

## **AUDITOR'S REPORT**

### **To the Board of Directors and Shareholders of Focus Development and Construction Public Company Limited**

I have audited the accompanying financial statements of Focus Development and Construction Public Company Limited which comprise the statement of financial position as at December 31, 2014, and the statement of comprehensive income, statement of changes in shareholders' equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Financial Statements**

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

#### **Auditor's Responsibility**

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

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

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

#### **Opinion**

In my opinion, the financial statements present fairly, in all material respects, the financial position of Focus Development and Construction Public Company Limited as at December 31, 2014, and its financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

**Emphasis of Matter**

As explained in the Note 4 to the financial statements, in the year 2014, the Company has adjusted to correct the errors in prior year regarding the written-off trade and other payables. Therefore, the financial statements for the year ended December 31, 2013, which have been presented herewith for comparative purposes have been restated to correct the errors.

My opinion on financial information is not qualified in respect of this matter.

Prawit Viwanthananut  
Certified Public Accountant  
Registration Number 4917

PV Audit Co., Ltd.  
Bangkok, February 26, 2015

FOCUS DEVELOPMENT AND CONSTRUCTION PUBLIC COMPANY LIMITED  
FINANCIAL STATEMENTS AND AUDITOR'S REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2014

**FOCUS DEVELOPMENT AND CONSTRUCTION PUBLIC COMPANY LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2014**

	Note	Baht	
		2014	2013 (Restated)
<b>ASSETS</b>	3		
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6	9,361,196	5,743,203
Trade and other receivables	7	63,716,553	90,985,532
Work in progress		-	4,414,668
Unbilled receivables	18	72,634,018	109,473,703
Cost of property development	8	396,272,976	247,033,160
Other current assets		8,587,962	11,590,793
Total Current Assets		<u>550,572,705</u>	<u>469,241,059</u>
<b>NON-CURRENT ASSETS</b>			
Restricted bank deposits	9	26,801,911	24,467,053
Building and equipment	10	23,070,030	29,243,608
Intangible asset	5	3,702,204	682,588
Deferred tax assets	4, 11	16,956,461	8,993,086
Other non-current assets	12	110,263,920	115,550,412
Total Non-current Assets		<u>180,794,526</u>	<u>178,936,747</u>
<b>TOTAL ASSETS</b>		<u><b>731,367,231</b></u>	<u><b>648,177,806</b></u>

**FOCUS DEVELOPMENT AND CONSTRUCTION PUBLIC COMPANY LIMITED**

**STATEMENT OF FINANCIAL POSITION**

**AS AT DECEMBER 31, 2014**

	Note	Baht	
		2014	2013 (Restated)
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>	3		
<b>CURRENT LIABILITIES</b>			
Bank overdrafts and short-term loans from financial institutions	13	29,781,728	9,580,519
Trade and other payables	4, 5, 14	119,900,599	111,786,081
Current portion of liabilities	16	3,151,258	2,994,606
Estimated cost		60,675,422	78,473,700
Retention payables		30,867,062	46,215,544
Advances received	5, 18	69,753,501	63,251,998
Other current liabilities		15,992,654	8,860,668
<b>Total Current Liabilities</b>		<b>330,122,224</b>	<b>321,163,116</b>
<b>NON-CURRENT LIABILITIES</b>			
Long-term loans from financial institutions	15	262,400,000	152,300,000
Long-term liabilities under finance lease	16	1,287,525	4,435,087
Employee benefit obligations	17	5,776,658	5,357,235
<b>Total Non-current Liabilities</b>		<b>269,464,183</b>	<b>162,092,322</b>
<b>Total Liabilities</b>		<b>599,586,407</b>	<b>483,255,438</b>

**FOCUS DEVELOPMENT AND CONSTRUCTION PUBLIC COMPANY LIMITED**

**STATEMENT OF FINANCIAL POSITION**

**AS AT DECEMBER 31, 2014**

	Note	Baht	
		2014	2013 (Restated)
<b>SHAREHOLDERS' EQUITY</b>			
Share capital			
Authorized share capital:			
400,000,000 ordinary shares, Baht 1 par value		400,000,000	400,000,000
Issued and paid-up share capital:			
126,720,042 ordinary shares in 2014, and			
126,720,000 ordinary shares in 2013, fully paid-up	19, 20	126,720,042	126,720,000
Premium on ordinary shares	19, 21	56,413,239	56,413,155
Deficit	4	(51,352,457)	(18,210,787)
<b>Total Shareholders' Equity</b>		<b>131,780,824</b>	<b>164,922,368</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>731,367,231</b>	<b>648,177,806</b>

**FOCUS DEVELOPMENT AND CONSTRUCTION PUBLIC COMPANY LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

	Note	Baht	
		2014	2013
	3		(Restated)
<b>Revenue from sales and services</b>	<b>18</b>	<b>532,632,919</b>	<b>1,100,760,016</b>
Cost of sales and services	18, 22	(522,423,320)	(1,066,480,999)
<b>Gross profit</b>		<b>10,209,599</b>	<b>34,279,017</b>
Other income	4	16,406,859	13,396,324
Administrative expenses	5, 22	(57,986,713)	(66,527,684)
Finance cost	23	(9,734,790)	(1,484,066)
<b>Loss before income tax</b>		<b>(41,105,045)</b>	<b>(20,336,409)</b>
Tax income	4, 24	7,963,375	3,878,819
<b>Loss for the year</b>		<b>(33,141,670)</b>	<b>(16,457,590)</b>
Other comprehensive income (loss)		-	-
<b>Total comprehensive loss</b>		<b>(33,141,670)</b>	<b>(16,457,590)</b>
<b>Loss per share</b>			
Basic loss per share	3	(0.26)	(0.13)
Weighted average number of ordinary shares (Shares)	3	126,720,025	126,403,112

**FOCUS DEVELOPMENT AND CONSTRUCTION PUBLIC COMPANY LIMITED**  
**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

	Note	Baht			Total
		Issued and paid-up share capital	Premium on ordinary shares	Deficit (Restated)	
Beginning balance as at January 1, 2013		125,579,000	54,131,155	(1,753,197)	177,956,958
Changes in shareholders' equity					
Increase in ordinary shares	19, 20	1,141,000	2,282,000	-	3,423,000
Total comprehensive loss - restated	4	-	-	(16,457,590)	(16,457,590)
Adjusted balance as at December 31, 2013		126,720,000	56,413,155	(18,210,787)	164,922,368
Changes in shareholders' equity					
Increase in ordinary shares	19, 20	42	84	-	126
Total comprehensive loss		-	-	(33,141,670)	(33,141,670)
Balance as at December 31, 2014		126,720,042	56,413,239	(51,352,457)	131,780,824

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



**FOCUS DEVELOPMENT AND CONSTRUCTION PUBLIC COMPANY LIMITED**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED DECEMBER 31, 2014**

	Baht	
	2014	2013 (Restated)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before income tax	(41,105,045)	(20,336,409)
Adjustments to reconcile loss before income tax to net cash provided by (used in) operating activities		
Depreciation and amortization	9,316,828	10,848,402
Provision incurred from the employee benefit obligations	1,304,223	857,985
Estimate cost overrun (reversal)	(16,917)	16,917
(Gain) loss on disposal of and written-off assets	(2,182,028)	1,176,841
Interest income	(612,126)	(768,822)
Interest expenses	9,734,790	1,484,066
Loss from operating activities before change in operating assets and liabilities	(23,560,275)	(6,721,020)
Change in operating assets (increase) decrease		
Trade and other receivables	27,259,885	37,670,403
Work in progress	4,414,668	3,457,925
Unbilled receivables	36,839,685	36,176,524
Cost of property development	(149,239,816)	(21,703,557)
Other current assets	3,002,831	17,025,665
Restricted bank deposits	(2,334,858)	(3,744,200)
Other non-current assets	(886,590)	(16,647,630)
Change in operating liabilities increase (decrease)		
Trade and other payables	7,761,535	(68,112,792)
Estimated cost	(17,798,278)	25,832,193
Retention payables	(15,348,482)	18,137,416
Advances received	6,501,503	(17,951,994)
Other current liabilities	7,148,903	(3,100,390)
Payment of employee benefit obligations	(884,800)	-
Cash generated (paid) from operations	(117,124,089)	318,543

**FOCUS DEVELOPMENT AND CONSTRUCTION PUBLIC COMPANY LIMITED**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED DECEMBER 31, 2014**

	Baht	
	2014	2013 (Restated)
Interest received	621,220	755,433
Income tax refund	23,375,378	-
Income tax paid	(17,202,296)	(19,993,047)
<b>Net cash used in operating activities</b>	<b>(110,329,787)</b>	<b>(18,919,071)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of equipment	(3,265,645)	(11,288,359)
Disposal of equipment	2,523,365	467,290
Purchase of intangible asset	(3,238,558)	(492,050)
<b>Net cash used in investing activities</b>	<b>(3,980,838)</b>	<b>(11,313,119)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase in bank overdrafts	9,802,144	2,600,297
Increase (decrease) in short-term loans from financial institutions	10,399,065	(107,927,723)
Proceed from long-term loans from financial institutions	110,100,000	100,000,000
Repayment of liabilities under finance lease	(2,990,910)	(1,630,715)
Proceed from issued ordinary shares	126	3,423,000
Interest paid	(9,381,807)	(1,438,370)
<b>Net cash provided by (used in) financing activities</b>	<b>117,928,618</b>	<b>(4,973,511)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>3,617,993</b>	<b>(35,205,701)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>5,743,203</b>	<b>40,948,904</b>
<b>Cash and cash equivalents at end of year</b>	<b>9,361,196</b>	<b>5,743,203</b>

Non-Cash items:

In year 2014

- 1) Cost of property development increased during the year due to interest expenses from loans and depreciation capitalise in the amount of Baht 2.53 million.

In year 2013

- 1) Cost of property development increased during the year due to interest expenses from loans and depreciation capitalise in the amount of Baht 8.34 million.
- 2) The Company purchased machinery and vehicles in the amount of Baht 9.42 million by cash payment in the amount of Baht 1.84 million and by entering into a finance lease agreement for the remaining.

**FOCUS DEVELOPMENT AND CONSTRUCTION PUBLIC COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2014**

**1. GENERAL INFORMATION**

Focus Development and Construction Public Company Limited, “the Company” was incorporated in Thailand under the Civil and Commercial Code on March 30, 1989, and engages as a construction contractor and a real estate business. On October 5, 2004, the Company was listed in the Market for Alternative Investment (mai) on the Stock Exchange of Thailand.

The registered office of the Company is located at 25, 9th Floor, Alma Link Building, Soi Chidlom, Ploenchit Road, Lumpini, Patumwan, Bangkok.

**2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS**

The accompanying financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”) including related interpretations and guidelines promulgated by the Federation of Accounting Professions (“FAP”) in accordance with generally accepted accounting principles in Thailand.

The presentation of the financial statements has been made in compliance with the stipulations of the Notification of the Department of Business Development dated September 28, 2011, issued under the Accounting Act B.E. 2543.

The accompanying financial statements have been prepared in the Thai language and expressed in Thai Baht. Such financial statements have been prepared for domestic reporting purposes. For the convenience of the readers not conversant with the Thai language, an English version of the financial statements has been provided by translating from the Thai version of the financial statements.

The preparation of the financial statements in accordance with Thai Financial Reporting Standards (“TFRS”) requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying amounts of assets and liabilities that are not readily apparent from other sources. Subsequent actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, and in the period of the revision and future periods, if the revision affects both current and future periods.

### **Adoption of New Thai Financial Reporting Standards**

FAP has issued Notifications, mandating the use of new and revised Conceptual Framework for Financial Reporting (revised 2014), Thai Accounting Standards (“TAS”), TFRS, Thai Standard Interpretations (“TSIC”) and Thai Financial Reporting Interpretations (“TFRIC”) as follows:

- a) Conceptual Framework for Financial Reporting (revised 2014) which is immediately effective for the year 2014.
- b) TAS, TFRS, TSIC and TFRIC which are effective for the financial statements for the period beginning on or after January 1, 2014 as follows:

<b>TAS/TFRS/TSIC/TFRIC</b>	<b>Topic</b>
TAS 1 (revised 2012)	Presentation of Financial Statements
TAS 7 (revised 2012)	Statement of Cash Flows
TAS 12 (revised 2012)	Income Taxes
TAS 17 (revised 2012)	Leases
TAS 18 (revised 2012)	Revenue
TAS 19 (revised 2012)	Employee Benefits
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rate
TAS 24 (revised 2012)	Related Party Disclosures
TAS 28 (revised 2012)	Investments in Associates
TAS 31 (revised 2012)	Interests in Joint Venture
TAS 34 (revised 2012)	Interim Financial Reporting
TAS 36 (revised 2012)	Impairment of Assets
TAS 38 (revised 2012)	Intangible Assets
TFRS 2 (revised 2012)	Share – Based Payments
TFRS 3 (revised 2012)	Business Combinations
TFRS 5 (revised 2012)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (revised 2012)	Operating Segments
TSIC 15	Operating Leases-Incentives
TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29	Service Concession Arrangements: Disclosures
TSIC 32	Intangible Assets-Web Site Costs

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

The management of the Company has assessed the effects of these Conceptual Framework for Financial Reporting (revised 2014) and TFRS and believes that they do not have any significant impact on the financial statements.

**New and revised Thai Financial Reporting Standards not yet effective**

The Company has not yet adopted the new and revised Thai Financial Reporting Standards as follows:

- a) TAS, TFRS, TSIC and TFRIC which are effective for the financial statements for the period beginning on or after January 1, 2015 as follows:

<b>TAS/TFRS/TSIC/TFRIC</b>	<b>Topic</b>
TAS 1 (revised 2014)	Presentation of Financial Statements
TAS 2 (revised 2014)	Inventories
TAS 7 (revised 2014)	Statement of Cash Flows
TAS 8 (revised 2014)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2014)	Events after the Reporting Period
TAS 11 (revised 2014)	Construction Contracts
TAS 12 (revised 2014)	Income Taxes
TAS 16 (revised 2014)	Property, Plant and Equipment

<b>TAS/TFRS/TSIC/TFRIC</b>	<b>Topic</b>
TAS 17 (revised 2014)	Leases
TAS 18 (revised 2014)	Revenue
TAS 19 (revised 2014)	Employee Benefits
TAS 20 (revised 2014)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2014)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2014)	Borrowing Costs
TAS 24 (revised 2014)	Related Party Disclosures
TAS 26 (revised 2014)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2014)	Separate Financial Statements
TAS 28 (revised 2014)	Investments in Associates and Joint Ventures
TAS 29 (revised 2014)	Financial Reporting in Hyperinflationary Economies
TAS 33 (revised 2014)	Earnings per Share
TAS 34 (revised 2014)	Interim Financial Reporting
TAS 36 (revised 2014)	Impairment of Assets
TAS 37 (revised 2014)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2014)	Intangible Assets
TAS 40 (revised 2014)	Investment Property
TFRS 2 (revised 2014)	Share-based Payment
TFRS 3 (revised 2014)	Business Combinations
TFRS 5 (revised 2014)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (revised 2014)	Exploration for and Evaluation of Mineral Resources
TFRS 8 (revised 2014)	Operating Segments
TFRS 10	Consolidated Financial Statements
TFRS 11	Joint Arrangements
TFRS 12	Disclosure of Interests in Other Entities
TFRS 13	Fair Value Measurement

<b>TAS/TFRS/TSIC/TFRIC</b>	<b>Topic</b>
TSIC 10 (revised 2014)	Government Assistance - No specific Relation to Operating Activities
TSIC 15 (revised 2014)	Operating Leases-Incentives
TSIC 25 (revised 2014)	Income Taxes-Changes in the Tax Status of an Entity or its Shareholders
TSIC 27 (revised 2014)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29 (revised 2014)	Service Concession Arrangements : Disclosures
TSIC 31 (revised 2014)	Revenue - Barter Transactions Involving Advertising Services
TSIC 32 (revised 2014)	Intangible Assets-Web Site Costs
TFRIC 1 (revised 2014)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2014)	Determining whether an Arrangement contains a Lease
TFRIC 5 (revised 2014)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2014)	Applying the Restatement Approach under TAS 29 (revised 2014) Financial Reporting in Hyperinflationary Economies
TFRIC 10 (revised 2014)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2014)	Service Concession Arrangements
TFRIC 13 (revised 2014)	Customer Loyalty Programmes
TFRIC 14	TAS 19 (revised 2014) - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 15 (revised 2014)	Agreements for the Construction of Real Estate
TFRIC 17 (revised 2014)	Distributions of Non-cash Assets to Owner

TAS/TFRS/TSIC/TFRIC	Topic
TFRIC 18 (revised 2014)	Transfers of Assets from Customers
TFRIC 20	Stripping Costs in the Production Phase of a Surface Mine

- b) TFRS which is effective for the financial statements for the period beginning on or after January 1, 2016 as follow:

TFRS	Topic
TFRS 4 (revised 2014)	Insurance Contracts

The management of the Company is assessing the impacts of these TFRS on the financial statements for the year in which they are initially applied.

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### **The measurement bases used in preparing the financial statements**

Other than those disclosed in other outlines in the summary of significant accounting policies and other notes to the financial statements, the financial statements are prepared on the historical cost basis.

#### **Revenues**

Revenue excludes value added taxes or other sales taxes and is arrived at after deduction of trade discounts.

#### Revenues from sale of property

Sales of residential condominium units are recognised as revenue when the construction works are completed and the significant risks and rewards of ownerships have been transferred to the buyer.

#### Revenues from construction

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and can be measured reliably. As soon as the outcome of a construction contract can be estimated reliably, contract revenue and expenses are recognised in the statement of comprehensive income in proportion to the stage of completion of the contract.

The stage of completion is assessed by reference to surveys of work performed. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognized only to the extent of contract costs incurred that are likely to be recoverable. An expected loss on a contract is recognized immediately in the statement of comprehensive income.

The completed part of construction, which has not yet been delivered for acceptance or for billing, is recorded as unbilled receivables.



Work in progress

Work in progress is stated at cost less allowance for impairment losses (if any).

Rental income

Rental income under operating leases is recognized in the statement of comprehensive income on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income. Contingent rentals are recognized as income in the accounting period in which they are earned.

Interest income and other income

Interest income is recognized as interest accrues, based on the effective rate method.

Other income is recognized on an accrual basis.

### **Expenses**

Expenses are recognized in the statement of comprehensive income as it accrues.

Operating leases

Payments made under operating leases are recognized in the statement of comprehensive income on a straight-line basis over the term of the lease. Lease incentives received are recognized in the statement of comprehensive income as an integral part of the total lease payments made. Contingent rentals are charged to the statement of comprehensive income in the accounting period in which they are incurred.

Finance costs

Interest expenses and similar costs are charged to the statement of comprehensive income in the period in which they are incurred, except to the extent that they are capitalized as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale. The interest component of finance lease payments is recognized in the statement of comprehensive income using the effective interest rate method.

### **Employee benefits**

Short-term benefits

The Company recognized salaries, wages, bonus and social security contribution as expenses when incurred.

Post-employment benefits – defined benefit plan

The Company has established a provident fund that is a defined contribution plan. The assets of which are held in a separate trust fund. The provident fund is funded by the contribution from employees and the Company. Contributions to the provident fund are charged to the statement of comprehensive income in the period to which they relate.

#### Post-employment benefits – defined benefit plan

The employee benefits liabilities for severance payment as the labor law is recognised as a charge to results of operations over the employee's service period. It is calculated by estimating the amount of future benefit earned by employees in return for service provided to the Company in the current and future periods, with such benefit being discounted to determine the present value. The reference point for setting the discount rate is the yield rate of government bonds as at the reporting date. The calculation is performed by actuarial technique using the Projected Unit Credit Method.

When the employee benefits are improved, the portion of the increased benefit relating to past service by employees is recognized in the statement of comprehensive income on a straight-line basis over the average period until the benefits become vested.

When the actuarial assumptions are changed, the Company recognizes all actuarial gains (losses) in the profit or loss in the period in which they arise.

#### **Cash and cash equivalents**

Cash and cash equivalents are cash on hand, cash at bank and short-term investments with high liquidity net of deposits at bank on obligation and bank deposits with a maturity date over 3 months.

#### **Trade and other receivables**

Trade and other receivables are stated at their invoice value less allowance for doubtful accounts.

The Company recorded allowance for doubtful accounts that is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experiences and analysis of debtor aging.

In determined an allowance for doubtful accounts, the management needs to make judgment for estimated losses for each outstanding debtor. The allowances for doubtful accounts are determined through a combination of analysis of debt aging, collection experience, and taking into account change in the current economic conditions. However, the use of different estimates and assumptions could affect the amounts of allowances for receivable losses and adjustments to the allowances may therefore be required in the future.

#### **Cost of property development**

Cost of property development are stated at the lower of cost or net realisable value. Cost of property development is netted of cost of sales. Project costs consisting of acquisition cost of land, development expenses, design fees and construction costs, utilities and direct expenses of the project including interest expense of borrowing for the acquisition of project development before the project is completed.

The details of cost calculation

Land - Cost of land and development using the average method, calculating based on salable area for each project.

Construction - Construction cost consists of the cost of construction, public utility costs, calculating based on salable area. The costs of construction of condominiums and borrowing cost capitalised to the project are allocated based on the actual cost incurred.

Net realisable value represents the estimated normal selling price less estimated costs to sell.

Direct selling expenses such as specific business tax and transfer fee are recognized when sale incures.

The Company recognises loss on diminution in value of projects and loss on impairment (if any) in profit or loss.

In determining the cost of sales of property development, the anticipated total development costs (taking into account actual costs incurred to date) are attributed based on the basis of the salable area.

Cost of project sold estimates these costs based on their business experience and revisit the estimations on a periodical basis or when the actual costs incurred significantly vary from the estimated costs.

#### **Capitalization of interest cost**

Interest cost on borrowing, for use in construction of the projects, was capitalized as part of the cost of those assets until the projects was completed or when the construction was suspended. The capitalization of interest shall be resumed when the project is re-activated.

#### **Building and equipment**

Building and equipment are stated at cost less accumulated depreciation and allowance for impairment (if any).

Depreciation

Depreciation is computed by the straight–line method based on the estimated useful lives of assets as follows:

	<u>Years</u>
Construction	5
Machinery and equipment	5
Furniture and office equipment	5
Vehicles	5

Depreciation is included in determining income and no depreciation is provided to construction in progress.

Repairs and maintenance are charged to the statement of comprehensive income during the financial year in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits will be more than one period. Major renovations are depreciated over the remaining useful life of the related asset.

Gains and losses on disposals are determined by comparing the proceeds with carrying amount and are included in operating profit.

The direct expenses concerned with the assets include interest paid from the borrowing for the acquisitions of the above assets before completion of the assets are recognized as cost of the assets.

**Intangible asset**

Intangible asset is stated at cost less accumulated amortization and allowance for decline in value (if any), which is computed by the straight-line method based on the useful lives of asset of 5 and 10 years.

**Impairment of assets**

The Company will consider the impairment of assets when there are incidents or changes in the environment which indicate that the book value of the assets is higher than the recoverable amount (the higher of net selling price of the particular assets or its value in use). The impairment review, will consider the impairment of an individual asset or a "cash generating unit".

In the case that the book value of the asset is higher than its recoverable amount, the Company will recognize the loss from impairment of the asset in the statement of comprehensive income. The Company then will reverse the loss from impairment of assets previously recognized when there are indications that impairment will discontinue or will diminish by such recording in other income. The loss from the revision, however, must not exceed the book value of the assets (net of depreciation and amortization) as if the Company has never before recognized loss from impairment of assets in the previous year.

**Finance lease**

Leases which substantially transfer all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated to the principal and to the finance charges so as to achieve a constant rate on the finance balance outstanding. The outstanding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the statement of comprehensive income over the lease period. The property, plant or equipment acquired under finance leasing contract is depreciated over the shorter of the useful life of the asset or the lease term.

**Provisions**

A provision is recognized in the statement of financial position when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Significant judgements and estimates are as follows:

#### Commercial disputes and litigation

The Company has contingent liabilities as a result of commercial disputes and litigation. The Company's management has used judgment to assess the results of the commercial disputes and litigation and believes that no loss will be occurred. Therefore no provision is recorded as at the statement of financial position date. However, actual results could differ from the estimates.

#### Estimated construction project costs

The Company estimates costs of construction projects based on details of the construction work, taking into account the volume and value of construction materials to be used in the project, labour costs and other miscellaneous costs to be incurred to completion of service, taking into account the direction of the movement in these costs. Estimates are reviewed regularly or whenever actual costs differ significantly from the figures used in the original estimates.

#### Provision for losses on construction projects

Management applies judgement in estimating the loss they expect to be realised on each construction project, based on estimates of anticipated costs that take into account the progress of the project and actual costs incurred to date, together with fluctuations in costs of construction materials, labour and the current situation.

#### Provision for penalty from delay delivery

The Company has provision incurred from delay delivery. The management applied judgement in estimating the penalty based on contract rate and the period of delay project work. The Company has recorded provision for penalty from delay delivery in the financial statements. However, actual results could differ from the estimates.

### **Income tax**

Income tax expense for the year comprises current and deferred tax.

Current and deferred tax are recognised in profit or loss except to the extent that they relate to items recognised directly in shareholders' equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the end of reporting period date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the end of reporting period date.

In determining the amount of current and deferred tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements

about future events. New information may become available that causes the Company to change their judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at the end of reporting period date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

### **Basic loss per share**

Basic loss per share for the years ended December 31, 2014 and 2013 is calculated by dividing loss for the years by the weighted average number of ordinary shares outstanding during the years as follows:

For the years ended December 31, 2014 and 2013

	2014	2013
		"Restated"
Loss for the year (Baht)	(33,141,670)	(16,457,590)
<b>Weighted average number of ordinary shares (shares)</b>		
Issued ordinary shares at the beginning of the year	126,720,000	125,579,000
Effect of shares issued during the year	25	824,112
Weighted average number of ordinary shares (shares)	<u>126,720,025</u>	<u>126,403,112</u>
Basic loss per share (Baht)	<u>(0.26)</u>	<u>(0.13)</u>

### **Diluted loss per share**

Diluted loss per share is calculated by dividing the net loss for the years of ordinary shareholders by the sum of the weighted average number of ordinary shares outstanding during the years plus the weighted average number of shares to be issued for the exercise of all dilutive potential ordinary shares in to ordinary shares, without any consideration. The calculation assumes that the holders will exercise dilutive potential ordinary share into ordinary shares when the exercise price is lower than fair value of ordinary shares.

The Company does not calculate diluted loss per share for the years ended December 31, 2014 and 2013 due to the warrants were expired during the year 2014 and in 2014 and 2013 the fair value of the Company's ordinary shares was lower than exercise price.

#### 4. CORRECTION OF ERRORS

In the year 2014, the Company has adjusted to correct the errors in prior year regarding the written-off trade and other payables to be other income, which derived from negotiation with the account payables and reversed the payables since 2013. Therefore, the Company restates the financial statements for the year ended December 31, 2013 for comparative purposes, which have the effects as follows:

	Baht
The statement of financial position as at December 31, 2013	
Decrease in deferred tax assets	1,064,040
Decrease in trade and other payables	(5,320,200)
Decrease in deficit	4,256,160
The statement of comprehensive income for the year ended December 31, 2013	
Increase in other income	5,320,200
Decrease in tax income	(1,064,040)
Decrease in loss (Representing Baht 0.03 per share)	4,256,160

#### 5. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The Company had transactions with related parties. These parties were related through common shareholders and/or directorships. The significant transactions with related parties as included in the financial statements are determined at the prices in line occurring in the normal course of business based on the market price in general or the price as stipulated in the agreement if no market price exists.

The significant balances of assets, liabilities, and other transactions that occurred with those parties were shown as follows:

The significant related party transactions for the years ended December 31, 2014 and 2013 were as follows:

	Baht	
	2014	2013
<b>Directors' remuneration</b>		
Directors	579,000	540,500
<b>Purchase of intangible asset</b>		
Data In Motion Co., Ltd.	1,963,900	-

The significant balances with related parties as at December 31, 2014 and 2013 were as follows:

	Baht	
	2014	2013
<b>Trade and other payables</b>		
Data In Motion Co., Ltd.	591,657	-
<b>Deposits and unearned revenues</b>		
Related person	-	1,363,860
Perasia (Thailand) Limited	2,475,435	1,028,157

**Key management personnel compensation**

Key management personnel compensation for the years ended December 31, 2014 and 2013 consisted of:

	Baht	
	2014	2013
Short-term benefits	8,383,580	9,243,412
Post-employment benefits	493,367	1,044,996
Total key management personnell compensation	8,876,947	10,288,408

The Company opened a presale condominium Focus Ploenchit which has a transaction with 1 related company as at December 31, 2014 with the sale amount and price condition as follows:

In Thousands Baht		
Value of contract	Advance received	Price Condition
13,752	2,475	Same price and condition as normal business

**Nature of relationship**

Name	Country/Nationality	Relation	Type of relation
Data In Motion Co., Ltd.	Thailand	Related company	Common director
Perasia (Thailand) Limited	Thailand	Related company	Common director
Related person	Australian	Related person	Close member of the director's family

**Bases of measurement for inter company revenues and expenses**

	Pricing Policy
Purchase of intangible asset	Market price



**6. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents as at December 31, 2014 and 2013 consisted of:

	Baht	
	2014	2013
Cash on hand	807,564	1,250,408
Cash at bank	8,553,632	4,492,795
Total	9,361,196	5,743,203

**7. TRADE AND OTHER RECEIVABLES**

Trade and other receivables as at December 31, 2014 and 2013 consisted of:

	Baht	
	2014	2013
Trade accounts receivable	61,820,802	90,205,147
Other receivables	1,895,751	780,385
Total	63,716,553	90,985,532

As at December 31, 2014 and 2013, the Company had outstanding balances of trade accounts receivable aged by number of months as follows:

	Baht	
	2014	2013
Less than or equal to 3 months	43,730,985	81,389,492
More than 3 to 6 months	1,541,951	-
More than 6 to 12 months	10,877,960	8,815,655
Over 12 months	5,669,906	-
Total	61,820,802	90,205,147

## 8. COST OF PROPERTY DEVELOPMENT

Cost of property development as at December 31, 2014 and 2013 were as follows:

	Baht		
	Focus on Saladaeng	Focus Ploenchit	Total
<u>Cost</u>			
As at January 1, 2013	16,255,690	209,073,913	225,329,603
Purchase/transfer in	58,940	33,464,006	33,522,946
Cost of sales	(11,819,389)	-	(11,819,389)
As at December 31, 2013	4,495,241	242,537,919	247,033,160
Purchase/transfer in	-	149,239,816	149,239,816
Cost of sales	-	-	-
As at December 31, 2014	4,495,241	391,777,735	396,272,976
<b>Net book value as at December 31, 2013</b>	<b>4,495,241</b>	<b>242,537,919</b>	<b>247,033,160</b>
<b>Net book value as at December 31, 2014</b>	<b>4,495,241</b>	<b>391,777,735</b>	<b>396,272,976</b>

The Company's land included existing building and to be constructed in the future of project Focus Ploenchit were mortgaged to secure bank overdraft in the amount of Baht 5 million, long-term loans in the amount of Baht 335 million and letter of guarantee facilities in the amount of Baht 25 million (see Notes 13 and 15).

## 9. RESTRICTED BANK DEPOSITS

Restricted bank deposits as at December 31, 2014 in the amount of Baht 26.80 million (In year 2013: Baht 24.47 million), were pledged as collateral for credit lines from financial institutions as follows (see Notes 13 and 15):

- 1) Bank overdraft facilities in the amount of Baht 3 million.
- 2) Projects' facilities of promissory notes in the amount of Baht 198.00 million (In year 2013: Baht 155.00 million).
- 3) Letter of guarantee facilities in the amount of Baht 526.84 million (In year 2013: Baht 588.07 million).

## 10. BUILDING AND EQUIPMENT

Building and equipment as at December 31, 2014 and 2013 consisted of:

	Baht				Total
	Construction	Machinery and equipment	Furniture and office equipment	Vehicles	
<b>Cost</b>					
As at January 1, 2013	751,087	70,014,335	11,924,055	10,206,920	92,896,397
Purchases/transfer in	-	14,721,071	2,640,178	1,153,000	18,514,249
Disposals/transfer out	-	(2,037,105)	(136,197)	-	(2,173,302)
Sale	-	(5,747,406)	-	-	(5,747,406)
As at December 31, 2013	751,087	76,950,895	14,428,036	11,359,920	103,489,938
Purchases/transfer in	-	1,858,120	1,407,525	-	3,265,645
Disposals/transfer out	-	(1,926,074)	(484,689)	-	(2,410,763)
Sale	-	(5,040,561)	-	(946,232)	(5,986,793)
As at December 31, 2014	751,087	71,842,380	15,350,872	10,413,688	98,358,027
<b>Accumulated depreciation</b>					
As at January 1, 2013	751,086	54,486,427	7,964,188	6,582,593	69,784,294
Depreciation	-	7,745,358	1,766,378	1,226,685	10,738,421
Disposals/transfer out	-	(412,776)	(116,205)	-	(528,981)
Sale	-	(5,747,402)	-	-	(5,747,402)
As at December 31, 2013	751,086	56,071,607	9,614,361	7,809,278	74,246,332
Depreciation	-	6,375,230	1,620,415	1,102,241	9,097,886
Disposals/transfer out	-	(1,648,990)	(420,473)	-	(2,069,463)
Sale	-	(5,040,555)	-	(946,202)	(5,986,757)
As at December 31, 2014	751,086	55,757,292	10,814,303	7,965,317	75,287,998
<b>Net book value</b>					
Owned assets	1	13,383,894	4,813,674	1,390,474	19,588,043
Assets under finance leases	-	7,495,397	-	2,160,168	9,655,565
As at December 31, 2013	1	20,879,291	4,813,674	3,550,642	29,243,608
Owned assets	1	10,363,899	4,536,568	930,736	15,831,204
Assets under finance leases	-	5,721,191	-	1,517,635	7,238,826
As at December 31, 2014	1	16,085,090	4,536,568	2,448,371	23,070,030

	Baht	
	2014	2013
Depreciation for the years ended December 31		
was included in		
Cost of property development	297,750	35,067
Cost of construction	4,097,334	6,406,591
Administrative expenses	4,702,802	4,296,763
Total	<u>9,097,886</u>	<u>10,738,421</u>
As at December 31		
the carrying amount before accumulated depreciation		
which have been depreciated and still in use	<u>55,818,319</u>	<u>55,675,118</u>

	As at December 31, 2014			
	Rental and service rate per month			
	Lessor	Period	(In Million Baht)	Note
Office rental and service agreement	Third party	3 years	0.36	-

## 11. DEFERRED TAX

Deferred tax as at December 31, 2014 and 2013 consisted of:

	Baht	
	2014	2013
		(Restated)
Deferred tax assets	<u>16,956,461</u>	<u>8,993,086</u>

Movements in deferred tax assets during the years were as follows:

	Baht		
	At January 1, 2014	Profit	At December 31, 2014
	(Restated)		
<b>Deferred tax assets</b>			
Allowance for doubtful accounts	3,927,116	-	3,927,116
Provision	1,074,830	80,502	1,155,332
Cost of property development	-	1,682,810	1,682,810
Tax loss carry forward	3,991,140	6,200,063	10,191,203
Total	<u>8,993,086</u>	<u>7,963,375</u>	<u>16,956,461</u>

	Baht		
	At January 1, 2013	Profit (loss)	At December 31, 2013 (Restated)
<b>Deferred tax assets</b>			
Allowance for doubtful accounts	3,927,116	-	3,927,116
Provision	899,850	174,980	1,074,830
Unearned revenue	287,301	(287,301)	-
Tax loss carry forward	-	3,991,140	3,991,140
<b>Total</b>	<b>5,114,267</b>	<b>3,878,819</b>	<b>8,993,086</b>

## 12. OTHER NON-CURRENT ASSETS

Other non-current assets as at December 31, 2014 and 2013 consisted of:

	Baht	
	2014	2013
Deposit	2,568,500	4,342,478
Retention receivables	70,089,327	67,430,459
Withholding tax	50,864,653	57,037,734
Others	6,307,020	6,305,321
<b>Total</b>	<b>129,829,500</b>	<b>135,115,992</b>
<b>Less Allowance for doubtful debts</b>	<b>(19,565,580)</b>	<b>(19,565,580)</b>
<b>Net</b>	<b>110,263,920</b>	<b>115,550,412</b>

Retention receivables are warranty monies deducted retention by the customers at the rate of 5% - 10% of the contract amount. Retention for the not completed construction project will be returned to the Company after the Company completed the work and upon expiry of the warranty period as stated in the contract.

## 13. BANK OVERDRAFTS AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

Bank overdrafts and short-term loans from financial institutions as at December 31, 2014 and 2013 consisted of:

	Baht	
	2014	2013
Bank overdrafts	12,402,440	2,600,297
Promissory notes - against payment	17,379,288	6,980,222
<b>Total</b>	<b>29,781,728</b>	<b>9,580,519</b>

The Company has credit facilities with financial institutions consisted of:

Type	Facilities (Million Baht)		Referred interest rate (% per annum)	
	2014	2013	2014	2013
Bank overdrafts	23.00	23.00	MOR, Fixed deposit	MOR, Fixed deposit
Letter of guarantee	841.62	798.84	-	-
Promissory notes	198.00	155.00	MLR, MOR	MLR, MOR
Total	1,062.62	976.84		

As at December 31, 2014 the Company has collateral as follows:

Type	Facilities (Million Baht)	Collateral
Bank overdrafts	3.00	Company's fixed deposit (see Note 9).
	15.00	Personal guarantee by a third party.
	5.00	Mortgaged by Focus Ploenchit project (see Note 8).
Letter of guarantee	564.21	Company's fixed deposit (see Note 9) and/or transferred account receivable rights received from some projects.
	25.00	Mortgaged by Focus Ploenchit project (see Note 8).
	252.41	No collateral.
Promissory notes	198.00	Company's fixed deposit (see Note 9) and/or transferred account receivable rights received from some projects.

A third party guarantees without charging for compensation from collateral and guarantee.

#### 14. TRADE AND OTHER PAYABLES

Trade and other payables as at December 31, 2014 and 2013 consist of:

	Baht	
	2014	2013 (Restated)
Trade accounts payable	106,694,767	98,072,893
Accrued expenses	13,205,832	13,713,188
Total	119,900,599	111,786,081

## 15. LOANS FROM FINANCIAL INSTITUTIONS

Loans from financial institutions as at December 31, 2014 and 2013 consisted of:

	Baht	
	2014	2013
Loans from financial institutions	262,400,000	152,300,000
<b>Less Current portion</b>	-	-
Long-term loans from financial institutions	262,400,000	152,300,000

The details of loans from financial institutions:

Lenders	Facilities (Million Baht)	Period	Interest rate per annum	Repayment
Bank	155.00	June 2012 - December 2016	* MLR-1.25	Payment of principal at 70 percent from sale contract
Bank	180.00	June 2012 - February 2017	MLR-1.25	when transfer right of residential condominium unit and interest paid on a monthly basis
Total	335.00			

\* In the year 2014, the Company was extended the period of repayment to be due on December 25, 2016.

Movements of loans from financial institutions for the years ended December 31, 2014 and 2013 were as follows:

	Baht	
	2014	2013
Beginning balance	152,300,000	52,300,000
Increase	110,100,000	100,000,000
Decrease	-	-
Ending balance	262,400,000	152,300,000

The Company mortgaged land together with construction at Focus Ploenchit project as collateral for loans. (see Note 8).

## 16. LIABILITIES UNDER FINANCE LEASE

Liabilities under finance lease as at December 31, 2014 and 2013 consisted of:

Year	Baht		
	2014		
	Present value	Deferred interest	Minimum lease payment
1	3,151,258	184,900	3,336,158
2 - 5	1,287,525	24,778	1,312,303
Total	4,438,783	209,678	4,648,461

Year	Baht		
	2013		
	Present value	Deferred interest	Minimum lease payment
1	2,994,606	374,828	3,369,434
2 - 5	4,435,087	213,374	4,648,461
Total	7,429,693	588,202	8,017,895

The Company entered into the finance lease agreements for machineries and vehicles. The payment is on monthly basis in the amount of Baht 0.28 million per month. The current portion of liabilities under the finance lease agreements in the amount of Baht 3.15 million (In year 2013: Baht 2.99 million) was presented under current liabilities.

## 17. EMPLOYEE BENEFITS

Movement of the present value of employee benefit obligations for the years ended December 31, 2014 and 2013 as follows:

	Baht	
	2014	2013
<b>Post-employment benefit plan</b>		
Present value of employee benefit obligations as at January 1	5,357,235	4,499,250
Employee benefit expenses in the statements of comprehensive income :		
Current service cost	1,107,023	1,366,048
Interest cost	197,200	144,828
Actuarial gain recognised	-	(564,739)
Benefits paid during the year	(884,800)	(88,152)
Present value of employee benefit obligations as at December 31	5,776,658	5,357,235

Employee benefits obligations in the statements of financial position as at December 31, 2014 and 2013 consisted of:

	Baht	
	2014	2013
<b>Post-employment benefit plan</b>		
Present value of obligation	5,776,658	5,357,235
Employee benefits obligations - recognised in statements of financial position	5,776,658	5,357,235

The Company made defined benefit plan in accordance with severance payment as the labor law which entitled retired employee within work service period in various rates, such as more than 10 years to receive severance payment not less than 300 days or 10 months of the last month salary.



The principal actuarial assumptions (expressed as weighted averages) were as follows:

Discount rate	3.681%
Future salary increases	5.00%
Turnover rate	22.90%
Disability rate	5.00% of Thai Mortality Ordinary Table
Retirement age	60 years
Mortality rate	Thai Mortality Ordinary Table 2008

## 18. CONSTRUCTION CONTRACTS

For the years ended December 31, 2014 and 2013 construction contracts were as follows:

	Baht	
	2014	2013
Value of contracts	2,854,340,073	2,598,631,298
Costs incurred up to the year	1,932,504,886	2,275,274,907
Estimated profit recognized up to the year	67,533,665	96,553,900
Costs and estimated profit recognized up to the year	2,000,038,551	2,371,828,807
Less Amount billed to customers up to the year	(1,952,249,109)	2,305,964,778
Unbilled receivables	72,634,018	109,473,703
Advances received	24,844,576	43,609,675

## 19. SHARE CAPITAL

The Company issued 42 ordinary shares offering to exercise of 42 warrants at price of Baht 3 each and the Company registered the change of paid-up share capital with the Ministry of Commerce on June 19, 2014.

The Company issued 192,000 ordinary shares offering to exercise warrants of directors and employees of 192,000 warrants at par value of Baht 3 each and the Company registered the change of paid-up share capital with the Ministry of Commerce on February 6, 2013 from Baht 125.58 million to Baht 125.77 million.

The Company issued 949,000 ordinary shares offering to exercise warrants of directors and employees of 949,000 warrants at par value of Baht 3 each and the Company registered the change of paid-up share capital with the Ministry of Commerce on May 8, 2013 from Baht 125.77 million to Baht 126.72 million.

## 20. WARRANTS

On June 16, 2009, the Company issued the warrants as follows:

- 1) Issuance and sales of warrants of 62,499,638 units to the Company's existing shareholders at a ratio 2 ordinary shares per 1 unit of warrant. The offering price was Baht 0 per unit. Term of warrants is not exceeding 5 years from the date of issuing of warrants. Exercise price is fixed at Baht 3 per share and exercise ratio of 1 unit of warrant to purchase ordinary shares of 1 share. The warrant holders are able to exercise the warrants on the last business day of January, April, July, and October throughout the term of the warrants. The first exercise date was on July 31, 2009, and the last exercise date shall be at the end of term of warrants, which is on June 15, 2014.
- 2) Issuance and sales of warrants of 12,500,000 units to the Company's directors and employees in accordance with the Employee Stock Option Program (ESOP). The offering price was Baht 0 per unit. Term of warrants is not exceeding 5 years from the date of issuing of warrants at the exercise price is fixed at Baht 3 per share and exercise ratio of 1 unit of warrant to purchase ordinary shares of 1 share. The warrant holders are able to exercise the warrants on the last business day of January, April, July, and October throughout the term of the warrants. The first exercise date was on July 31, 2010, and the last exercise date shall be at the end of term of warrants, which is on June 15, 2014.

As at December 31, 2014, there was no outstanding warrants (as at December 31, 2013, the outstanding warrants which were not yet exercised were 73,279,638 units).

## 21. SHARE PREMIUM

Section 51 of the Public Limited Companies Act B.E. 2535 requires companies to set aside share subscriptions received in excess of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.

## 22. EXPENSES BY NATURE

Significant expenses by nature for the years ended December 31, 2014 and 2013 were as follows:

	Baht	
	2014	2013
Salary and employee benefits	128,002,885	189,544,545
Rental and service expense	7,076,314	8,279,533
Depreciation and amortization	9,316,828	10,848,402

## 23. FINANCE COSTS

Finance costs for the years ended December 31, 2014 and 2013 consisted of:

	Baht	
	2014	2013
Interest expenses	11,963,032	9,790,320
Interest capitalised	(2,228,242)	(8,306,254)
Net	<u>9,734,790</u>	<u>1,484,066</u>

## 24. INCOME TAX

Corporate income tax for the years ended December 31, 2014 and 2013 was calculated at a rate specified by the Revenue Department on net earnings after adjusting certain conditions according to the Revenue Code. The Company recorded the corporate income tax as expense for the years and recorded the accrued portion as liabilities in the statements of financial position.

Income tax reduction

Royal Decree No. 530 B.E. 2554 dated December 14, 2011 grants a reduction in the corporate income tax rate from 30% to 23% on net profit for the accounting period beginning on or after January 1, 2012, and will be reduced to 20% on net profit for the two consecutive accounting periods beginning on or after January 1, 2013 onwards.

Royal Decree No. 577 B.E. 2557 dated November 3, 2014 extends the reduction to 20% for the accounting period which begins on or after January 1, 2015, but not later than December 31, 2015.

The Company has applied the reduced tax rate of 20% in measuring deferred tax assets and liabilities as at December 31, 2014 and 2013 in accordance with the clarification issued by the FAP in 2012.

Tax income for the years ended December 31, 2014 and 2013 consisted of:

	Baht	
	2014	2013
<b>Current tax expense</b>		(Restated)
Current year	-	-
<b>Deferred tax income</b>		
Movements in temporary differences	<u>7,963,375</u>	<u>3,878,819</u>
Tax income	<u>7,963,375</u>	<u>3,878,819</u>

Reconciliation of effective tax rate

	2014		2013	
	Tax rate (%)	Baht	Tax rate (%)	Baht (Restated)
Loss before income tax		(41,105,045)		(20,336,409)
Income tax using the corporate tax rate	20	8,221,009	20	4,067,282
Expenses not deductible for tax purposes		(2,106,838)		(595,744)
Revenues granted income tax exemption		-		404,779
Addition expenses deductible for tax purposes		85,892		114,823
Loss for the year		(6,200,063)		(3,991,140)
Current tax	-	-	-	-
Movement in temporary differences		7,963,375		3,878,819
Tax income	19	7,963,375	19	3,878,819

**25. COMMITMENTS AND CONTINGENT LIABILITIES**

As at December 31, 2014 the Company had commitments and contingent liabilities as follows:

25.1 Letters of guarantee issued by banks of Baht 412.35 million (see Note 13).

25.2 Commitments for payment under agreement as follows:

25.2.1 Payment under office rental and service agreement (see Note 10) as follows:

Period	Rental and service expense (In Thousands Baht)
1 year	4,317
2 - 3 years	7,014

25.2.2 Payment under construction contract in the amount of Baht 35.47 million.

25.2.3 Payment under property development project in the amount of Baht 47.78 million.

25.2.4 Payment under compensation for sale as specific rate in the contract.

25.2.5 Payment under service agreement in the amount of Baht 0.11 million per month.

25.2.6 Purchase of intangible asset agreement in the amount of Baht 0.81 million.

25.3 The Company was sued, for repayment of goods in the amount of Baht 1.40 million. The Civil Court ordered the Company to pay in the amount of Baht 0.18 million with interest. The Appeal Court affirmed the Civil Court's order. At present, the case is in the process of the Supreme Court.

## 26. SEGMENT INFORMATION

Operating segment information is reported in a manner consistent 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 directors of the Company.

The Company operates a construction contractor and development of real estate business. The Company operates in a single geographic area-Thailand for the years ended December 31, 2014 and 2013 were classified as follows:

	Baht					
	Construction		Property development		Total	
	2014	2013	2014	2013	2014	2013
		(Restated)		(Restated)		(Restated)
Revenues	532,632,919	1,077,854,611	-	22,905,405	532,632,919	1,100,760,016
Cost	(522,423,320)	(1,053,290,463)	-	(13,190,536)	(522,423,320)	(1,066,480,999)
Gross profit	10,209,599	24,564,148	-	9,714,869	10,209,599	34,279,017
Other income					16,406,859	13,396,324
Administrative expenses					(57,986,713)	(66,527,684)
Finance cost					(9,734,790)	(1,484,066)
Loss before income tax					(41,105,045)	(20,336,409)
Tax income					7,963,375	3,878,819
Loss for the year					(33,141,670)	(16,457,590)
Other comprehensive income (loss)					-	-
Total comprehensive loss					(33,141,670)	(16,457,590)

	Baht					
	Construction		Property development		Total	
	2014	2013	2014	2013	2014	2013
		(Restated)		(Restated)		(Restated)
<b>Assets</b>						
Trade and other receivables	63,716,553	90,985,532	-	-	63,716,553	90,985,532
Work in progress	-	4,414,668	-	-	-	4,414,668
Unbill receivables	72,634,018	109,473,703	-	-	72,634,018	109,473,703
Cost of property development	-	-	396,272,976	247,033,160	396,272,976	247,033,160
Other non-current assets	109,605,033	114,885,137	658,887	665,275	110,263,920	115,550,412
Total assets	334,435,368	400,479,371	396,931,863	247,698,435	731,367,231	648,177,806
<b>Liabilities</b>						
Trade and other payables	88,398,972	107,155,451	31,501,627	4,630,630	119,900,599	111,786,081
Estimated cost	55,824,545	73,464,329	4,850,877	5,009,371	60,675,422	78,473,700
Advance received	24,844,576	43,609,675	44,908,925	19,642,323	69,753,501	63,251,998
Loans from financial institutions	29,781,728	9,580,519	262,400,000	152,300,000	292,181,728	161,880,519
Total liabilities	255,924,978	301,673,114	343,661,429	181,582,324	599,586,407	483,255,438

## **27. DISCLOSURES OF FINANCIAL INSTRUMENTS**

The Company does not speculate or engage in the trading of any derivative financial instruments.

### **Capital management**

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Company defines as result from operating activities divided by total shareholders' equity and also monitors the level of dividends to ordinary shareholders.

### **Credit risk**

Credit risk is the risk arising from failure of customers or counter parties to meet their contractual obligations. Credit risk occurs when the party fails to fulfill the contractual agreement, which may eventually cause financial losses. The Company has determined a risk protection policy through analysis of the customer and counter parties' financial status, and also defines the policy for credit approval and debt collection period.

Credit of the Company is the credit for construction services and trade provided to the customers that is the general customary trading practice.

### **Interest rate risk**

Interest rate risk is the uncertainty in value of financial assets and liabilities or net interest income as a result of the fluctuation of the market interest rate.

Most of the financial assets and liabilities of the Company are floating interest rates, which are based on market rates such as the interest rate for the prime clients of a commercial bank, savings interest rate or other benchmark floating rates.

### **Fair value**

Fair value is the value which the Company expects to receive from disposing of financial assets, or the value that the Company expects to pay for redemption of financial debt by using the market value or the appraisal value of the general financial market methodology.

The fair value of financial assets and liabilities is close to the carrying value in the financial statements.

## **28. APPROVAL OF THE FINANCIAL STATEMENTS**

These financial statements were authorised for issue by the Company's Board of Directors on February 26, 2015.