive Program (ACEP) Course, Batch 13/2014
- Boardroom Success through Financing and Investment (BFI) Course, Batch 1/2017

**Special Training**

- Strategic CFO in Capital Market Course, Batch 2/2016
- Executive Development Program (EDP), Premier Group of Companies, Batch 1/2016
- Leadership Development Program (LDP), Premier Group of Companies, Batch 1/2017

**Percentage of Shareholding (%)**

0.56%

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

- None

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

**Other Listed Companies:**

- 2014 - Present      Director, Premier Enterprise Public Company Limited
- 2016 - Present      Director, Premier Marketing Public Company Limited
- 2018 - 2019        Director, Premier Products Public Company Limited

**Other Business (Non-Listed Companies)**

- 2009 - Present      Director, Datapro Computer Systems Company Limited
- 2009 - Present      Director, Premier Fission Capital Company Limited
- Present              Director, Companies in the Premier Group of Companies
- Present              Group Corporate Director, Financial and Investment, Premier Group of Companies

**Award**

- Business personage sample of the year 2019 in Finance and Securities from Foundation of Science and Technology Council of Thailand (FSTT)



6. **Mr. Harin Upa**  
**Authorized Director**  
**Member of the Executive Committee**  
**Age: 48 years**  
**Date of Appointment:**  
26 April 2012



**Educational Background**

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

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

- Director Accreditation Program (DAP) Course, Batch 107/2014
- Director Certification Program (DCP), Batch 206/2015

**Percentage of Shareholding (%)**

- 0.60%

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

- None

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

**Other Listed Companies:**

- None

**Other Business (Non-Listed Companies):**

- 2010 - 2019 Managing Director,  
Datapro Computer System Company Limited
- Present Advisor, Datapro Computer System Company Limited
- 2015 - Present Managing Director,  
Datapro Computer System (Myanmar) Company Limited

7. **Mr. Pirom Chamsai**  
**Independent Director**  
**Chairman of the Audit Committee**  
**Age: 64 years**  
**Date of Appointment:**  
 22 April 2015



**Education Background**

- Doctor of Engineering (Geotechnique) Ecole Centrale des Arts & Manufactures (French Government Scholarship)
- Master of Engineering Structure, Utah State University
- Master of Business Administration Program, Chulalongkorn University
- Master of Engineering, Chulalongkorn University
- Certificat d'Etudes Supérieures, Ingenierie Maritime et Fluviale, Ecole Nationale des Travaux Publics De L'Etat

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

- Director Accreditation Program (DAP) Course, Batch 31/2005
- Audit Committee Program (ACP) Course, Batch 8/2005
- Director Certification Program (DCP) Course, Batch 88/2007
- Role of the Compensation Committee (RCC) Course, Batch 2/2007
- Independent Observer Program (IOP), Batch 2/2016
- Advanced Audit Committee Program (AAP) Course, Batch 34/2019

**Percentage of Shareholding (%)**:

- 0.21%

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

- None

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

**Other Listed Companies:**

- 2000 - Present Independent Director/Audit Committee,  
Team Precision Public Company Limited

**Other Business (Non-Listed Companies):**

- 2007 - Present Lecturer, Faculty of Fine Arts, Bangkok University
- 2014 - Present Chairman, Consulting & Management 49 Limited

8. **Mr. Surabhan Purnagupta**  
**Independent Director**  
**Member of the Audit Committee**  
**Age: 65 years**  
**Date of Appointment:**  
22 April 2015



**Education Background**

- Master of Marketing, Southern Illinois University, Carbondale, USA
- Bachelor of Marketing, Southern Illinois University, Carbondale, USA
- Bachelor of Finance & Banking, Faculty of Commerce and, Chulalongkorn University

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

- Director Accreditation Program (DAP), Batch 132/2016

**Percentage of Shareholding (%)**

- None

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

- None

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

**Other Listed Companies:**

- None

**Other Business (Non-Listed Companies):**

- 2016 - Present      Director, Silpasaan Company Limited
- 2010 - Present      Director, Suvijit Company Limited

9. **Mrs. Suphasri Sutanadhan**  
**Independent Director**  
**Member of the Audit Committee**  
**Age: 63 years**  
**Date of Appointment:**  
25 April 2018



**Education Background**

- Mini M.B.A. Thammasat University
- Bachelor's degree of Administration Assumption University
- Certified Internal Audit of Institute of Internal Auditors (CIA No. 30833)

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

- Director Company Secretary Program (CSP), Class 6/2004
- Director Effective Minute Taking (EMT), Class 1/2006
- Director Accreditation Program (DAP) Class 132/2559

**Percentage of Shareholding (%)**:

- None

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

- None

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

**Other Listed Companies:**

- 2004 - 2017 Director of Finance and Accounting,  
Crown Seal Public Company Limited
- 2015 - 2018 Independent Director and Member of Audit Committee,  
Premier Enterprise Public Company Limited

**Other Business (Non-Listed Companies):**

- None

- 10. Mr. Surapol Srangsomwong**  
**Independent Director**  
**Member of the Audit Committee**  
**Age: 61 years**  
**Date of Appointment:**  
 25 April 2018



**Education Background**

- Bachelor of Laws degree, Chulalongkorn University
- Barrister at Law, Institute of Legal Education of Thai Bar Association

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

- Director Accreditation Program (DAP) Class 132/2559

**Percentage of Shareholding (%):**

- None

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

- None

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

**Other Listed Companies:**

- 2015 - 2018 Independent Director and Member of Audit Committee, Premier Enterprise Public Company Limited
- Present Director, Gold Master Public Company Limited

**Other Business (Non-Listed Companies):**

- 2017 - 2019 President of Law Alumni Association, Chulalongkorn University
- 2019 Director, The Civil Aviation Authority of Thailand Commission
- Present Advisor to the Board, Investigation and Case, The Securities and Exchange Commission
- Present Director, Office of the Thai Commercial Arbitration, Board of Trade of Thailand

## LIST OF COMPANIES IN THE PREMIER GROUP OF COMPANIES

PFC	Premier Fission Capital Co., Ltd.	PMC	Premier Motors Co., Ltd.
PE	Premier Enterprise Public Co., Ltd.	PRH	Premier Resorts and Hotels Co., Ltd.
PC2000	Premier Capital (2000) Co., Ltd.	TAM	Tamarind Village Co., Ltd.
PIL	Premier Inter Leasing Co., Ltd.	MS	Moo Ban Seri Co., Ltd.
PB	Premier Brokerage Co., Ltd.	SP	Seri Premier Co., Ltd.
PT	Premier Technology Public Co., Ltd.	PAC	Premier Assets Co., Ltd.
DCS	Datapro Computer Systems Co., Ltd.	PMB	Premier Metrobus Co., Ltd.
DCS Myanmar	Datapro Computer Systems (Myanmar) Co., Ltd.	PMN	Premier Manufacturing Co., Ltd.
PM	Premier Marketing Public Co., Ltd.	P-PET	Premier Pet Products Co., Ltd.
PMF	P.M. Food Co., Ltd.	SHR	Sea Harrier Co., Ltd.
PCI	Premier Canning Industry Co., Ltd.	PCE	Premier CE Co., Ltd.
PFP	Premier Frozen Products Co., Ltd.	IME	Imperial Eagle Co., Ltd.
PMSE	PM SE Co., Ltd.	SPH	Seri Properties Holding Co., Ltd.
MIVANA	Mivana Co., Ltd.	PPlanner	Premier Planner Co., Ltd.
TGD	The Good Drink Co., Ltd.	LPCE	LPCE Co., Ltd.
PPP	Premier Products Public Co., Ltd.	SNE	Senanee Co., Ltd.
IGC	Infinite Green Co., Ltd.	RKT	Khon Thai Shop Ltd.

**Mr. Teerapol Juthapornpong**

**Age 55 years**

**Corporate Secretary**

**Date of Appointment:**

20 February 2013



**Education:**

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

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

- Training on Company Secretary Program (CSP) Course, Batch 6/2004
- Driving Company Success with IT Governance (ITG) Course, Batch 2/2016

**Percentage of Shareholding (%)**

- None

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

- None

**Experiences over the Past 5 Years:**

- 2002 - Present      Corporate Director      Corporate Governance, Law and registration  
Premier Group of Companies



**Mr. Akapun Nuanmuang**

**Age 56 years**

**Corporate Director, Internal Audit Office**

**Date of Appointment:**

8 May 2008



**Education Qualification:**

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

- 2012 - Present      Corporate Director      Internal Audit Office,  
Premier Group of Companies

## The Shareholding of the Board of Director and Management

The Shareholding of Directors & Executives, their spouse and minor children as at 31 December 2019

Name	Position	31 December 2018		31 December 2019		Increase (Decrease)
		Number of share owned	%	Number of share owned	%	
Mr. Vichien Phongsathorn	Chairman	80	0.00	80	0.00	-
	Authorized Director					
	Chairman of the Executive Committee					
Mrs. Vimolthip Phongsathorn (Spouse)		117,887,766	41.53	117,887,766	41.53	-
Premier Fission Capital Co., Ltd. (Held by Mr. Vichien Phongsathorn)		11,488,900	4.05	14,573,600	5.13	3,084,700
Mrs. Duangthip Eamrunroj	Authorized Director	2,000,360	0.70	2,000,360	0.70	-
	Member of the Executive Committee					
Mr. Prasert Eamrunroj (Spouse)		-	-	-	-	-
Mr. Suradej Boonyawatana	Authorized Director	-	-	-	-	-
Mrs. Supanee Boonyawatana (Spouse)		-	-	-	-	-
Miss Wanna Kolsrichai	Director	1,000,000	0.35	1,000,000	0.35	-
Mrs. Walairat Pongjitt	Authorized Director	1,580,000	0.56	1,580,000	0.56	-
	Member of the Executive Committee					
Mr. Suwat Pongjit (Spouse)		-	-	-	-	-
Mr. Warittor Pongjit (Minor Child)		-	-	-	-	-
Mr. Harin Upra	Authorized Director	1,711,200	0.60	-	-	(1,711,200.00)
	Member of the Executive Committee					
Mr. Indra Upra (Spouse)		-	-	-	-	-
Mr. Harid Upra (Minor child )		-	-	-	-	-
Miss Hansa Upra (Minor child )		-	-	-	-	-
Mr. Pirom Chamsai	Independent Director and Chairman of the Audit Committee	600,000	0.21	600,000	0.21	-
Mrs. Malinee Chamsai (Spouse)		-	-	-	-	-
Mr. Surabhan Purnagupta	Independent Director and Member of the Audit Committee	-	-	-	-	-
Mrs. Suphasri Sutanadhan	Independent Director and Member of the Audit Committee	-	-	-	-	-
Mr. Kiertiyos Komin (Spouse)		-	-	-	-	-
Mr. Surapol Srangsomwong	Independent Director and Member of the Audit Committee	-	-	-	-	-
Mrs. Aurairat Srangsomwong (Spouse)		-	-	-	-	-
Total		136,268,306	48.00	137,641,806	48.48	1,373,500

## 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 facilitate and 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, determination of the remuneration such as meeting allowances, annual remuneration or other benefits, 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, education, work history, number of companies holding the position of directors.
    - 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) Date, month and year of appointment. Meeting attendance data in the past year (In case of appointment of former director)
    - 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) The amount of dividends to be paid together with reasons and information for consideration.
    - 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 have sufficient size and easily accessible.

1.4 The Company provides the shareholders with an opportunity to send their questions about the Company 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 7 days before 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.

Shareholders can download proxy through the Company's website and it also requires the Company to provide a stamp duty to shareholders. Moreover, the shareholders have rights to attend the meeting after the Chairman opened the meeting and vote on the remaining agenda which is still under consideration and no vote and to be counted the attendance since that agenda except the shareholders would have seen otherwise.

## **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 2019 Annual General Meeting of Shareholders, the Company held the meeting on 24 April 2019 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 56 shareholders attended the meeting in person and by proxy or 62.1536% of the total number of subscribed shares after deduction of treasury stock. The meeting was attended by the total of 10 directors from the totaling of 10 directors comprising the Chairman, Chairman of the Audit Committee, Managing Director and 6 other directors. In addition, the Company's senior management for Accounting Division, Financial Division and Legal Division of the Company and its subsidiary; Corporate Secretary and external auditor also joined the meeting.

At every General Meeting of Shareholders, including in 2019, the Company assigned the Thailand Securities Depository Company Limited 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 prior to the meeting date. Such information in both Thai and English were also posted not less than 30 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 2019, 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.

The criteria that the Company was not able to put into practices according to the 2019 CGR in Chapter 1: The Rights of Shareholders are as follows:

1. The Company had not present about the vote-counting auditor in the shareholders meeting report since in providing independent individual to be the canvasser or to verify the vote results is not the method to prevent corruption in casting a vote. The Company has completely provided the method in counting, storing vote documents and recording of the meeting as well as disclosed on the Company’s website. Thus the proceeding of the meeting and vote counting is transparent and accountability.

2. The Board of Director hold total shares of more that 25 % of the issued shares of the Company as the Company has no rights or involved in trading or holding shares of shareholders.

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

The Board of Directors supervises and protects the fundamental rights of all shareholders whether major shareholders, minority shareholders, institutional investors or foreign investors equally, including the process that facilitate the shareholders to attend the meeting without too much hassle, shareholders are protected from acts of exploiting and controlling shareholder. The measures of protection directors, management and employees from using the inside information for the benefit of the whole, including directors and management have to disclose information regarding their interests and 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 send a letter to the Board of Directors that may be sent in advance through the Company’s website, by email etc.



- 5) Nomination period is from 1 January to 31 December of every year
- 6) The Board of Director 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. Prevention of the use of insider information**

3.1 The Board of Directors sets policies for keeping and preventing the use of inside information of the Company in writing, and inform such guidelines to everyone in the organization to follow, including the guideline on the trading of the Company's securities for directors, executives and employees with internal information to use as a guideline. Directors, executives and employees with internal information must not trade, transfer or accept the transfer of securities of Company during the period of 1 month before the financial statements were disclosed and within 2 working days after the said disclosure.

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 policy for the directors and executives to report any conflict of interest regarding each agenda item prior to consideration and that such conflict must be recorded 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.

At the 2019 Annual General Meeting of Shareholders, there were no changes in the order of the agenda items and no agenda item was added. The meeting was not requested to consider matters other than those specified in the notice of the meeting.

Moreover, directors and executives have reported their shareholdings in the Company of their spouses and minor children to the Board of Directors or the person who was assigned by the Board of Directors including the disclosure of the Board of Directors and the Annual Report.

The criteria that the Company was not able to put into practices according to the 2019 CGR in Chapter 2: The Equitable Treatment of Shareholders are as follows:

1. The Company did not specify the election of directors by Cumulative Voting because the Company has completed the process of recruiting qualified management and recognizes the rights of the minority anyway.
2. The Company does not set a policy for directors and executive management to notify the board of directors about the stock trading at least 1 day in advance before trading because the Company has regulations regarding the use of insider information in accordance with the topic "Prevention of the use of insider information" and the trading of securities in some cases is a decision made by using that information at that time, making it impossible to notify in advance.

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

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" The Company believes that maintaining a balance between business, employees and society will encourage the growth of the Company, society and environment at the same time strongly and sustainably.

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 and practice 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 welfare policy, the Company provides additional benefits from the law for employees such as provident fund as a tool of motivating employee performance and retain personnel with the Company in the long run to look for savings regularly to secure for life after retirement, Savings cooperatives as a tool of saving and capital resources in emergency case, group life insurance, group accident insurance, annual health check-up, in-house medical clinic, library, sport club, 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 sets policies and guidelines for the social community in the 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**

The Company sets policies and guidelines for the environment as follows:

- 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.
- 5) Encourage educating employees on environmental issues including activities related to the environment with the staff by defines as policies and practices to be aware of.

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 a separate report from the annual report and disseminates through the Company's website.

**3. The Company has policies and practices in anti-corruption and do not pay bribes for the benefit of the Company and its subsidiary,** as well as supports activities that promote and instill in all employees the knowledge and compliance with applicable laws and regulations.

3.1 The Subsidiary's "Anti-Corruption Policy" is included in the new employee orientation program that is held monthly by using video and lectures by Human Resource Management and in 2019, the subsidiary held 38 new employee orientation events.

3.2 The Subsidiary has developed an e-Learning course entitled "Anti-corruption Corruption Policy" which requires all staff to attend self-training through intranet system of subsidiary and must complete the test after the course since 2016.

In 2019, the subsidiary arranged for all 38 new employees to attend the training through this system, which all new employees passed the test. The system will record access to all employees and can access the history of access to the system.

3.3 The Subsidiary has issued a document signed by the Managing Director of its subsidiary to its customers and business partners to refrain from giving gifts and gifts to its personnel. This is the activity that the subsidiary has operated since the year 2016 and is a continuous activity every year.

3.4 The Company and Subsidiary contain "Anti-corruption Corruption Policy" on the Company's website and its subsidiary's website. (<http://www.premier-technology.com/index.php/en/sd-th/sd-anti-corruption-th> and <http://www.datapro.com/index.php/about-us/anticorruption>)

3.5 The Subsidiary review and evaluate the Anti-Corruption Risks and to be one topic of risk management. The information disclosed in this report on "Risk Factors"

**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.

In 2019 the Company has no significant disputes with stakeholders. In addition, the Company has complied with all laws and regulations related to the rights of stakeholders has been well taken care of such as

1. In the Shareholders' Meeting, the Company gives rights to all shareholders to suggest any comments about the Company's business as the Company's owner through the independent directors in advance. All comments will be gathered to the Board of Directors for consideration. In 2019, the shareholders did not have any comments in advance.

2. The Company had no cases of violation of labor and employment laws, consumer competition, environment and No cases of misconduct in violation of the other intellectual property, fraud or offending business ethics. The Company had a record of accident or absence or illness is zero.

3. The Company prepares a Sustainability Report on corporate social responsibility as a separate report from the annual report by using concept of the Stock Exchange of Thailand's corporate social responsibility under the vision, mission and philosophy of Premier Group of Companies, which is "The Premier Business, The Premier People, The Premier Society" and disclosed through the Company's website.

4. The Company has been certified Membership Renewal of the Thailand's Private Sector Collective Action Coalition Against Corruption by the Private Sector Collective Action Coalition against Corruption on 25 May 2017. Due to the major business by holding shares in other companies (Holding Company), the company has put forward the anti-corruption policy to the subsidiary: Datapro Computer Systems Company Limited. The Subsidiary already announced its own anti-corruption policy on 1 June 2015, included adding the conditions about anti-corruption in business documents, training to educate employees about policies and practices against corruption to promote honesty and responsibility.

The criteria that the Company was not able to put into practices according to the 2019 CGR in Chapter 3: The Role of Stakeholders is as follows:

The Company did not prepare the integrated report because the Company believes that the disclosure of information in both Annual Statement (Form 56-1) and Annual Report are already completed in terms of content and essence. So, it was unnecessary to prepare this integrated report.

#### **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 the Company's material information, both financial and non-financial, is accurate, complete, timely, transparency 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, self-assessment of the board as a whole and individual and self-assessment of the Chairman of the Executive Committee. The remuneration policy for directors and senior management 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 subsidiary, 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 subsidiary;
- (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 2019, the Company published its annual report in both Thai and English within 120 days of the end of the financial year. The Company has sent the shareholders a copy of the invitation letter of the Annual General Meeting of Shareholders on 22 March 2019 and can be downloaded from the Company's website on the same day. The Company also publish the latest minute of the meeting within 14 days after the shareholders' meeting.

The Company presented its operational results, both financial and non-financial information, to the shareholders, individual investors, institutional investors, analysts and other stakeholders through various channels and participated at the Stock Exchange of Thailand's Opportunity Day on 21 February 2019 and 19 December 2019 to meet, provide information, and exchange opinions with analysts, local and foreign institutional investors and individual investors. There were also conference calls with analysts and investors. In addition, the Company regularly replied to email: [ircontact@premier-technology.co.th](mailto:ircontact@premier-technology.co.th), line application, telephone 02-684-8405 and Fax 02-677-3500 queries and evenly.

The criteria that the Company was not able to put into practices according to the 2019 CGR in Chapter 4: Disclosure and Transparency are as follows:

1. The Company does not represent the indicator of non-financial performance such as market share, the level of customer satisfaction etc. Since the information should not be disclosed because it is inside information. For measuring the level of customer satisfaction, the company will follow later.



2. There are no press conference/preparation newsletter presents the financial position of the Company because the Company has to disclose important information and financial information in its Annual Statement (Form 56-1), Annual Report, Sustainability Development Report, the report of Annual General Meeting of the Shareholders and on the Company's website correctly. And the Company is ready to provide the information to the press

3. The Company does not disclose the details of the CEO's remuneration because the CEO does not receive any benefits. But the Company discloses the overall benefits of the executives.

## **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, strategies, 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 of Directors**

1.1 The Board of Directors has prescribed that the structure of Board should consist of directors with various qualifications in terms of sex, age, education, professional experience, skills and knowledge, specific capabilities that benefit the Company. There should be at least one non-executive director who has experience in the core business or industry of the Company.

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 of Directors 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 of Directors 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 of Directors 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 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 Directors have 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 has established a Remuneration Committee. The entire Board of Directors, except for directors with conflicts of interest, are responsible for considering the criteria for payment and forms of remuneration of directors in order to propose opinions to the board of directors, before presenting the remuneration of the directors to the shareholders' meeting for approval.

2.3 The Board of Directors has established a Nomination Committee. The entire Board of Directors, except for directors with conflicts of interest, are responsible for considering the rules and procedures for the recruitment of suitable and qualified persons in line with the Company's business strategy in order to be a director. Including selection of people in accordance with the specified recruitment process, propose opinions to the Board of Directors to propose to the shareholders' meeting to appoint directors. The process of recruiting the said person, the Company has been selected from the professional committee in the directory of the Thai Institute of Directors (IOD) and personnel in various fields, by considering qualifications and working experience.

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

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

- 1) The Board of Directors have authorized to approve about the Company according to the duties imposed by law, articles of association, charter of the board and the resolution of the shareholders' meeting, including the consideration and approval of the key matters on the Company's operations such as the vision, mission, strategy, financial targets, risk management, budget plan, corporate governance policy, anti-corruption policy including review and approval in the line with the Company's situation.
- 2) Monitor and ensure efficient and effective implementation by the management of approved policies, strategies 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 of Directors 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.

The Company conducts all employees to take the "Honest Thai" test through the Company's intranet system to ensure that employees have the knowledge and understanding about anti-corruption, which is part of business ethics and can be implemented correctly and appropriately. The Company has evaluated the performance of all employees on the topic of morality and ethics, and good governance to be a good role model for others and society according to the core values of the Premier Group of Companies annually.

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 of Directors 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 review 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 of Directors 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 subsidiary in order to protect the benefits from its investment. The Board of Directors 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 has scheduled the meeting and agenda of the Board of Directors in advance and informs each director of such schedule so that the directors can arrange the time and attend the meeting.

In 2019, the Company has set the schedule of the Board of Directors' meeting for the year 2020 in advance (The meeting schedule is subject to change without notice), excluding special meetings, to consider the financial statements, the policy and follow-up the operation as follows:

No.	Audit Committee's Meeting	Board of Director's Meeting	Annual General Meeting of Shareholder
1/2020	12 February 2020	12 February 2020	22 April 2020
2/2020	13 May 2020	13 May 2020	
3/2020	5 August 2020	5 August 2020	
4/2020	4 November 2020	4 November 2020	

4.2 The number of Board of Directors' 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 report operating results to the Board for the months in which there was no meeting so that they can control and direct the management operations continuously and timely.

4.3 The Chairman of the Board and the Managing Director jointly selects matters for inclusion in the agenda of the Board of Directors' 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 percent of all Board of Directors' meetings held during the year.

4.6 The Company has a policy regarding the minimum quorum at the time that the Board of Directors will pass a resolution in the meeting of the Board that there must be at least 2 in 3 of the total number of directors.

In case of emergency / urgent case / circumstances which may cause damage to the Company's business or operations and may not be carried out 2 out of the 3 of total directors attend the meeting, the directors not less than one-half in accordance with articles of association have authority to consider and resolve that agenda.

4.7 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.

4.8 The Board of Directors encourages the Managing Director to invite the senior executives to attend the Board of Directors' 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.

4.9 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.

4.10 The Board of Directors considers that it is 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

4.11 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 of Directors' 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 of Directors;
- Summary of the matters discussed and observations of the directors;
- Resolutions of the Board of Directors 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 of Directors and the Committee as a whole and individual including disclosed the criteria and process in the Company's annual report.

5.3 The Board of Directors annually evaluates President or Chief Executive Officer to be used in determining their remuneration. At which the Company evaluates in accordance with the principle that the Stock Exchange of Thailand has set.

For the Board self-assessment process, the Corporate Secretary will send the evaluation form mentioned above to all directors in November and respond within 15 December of every year. After that, the Corporate Secretary will collect and report the results of the evaluation in comparison with the previous year to the next Board of Directors' Meeting to acknowledge and improve the work to be more effective.

For the Board self-assessment criteria, the Company has evaluate the performance of the entire committee and evaluate the performance of individual by using the method of 5 level scoring for each topic, which are: 0 = Strongly disagree or there has been no implementation of the matter, 1 = Disagree or there has been little implementation of the matter, 2 = Agree to a limited extent or there has been initial implementation of the matter, 3 = Mostly agree or there has been progressive implementation of the matter, 4 = Strongly agree or there has been complete implementation of the matter. The evaluation topics consisted of 6 main topics, which are:

1. Structure and qualification of the Board
2. Roles, duties and responsibility of the Board
3. Board Meeting
4. Duties of Directors
5. Relationship with the management division
6. Directors' Self Development and Executive Development.

Moreover, the Company has evaluated the Chief Executive Officer's success by considering from the Company's business operation performance and operating performance that was in accordance with the policy assigned by the Board of Directors for the improvement. Scoring method used is the same as operation performance of the entire board evaluation and the performance of individual. The evaluation topic consisted of 3 main sections, which are:

Section 1: Progress of work plan

Section 2: Performance Measurement

- 2.1 Leadership
- 2.2 Strategy Formulation
- 2.3 Strategy Implementation
- 2.4 Financial planning and financial performance

- 2.5 Relationship with the Board
- 2.6 External Relations
- 2.7 Administration and Personnel relations
- 2.8 Succession
- 2.9 Knowledge of products and services
- 2.10 Personal Characteristics

#### Section 3: Development of the Chairman of the Executive Committee

### 6. Remuneration

Directors' remuneration is arranged in a comparable level to those of other listed companies in the same industry, including their experience, duties, scope of roles and responsibilities. (Accountability and Responsibility) and the expected benefits of each director. Directors that are assigned additional duties and responsibilities, such as being a member of a sub-committee, should receive appropriate additional remuneration.

### 7. Board and Management Training

7.1 The Board of Directors 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 The Board of Directors determines the orientation for all new directors to build the understanding in the Company's business and the implementation of various aspects in order to prepare for the performance of the Directors. The Corporate Secretary is the coordinator of the various business structures, board structure, responsibilities, business introduction, operation guidelines etc.

7.3 The Board of Directors has established a personnel development policy for directors and executives and disclose in the Company's annual report.

7.4 The Board of Directors 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.

In 2019, the Directors have not attended seminars and training courses of the Thai Institute of Director (IOD) and other institutions as follows:

No.	Name	Position	2019 Training Courses
1.	Mr. Vichien Phongsathorn	Chairman and Chairman of the Executive Committee	-Lecture on TEPCoT Executive Program in Trade and Commerce, Class 12, organized by the Institute of Trade Science, University of the Thai Chamber of Commerce -Lecture on Course Description "Honest and Transparent Local", Class 1, organized by the Public Interest and Civil Society Center -Speaker of "Developing Inclusive Business & Impact Investment: Panel Discussion & Reception", organized by AVPN
2.	Mr. Pirom Chamsai	Independent Director and Chairman of the Audit Committee	-Advanced Audit Committee Program (AACP) Course, Batch 34/2019 (4 Days)
3.	Mrs. Suphasri Sutanadhan	Independent Director and Member of the Audit Committee	Annual Seminar 2019 "Sustainability of the business in the digital age - Know quickly - Use to be" of the EY Office.

The criteria that the Company was not complete and was not able to put into practices according to the 2018 CGR in Chapter 5: Responsibilities of the Board of Directors are as follow:



Criteria that has not complete / clearly

In previous year, the Board of Directors had arranged less than 6 board of directors meeting, due to the number of the Board of director meeting that had been scheduled 4 times a year was appropriate and in line with the Company operation performance consideration agenda and the approval of financial budget agenda. Moreover, the Company is prepared to call an additional meeting in the case where it is necessary or any agenda that need to be consider in urgent.

Criteria that has not practiced

1. The Board of Directors has not set any policy on the limitation of each director not more than 5 companies and not more than 3 listed companies in the Company's corporate governance policy as the Board of Directors has practices its duties effectively. Unlimited number of companies in the position does not affect the operation and the number of people with limited knowledge, skills and experience to serve as directors is limited. Therefore, the determination of such conditions will make it difficult for the Company to find a director.

2. The Board of Directors does not have any policy for Managing Director on the holding of director position at other companies; as the Company has stipulated the Managing Director's prohibition/ limitations on conducting transaction or holding position in a Company or organization that have conflict of interest or affect the performance of the Managing Director position that such person hold with the Company. Moreover, from the aforementioned prohibitions/ limitations, the Company is firmly believed and respected the judgment of the managing director in holding the director position or other position at a Company or organization other than the Company itself.

3. The Board of Directors has no policy to limit the number of years / terms of office of an independent director for not more than 9 years as the continued succession of Directors can be beneficial to the Company's business and operations. In addition, to recruit personnel with knowledge and competence to hold the director position is not easily performed.

4. In the Board of Directors, there are some executive directors who hold the director position in other listed company as the executive directors have performed their duties effectively, therefore, no limiting the number of company in holding the position had no impact on the performance; and that number of persons with sufficient knowledge and experience to hold the company's director position is limited. Thus, in stipulating such condition, the Company will face with difficulty to recruit such persons to hold the director position.

5. The Board of Directors did not disclose the CEO's remuneration policy both in short term and long term, including the monitoring of the CEO's performance as it is internal information that should not be disclosed, though the overall number of executives was disclosed.

6. Shareholders/ Board of Directors did not approved the executive director/ Chief Executives as the executive board has informed to waive the rights to receive compensation and according to the power of authorities handbook, the authority in setting remuneration of chief executive is in the authority of Managing Director which is already appropriate and the Board of Directors has verified through the annual budget.

7. Chairman of the Board of Directors is not independent director, as the appointment of Chairman of the Board of Directors has been considered from directors with qualification, knowledge and competence, have understanding and adhere to the good governance principle, without having to regard whether the director is independent or not.

8. Chairman and Chief Executives of the Company is the same person due to the appointment of Chairman was considered by the Company from director with appropriate qualification, knowledge, competence, have understanding and adhere to good governance policy, regardless of whether it is the same person or not.

9. The Board of Directors has not established CG Committee as the entire committee has already acted as the CG Committee.

10. The Board has not established Risk Management Committee. However, the Company has appointed a Risk Management Subcommittee. It consists of executives and employees of the Company and its subsidiary to carry out risk assessments of the Company and its subsidiary and report to the Audit Committee.



11. The Board of Directors consisted of less than 50% independent directors due to the elements of independent directors is not the significant essence in the Board of Directors' role of duties.

12. The Company did not provide project grants to managements to purchase the Company's shares for a period of more than 3 years and pricing higher than the price at the time of allocation, including the concentration not more than 5%, since The Company provides oversight and incentive to managements and other employees to work happily and organizations already bound without the need for project grants to management or other employees in purchasing the Company's shares. However, if the Company has such a project, the Company also will give both managements and other employees on the principles of equality.

### Committees

The Board of Directors has appointed a sub-committee consisting of the Audit Committee, Remuneration Committee, Nominating Committee, Executive Committee and Risk Management Committee with details as follows:

### Audit Committee

As at 31 December 2019, the Audit Committee comprised 4 members

Name	Position	Meeting / Attendance (Times)
1. Mr. Pirom Chamsai	Chairman of the Audit Committee	7/7
2. Mr. Surabhan Purnagupta *	Member of the Audit Committee	7/7
3. Mrs. Suphasri Sutanadhan *	Member of the Audit Committee	7/7
4. Mr. Surapol Srangsomwong	Member of the Audit Committee	7/7

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

By the year 2019, the Audit Committee held a total of 7 times, including the quarterly Audit Committee meeting 4 times, meeting with the subsidiary's risk management committee 1 time, meeting with the auditor without management attend 1 time and meeting without management attend 1 time.

Mr. Teerapol Juthapornpong, The Corporate Secretary, served as the Secretary of the Audit Committee since February 20, 2013 and Mr. Akapan Nuanmuang, Director of Internal Audit Office, is in charge of the internal control system, internal audit system and risk management system and report directly to the Audit Committee.

### Term of the Audit Committee

The term of office of the Audit Committee's member is 3 years. A retiring committee's member is eligible for re-appointment. In the event of the resignation of any Audit Committee's 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 Office, as well as

recommend the appointment, transfer and dismissal of the chief of the Internal Audit Office 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, related transaction 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's 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.

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

Remuneration Committee is responsible for considering the criteria for payment and forms of remuneration of directors in order to propose opinions to the Board of Directors before presenting the remuneration of the directors to the shareholders' meeting for approval.

Nominating Committee is responsible for considering the criteria and process for the selection of suitable and qualified persons in line with the Company's business strategy in order to be a director, including selection of people in accordance with the specified recruitment process, propose opinions to the Board of Directors to propose to the shareholders' meeting to appoint directors. The process of recruiting the said person, the Company has been selected from the professional committee in the directory of the Thai Institute of Directors (IOD) and personnel in various fields, by considering qualifications and working experience.

Board of directors is responsible for planning the overall policy, mission or strategy, plans and budgets, to advise the management of the Company and its subsidiary in order to comply with the policy, mission or strategy, approved plans and budgets, maintain the core values of the organization and promote business administration in accordance with the good core values of the organization, consider and acknowledge other matters, both about and not about the Company management that the Executive Committee deems necessary or appropriate to be proposed for acknowledgment, acknowledged the internal audit report for matters relating to preventive measures, checking and solving problems, and in the case of

an event that causes damage or may cause damage to the Company or subsidiary, perform other duties as assigned by the Board of Directors and/or the Audit Committee.

The Risk Management Committee, consists of Chief Executive from the Company and its subsidiary, operates under the supervisory of the Audit Committee. The responsibilities of Risk Management Committee are to specify policies, criteria in analysis, level of risk and prioritizing the risk which includes risk analysis that caused by non-compliance with against corruption policies, to define / review / approve framework and guideline in managing risk, anti-corruption as well as corporate social responsibilities; in order to prepare sustainable development report by coordinating with Internal Audit Office and report to the audit committee as well the board of directors to acknowledge every quarter. Risk management committee is also responsible for setting up meeting to review operation performance in accordance with the risk management system, report on significant risk together with the audit committee at least once a year. Furthermore, the duties of working group on internal procedure and risk management are to identify, evaluate, compile and to operate in accordance with the risk management plan and internal control.

### **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 of Directors. 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 4 independent directors including Mr. Pirom Chamsai, Mr. Surabhan Purnagupta, Mrs. Suphasri Sutanadhan and Mr. Surapol Srangsomwong.

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 percent of all shares with voting rights of the Company, its parent Company, a Company's subsidiary, 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 2 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.
4. Neither having nor used to having a business relationship with the Company, its parent Company, Company's subsidiary, 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, Company's subsidiary, 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, Company's subsidiary, 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, Company's subsidiary, affiliated Company, major shareholder or controlling person of the Company unless relieved of such characteristics for not less than 2 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, Company's subsidiary, 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 2 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 or not being a principal partner in a partnership or being an executive director, employee, staff, consultant on retainer or holding more than 1 percent 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.

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

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

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

In the selection of directors, Nomination Committee will identify and select qualified candidates for nomination to the Board of Directors for its approval. The Board of Directors 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, skills 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.

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

The Company has a policy for its subsidiary 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 subsidiary 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 subsidiary are also directors of the Company and, therefore, the various operations of the subsidiary will largely take into consideration and adhere to the guidelines for operation of the Company.

#### **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 subsidiary 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 before the financial statements were disclosed and within 2 working days after the said disclosure. 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. 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 and executives to report their securities holding to the Board or person who has been designated by the Board on a quarterly basis, including the disclosure by the Board of Directors meeting and the Annual Report.

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.

## **Remuneration of the Auditor**

### **(1) Audit Fee**

The Company and its subsidiary paid remuneration for the audit to EY Office Ltd., the audit firm.

EY Office Limited is auditors approved by the Securities and Exchange Commission and the Annual General Meeting of Shareholders for the year 2019, to be independent auditors to review and express opinions on the financial statements of the Company, reliable and have no relationship or interest with the Company / subsidiary / directors / executives / major shareholders or any person related to such person.

The audit fee paid to the auditor in the past financial year is as follows:

Item	Company Paying	Auditor	2018 Audit Fee	2019 Audit Fee
1	Premier Technology Public Co., Ltd	Miss Siraporn Ouaanunkun	620,000.00	620,000.00
2	Datapro Computer System Co., Ltd.	Miss Siraporn Ouaanunkun	1,140,000.00	1,300,000.00
Total Remuneration Paid for the Audit			1,525,000.00	1,920,000.00

### **(2) Non-Audit Fee**

- None -



### **Implementing 2017 Good Corporate Governance Principles for Listed Companies**

The Company recognizes the importance of Good Corporate Governance and adheres to the Principles of Good Corporate Governance as prescribed by the Stock Exchange of Thailand. In addition, the Company has a process to review the adoption of Good Corporate Governance Principles for Listed Companies to be suitable for the business every year or at least once a year, which will review and record the reasons that have not been applied.

In 2017, the Company has reviewed and improved its Corporate Governance Policies, in line with the ASEAN CG Scorecard, to be implemented and deployed appropriately.

Apart from Corporate Governance Policies, policies and measures in whistle-blowing and whistle-blower protection that the Company disclosed on the website and in the annual report, the Company also has policy on business, employees, society and environment which were disclosed in the Sustainable Development Report.

### **Compliance with Good Corporate Governance Principles in Other Matters**

The Company has assigned the Law Division of Premier Fission Capital Co., Ltd., which has knowledgeable and experienced staffs, as a Compliance Unit with the following duties and responsibilities.

1. Support the policies and objectives of the organization and management, to ensuring adequate compliance.
2. Check, supervise and monitor the performance of the various segments according to the laws, rules, policies, guidelines and rules declared by the Board of Directors continuously.
3. To be the collection and dissemination of information, as well as educating and advising to other sections related to work practices, comply with laws, regulations, guidelines, codes of conduct announced or suggestions included training of relevant knowledge.
4. To be the center of communication and knowledge promoted to The Board of Directors, management and employees to aware of and follow the regulations correctly.

### **Policy for Whistle-Blowing and violations of human rights**

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
- Corporate Secretary  
Premier Technology Public Co., Ltd.  
No.1 Premier Corporate Park, Soi Premier 2, Srinakarin Road  
Nongbon, Prawet, Bangkok 10250  
Telephone: 02 - 3011569  
Facsimile: 02 - 7482063  
e-mail: [teerapol.act@pt.premier.co.th](mailto:teerapol.act@pt.premier.co.th)



Once the Company has been notified of the clues / complaints / comments / suggestions, the Company will collect data, process, investigate and set measures to mitigate the damage to the affected people, be troubled the person responsible for the matter is responsible for monitoring the results and reporting to the complainant / complaint / comment / suggestion and reporters / complaints / comments / suggestions, and report the results to the Audit Committee and/or the Board of Directors, as the case may be.

To protect the rights of the notifiers / complaints / comments / suggestions or those who cooperate in the investigation; the employee, customer, the person who works for the company or other stakeholders, the Company will not disclose any other information of the complainant / complaint / comment / suggestion or those who cooperate in the investigation. It will also be protected by law or according to the guidelines set by the company.

In 2019, the Company did not have any material dispute with the stakeholders.

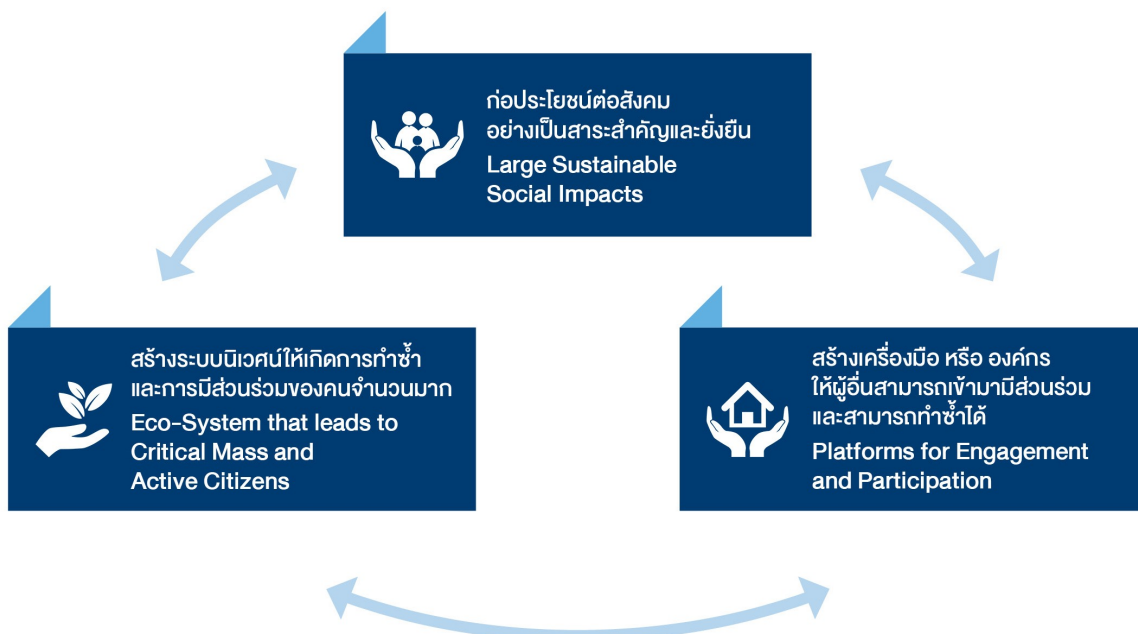
## Corporate Social Responsibilities: CSR

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" The Company believes that in maintaining balance between business, employees and society will help support the business, society and environment to strongly and sustainably grow along side.

As the result, sustainable is the main strategy in driving the Company and its subsidiary to develop its capacity in manufacturing goods and services that are beneficial to the society. To continuously and regularly develop the operating procedure will promote, push forward as well as interpose the concept of corporate social responsibility and sustainable development, which are one of the operating process and are the organization's culture along with strengthening the value on economic, society and environment, whether if its shareholders, employees, customers, trade partner, business alliances, community or society as a whole to get mutual benefits both in short and long term.

The Company and its subsidiary has supported and cooperated with the Social Sustainability Development Unit of Premier Group of Companies i.e. Yuvabadhana 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. For more information, please find at the website [www.premier.co.th](http://www.premier.co.th) on "Premier for Society".

In order to support the development of such mechanisms, the Company and its subsidiary donate the money equal to 5 percent of net profit after income tax burden of the fiscal year to benefit the educational through Yuvabadhana Foundation or other public charitable organization according to Premier Group of Companies' policy. The Company discloses the results of its activities in the topic of operations of the Social Sustainability Division.



The detail of the part concerning such business activities, the activities of staffs and the activities of the said foundations are as follows:

### **1. Operate Business Fairly**

The Company and its subsidiary emphasize on operating business with accuracy, equity, fairness and honesty respecting rights on intellectual property, promoting political rights as well as operates in accordance with the commitment made to the Company and its subsidiary' stakeholders. The details are as follows:

#### **To Compete Fairly:**

- Conduct mutual business fairly without exploitation, and honor and comply with the conditions stipulated in the contracts.
- Do not solicit, accept or give any undue benefits in dealing with business partners or creditors. If there is any information regarding the bestowment of any undue benefits, consultations must be made with the business partners or creditors to mutually resolve the matter on a fair and timely basis.
- Provide complete and accurate information about the products and services without distorting facts, including provide accurate, adequate and beneficial information to customers and have product's recall process when quality problem are found.
- Compete under the rules of fair competition. Do not seek confidential information of the business competitors through dishonest or illegal means. Do not discredit competitors through slandering or any other actions without the truth and unjustifiably.

#### **Promote Corporate social responsibility with Trade Partner**

- Give opportunities to trade partner, customers and business alliances to directly or indirectly be part of the Company and its subsidiary' activities for society by participating in the activities for society or support by contributing fund or things as pleased.

#### **Respect to Property Rights :**

- Promote and operates strictly in accordance with the rights in property, intellectual property, copy right, patent and moral rights by specifying policies in the Premier group policies manual under the business confidential and intellectual property policies.
- To support Executive officers and employees to utilize Company's resources and properties efficiently. Uses goods and servies that have copy right and should not support goods or action that violate intellectual property.

#### **Involved in politics with responsibility :**

- The Company and its subsidiary operates business with politcal neutrally and does not concentrate on any political group or parties, does not support any particular political parties, does not help any specific politcal candidates.
- Gives opportunities to employees to use their democracy rights and responsibilities, to participate or support independetly and personally in any political activities without effecting the Company.

### **2. Against Fraud and Corruption**

The Company emphasizes in Good Corporate Governance and ensure to manage under the Corporate Governance Framework that are transparent and accountability for the best interest of all stakeholders. The Company has also set the "Anti-Fraud and Corruption" policy and informed the Executives and employees of all level to adhere and practice in accordance with the policy. There are scope of anti-fraud and corruption management system that covered every steps and every working process of the Company and its subsidiary that involved with the business, procurement, employ, distribute, supply and other operating procedure where there is risk of fraud and corruption. The Company has been certified as member of the Thailand's Private Sector Collective Action Coalition Against Corruption from the Private Sector Collective Action Coalition Against Corruption on 4 July 2014 and has been renewed as member of the Thailand's Private Sector Collective Action Coalition Against Corruption on 25 May 2017.

In addition, on 31 August 2018, the Subsidiary prepared the curriculum "Anti-corruption in practice " for sales department and purchasing department, including recording as a video and storing for employees from other departments of the Subsidiary to be accessible via the company's internal network. The accession of such information, the Subsidiary can view the employee's access statistics as planned in 2017.

In this regard, the Company has clearly defined the responsibility of management as follows:

### **2.1 Management Commitment**

The Company is committed to push forward the anti-fraud and corruption measure system into the operating process and adjust management system to be transparent in accordance with the corporate governance principles. By doing so, the managing directors have established policies and are committed to operate the business without fraud and corruption, which is in accordance with the regulations of anti-corruption measure, as well as a complete promote of the resources. The Company has clarified and made understanding with all employees in the consumer good business line and related external parties to realize the importance in operating each procedure transparently to be in line with the regulations, policy and requirements of laws and other related regulations.

### **2.2 Anti-Corruption Policy**

- The directors, management and employees of the Company and its business lines are prohibited from performing, accepting or supporting corruption in any form, whether directly and/or indirectly. This shall be applicable to all companies in the consumer products business line, including all related contractors and sub-contractors. Regular reviews on compliance with the anti-corruption policy shall be made, as well as reviews on implementation to ensure compliance with the policy, practices, regulations, rules, notifications, laws and business changes.

- The anti-corruption standard is part of business operation and it is the duty and responsibility of the Company's board of directors, management, supervisors, employees at all levels and suppliers or sub-contractors to express their opinion regarding the practice on the implementation of the anti-corruption actions to ensure achievement of compliance with the policy set.

- The Company formulated its anti-corruption measures in accordance with related laws, including the principles of moral. Risk assessment was conducted on activities that are related or at risk for corruption and the results were used in preparing the operating guidelines for all related parties.

- The Company does not offer or support bribery in any form in all activities under its supervision, including supervision of charitable contributions, political contributions, and the offer of gifts in business transactions, and supports various activities with transparency and without the intention of convincing officials of the government or private sector to undertake inappropriate actions.

- The Company has appropriate internal control with regular reviews in order to prevent improper practices by employees, especially in sales, marketing and procurement.

- The Company provides knowledge on anti-corruption to its directors, management and employees to promote integrity, honesty and sense of responsibility in fulfilling their duties, and to show the Company's commitment.

- The Company has in place mechanisms for transparent and accurate financial reporting.

- The Company has provided a variety of communication channels for employees and stakeholders to raise concerns and report suspicious circumstances with confidence of being protected from punishment, unfair transfer or harassment in any way, as well as appoint person(s) to investigate and monitor the complaints.

The Company has provided channels to receive clues / complaints / suggestions / 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
- Corporate Secretary  
Premier Technology Public Co., Ltd.  
No.1 Premier Corporate Park, Soi Premier 2, Srinakarin Road  
Nongbon, Prawet, Bangkok 10250  
Telephone: 02 - 3011569  
Facsimile: 02 - 7482063  
e-mail: teerapol.act@pt.premier.co.th

Once the Company has been notified of the clues / complaints / comments / suggestions, the Company will collect data, process, investigate and set measures to mitigate the damage to the affected people, be troubled the person responsible for the matter is responsible for monitoring the results and reporting to the complainant / complaint / comment / suggestion and reporters / complaints / comments / suggestions, and report the results to the Audit Committee and/or the Board of Directors, as the case may be.

In order to protect the rights of whistleblowers / complaints / comments / suggestions or those who cooperate in the investigation; the employee, customer, the person who works for the company or other stakeholders, the Company will not disclose any other information of the complainant / complaint / comment / suggestion or those who cooperate in the investigation. It will also be protected by law or according to the guidelines set by the company.

### **3. Respect Human Rights**

The Company recognizes the significance of the value of human dignity and has established policies for executive officers and every employee to respect human rights and respect human dignity of each other as well as stakeholders, which is the universal principle and is considered as the significant route in operating business. The Company has a clear policy to jointly perform social responsibility under the core value "Advance Business, Firm Employee, Sustainable Society".

- Support and respect in human rights by supervising business and employees not to be involved with any violation of human rights activities, such as not to utilized any kind of forced labour and child labour. This also includes supervising to ensure that the Company and employees strictly practice in accordance with the standard of labour protection law.
- Respect and abided by the universal principles in hiring and treating all stakeholders with fairness on the basis of human dignity, by equally giving opportunities to every individual without any discrimination and violation of basic rights on gender, age, religious, nationality, region, position, physical condition and political opinions.
- Monitored and follow up on subsidiary, trade partner and stakeholders to strictly practice in accordance with universal principles on human rights, including protect rights of stakeholders that was damaged by the violation of right from the operating business in accordance with the specified laws.
- Provide working location that have good working environment and emphasized on the safety and occupational health in the workplace.
- Give employees opportunities to participate in management and comments on operating business or Company's working procedure through "Suggestion Activities" and through different set of committees such as welfare committee, anti-fraud and corruption committee etc.
- Stipulate measures in protecting employees that whistle blowing about violation of human rights or treating employees unequally. The whistle blower will not be punish, bullied or be treated in anyway that will lead that individual to be unable to no longer works at the Company.

#### **4. Treating Labour Fairly**

Employees are considered as valuable resources. The Company recognized the significant in treating labour fairly and respect human dignity on the basis of equality. Hoping for sustainable peace in the Company and society, that is to say,

- The Company emphasized on treating employees on the basis of fairness and equality, both in opportunities to be promoted, be promoted, transfer, welfare and compensation, as well as gives opportunities to develop without discrimination resulting from differences in gender, age, religious, nationality, region, political opinions, position and physical condition.
- The Company assigns the leader of all level to supervise and ensure that there is fairness in every sector by avoiding any unfair actions that will have an effect on the employee insecure feeling in the workplace or conduct any unfair harassment that creates pressure to the employee mental conditions.
- The Company emphasized on the employee development to continuously train their skills and enhanced their potential.
- The Company equally provides welfare, medical fees, annual health check-up, health insurance and life insurance to all level of employees.
- The Company give opportunities to employee that was treated unfairly or encounter on any unfair action to send in their comments or complains directly to the supervisor that is in charge or to the managing director through these channels: To meet in person/ complaint through mail/ documents/ E-mail etc.
- The Company clearly stipulates guidelines that employees' complaint/ suggestions must be clarify/ fix or put into practice.
- The Company stipulates measures in protecting employee that make complaint/ whistle-blowing on treating employee unfairly/inequality. The employee will be protected against punishment, bullied or any action that will cause the complainer / the whistle-blower to be unable to continue working at the Company.

#### **5. Consumer Responsibility**

The Company has obligation to "provide quality services and up to the international standard", focuses on providing efficiency and quality services, which includes being professional to consumers. Service with standard helps create spiritual value for a better quality of life. The Company and its subsidiary believed the true value should derive from providing quality services, therefore policies and guidelines were stipulated to be able to response to the consumer satisfaction.

- Present quality product, up to the standard and is safe to match with consumer demand;
- Has operating process which is in accordance with the international standard, effective in every step, from selecting products, strictly inspect qualities and has fast and agility goods delivery system.
- Stipulate regulations on quality of the product that the Company will select to be distribute and should practice accordingly;
- Disclose products and services information completely, accurately and does not distort the truth;
- Provide accurate and sufficient information and should be beneficial to consumers;
- Return policy if any flaw was found on the product quality.

#### **6. Environmental Conservation**

The Company and its subsidiary always recognized the significant in operating its business along with conservation of the environment and biological varieties, as well as to utilize the resources efficiently. The Company and its subsidiary have set guidelines for environment aspects as a code of conduct for employees, under the business ethics which are as follows:

- Refrain from any action that may damage the natural resources and the environment.

- Practices or control to practice in accordance to environmental laws and regulations.
- Support activities that are beneficial to the communities and society as a whole.
- Promote efficient use of resources and establish policies in saving energy and other resources by bringing in technology that helps save energy to be use in the Company.

#### **7. Collaboration in Community and Society Development**

The Company and its subsidiary recognized the significant of environment and varieties in biological conservation, as well as operate business that are friendly to the society and environment with responsibility and take care of the community around them, which reflects the organization standing point that desired to operate sustainable successful business together with employees and society.

Moreover, the Company participated in the community and society development activities thought business operation of different foundations i.e. Yuvabadhana Foundation, Khonthai Foundation and EnLive Foundation by 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.

#### **8. Has innovation and publicize innovations that gain from operating with corporate social responsibility, environment and stakeholders**

To continuously operate business efficiently and effectively, the Company support employees of all sectors to improve the performance efficiency and reduce redundancy procedures in performing task by organizing learning exchanged, accumulate and convey knowledge sharing in coalition under the "Knowledge Sharing Management" project.

The Company has prepared a report for the sustainability of the Company's social responsibility to disclose the Sustainability Development Report on social responsibility (CSR Report) separately from the annual report and disclosed in the Company's website: [www.premier-technology.co.th](http://www.premier-technology.co.th)



## **Internal Control and Risk Management**

### **1. Internal Control**

The Board of Directors of the Company and its Subsidiary have continuously placed importance on the internal control system which covered the area of finance, operation and performance to be in accordance with the related laws, rules and regulations since this is an important mechanism that builds the managements' confidence in reducing business risks. Adequate, efficient and effective risk management are established by appropriately allocate resources in securing and maintaining properties as well as clearly specified risk management policy. The Audit Committee, which comprises of the independent directors, is assigned to supervise the internal control system and risk management system to be appropriate and efficient by applying the international standards framework guideline of COSO (The Committee of Sponsoring Organizations of the Tread way Commission) and the Enterprise Risk Management framework into practices. This include supervising the Company's corporate governance system, ensuring that the Company practices in accordance with the related laws and policies as well as supervises to prevent conflict of interest, conducting related party transaction and monitoring the use of assets in order to prevent fraud or misconduct and to be in accordance with the rules of corporate governance guideline of Stock Exchange of Thailand, Thai Institute of Directors (IOD) and Organization for Economic Co-operation and Development (OECD). These guidelines are adapted for a more completeness, in order for the Company's performances to pursue every aspect of effective and efficient work. By which the Internal Audit Division will perform independently from the management and report directly to the Audit Committee as well as preformed auditing and evaluating the efficiency and the adequacy of the Company and its subsidiary internal control system and operations of all departments to be in compliance with 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 Subsidiary's objective as well as an evaluation of internal control at least once a year annually.

### **2. Comment of the Board of Directors on Internal Control**

The Board of Directors held the Meeting No. 4/2019 on 6 November 2019 consisted of the members of the Audit Committee, to comment on the assessment of the adequacy and the adequacy of the internal control systems of the Company. In 2019, the Company and its Subsidiary have reviewed the assessment of the adequacy of the internal control system based on "The assessment of the adequacy of the internal control system" of the Securities and Exchange Commission (SEC). From a review of internal controls and audit recommendations which focused on monitoring the efficiency and effectiveness continuously, there was requesting information from the executive management and approved the evaluation which prepare by the management and approved by the Audit Committee. From the assessment of the internal control system, 5 elements 17 principles from the internal control of the Stock Exchange of Thailand which based on the COSO; Organization Control, Risk Assessment, Operational Control, Information Systems & Data Communications and Monitoring System, concluded that no significant defects on the internal control systems of the Company and its subsidiary.

The Board of Directors agreed that the internal control systems of the Company and its subsidiary are sufficient and appropriate by providing sufficient staff to implement the system effectively. The internal control system to monitor the operations could protect the assets of the Company and its subsidiary by the directors or executives used illegally or without authority. As well as transactions with persons who may have conflicts of interest and related party to be sufficient. In consultation with the auditors, the Company and its

subsidiary prepared financial statements in accordance with accounting standards and the disclosure is required by law.

The Company and its subsidiary evaluated the internal control system aligned with the internal control framework fully based on the standard of The Committee of Sponsoring Organization of the Treadway Commission (COSO) 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 Ethics, Code of Business Ethics, the corporate's good governance policies, anti-corruption policy and the conflict of interest which represents the adherence of moral and integrity values. The Company has determined the operation manual and manual/procedures for organizational structure for the entire system in written document, which are regularly revised to be in conformity to the new standard. Furthermore, the manuals are used as operational guideline by considering from roles and responsibilities as well as internal control system. The Company has established personal development policy, recruitment process and employee performance evaluation process by applying Competency system and Key Performance Indicators: KPI to the Enterprise level, field of work, department, division and personal level by connecting to the employee performance evaluation results in the organization. Moreover, the Company has recruit employees with potential to participate in the Talent and Succession Plan project to develop, promote and maintain personnel with knowledge and competency to stay with the Company. The Company offered training to provide knowledge to the employee annually in order for the employee performance to be transparent and fair to all group of stakeholders. A clear monitoring process and penalties are established and promote the Executives to practice in conform to the good corporate governance policy as specified by the Company and its Subsidiary.

The Board of directors is independent from the management team, who possess knowledge and expertise that are beneficial for the business. The Company has clearly specified the roles and responsibilities of the committees and management team as well as supervised to ensure that the committees and the management team practices in accordance with the roles and responsibilities. The Board of Directors is responsible for determining the organizational structure and clear chain of command for a proper check and balances as well as appropriate internal control, in order to assess the efficiency of performance and to regularly follow its results compared with the organization's goals. The Board of Directors' responsibilities are to perform the oversight functions, develop the operations of internal control and aim to motivate, develop and keep efficient employees with knowledge and capability. Besides, the Board of directors also determined the personnel be responsible for the internal control to achieve the organization's objectives. The Internal Control Division, which reports directly to the Audit Committee, will assist in the Company's internal control.

In anti-corruption, the Company has provided an assessment of the risks associated with fraud within the Company, including a review of the implementation of anti-corruption policy. The Company has been certified as a member of Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) and are confident that the Company has adequate measures to combat and detect fraud and corrupt effectively.

### **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 engage the corporate governance and risk management to meet the goals at a level acceptable to the organization and to set the risk management policy for everyone practices and to consider and assess the internal and external risks affecting the business operations. The risk identification and analysis such as strategy, operation, financial, compliance and

others situation, divided by organizational and department, 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 in order to take measures to maintain adequate manner. The Company and its subsidiary 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 subsidiary have followed up the circumstance and risk factors from The Control Self-Assessment (CSA) regularly, including review the risk factors that change both internally and externally, which might impact the organization annually. The result must be report to the Risk Management Sub-committee quarterly and report to the Audit Committee annually. Moreover, The Board and Executives are responsible for supervising the compilation of the Company's financial report to abide by the generally accepted accounting standard and disclosed the information correctly, completely and timely.

### **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. The preparation and review of the operation manual and manual/procedures for organizational structure and operational that suit for present. An anti-corruption manual has also been prepared in accordance with the determined policy. The operational structure has been organized by separating their duties and responsibilities of each position clearly in approving and recording transactions, and custody of assets. Furthermore, the organization will conduct the operations in strict compliance with laws and regulations. Internal audit Division is assigned to continuously revise the performance to be in line with the rules, regulations, the operation manual and manual/procedures for organizational structure to ensure that the operations are efficient and under adequate internal control system which includes using information system in the operation to make it fast and more efficient.

Moreover, the Company and its subsidiary have impose policies, rules, and regulations in making transactions with a party involved with the Company, to practice in the same direction and to maintain accuracy, transparency and fairness in accordance with the regulations of the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC).

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

The Company and its subsidiary focus on information system and data communication and have provided the important information systems adequately, promote and encourage the development continuously 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 reports of all departments to propose the management for decision-making by using modern information technology and effective, including data security since data collection, data processing, storage and monitoring information so that the operational and important data using for the management of the executive or the various stakeholders is accurate enough and within a reasonable time in order to make business decisions. The Company and its subsidiary also prepare the analytical report compare between principle and reason with reference to the facts, accounting and financial reporting. The accounting recorded documents are completely filing with

transparency and to be used as operation's information. The Audit Committee has considered with the auditors, Internal Audit Department and those associated with the preparation of the financial statements of each quarter to ensure that the Company's accounting policies in accordance with generally accepted accounting principles and appropriate to the nature of its business, including appropriate disclosures and additional meeting agenda beforehand.

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 as well as specified information technology and data usage security policies and provide communication channel for the recipient both inside and outside the organization to conveniently and quickly access the data, such as Intranet and Internet system etc, as the communication channel in publicizing the Company's news.

The Company and its subsidiary have assigned the corporate secretary to be responsible in preparing meeting information and documents prior to the meeting, provide opinion and resolution of the meeting in the minute of the Board of Directors' meeting at all times.

### **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.

In 2019, the Audit Committee's Meeting has been held 4 times. The Board of Directors provides a system to evaluate and monitor the internal control system covering all aspects such as accounting and finance, operations, operation compliance with laws/regulations, asset management, and corruption, which significantly have an impact on the Company's reputation in order to solve any incurred problem. To provide for the monitoring of compliance with the internal control system regularly to ensure that appropriate internal controls are carried out to fully evaluate and communicate deficiencies in internal control in time to the person responsible. This includes senior management and the Board as appropriate. The responsible department is responsible for ensuring compliance with the internal control system. The internal audit department monitors compliance and reports independently to the Audit Committee. The Audit Committee audit and monitor the internal control system through the internal audit and act as auditors that follow up and evaluate work performance in accordance with International Standards for the Professional Practice of Internal Auditing (IIA) to ensure that evidence found from monitoring will be improved or solved appropriately and promptly.

### **3. Internal Audit**

The Audit Committee supervised the internal audit to build assurance and consulting independently and fairly in monitoring and evaluating the sufficiency of the internal control system, and monitoring the results of the improvements of the operating process to be appropriate, covering the Company and its subsidiary's operation process, which are report directly to the Audit Committee. The purpose is to ensure that the Company's operations maintain adequate appropriate and efficient internal control system along with risk management within the acceptable level and good corporate governance of the Company.

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.

The Internal Audit Division develops the internal auditing to conform with the International Standards for the Professional Practice of Internal Auditing. The Company assigned a self-assessment according to the IIA and stakeholder satisfaction assessment. Moreover, Audit Competency is imposed to assess the performance quality of internal auditors in order to continuously develop and improve the internal audit operation to be efficient and effective. By doing so will allow the Company to recognize the actual conditions and performance as well as to use such results to analyze the problems, obstacles and limitations in order to perform their task appropriately. This is in consistent with the development of the internal auditor to have skills, knowledge and competency of the international standard as well as to efficiently conduct the auditing by means of promoting and encouraging the auditors to participate in the knowledge of the internal audit profession training and training in the area of Company's business group, including other professional knowledge and to get the professional certificate etc.

#### **4. Risk Management**

The Board of Directors realizes the importance of risk management in the overall of the organization which is an important mechanism and tool in helping the organization achieve the determined objectives and goals. Therefore, the Company has set up a risk management policy that focuses on the improvement of the risk management system in line with the good corporate governance guidelines. There is also an integrated risk management that is implemented systematically and consistently throughout the organization, based on the international standard which is popular and widely use by organization around the world, and is accepted standard of ISO 31000:2009 and COSO ERM (The Committee of Sponsoring Organizations of the Treadway Commission – Enterprise Risk Management) in order to manage risks to an acceptable levels and regularly monitor risk management process. 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 may cause the organization lost the business opportunities, risk that may occur internally or externally. 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 manage the risk in every way and assign to the Working committee of development process and risk management which consist of mid-level executives from all of its business units in order to monitor and analyze the risk management of each business unit. 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 Board of Directors.

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.

## Related Transactions

(1) Related Transactions between the Company and its subsidiary and related persons incurred in 2019

[illegible]

Related Companies	Transaction Type	Description	Transaction	Value in 2019 (Million Baht)	Necessity and Rational
Premier Products PLC.	Normal Business	Company - Rental and service contract of 1,578.04 square metres at Premier Place, owned by the Company, for the period of 3 years	Common Directors	10.67	Rental and service are under normal business conditions. Electricity is actual cost.
Infinite Green Co., Ltd.	Normal Business	Company - Rental and service contract of 68.30 square metres at Premier Place, owned by the Company, for the period of 3 years	Common Directors	0.44	Rental and service are under normal business conditions. Electricity is actual cost.
Premier Marketing PLC.	Normal Business	Company and Subsidiary - Rental and service contract of 361.44 square metres at Premier Place, owned by the Company, for the period of 5 months	Common Directors	1.11	Rental and service are under normal business conditions. Electricity is actual cost.
Premier Fission Capital Co., Ltd.	Support normal business	Company and Subsidiary - Consulting fee is under management and business consultancy contract  - Account payable	Common Directors	21.93 -	Consulting fees are calculated based on actual costs and average according to the business structure of each company in the group that Premier Fission Capital Co., Ltd. Provides service.



Related Companies	Transaction Type	Description	Transaction	Value in 2019 (Million Baht)	Necessity and Rational
Premier Resorts and Hotels Co., Ltd. Tamarind Village Co., Ltd.	Support normal business	Subsidiary - Hotel room complimentary for employees working from 15 – 20 years - Account payable	Common Directors	0.40 0.02	Price is under the normal business practice.
Premier Inter Leasing Co., Ltd.	Support normal business	Subsidiary - Rental for business used - Account payable	Common Directors	4.10 -	Rental fee is under normal business practice
Mivana Co., Ltd. PMSE Co., Ltd.	Support normal business	Subsidiary - Products for Promotion activities during seasonal. - Account payable	Common Directors	- -	Price is under the normal business practice.
Seri Properties Holding Co., Ltd.	Support normal business	Subsidiary - Office rental, Common facilities charge, electricity charge and telephone bill - Account payable	Common Directors	2.87 -	Office Rental and Common facilities charge are under the normal business practice. Electricity charge and telephone bill are actual cost.

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

The Company and/or its subsidiary 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.

For new important Related Transactions, the Company will present to the Audit Committee for consideration and recommend to the Board of Directors for approval.

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 subsidiary's assets as well as the accounting standards as determined by Federation of Accounting Professions.

## FINANCIAL SUMMARY

### (1) Financial Information

Unit: Million Baht

Transaction	2019	2018	2017
Total Assets	1,620.13	1,878.45	2,074.61
Total Liabilities	959.47	1,175.33	1,369.78
Total Shareholders' Equity	660.66	703.12	704.83
Sales and Services Revenues	2,797.63	2,663.73	3,086.98
Total Revenues	2,869.56	2,718.38	3,154.81
Gross Profit	725.35	767.05	778.03
Profit for the year	160.41	157.84	193.25

### (2) Financial Ratio

Transaction	2019	2018	2017
Gross Profit Margin (%)	25.93	28.80	25.20
Net Profit Margin (%)	5.59	5.81	6.13
Return on Equity (%)	23.52	22.42	28.21
Return on Total Assets (%)	9.17	7.99	10.16
Net Income (Loss) per share (Baht)	0.57	0.56	0.68
Dividend per Share (Baht)	0.52	0.65	0.50

Remark: The calculation of the financial ratio is based on "Guide to the preparation of Form 56-1 and 69-1" of The Securities and Exchange Commission.

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

### **(1) Overview of Business Operation**

Premier Technology Public Company Limited, a subsidiary of Premier Group of companies, the core business is information technology through investments in subsidiary, Datapro Computer Systems Company Limited ("Subsidiary"), and has investments in land and buildings "Premier Place Building".

Technology has played a role in the business sector and has increased influence in business operations. If the business sector sees opportunities and adjusts due to technological changes, it will create a competitive advantage. The businesses that are unable to keep up with technology can lose their competitiveness. Together with the government's policy to develop the country to Thailand 4.0 is an important factor driving domestic entrepreneurs to increase investment in information technology equipment to be used to increase work efficiency and as a tool for analyzing data for decision making on various matters which creates more value for the business. The main technology that has received a lot of attention is Internet of Things (IoT), Cloud Computing and Big Data Analysis. In addition, financial and telecom businesses use a lot of money to invest in information technology to support Digital Transformation, Fin Tech, Prompt Pay and Mobility

During the year 2019, although the overall economy is expanding, but at a relatively low level because there are risk factors that directly affect the business, both domestic factors, including political stability that affect the confidence of foreign investors and factors from outside the country such as a trade war between USA and China which affect the growth of various businesses in Thailand. As a result, the Company had total revenue of 2,869.6 million baht, an increase of 151.2 million baht from the previous year or an increase of 5.6 percent due to an increase of 43.6 million baht in sales revenue from information technology procurement from multimedia and software products and 80.8 million baht in revenue from IT services.

Since 2011, the Company has invested in the Premier Place Building to utilize as an office and Disaster Recovery Center to serve the customers of the subsidiary and provide some space for lease. In 2019, the Company has continuously renovated Premier Place Building both interior and exterior. The renovations include improvement of sprinkler system in the building, fire exit using air-pressurized system, installing CCTV and fire alarm to increase the safety of the tenants, improvement of wastewater treatment system, sanitation systems and electricity system, air conditioning system, installing film around the building to reduce energy consumption and to protect the environment, a ramp for wheelchair, landscape architecture outside the building, car park etc. During 2019, the total renovation expense for Premier Place Building is 11.2 million baht. At present, the total rate of the space rented in the Premier Place Building is 85 percent of the total rental space, where 40 percent were rented by the subsidiary and other companies rented 60 percent.

### **(2) Performance**

For the year ended 31 December 2019, The Company has profit from the operation for the year at 158.9 million baht, profit decreased from last year 31.6 million baht due to dividend in the year was 160.0 million baht, decreased 35.0 million baht from the previous year.

As for the operating results, the Company and its subsidiary had a net profit of 160 million baht. During the year, the subsidiary recognized the effect of the change in the labor law in the case of increased compensation for employees who have worked continuously for 20 years to have the right receive compensation of not less than the final rate of 400 days in the amount of 29.8 million baht. Therefore, the profit of the Company and its subsidiary, if not including the said items, would amount to 190.2 million baht compared to the profits

of the same period last year will increase 32.4 million baht from the significant changes as follows:

1. Revenue and cost of procurement and service of information technology systems



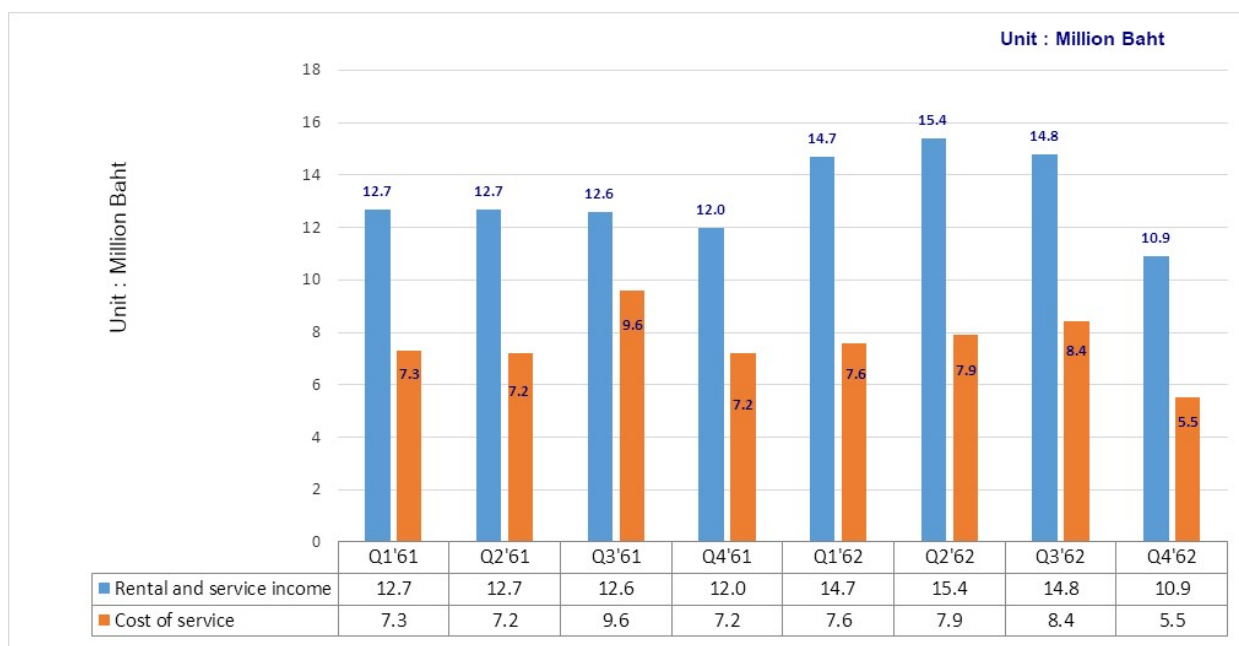
Unit: Million Baht

Sales revenue for the year 2019 was 1,682.7 million baht, an increase of 43.6 million baht from the previous year or an increase of 2.7 percent, from the increase in revenue from multimedia products due to the sale of products used in the exhibition many projects and revenue from software products of financial institution customers and communication and information technology customers.

Service revenue for the year 2019 was 1,083.9 million baht, an increase of 80.8 million baht from the previous year or an increase of 8.1 percent, with non-recurring service income increased 38.0 million baht and recurring service income increased 42.8 million baht, which mainly comes from the revenue from the Maintenance Service Agreement, which is a continuous revenue from the products and services the company sold to more customers.

The gross profit margin was 25.7 percent, a decrease of 3.1 percent from the previous year. This was a result of the adjustment of the employee compensation structure resulting in increased direct labor-related costs while the cost of sales decreased.

## 2. Revenue and cost of Rental spaces and services



The Company has rental and service income for the year 2019 in the amount of 55.8 million baht (which includes the income from the subsidiary to rent office buildings in the amount of 24.8 million baht), an increase of 5.8 million baht from the previous year due to new customers renting the space add and service costs were 29.4 million baht, a decrease of 1.9 million baht from the previous year due to the renovation of buildings and areas for new customers.

### 3. Other Income

Other income for the year 2019 was 71.9 million baht, an increase of 17.3 million baht from the previous year. The main items were from discounts received from manufacturers and increased marketing support from manufacturers.

### 4. Sales and Administrative Expenses

Selling expenses for the year were 95.2 million baht, a decrease of 132.0 million baht from the previous year due to the restructuring of the compensation of some groups of employees to a new base of salary since July 2019, the ratio of selling expenses to revenue from sales of goods and services was 3.4 percent.

Administrative expenses were 465.5 million baht, an increase of 73.7 million baht from the previous year or an increase of 18.8 percent due to the new salary adjustment of some groups of employees, resulting in an increase in personnel expenses in line with the decrease in sales expenses

### 5. Financial Expenses

Financial expenses for the year 2019 were 6.1 million baht, same as the previous year, due to the loan repayment due during the year and the increased interest burden from loans used for construction and building system improvements.

### 6. Income Tax

Income tax for the year 2019 is 40.2 million baht, an increase of 1.5 million baht from the same period last year, consisting of corporate income tax as calculated by 46.9 million baht and deferred income tax of 6.7 million baht.

### (3) Assets Management Capability

As of 31 December 2019, the Company and its subsidiary had total assets of 1,620.1 million baht, a decrease of 258.4 million baht or 13.8 percent. The significant assets of the Company and its subsidiary were temporary investments, trade and other receivables, prepaid service costs, inventories and work in process cost, investment property and land, building and equipment.

Return on assets ratio was at 9.17 percent, an increase from the previous year by 1.18, due to the balance of trade and other receivables, reduced inventories and work in process costs. The total value of changed assets is as follows:

#### 1. Temporary Investment

Temporary investments amounted to 71.1 million baht, which were investments in investment units in fixed income Open-ended Funds with an average return rate of 1.46 percent per year, a decrease of 5.7 million baht from the previous year due to the sale of investments to be used as working capital and repayment of debt due.

#### 2. Account Receivables and Other Receivable

Account Receivables and other receivables were 507.0 million baht, a decrease of 132.3 million baht from the previous year, because at the end of the year, the number of large projects delivered was reduced from the previous year. In addition, the adoption of Thai Financial Reporting Standard No. 15, revenue from contracts made with customers causing some contracts made with customers to have related conditions and situations resulting in the Company being unable to recognize revenue as the result of work completion. As a result, the amount of revenue not yet collected at the end of the year decreased from the previous year. The average debt repayment period was at 74 days, a 16-day decrease from last year.

(Unit : Thousand Baht)

Description	2019		2018		2017	
	Amount	%	Amount	%	Amount	%
Trade Receivables - Aged on the basis of due date						
Not yet due	319,803	63.1%	325,013	50.8%	471,910	67.6%
Up to 3 months	121,594	24.0%	141,627	22.2%	109,387	15.7%
3 - 6 months	1,842	0.4%	395	0.1%	9,689	1.4%
6 - 12 months	1,913	0.4%	1,761	0.3%	1,174	0.2%
over 12 months	2,731	0.5%	9,037	1.4%	10,478	1.5%
Total Trade Receivables	447,883	88.3%	477,833	74.7%	602,638	86.3%
Other Receivables						
Unbilled Receivables	5,541	1.1%	130,755	20.5%	63,037	9.0%
Accrued Income	57,651	11.4%	40,631	6.4%	43,456	6.2%
Less: Allowance for doubtful debts	(4,044)	-0.8%	(9,917)	-1.6%	(11,065)	-1.6%
<b>Total Trade and Other Receivables - Net</b>	<b>507,031</b>	<b>100.0%</b>	<b>639,302</b>	<b>100.0%</b>	<b>698,066</b>	<b>100.0%</b>



### 3. Advance Payment for Cost of Service

Advance Payment for Cost of Service was 185.3 million baht, an increase of 17.6 million baht from the previous year due to the long-term service agreement provided to the customers, especially the maintenance services agreement and resulting in the advance payment received from goods and services in the amount of 196.8 million baht. In accounting, the Company will recognize income from services and the cost of services as cost of sales in accordance with the terms of service as well.

### 4. Inventory and Cost of Work in Process

Inventories and work in process were 280.7 million baht consist of finished goods 58.3 million baht, goods in transit 13.6 million baht and work in process in the amount of 208.8 million baht, a decrease of 144.0 million baht from the previous year because there are no products under installation in a large project like last year. In addition, the Company tries to manage inventories for products that are for sale to a minimum, but must be able to meet customer needs in time. As for the products used in the installation for the project work, the Company will place orders only after receiving orders from customers to reduce the risk that may be caused by obsolete products in the category of information technology equipment which has a tendency to change quickly.

### 5. Real Estate for Investment, Land, Building and Equipment

Real Estate for Investment was 156.6 million baht, a decrease of 0.6 million baht from the previous year. The improvement of investment properties during the year was 6.7 million baht and depreciation in the period was 7.1 million baht.

Land, building and equipment were 249.2 million baht, an increase of 16.4 million baht from the previous year due to investment in the backup center and equipment purchase increased by 75.4 million baht, sold during the year 0.6 million baht and had depreciation in the period amount of 58.5 million baht

## **(4) Liquidity and Source of Funds**

According to the Company's financial structure, sources of funds comes from 2 places which are

### 1. Cash received from operation

Cash received from operating was 210.0 million baht, an increase of 187.6 million baht from the previous year, mainly due to the increase in sales revenue and operating profits in 2019, which increased from the previous year. And investments in inventories for projects under installation decreased by 146.4 million baht, accounts receivable and other receivables decreased by 131.2 million baht, while accounts payable and other payables decreased by 300.8 million baht due to payment of creditors from the purchase of large projects delivered at the end of 2018.

### 2. Cash from Fund

During the year, the company had cash flow used to invest in renovating investment properties in the amount of 6.7 million baht, investment in the construction of a backup center and purchase equipment for use in operations in the amount of 75.4 million baht. Net cash received from sales of temporary investment of 5.7 million baht and the release of the restricted bank deposit of 31.0 million baht. The Company's net cash from investing activities decreased by 44.3 million baht

During the year, the Company increased borrowings from financial institutions by 56.9 million baht for the improvement of the air-conditioning system of the building and the construction of the backup center, and has cash flow used to repay long-term loans Financial lease liabilities and dividend payment in the total amount of 221.6 million baht.

The Company continuously consider the liquidity and necessity in using the source of finance to manage cash flow, cash in - pay out, to create balance, prevent liquidity problems

by determining the duration and type of source of funds to be in line with the demand for money and capable to manage to reduce interest cost.

**(5) Factors or events that will affect the future operation**

Technological advances have changed dramatically. Whether cloud computing, Big data, IoT: Internet of Things were connected and trend to enter the digital world. The organizations must accelerate study and understand to improve and change the management of the organization to support the change of technology and remain competitive in the market.

From the technology's changing trend which has more talents, the subsidiary has to adapt itself to change in business, such as developing partnerships with market leaders continuously in order to provide a variety of services to customers. The subsidiary also has a computer center and an emergency backup center, including the Emergency Office which has been in operation since 2009 and has continued to improve. Moreover, the Subsidiary has created the quality of service to be different from other entrepreneurs by being the total enterprise solution and service provider, which hold the international quality and standard by professional who received ongoing training and are highly experienced.

## **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 Company Limited and its subsidiary 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 2019 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 Company Limited consisted of 4 independent directors. The qualifications of all the members meet with the regulations of the Securities and Exchange Commission (SEC) and Stock Exchange of Thailand, at least 1 in 3 people must have knowledge and experience in accounting and finance.

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 2019, the Audit Committee held a total 7 meetings, including the quarterly Audit Committee meeting 4 times, meeting with the subsidiary's risk management committee 1 time, meeting with the external auditor without executive attend 1 time and meeting with no management team attending 1 time. Each committee member attended the meetings according to the following details.

Mr. Pirom Chamsai	Chairman of the Audit Committee	attended meetings	7/7
Mr. Surabhan Purnagupta	Member of the Audit Committee	attended meetings	7/7
Mrs. Suphasri Sutanadhan*	Member of the Audit Committee	attended meetings	7/7
Mr. Surapol Srangsomwong*	Member of the Audit Committee	attended meetings	7/7

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. Members of the Audit Committee 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 and were preparing according to the accounting standards. In addition, the Audit Committee considered and provided advice on improvement of the accounting practices of the Company and its subsidiary so as to be in compliance with the new accounting standards that will be effective for accounting periods commencing on or after 1 January 2014.

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 subsidiary; 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 which the company has set up a risk assessment that is related to corporate fraud, including a review of compliance with anti-corruption policy. The Company has been certified Membership Renewal of the Thailand's Private Sector Collective Action Coalition Against Corruption by the Private Sector Collective Action Coalition against Corruption on 25 May 2017. The Audit Committee has the opinion that the Company has fully implemented the measures with strict and careful.

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 disclosure 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. The meetings were held exclusively with the auditors without the management, to ensure that the auditor is independent of the operation. From the qualification of the auditor, the quality of the audit work, expertise team and operational independence, the Audit Committee should propose to the Board of Directors for approval at the Annual General Meeting of Shareholders appointed EY Office Limited as the Company's auditor for the year 2020 since the auditor has performed the audit work correctly and completely.

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. Pirom Chamsai)  
Chairman of the Audit Committee

# Financial Statement

Report and consolidated  
Financial Statements

**Premier Technology PCL  
and its subsidiaries**

December 31, 2019



**PREMIER  
TECHNOLOGY**

## **Independent Auditor's Report**

To the Shareholders of Premier Technology Public Company Limited

### **Opinion**

I have audited the accompanying consolidated financial statements of Premier Technology Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2019, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Premier Technology Public Company Limited for the same period.

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 subsidiaries and of Premier Technology Public Company Limited as at 31 December 2019, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

### **Basis for Opinion**

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.



Key audit matters and how audit procedures respond for each matters are described below.

### **Recognition of sales revenue**

The subsidiary's revenue from sales, amounting to Baht 1,683 million, consists of revenue from sales of goods and revenue from IT integrated solutions. The amount of sales revenue recognised by the subsidiary is significant to the Group's total revenue and has a direct impact on the profit or loss of the entity. In addition, the process of measurement underlying the recognition of revenue from IT integrated solutions requires management to exercise significant judgement to assess the percentage of completion of the project work. I therefore focused on the audit of the amount and timing of the subsidiary's recognition of revenue from sales.

In order to examine the subsidiary's recognition of revenue from sales of goods I assessed and tested internal controls with respect to the revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative sample to test the operation of the designed control. Moreover, on a sampling basis, I examined documents supporting actual sales transactions occurring during the year and near the end of the accounting period, reviewed credit notes issued by the subsidiary after the period-end and performed analytical procedures on data of the revenue account to detect possible irregularities in sales transactions throughout the period.

For revenue from IT integrated solutions, I gained an understanding of the internal controls related to this revenue, including those related to procurement and the recording of project costs, inquired of responsible executives, and gained an understanding of the processes that the subsidiary applied in assessing the percentage of completion, estimating project costs and estimating possible losses. I also considered the conditions in the contracts relating to revenue recognition. In addition, I examined the estimation of project costs and, on a sampling basis, I examined the supporting documents for project costs incurred during the year and performed an analytical review of the percentage of completion estimated by the project managers and the percentage of completion determined through a comparison of project costs incurred throughout the period to the total estimated project costs. I also read related contracts and performed an analytical review of gross profit margin to detect possible irregularities.

### **Other Information**

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit

procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

I am responsible for the audit resulting in this independent auditor's report.



Siraporn Ouahanunkun  
Certified Public Accountant (Thailand) No. 3844

EY Office Limited  
Bangkok: 12 February 2020

Premier Technology Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2019

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	8	34,004,018	33,154,446	742,460	1,538,206
Current investments	9	71,079,094	76,783,486	5,113,041	12,523,448
Trade and other receivables	10	507,030,670	639,301,778	1,066,500	3,194,102
Prepaid service cost		185,271,098	167,710,192	-	-
Short-term loan to related party	7	-	-	-	21,000,000
Inventories	11	71,877,835	204,998,300	-	-
Work in progress		208,750,067	219,732,757	-	-
Other current assets	12	34,192,225	27,472,073	2,770,056	2,260,464
<b>Total current assets</b>		<u>1,112,205,007</u>	<u>1,369,153,032</u>	<u>9,692,057</u>	<u>40,516,220</u>
<b>Non-current assets</b>					
Restricted bank deposits	13	7,159,797	38,196,476	1,203,100	1,203,100
Investment in subsidiaries	14	-	-	325,886,600	325,886,600
Investment in available-for-sale securities	15	53,702,000	51,424,500	-	-
Investment properties	16	156,646,970	157,219,953	259,657,338	260,188,649
Property, plant and equipment	17	249,193,347	232,781,957	44,888	6,769
Intangible assets	18	2,195,935	3,514,835	-	-
Deferred tax assets	26	28,815,686	15,475,747	-	-
Other non-current assets		10,218,826	10,685,489	-	-
<b>Total non-current assets</b>		<u>507,932,561</u>	<u>509,298,957</u>	<u>586,791,926</u>	<u>587,285,118</u>
<b>Total assets</b>		<u>1,620,137,568</u>	<u>1,878,451,989</u>	<u>596,483,983</u>	<u>627,801,338</u>

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

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

**Statement of financial position (continued)**

**As at 31 December 2019**

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2019	2018	2019	2018
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	19	439,415,496	740,205,467	2,920,065	8,747,892
Advances received for goods and services	24	196,766,211	203,440,609	-	-
Current portion of long-term loans	20	45,480,000	28,560,000	33,960,000	28,560,000
Current portion of long-term liabilities					
under finance lease agreements	21	10,094,778	10,094,778	-	-
Other current liabilities		24,903,324	13,134,593	116,750	3,271,195
Total current liabilities		716,659,809	995,435,447	36,996,815	40,579,087
Non-current liabilities					
Long-term loans - net of current portion	20	68,810,380	64,340,000	53,330,000	64,340,000
Liabilities under finance lease agreements -					
net of current portion	21	26,942,588	37,037,366	-	-
Provision for long-term employee benefits	22	138,976,650	70,853,332	-	-
Deferred tax liabilities	26	3,184	-	3,184	-
Other non-current liabilities		8,080,515	7,668,231	11,137,778	10,711,535
Total non-current liabilities		242,813,317	179,898,929	64,470,962	75,051,535
Total liabilities		959,473,126	1,175,334,376	101,467,777	115,630,622

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

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

**Statement of financial position (continued)**

**As at 31 December 2019**

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2019	2018	2019	2018
Shareholders' equity					
Share capital					
Registered					
283,888,942 ordinary shares of Baht 1 each		283,888,942	283,888,942	283,888,942	283,888,942
Issued and fully paid up					
283,888,942 ordinary shares of Baht 1 each		283,888,942	283,888,942	283,888,942	283,888,942
Retained earnings					
Appropriated - statutory reserve	23	28,388,894	28,388,894	28,388,894	28,388,894
Unappropriated		341,902,941	386,071,766	182,738,370	199,892,880
Other components of shareholders' equity		6,483,665	4,768,011	-	-
Total shareholders' equity		660,664,442	703,117,613	495,016,206	512,170,716
Total liabilities and shareholders' equity		1,620,137,568	1,878,451,989	596,483,983	627,801,338
		-	-	-	-

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



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

**Statement of comprehensive income**

**For the year ended 31 December 2019**

(Unit: Baht)

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>Note</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
<b>Profit or loss:</b>					
<b>Revenues</b>					
Sales	24	1,682,746,547	1,639,119,290	-	-
Rental and service income	24	1,114,884,494	1,024,612,487	55,792,637	50,025,032
Dividend income	14	-	-	159,998,080	194,997,660
Other income		71,925,736	54,643,740	971,874	1,900,469
<b>Total revenues</b>		<b>2,869,556,777</b>	<b>2,718,375,517</b>	<b>216,762,591</b>	<b>246,923,161</b>
<b>Expenses</b>					
Cost of sales and services		2,072,275,974	1,896,680,663	29,425,587	31,324,722
Selling expenses		95,243,888	227,221,861	-	-
Administrative expenses		465,396,316	391,827,769	21,492,773	18,491,647
Past service costs from change in long-term employee benefit	22	29,846,507	-	-	-
<b>Total expenses</b>		<b>2,662,762,685</b>	<b>2,515,730,293</b>	<b>50,918,360</b>	<b>49,816,369</b>
<b>Profit before finance cost and income tax expenses</b>		<b>206,794,092</b>	<b>202,645,224</b>	<b>165,844,231</b>	<b>197,106,792</b>
Finance cost		(6,137,462)	(6,097,795)	(4,717,015)	(5,409,208)
<b>Profit before income tax expenses</b>		<b>200,656,630</b>	<b>196,547,429</b>	<b>161,127,216</b>	<b>191,697,584</b>
Income tax expenses	26	(40,245,605)	(38,711,499)	(2,270,582)	(1,162,693)
<b>Profit for the year</b>		<b>160,411,025</b>	<b>157,835,930</b>	<b>158,856,634</b>	<b>190,534,891</b>
<b>Other comprehensive income:</b>					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Gain (loss) on change in value of available-for-sale securities		2,277,500	(4,227,000)	-	-
Less: Income tax effect	26	(455,500)	845,400	-	-
Exchange differences on translation of financial statements in foreign currency		(106,346)	(30,611)	-	-
<b>Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax</b>		<b>1,715,654</b>	<b>(3,412,211)</b>	<b>-</b>	<b>-</b>
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>					
Actuarial loss	22	(35,710,882)	-	-	-
Less: Income tax effect	26	7,142,176	-	-	-
<b>Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax</b>		<b>(28,568,706)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other comprehensive income for the year</b>		<b>(26,853,052)</b>	<b>(3,412,211)</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>133,557,973</b>	<b>154,423,719</b>	<b>158,856,634</b>	<b>190,534,891</b>
<b>Basic earnings per share</b>					
Profit for the year		0.57	0.56	0.56	0.67

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

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

**Cash flow statement**

**For the year ended 31 December 2019**

(Unit: Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Cash flows from operating activities</b>				
Profit before tax	200,656,630	196,547,429	161,127,216	191,697,584
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Unrealised gain on change in value of current investments	(11,025)	(33,366)	(15,922)	(7,824)
Bad debts	6,947,312	-	-	-
Doubtful accounts (reversal)	(5,872,847)	(1,147,733)	-	-
Reduce cost of inventory to net realisable value (reversal)	(2,269,325)	396,898	-	-
Depreciation	65,573,667	48,718,501	11,702,457	10,182,735
Gain on sales of equipment	(136,381)	(104,594)	-	-
Amortisation of intangible assets	1,318,900	1,318,900	-	-
Amortisation of prepaid rental expenses	999,629	999,629	-	-
Long-term employee benefits expenses	40,714,215	9,925,423	-	-
Income from investment - dividend received from investment in subsidiary	-	-	(159,998,080)	(194,997,660)
Interest income	(241,432)	(475,494)	(599,161)	(1,610,126)
Interest expenses	5,929,895	5,897,795	4,717,015	5,409,208
Profit from operating activities before changes in operating assets and liabilities	313,609,238	262,043,388	16,933,525	10,673,917
(Increase) decrease in operating assets				
Trade and other receivables	131,196,643	61,378,280	2,127,602	-
Prepaid service cost	(17,560,906)	30,495,281	-	-
Inventories	135,389,790	(166,096,797)	-	-
Work in progress	10,982,690	75,295,552	-	-
Other current assets	938,923	(806,411)	(217,036)	1,667,468
Other non-current assets	(532,966)	54,051	-	-
Increase (decrease) in operating liabilities				
Trade and other payables	(300,760,591)	(91,132,585)	(5,798,445)	5,972,299
Advances received for goods and services	(6,674,398)	(71,427,913)	-	-
Other current liabilities	11,768,731	(23,908,279)	(3,154,445)	228,405
Other non-current liabilities	(7,889,495)	2,769,359	426,243	2,843,284
Cash flows from operating activities	270,467,659	78,663,926	10,317,444	21,385,373
Cash paid for interest expenses	(5,959,276)	(5,896,806)	(4,746,396)	(5,408,219)
Cash paid for income tax	(54,554,759)	(50,372,607)	(2,559,955)	(1,819,306)
<b>Net cash flows from operating activities</b>	<b>209,953,624</b>	<b>22,394,513</b>	<b>3,011,093</b>	<b>14,157,848</b>

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

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

**Cash flow statement (continued)**

**For the year ended 31 December 2019**

(Unit: Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Cash flows from investing activities</b>				
(Increase) decrease in current investments	5,715,417	201,190,658	7,426,329	(11,034,458)
Decrease in short-term loan to related party	-	-	21,000,000	2,200,000
Decrease in restricted bank deposits	31,036,679	1,655,579	-	-
Renovation of investment properties	(6,738,232)	(9,980,054)	(11,169,265)	(16,516,331)
Acquisition of equipment	(75,353,433)	(56,464,048)	(40,000)	-
Proceeds from sales of equipment	815,973	699,134	-	-
Dividend received from investment in subsidiary	-	-	159,998,080	194,997,660
Interest income	241,432	475,494	599,161	1,610,126
<b>Net cash flows from (used in) investing activities</b>	<u>(44,282,164)</u>	<u>137,576,763</u>	<u>177,814,305</u>	<u>171,256,997</u>
<b>Cash flows from financing activities</b>				
Decrease in short-term loans from other company	-	(25,213,661)	-	-
Cash receipt from long-term loans	56,880,380	-	27,000,000	-
Repayment of long-term loans	(35,490,000)	(29,920,499)	(32,610,000)	(28,560,000)
Repayment of liabilities under finance lease agreements	(10,094,778)	(7,758,143)	-	-
Dividend paid	(176,011,144)	(156,138,918)	(176,011,144)	(156,138,918)
<b>Net cash flows used in financing activities</b>	<u>(164,715,542)</u>	<u>(219,031,221)</u>	<u>(181,621,144)</u>	<u>(184,698,918)</u>
<b>Exchange differences on translation</b>				
<b>of financial statements in foreign currency</b>	<u>(106,346)</u>	<u>(30,611)</u>	<u>-</u>	<u>-</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	849,572	(59,090,556)	(795,746)	715,927
Cash and cash equivalents at beginning of the year	33,154,446	92,245,002	1,538,206	822,279
<b>Cash and cash equivalents at end of the year</b>	<u>34,004,018</u>	<u>33,154,446</u>	<u>742,460</u>	<u>1,538,206</u>
	-	-	-	-
<b>Supplementary disclosures of cash flows information:</b>				
Non-cash items				
Reclassified assets	(252,451)	539,597	-	-
Assets acquired under financial lease agreements	-	49,177,555	-	-

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

Premier Technology Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2019

(Unit: Baht)

Consolidated financial statements							
	Issued and paid-up share capital	Retained earnings		Other components of shareholder's equity			
		Appropriated - statutory reserve	Unappropriated	Other comprehensive income			Total shareholders' equity
				Gain on change in value of available-for-sale securities	Exchange differences on translation of financial statements in foreign currency	Total other components of shareholders' equity	
<b>Balance as at 1 January 2018</b>	283,888,942	21,516,932	391,246,716	8,255,599	(75,377)	8,180,222	704,832,812
Profit for the year	-	-	157,835,930	-	-	-	157,835,930
Other comprehensive income for the year	-	-	-	(3,381,600)	(30,611)	(3,412,211)	(3,412,211)
Total comprehensive income for the year	-	-	157,835,930	(3,381,600)	(30,611)	(3,412,211)	154,423,719
Dividend paid (Note 30)	-	-	(156,138,918)	-	-	-	(156,138,918)
Unappropriated retained earnings transferred to statutory reserve (Note 23)	-	6,871,962	(6,871,962)	-	-	-	-
<b>Balance as at 31 December 2018</b>	<u>283,888,942</u>	<u>28,388,894</u>	<u>386,071,766</u>	<u>4,873,999</u>	<u>(105,988)</u>	<u>4,768,011</u>	<u>703,117,613</u>
<b>Balance as at 1 January 2019</b>	283,888,942	28,388,894	386,071,766	4,873,999	(105,988)	4,768,011	703,117,613
Profit for the year	-	-	160,411,025	-	-	-	160,411,025
Other comprehensive income for the year	-	-	(28,568,706)	1,822,000	(106,346)	1,715,654	(26,853,052)
Total comprehensive income for the year	-	-	131,842,319	1,822,000	(106,346)	1,715,654	133,557,973
Dividend paid (Note 30)	-	-	(176,011,144)	-	-	-	(176,011,144)
<b>Balance as at 31 December 2019</b>	<u>283,888,942</u>	<u>28,388,894</u>	<u>341,902,941</u>	<u>6,695,999</u>	<u>(212,334)</u>	<u>6,483,665</u>	<u>660,664,442</u>

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

Premier Technology Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2019

(Unit: Baht)

	Separate financial statements		
	Issued and paid-up share capital	Retained earnings Appropriated - statutory reserve	Unappropriated
			Total shareholders' equity
<b>Balance as at 1 January 2018</b>	283,888,942	21,516,932	172,368,869
Profit for the year	-	-	190,534,891
Total comprehensive income for the year	-	-	190,534,891
Dividend paid (Note 30)	-	-	(156,138,918)
Unappropriated retained earnings transferred to statutory reserve (Note 23)	-	6,871,962	(6,871,962)
<b>Balance as at 31 December 2018</b>	283,888,942	28,388,894	199,892,880
			-
<b>Balance as at 1 January 2019</b>	283,888,942	28,388,894	199,892,880
Profit for the year	-	-	158,856,634
Total comprehensive income for the year	-	-	158,856,634
Dividend paid (Note 30)	-	-	(176,011,144)
<b>Balance as at 31 December 2019</b>	283,888,942	28,388,894	182,738,370
			495,016,206
			-

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

## Premier Technology Public Company Limited and its subsidiaries

### Notes to consolidated financial statements

For the year ended 31 December 2019

#### 1. General information

Premier Technology Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in a holding company. The registered office of the Company is 1 Premier Corporate Park, Soi Premier 2, Srinakarin Road, Nongbon, Prawet, Bangkok.

#### 2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B. E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 11 October 2016, 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 subsidiaries (“the subsidiaries”).

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2019 Percent	2018 Percent
<u>Owned by the Company</u>				
Datapro Computer Systems Company Limited	Distribution and provision of services relating to computer and computer systems	Thailand	100	100
<u>Owned by the Company's subsidiary</u>				
Datapro Computer Systems (Myanmar) Company Limited (Wholly owned by Datapro Computer Systems Company Limited)	Provision of services relating to computer systems	The Republic of the Union of Myanmar	100	100

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of “Exchange

differences on translation of financial statements in foreign currency” in the statements of changes in shareholders’ equity.

- f) Material balances and transactions between the Group have been eliminated from the consolidated financial statements.

2.3 The separate financial statements present investments in subsidiaries under the cost method.

### **3. New financial reporting standards**

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

During the year, the Group has adopted the revised (revised 2018) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Group’s financial statements. However, the new standard involves changes to key principles, which are summarised below:

#### **TFRS 15 Revenue from Contracts with Customers**

TFRS 15 supersedes the following accounting standards together with related interpretations.

TAS 11 (revised 2017)	Construction Contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

This standard does not have any significant impact on the Group’s financial statements.

#### **(b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2020**

The Federation of Accounting Professions issued a number of new and revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards except the following new standards which involve changes to key principles, which are summarised below.



## Financial reporting standards related to financial instruments

A set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Group expects the adoption of these accounting standards to result in the following adjustments.

Recognition of derivatives - The Group is to initially recognise derivatives at their fair value on the contract date and subsequently measure them at fair value at the end of each reporting period. Changes in the fair value of derivatives are recognised in profit or loss. However, the Group is currently considering application of hedge accounting for certain derivatives.

The Management of the Group is currently evaluating the impact of these standards on the financial statements in the year when they are adopted.

### TFRS 16 Leases

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17.

The Group plans to adopt TFRS 16 using the modified retrospective method of adoption of which the cumulative effect is recognised as an adjustment to the retained earnings as at 1 January 2020, and the comparative information was not restated.

The management of the Group expects the effect of the adoption of this accounting standard to the statement of financial position as at 1 January 2020 to be to increase the Group's assets by approximately Baht 73 million (the Company only: Nil) and the Group's liabilities by approximately Baht 73 million (the Company only: Nil).

## 4. Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standard

As described in Note 3 to the financial statements, during the current year, the Group has adopted TFRS 15 using the modified retrospective method of adoption. The cumulative

effect of initially applying TFRS 15 is recognised as an adjustment to retained earnings as at 1 January 2019. Therefore, the comparative information has not been restated. However, the cumulative effect of the change in standard does not have any significant impact on the Group's financial statements as at 1 January 2019. Therefore, the Group has not adjusted retained earnings as at 1 January 2019.

Line items in the consolidated statements of financial position as at 31 December 2019 and the consolidated statements of comprehensive income for the year ended 31 December 2019 which were effected from the changes in accounting policies are summarised below.

(Unit: Million Baht)			
As at 31 December 2019			
	Previous accounting policy	Increase (decrease)	TFRS 15
<b>Consolidated statement of financial position</b>			
<b>Assets</b>			
Trade and other receivables	547	(40)	507
Work in progress	176	33	209
Other current assets	33	1	34
<b>Liabilities</b>			
Trade and other payables	440	(1)	439
<b>Shareholders' equity</b>			
Retained earnings - unappropriated	347	(5)	342

(Unit: Million Baht)			
For the year ended 31 December 2019			
	Previous accounting policy	Increase (decrease)	TFRS 15
<b>Consolidated statement of comprehensive income</b>			
<b>Profit or loss:</b>			
Sales	1,723	(40)	1,683
Cost of sales and services	2,105	(33)	2,072
Selling expenses	96	(1)	95
Income tax expenses	41	(1)	40
Profit for the year	165	(5)	160
<b>Earnings per share (Baht)</b>			
Basic earnings per share	0.59	(0.02)	0.57

These adjustments are due to the recognition of revenues from IT integrated solutions. The Group has considered whether the relevant conditions, facts and circumstances of some customer contract do not meet the criteria for revenue recognition over a period of time.

## 5. Significant accounting policies

### 5.1 Revenues recognition

#### a) Revenue from contracts with customers

The subsidiary recognised revenue from contracts with customers when the subsidiary entered into agreements which had enforceable rights and obligations. The subsidiary identifies the performance obligations in the contract and allocate the transaction price to the performance obligations in the contract.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Subsidiary expects to be entitled in exchange for those goods or services, net of value added tax ("VAT"). Depending on the terms of the contract and the laws

that apply to the contract, control of the asset may be transferred over time or at a point in time.

The Subsidiary principally earns revenue from IT integrated solutions and services relating to information technology systems which can be broadly categorised as follows:

#### *IT integrated solutions*

IT integrated solutions comprise a comprehensive range of services, from project design and planning, assessment of hardware and/or software options and their suitability, sourcing and sale of hardware and/or software. Contracts for bundled sales of hardware and/or software and integration services are treated as a single performance obligation. Revenue from IT integrated solutions is recognised over time, using the straight-line method over the service contract period to measure progress from output method, measuring based on information provided by the subsidiary's engineers or project managers.

#### *Services relating to information technology systems*

Services relating to information technology systems is recognised over time when services have been rendered taking into account the stage of completion

b) Rental income

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

c) Dividends

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

## **5.2 Contract balances**

### Contract assets

A contract asset is an entity's right to consideration in exchange for goods or services that the entity has transferred to a customer when that right is conditioned on something other than the passage of time. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

### Trade receivables

A trade receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Trade receivables are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

### Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

### 5.3 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.

### 5.4 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) Current investment of unit trusts are stated at fair value. Changes in the fair value of unit trusts are recorded in profit or loss. The fair value of unit trusts is determined from their net asset value.
- b) Investments in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded in other comprehensive income, and will be recorded in profit or loss when the securities are sold.
- c) Investments in subsidiaries are accounted for in the separate financial statements using the cost method net of allowance for impairment loss (if any).

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

In the event the Group reclassifies investments from one type to another, such investments will be readjusted to their fair value as at the reclassification date. The difference between the carrying amount of the investments and the fair value on the date of reclassification are recorded in profit or loss or recorded as other components of shareholders' equity, depending on the type of investment that is reclassified.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised 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 and 10 years
Furniture and fixtures	-	5 and 10 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 Group amortises 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 Group, whether directly or indirectly, or which are under common control with the Group.

They also include associated companies and individuals which directly or indirectly own a voting interest in the Group that gives them significant influence over the Group, key management personnel, directors and officers with authority in the planning and direction of the Group'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 Group'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 Group performs impairment reviews in respect of the property, plant and equipment, investment properties 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 subsidiaries and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the subsidiaries. The fund's assets are held in a separate trust fund and the subsidiaries's contributions are recognised as expenses when incurred.

#### Defined benefit plans

The Group has obligations in respect of the severance payments they must make to employees upon retirement under labor law. The Group treats 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 defined benefit plans are recognised immediately in other comprehensive income.

Past service costs are recognized in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Company recognizes restructuring-related costs

## **5.14 Provisions**

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

## **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 Group recognises 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 Group reviews and reduces 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 Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

#### **5.16 Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures fair value using valuation technique that are appropriate in the circumstances and maximizes the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

- Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Group determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

### **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:

#### **Revenue from contracts with customers**

##### ***Identification of performance obligations***

In identifying performance obligations, the management is required to use judgement regarding whether each promise to deliver goods or services is considered distinct, taking into consideration terms and conditions of the arrangement. In other words, if a good or service is separately identifiable from other promises in the contract and if the customer can benefit from it, it is accounted for separately.

##### ***Determination of timing of revenue recognition***

In determining the timing of revenue recognition, the management is required to use judgement regarding whether performance obligations are satisfied over time or at a point



in time, taking into consideration terms and conditions of the arrangement. The Group recognises revenue over time in the following circumstances:

- the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs
- the entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date

Where the above criteria are not met, revenue is recognised at a point in time. Where revenue is recognised at a point in time, the management is required to determine when the performance obligation under the contract is satisfied.

In calculating the revenue recognised over time, the management is required to use judgement regarding measuring progress towards complete satisfaction of a performance obligation, measuring based on information provided by the subsidiary's engineers or project managers

#### **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.

#### **Impairment of equity investments**

The Group sets aside provision for impairment of available-for-sale investments and investment in subsidiary when there has been a significant or prolonged decline in fair value to below cost or where other objective evidence of impairment exists. It reverses the impairment loss on such investments when their fair value significantly increases or the indication of impairment no longer exists. The determination of whether the impairment in investment is "significant" or "prolonged" or that no indication exists requires management to exercise judgement.

#### **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 Group 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 Group and those companies. Below is a summary of those transactions.

	Consolidated financial statements		Separate financial statements		(Unit: Million Baht)
					Pricing policy
	2019	2018	2019	2018	
<u>Transactions with subsidiary</u> (eliminated from the consolidated financial statements)					
Dividend income	-	-	160	195	As announcement
Rental and service income	-	-	25	29	Contract price, which is price in the ordinary course of business
Interest income	-	-	1	2	4.5 and 5.0 percent per annum

(Unit: Million Baht)					
	Consolidated financial statements		Separate financial statements		Pricing policy
	2019	2018	2019	2018	
<b>Transactions with related companies</b>					
Sales and service income	50	59	-	-	Note 7.1
Rental and service income	12	11	12	11	Contract price, which is price in the ordinary course of business
Cost of sales and services	3	3	3	3	Contract price, which is price in the ordinary course of business
Administrative expenses	26	27	7	7	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 2019 and 2018 between the Group and those related parties are as follows:

(Unit: Thousand Baht)				
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<b>Trade receivables - related parties (Note 10)</b>				
Related companies (related by common directors)	1,775	168	-	-
<b>Accrued income - related parties (Note 10)</b>				
Related companies (related by common directors)	235	861	235	2,589
<b>Amounts due to related parties (Note 19)</b>				
Related companies (related by common directors)	56	3,466	-	224

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

As at 31 December 2019 and 2018, the balance of loan to between the Company and the related party and the movement are as follows:

(Unit: Thousand Baht)				
	Related by	Separate financial statements		
		Balance as at 31 December 2018	During the year	
			Increase	Decrease
<b>Short-term loan to related party</b>				
Datapro Computer Systems Company Limited	Subsidiary	21,000	-	(21,000)

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

During the years ended 31 December 2019 and 2018, the Group had employee benefit expenses of their directors and management as below.

(Unit: Million Baht)				
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Short-term employee benefits	31	27	2	2
Post-employment benefits	9	2	-	-
<b>Total</b>	<b>40</b>	<b>29</b>	<b>2</b>	<b>2</b>

## 8. Cash and cash equivalents

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Cash	115	115	5	5
Bank deposits	33,889	33,039	737	1,533
Total	<u>34,004</u>	<u>33,154</u>	<u>742</u>	<u>1,538</u>

As at 31 December 2019, bank deposits carried interests between 0.10 and 0.38 percent per annum (2018: between 0.13 and 0.40 percent per annum).

## 9. Current investments

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Fixed deposit	13	13	13	13
Investments in unit trust in debt securities open-ended fund (fair value)	71,066	76,770	5,100	12,510
Total	<u>71,079</u>	<u>76,783</u>	<u>5,113</u>	<u>12,523</u>

Investments in unit trust in debt securities open-ended fund are stated at fair value using inputs of Level 2 which is use of other observable inputs for such assets or liabilities, whether directly or indirectly. Such fair value of investments in unit trust has been determined by using the net asset value as published by the Asset Management.

## 10. Trade and other receivables

	(Unit: Thousand Baht) Consolidated financial statements	
	<u>2019</u>	<u>2018</u>
<u>Trade receivables - related parties</u> (Note 7)		
Aged on the basis of due dates		
Not yet due	1,775	127
Past due		
Up to 3 months	-	41
Total trade receivables - related parties	<u>1,775</u>	<u>168</u>
<u>Trade receivables - unrelated parties</u>		
Aged on the basis of due dates		
Not yet due	318,028	324,886
Past due		
Up to 3 months	121,594	141,586
3 - 6 months	1,842	395
6 - 12 months	1,913	1,761
Over 12 months	2,731	9,037
Total	<u>446,108</u>	<u>477,665</u>
Less: Allowance for doubtful debts	<u>(4,044)</u>	<u>(9,917)</u>
Total trade receivables - unrelated parties, net	<u>442,064</u>	<u>467,748</u>
Total trade receivables - net (Note 24)	<u>443,839</u>	<u>467,916</u>

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	2019	2018
<u>Other receivables</u>		
Unbilled receivables	5,541	130,755
Accrued income - related parties (Note 7)	235	861
Accrued income - unrelated parties	57,416	39,770
Total other receivables (Note 24)	63,192	171,386
Total trade and other receivables - net	507,031	639,302

	(Unit: Thousand Baht)	
	Separate financial statements	
	2019	2018
<u>Trade receivables - unrelated parties</u>		
Aged on the basis of due dates		
Not yet due	247	-
Past due		
Up to 3 months	495	-
Total trade receivables (Note 24)	742	-
<u>Other receivables</u>		
Accrued income - related parties (Note 7)	235	2,589
Accrued income - unrelated parties	90	605
Total other receivables (Note 24)	325	3,194
Total trade and other receivables	1,067	3,194

## 11. Inventories

	(Unit: Thousand Baht)					
	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2019	2018	2019	2018	2019	2018
Finished goods	70,914	214,574	(12,634)	(14,903)	58,280	199,671
Goods in transit	13,598	5,327	-	-	13,598	5,327
Total	84,512	219,901	(12,634)	(14,903)	71,878	204,998

During the current year, the subsidiary reduced cost of inventories by Baht 11 million (2018: Baht 10 million), to reflect the net realisable value. This was included in cost of sales. In addition, the subsidiary reversed the write-down of cost of inventories by Baht 13 million (2018: Baht 9 million) and reduced the amount of inventories recognised as expenses during the year.

## 12. Other current assets

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Withholding tax deducted at source	14,315	7,914	949	1,914
Prepaid expenses	15,909	16,245	107	295
Others	3,968	3,313	1,714	51
Total other current assets	34,192	27,472	2,770	2,260

### 13. Restricted bank deposits

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

### 14. Investment in subsidiaries

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

Company	Paid-up capital		Shareholding percentage		Cost		(Unit: Thousand Baht) Dividend received during the years	
	2019	2018	2019 (percent)	2018 (percent)	2019	2018	2019	2018
<u>Subsidiary directly held by the Company</u>								
Datapro Computer Systems Company Limited	100,000	100,000	100	100	325,887	325,887	159,998	194,998
<u>Subsidiary held through Datapro Computer Systems Company Limited</u>								
Datapro Company Systems (Myanmar) Company Limited	50*	50*	100	100	-	-	-	-
Total					<u>325,887</u>	<u>325,887</u>	<u>159,998</u>	<u>194,998</u>

\*Thousand USD

In April 2018, the annual general meeting of shareholders of the subsidiary passed a resolution approving the payment of a dividend for the year 2017 of Baht 195 per share, a total of Baht 195 million, to the subsidiary's shareholders. The subsidiary paid such dividend in May 2018.

In April 2019, the annual general meeting of shareholders of the subsidiary passed a resolution approving the payment of a dividend for the year 2018 of Baht 160 per share, a total of Baht 160 million, to the subsidiary's shareholders. The subsidiary paid such dividend in April 2019.

During the current year, Datapro Computer Systems (Myanmar) Company Limited which is registered and incorporated in the Republic of the Union of Myanmar has not yet commenced operation of its business.

### 15. Investment in available-for-sale securities

	(Unit: Thousand Baht) Consolidated financial statements	
	2019	2018
Investment in unit trust in equity securities open-ended fund - cost	45,332	45,332
Add: Surplus on changes in value of investments	8,370	6,093
Fair value	<u>53,702</u>	<u>51,425</u>

Investment in unit trust in equity securities open-ended fund are stated at fair value using inputs of Level 2 which is use of other observable inputs for such assets or liabilities, whether directly or indirectly. Such fair value of investments in unit trust has been determined by using the net asset value as published by the Asset Management.

### 16. Investment properties

The net book value of investment properties as at 31 December 2019 and 2018 are presented below.

	Consolidated financial statements	(Unit: Thousand Baht) Separate financial statements
	Land and office building	Land and office building
As at 31 December 2019:		
Cost	199,101	330,029
<u>Less</u> Accumulated depreciation	(42,454)	(70,372)
Net book value	156,647	259,657

	Consolidated financial statements	(Unit: Thousand Baht) Separate financial statements
	Land and office building	Land and office building
As at 31 December 2018:		
Cost	192,569	318,860
<u>Less</u> Accumulated depreciation	(35,349)	(58,671)
Net book value	157,220	260,189

A reconciliation of the net book value of investment properties for the year 2019 and 2018 are presented below.

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	2019	2018	2019	2018
Net book value at beginning of year	157,220	152,852	260,189	253,853
Renovation of office building	6,738	9,980	11,169	16,517
Transfers	(252)	540	-	-
Depreciation charged	(7,059)	(6,152)	(11,701)	(10,181)
Net book value at end of year	156,647	157,220	259,657	260,189

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 bank.

The fair values of the above investment properties of the Company amounting to Baht 360 million, were determined under the income approach, based on valuations performed by an accredited independent valuer in 2017. The key assumptions used in estimating the fair value included yield rate, rental rate and occupancy rate. The disclosed fair values are based on the use of Level 3 inputs.

## 17. Property, plant and equipment

	Consolidated financial statements						(Unit: Thousand Baht)
	Land	Building	Furniture, fixtures and equipment	Computer and equipment	Motor vehicles	Assets under installation	Total
<b>Cost:</b>							
1 January 2018	55,894	64,299	150,568	362,250	1,066	-	634,077
Transferred to investment properties	(299)	(344)	-	-	-	-	(643)
Additions	-	-	4,559	90,522	-	10,560	105,641
Disposals	-	-	(5,059)	(23,345)	-	-	(28,404)
Transfers in (out)	-	759	-	-	-	(759)	-
31 December 2018	55,595	64,714	150,068	429,427	1,066	9,801	710,671
Transferred from investment properties	136	159	-	-	-	14	309
Additions	-	208	5,570	37,971	-	31,604	75,353
Disposals	-	-	(1,472)	(6,121)	-	-	(7,593)

(Unit: Thousand Baht)

(Unit: Thousand Baht)

	Consolidated financial statements						
	Land	Building	Furniture, fixtures and equipment	Computer and equipment	Motor vehicles	Assets under installation	Total
Transfers in (out)	-	9,703	25,580	5,718	-	(41,001)	-
31 December 2019	55,731	74,784	179,746	466,995	1,066	418	778,740
<b>Accumulated depreciation:</b>							
1 January 2018	-	19,191	128,254	314,725	1,066	-	463,236
Depreciation - transferred to investment properties	-	(103)	-	-	-	-	(103)
Depreciation for the year	-	4,029	7,987	30,550	-	-	42,566
Depreciation on disposals	-	-	(4,487)	(23,323)	-	-	(27,810)
31 December 2018	-	23,117	131,754	321,952	1,066	-	477,889
Depreciation - transferred from investment properties	-	57	-	-	-	-	57
Depreciation for the year	-	4,642	9,317	44,555	-	-	58,514
Depreciation on disposals	-	-	(1,259)	(5,654)	-	-	(6,913)
31 December 2019	-	27,816	139,812	360,853	1,066	-	529,547
<b>Net book value:</b>							
31 December 2018	55,595	41,597	18,314	107,475	-	9,801	232,782
31 December 2019	55,731	46,968	39,934	106,142	-	418	249,193
<b>Depreciation for the year:</b>							
2018 (Baht 22 million included in service cost, and the balance in administrative expenses)							42,566
2019 (Baht 38 million included in service cost, and the balance in administrative expenses)							58,514

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

(Unit: Thousand Baht)

	Separate financial statements
	Furniture and office equipment
<b>Cost:</b>	
1 January 2018	397
31 December 2018	397
Additions	40
31 December 2019	437
<b>Accumulated depreciation:</b>	
1 January 2018	389
Depreciation for the year	1
31 December 2018	390
Depreciation for the year	2
31 December 2019	392
<b>Net book value:</b>	
31 December 2018	7
31 December 2019	45
<b>Depreciation for the year (include in administrative expenses):</b>	
2018	1
2019	2

As at 31 December 2019 and 2018, 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 2019, the subsidiary had equipment under finance lease agreements with net book values amounting to Baht 38 million (2018: Baht 48 million).

As at 31 December 2019, 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 393 million (2018: Baht 359 million).

Land and building as presented in the consolidated financial statements have been mortgaged as collateral against a long-term loan from a bank.

## 18. 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 2019:	
Cost	13,188
<u>Less</u> Accumulated amortisation	<u>(10,992)</u>
Net book value	<u>2,196</u>
As at 31 December 2018:	
Cost	13,188
<u>Less</u> Accumulated amortisation	<u>(9,673)</u>
Net book value	<u>3,515</u>

A reconciliation of the net book value of intangible assets for the years 2019 and 2018 is presented below.

	(Unit: Thousand Baht) Consolidated financial statements	
	<u>2019</u>	<u>2018</u>
Net book value at beginning of year	3,515	4,834
Amortisation	<u>(1,319)</u>	<u>(1,319)</u>
Net book value at end of year	<u>2,196</u>	<u>3,515</u>

## 19. Trade and other payables

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Trade payables - unrelated parties	338,996	570,406	2,374	8,059
Amounts due to related parties (Note 7)	56	3,466	-	224
Accrued expenses	100,363	166,333	546	465
Total trade and other payables	<u>439,415</u>	<u>740,205</u>	<u>2,920</u>	<u>8,748</u>

## 20. Long-term Loans

Loan	Interest rate (%)	Repayment schedule	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
			<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
1	MLR-1.50 and MLR-2.00	Monthly installments as from April 2015	64,340	92,900	64,340	92,900
2	MLR-2.00	Monthly installments as from April 2019	22,950	-	22,950	-
3	4.50	Monthly installments as from October 2019	27,000	-	-	-
Total			114,290	92,900	87,290	92,900
Less: Current portion			<u>(45,480)</u>	<u>(28,560)</u>	<u>(33,960)</u>	<u>(28,560)</u>
Long-term loans, net of current portion			<u>68,810</u>	<u>64,340</u>	<u>53,330</u>	<u>64,340</u>



Movement of the long - term loan account during the year ended 31 December 2019 are summarised below:

	Consolidated financial statements	(Unit: Thousand Baht) Separate financial statements
Balance as at 1 January 2019	92,900	92,920
Add: Addition loans	56,880	27,000
Less: Repayment	(35,490)	(32,610)
Balance as at 31 December 2019	114,290	87,290

The loan is secured by the mortgage of investment properties of the Company.

The loan agreement contains certain covenants and restrictions imposed by the lenders regarding, among other things, require the Group to maintain debt-to-equity ratio and debt service coverage ratio at the rate prescribed in the agreements, sales or transfers of assets other than in the ordinary course of business and merger or consolidation with any other companies.

## 21. Liabilities under finance lease agreements

Liabilities under finance lease agreements of the subsidiary are summarised below.

	(Unit: Thousand Baht) Consolidated financial statements	
	2019	2018
Liabilities under finance lease agreements	37,037	47,132
Less: Current portion	(10,095)	(10,095)
Liabilities under finance lease agreements - net of current portion	26,942	37,037

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 5. years (2018: 5 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 2019		
	Less than 1 year	1-5 years	Total
Future minimum lease payments	10	27	37
Deferred interest expenses	-	-	-
Present value of future minimum lease payments	10	27	37

	(Unit: Million Baht) As at 31 December 2018		
	Less than 1 year	1-5 years	Total
Future minimum lease payments	10	37	47
Deferred interest expenses	-	-	-
Present value of future minimum lease payments	10	37	47

## 22. Provision for long-term employee benefits

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

(Unit: Thousand Baht)		
Consolidated financial statements		
	<u>2019</u>	<u>2018</u>
<b>Provision for long-term employee benefits at beginning of year</b>	70,853	61,599
Included in profit or loss:		
Current service cost	8,636	8,003
Interest cost	2,231	1,922
Past service costs	29,847	-
Included in other comprehensive income:		
Actuarial (gain) loss arising from		
Demographic assumptions changes	(1,197)	-
Financial assumptions changes	10,697	-
Experience adjustments	26,211	-
Decrease in provision for long-term employee benefits from transfer intercompany's employees	(5,375)	-
Benefits paid during the year	(2,926)	(671)
<b>Provision for long-term employee benefits at end of year</b>	<u>138,977</u>	<u>70,853</u>

On 5 April 2019, the Labor Protection Act (No. 7) B.E. 2562 was announced in the Royal Gazette. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate. The law was effective from 5 May 2019. This change is considered a post-employment benefits plan amendment and as a result, the Group has additional long-term employee benefit of Baht 22 million which was recorded in the second quarter. In addition, during the third quarter of 2019, the subsidiary restructured base salary and have additional long-term employee benefit liabilities of Baht 8 million as a result. The Group reflects the effect of the change by recognising past service costs as expenses and presented separately in the consolidated comprehensive income statements of the current period.

The subsidiary expects to pay Baht 2.4 million of long-term employee benefits during the next year (2018: the subsidiary expected not to pay long-term employee benefits during 2019).

As at 31 December 2019, the weighted average duration of the liabilities for long-term employee benefit of subsidiary is 16 years (2018: 15 years).

Key actuarial assumptions used for the valuation are as follows:

Consolidated financial statements		
	<u>2019</u>	<u>2018</u>
	(Percent)	(Percent)
Discount rate	1.7	3.1
Future salary increase rate	5.0	5.6
Turnover rate	0 - 15.0	0 - 15.0

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2019 and 2018, are summarised below:

(Unit: Million Baht)		
As at 31 December 2019		
Consolidated financial statements		
	<u>Increase 1%</u>	<u>Decrease 1%</u>
Discount rate	(16)	19
Salary increase rate	17	(15)
	<u>Increase 10%</u>	<u>Decrease 10%</u>
Turnover rate	(4)	5

(Unit: Million Baht)		
As at 31 December 2018		
Consolidated financial statements		
	<u>Increase 1%</u>	<u>Decrease 1%</u>
Discount rate	(8)	9
Salary increase rate	9	(8)
Turnover rate	(5)	6

## 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. At present, the statutory reserve has fully been set aside.

## 24. Revenue from contracts with customers

### 24.1 Disaggregated revenue information

(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements
	<u>2019</u>	<u>2018</u>	<u>2019</u> <u>2018</u>
<b>Type of goods or service:</b>			
IT integrated solutions	1,682,747	1,639,119	-      -
Services relating to information technology systems	1,083,862	1,003,092	-      -
Rental and service income	31,022	21,521	55,793      50,025
Total revenue from contracts with customers	<u>2,797,631</u>	<u>2,663,732</u>	<u>55,793</u> <u>50,025</u>
<b>Timing of revenue recognition:</b>			
Revenue recognised at a point in time	1,680,560	1,048,562	-      -
Revenue recognised over time	1,117,071	1,615,170	55,793      50,025
Total revenue from contracts with customers	<u>2,797,631</u>	<u>2,663,732</u>	<u>55,793</u> <u>50,025</u>

### 24.2 Revenue to be recognised for the remaining performance obligations

As at 31 December 2019, revenue aggregating to Baht 339 million (The Company only: Baht 77 million) is expected to be recognised in the future relating to performance obligations that are unsatisfied (or partially unsatisfied) of contracts with customers. The Group expects to satisfy the performance obligations within 6 years.

The above information does not include revenue to be recognised for the unsatisfied portions of performance obligations related to contracts with a duration of one year or less and where the revenue is recognised in the amount to which the entity has a right to invoice.

### 24.3 Contract balances

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	2019	2018	2019	2018
Contract assets (Note 10)	63,192	171,386	325	3,194
Trade receivables (Note 10)	443,839	467,916	742	-
Contract liabilities	196,766	203,441	-	-

#### Contract assets

Contract asset is an entity's right to consideration in exchange for goods or services that the entity has transferred to a customer when that right is conditioned on something other than the passage of time. Contract assets are transferred to trade receivables when the rights to consideration become unconditional. During the years ended 31 December 2019 and 2018, such transfer amounted to Baht 2,927 million and Baht 2,600 million, respectively.

#### Contract liabilities

Contract liabilities are the Group's obligations to transfer goods or services to customers for which the Group has received consideration from customers, including progress billings received from customers for services in progress and upfront deposits collected from customers prior to the commencement of the provision of services or delivery of products. Contract liabilities are recognised as revenue when the Group performs the obligation under the contract.

### 25. Expenses by nature

Significant expenses classified by nature are as follows:

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	2019	2018	2019	2018
Salaries and other employee benefits	511,160	533,440	1,828	2,132
Past service costs from change in long-term employee benefit	29,847	-	-	-
Depreciation	65,574	48,719	11,702	10,183
Rental expenses from operating lease agreements	22,629	29,283	-	-
Purchase of goods and services	1,771,732	1,845,969	-	-
Changes in finished goods	143,660	(164,369)	-	-
Changes in work in progress	10,983	75,296	-	-

## 26. Income tax expenses

Income tax expenses for the years ended 31 December 2019 and 2018 are made up as follows:

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Current income tax:</b>				
Current corporate income tax charge	46,896	41,246	2,268	1,163
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	(6,650)	(2,535)	3	-
<b>Income tax expenses reported in the statements of comprehensive income</b>	<u>40,246</u>	<u>38,711</u>	<u>2,271</u>	<u>1,163</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2019 and 2018 are as follows:

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Deferred tax relating to gain (loss) on change in value of available-for-sale securities	456	(845)	-	-
Deferred tax relating to actuarial losses	(7,142)	-	-	-
	<u>(6,686)</u>	<u>(845)</u>	<u>-</u>	<u>-</u>

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

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Accounting profit before tax	200,657	196,547	161,127	191,698
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by income tax rate	40,131	39,309	32,225	38,340
Tax loss for the year which unrecognised as deferred tax assets	10	2	-	-
Promotional tax privileges from the Board of Investment	-	(1,933)	-	-
Effects of:				
Tax-exempt income	-	-	(31,999)	(39,000)
Non-deductible expenses	2,046	3,549	2,121	1,889
Additional expense deductions allowed	(1,941)	(2,216)	(76)	(66)
Total	105	1,333	(29,954)	(37,177)
Income tax expenses reported in the statement of comprehensive income	<u>40,246</u>	<u>38,711</u>	<u>2,271</u>	<u>1,163</u>

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	
	2019	2018	2019	2018
<b>Deferred tax assets</b>				
Allowance for diminution in value of inventories	2,527	2,981	-	-
Provision for long-term employee benefits	27,795	14,171	-	-
Total	30,322	17,152	-	-
<b>Deferred tax liabilities</b>				
Difference depreciation between tax and accounting base of assets under finance lease agreements	762	1,386	-	-
Revaluation of investment in available for sale securities	740	285	-	-
Unrealised gain on change in value of current investments	7	5	3	-
Total	1,509	1,676	3	-
<b>The presentation in financial statements</b>				
Deferred tax assets	28,816	15,476	-	-
Deferred tax liabilities	3	-	3	-

## 27. 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).

The Group's operating revenues for the years ended 31 December 2019 and 2018, divided between promoted and non-promoted operations, are summarised below.

(Unit: Thousand Baht)						
	2019			2018		
	Promoted operations	Non-promoted operations	Total	Promoted operations	Non-promoted operations	Total
Rental and service income	16,430	1,098,454	1,114,884	24,686	999,926	1,024,612

## 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 Group's Board of Directors.

For management purposes, the Group is 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 Group's central administrative activities, financing activities (including finance costs and finance income) and income

taxes are managed on a group basis. Therefore these income and expenses are not allocated to operating segments.

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

The following tables present revenue and profit information regarding the Group's operating segments for the years ended 31 December 2019 and 2018.

(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	
	2019	2018	2019	2018	2019	2018	2019	2018
<b>Revenues</b>								
Revenues from external customers								
Sales	1,683	1,639	-	-	-	-	1,683	1,639
Rental and service income	1,084	1,003	31	22	-	-	1,115	1,025
Total revenues from external customers	2,767	2,642	31	22	-	-	2,798	2,664
Inter-segment revenues	-	-	25	29	(25)	(29)	-	-
Total revenues	2,767	2,642	56	51	(25)	(29)	2,798	2,664
<b>Segment profit</b>	<b>294</b>	<b>270</b>	<b>3</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>297</b>	<b>273</b>
<b>Unallocated income and expenses:</b>								
Other income							72	55
Selling expenses							(6)	(25)
Administrative expenses							(157)	(100)
Finance cost							(6)	(6)
<b>Profit before income tax expenses</b>							200	197
Income tax expenses							(40)	(39)
<b>Profit for the year</b>							<b>160</b>	<b>158</b>

## Geographic information

The Group is 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 2019, the Group has revenue from three major customers in amount of Baht 832 million (2018: Baht 627 million derived from three 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 and 8 percent of basic salary. The fund, which is managed by Kasikorn Asset Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2019 amounting to approximately Baht 19 million (2018: Baht 15 million) were recognised as expenses.

### 30. Dividends

	Approved by	Total dividends (Unit: Million Baht)	Dividend per share (Unit: Baht)
Final dividend for 2017	Annual General Meeting of the shareholders on 25 April 2018	114	0.40
Interim dividend for 2018	Board of Directors' meeting on 8 August 2018	42	0.15
<b>Total dividend paid in 2018</b>		<b>156</b>	
Final Dividend for 2018	Annual General Meeting of the shareholders on 24 April 2019	142	0.50
Interim dividend for 2019	Board of Directors' meeting on 7 August 2019	34	0.12
<b>Total dividend paid in 2019</b>		<b>176</b>	

### 31. Commitments and contingent liabilities

#### 31.1 Capital commitments

As at 31 December 2019, the Group had capital commitments of approximately Baht 0.3 million (2018: Baht 26.6 million) (The Company only: Baht 0.3 million) (2018: Baht 11.6 million), relating to the construction and renovation of rental building.

#### 31.2 Operating lease commitments

The subsidiary had entered into several lease agreements with other companies and related company in respect of the lease of office building space, equipment, vehicle and related services. The terms of the agreements are generally between 3 to 5 years.

As at 31 December 2019 and 2018, future minimum lease payments required under these operating leases contracts were as follows:

	(Unit: Million Baht)	
	Consolidated financial statements	
	2019	2018
Payable:		
In up to 1 year	21	6
In over 1 year and up to 5 years	24	6

#### 31.3 Service commitments

The Group has entered into management service agreements with a related company, whereby management fees totaling Baht 1.8 million per month (2018: Baht 1.8 million per month) are payable in the future, with Baht 0.6 million per month (2018: Baht 0.6 million per month) payable by the Company. The agreements end in December 2019 but they automatically renew for periods of one year each time until terminated.

#### 31.4 Bank guarantees

As at 31 December 2019, the Group has outstanding bank guarantees of approximately Baht 133 million (2018: Baht 146 million) issued by banks on behalf of the Group in respect of certain performance bonds as required in the normal course of business of the Group. These included letters of guarantee amounting to Baht 132 million (2018: Baht 145 million) to guarantee contractual performance of the subsidiary and amounting to Baht 1 million (2018: Baht 1 million) to guarantee electricity use of the Company.

### 32. Financial instruments

#### 32.1 Financial risk management

The Group's financial instruments, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash



equivalents, current investments, restricted bank deposits, trade and other receivables, investment in available-for-sale securities, advances received for goods and services, trade and other payables, short-term and long-term loans and liabilities under finance lease agreements. The financial risks associated with these financial instruments and how they are managed is described below.

### **Credit risk**

The Group is exposed to credit risk primarily with respect to trade receivables. The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, the Group 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 Group's exposure to interest rate risk relates primarily to their cash at banks, short-term loan to, long-term loans and liabilities under finance lease agreements. Most of the Group'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)

(Unit: Million Baht)

	As at 31 December 2019					
	Fixed interest rates					
Consolidated financial statements	Within 1 year	1-5 years	Floating interest rate	Non-interest bearing	Total	Interest rate  (% p.a.)
<b>Financial assets</b>						
Cash and cash equivalents	-	-	34	-	34	Note 8
Current investments	-	-	-	71	71	-
Trade and other receivables	-	-	-	507	507	-
Restricted bank deposits	-	-	7	-	7	0.10
Investment in available-for-sale securities	-	-	-	54	54	-
	-	-	41	632	673	
<b>Financial liabilities</b>						
Trade and other payables	-	-	-	439	439	-
Advances received for goods and services	-	-	-	197	197	-
Long-term loan	-	27	87	-	114	MLR - 1.50, MLR - 2.00 and 4.50
Liabilities under finance lease agreements	-	-	-	37	37	-
	-	27	87	673	787	

(Unit: Million Baht)

As at 31 December 2018						
Consolidated financial statements	Fixed interest rates		Floating interest rate	Non-interest bearing	Total	Interest rate (% p.a.)
	Within 1 year	1-3 years				
Financial assets						
Cash and cash equivalents	-	-	33	-	33	Note 8
Current investments	-	-	-	77	77	-
Trade and other receivables	-	-	-	639	639	-
Restricted bank deposits	-	-	38	-	38	0.80 - 1.10
Investment in available-for-sale securities	-	-	-	51	51	-
	-	-	71	767	838	

(Unit: Million Baht)

As at 31 December 2018						
Consolidated financial statements	Fixed interest rates		Floating interest rate	Non-interest bearing	Total	Interest rate (% p.a.)
	Within 1 year	1-3 years				
<b>Financial liabilities</b>						
Trade and other payables	-	-	-	740	740	-
Advances received for goods and services	-	-	-	203	203	-
Long-term loan	-	-	93	-	93	MLR - 1.50
Liabilities under finance lease agreements	-	-	-	47	47	-
	-	-	93	990	1,083	

(Unit: Million Baht)

As at 31 December 2019						
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	-
Current investments	-	-	-	5	5	-
Short-term loan to related party	-	-	-	1	1	-
Restricted bank deposits	-	-	1	-	1	0.10
	-	-	2	6	8	
<b>Financial liabilities</b>						
Trade and other payables	-	-	-	3	3	
Long-term loan	-	-	87	-	87	MLR - 1.50 and MLR - 2.00
	-	-	87	3	90	

(Unit: Million Baht)

As at 31 December 2018						
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	Note 8
Current investments	-	-	-	13	13	-
Trade and other receivables	-	-	-	3	3	-
Short-term loan to related party	21	-	-	-	21	5.00
Restricted bank deposits	-	-	1	-	1	1.10
	21	-	3	16	40	
<b>Financial liabilities</b>						
Trade and other payables	-	-	-	9	9	-
Long-term loan	-	-	93	-	93	MLR - 1.50
	-	-	93	9	102	

### 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 2019, the subsidiary had the net liabilities denominated in foreign currency amounting to USD 2 million (2018: USD 6 million).

As at 31 December 2019 and 2018, the subsidiary had outstanding forward exchange contracts in order to hedge the foreign currency risk as follows:

Foreign currency	Consolidated financial statements					
	Bought Amount		Contractual exchange rate of		Contractual Maturity date	
	(Million)		bought amount			
	2019	2018	(Baht per 1 foreign currency unit)			
			2019	2018	2019	2018
US Dollar	2	5	29.98 – 30.47	32.27 - 32.99	8 April – 3 July 2020	22 February - 3 July 2019

### 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 Group expects that fair value of their financial instruments are close to the amounts presented in the statements of financial position.

### 33. Capital management

The primary objective of the Group'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 2019, the Group's debt-to-equity ratio was 1.5:1 (2018: 1.7:1) and the Company's was 0.2:1 (2018: 0.2:1).

### 34. Events after the reporting period

On 12 February 2020, the Board of directors meeting passed the resolution to raise the agenda to Annual General Meeting for approval to pay a dividend for the year 2019 to the shareholders of Baht 0.52 per share, a total of Baht 148 million. The Company has already paid an interim dividend of Baht 0.12 per share, a total of Baht 34 million. The remaining dividend is Baht 0.40 per share, a total of Baht 114 million will be paid and recorded after it is approved by the Annual General Meeting of the Company's shareholders.

### 35. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 12 February 2020.



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