

**CAZ (THAILAND) PUBLIC COMPANY LIMITED
(FORMERLY "CAZ (THAILAND) COMPANY LIMITED")**

**INTERIM CONSOLIDATED AND SEPARATE
FINANCIAL INFORMATION (UNAUDITED)**

30 JUNE 2018



AUDITOR'S REPORT ON THE REVIEW OF THE INTERIM FINANCIAL INFORMATION

To the Shareholders and the Board of Directors of CAZ (Thailand) Public Company Limited
(Formerly "CAZ (Thailand) Company Limited")

I have reviewed the interim consolidated financial information of CAZ (Thailand) Public Company Limited and its subsidiaries, and the separate financial information of CAZ (Thailand) Public Company Limited. These comprise the consolidated and separate statements of financial position as at 30 June 2018, and the related consolidated and separate statements of comprehensive income for the three-month and six-month periods then ended, statements of changes in equity and cash flows for the six-month periods then ended, and the condensed notes to the interim financial information. Management is responsible for the preparation and presentation of this interim consolidated and separate financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim consolidated and separate financial information based on my review.

Scope of review

I conducted my review in accordance with the Thai Standard on Review Engagements 2410, "Review of interim financial information performed by the independent auditor of the entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim consolidated and separate financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34, "Interim Financial Reporting".

PricewaterhouseCoopers ABAS Ltd.

Nattaporn Phan-Udom
Certified Public Accountant (Thailand) No. 3430
Bangkok
7 August 2018

CAZ (Thailand) Public Company Limited
(Formerly "CAZ (Thailand) Company Limited")

Statement of Financial Position

As at 30 June 2018

	Notes	Consolidated financial statements		Separate financial statements	
		Unaudited 30 June 2018 Baht	Audited 31 December 2017 Baht	Unaudited 30 June 2018 Baht	Audited 31 December 2017 Baht
Assets					
Current assets					
Cash and cash equivalents	5	38,508,731	91,978,902	37,505,318	90,814,169
Trade and other receivables	6	100,707,990	165,665,504	128,769,812	172,593,484
Unbilled receivables	7	162,393,430	88,847,270	162,393,430	88,847,270
Inventories	8	4,067,155	2,517,008	4,067,155	2,517,008
Short-term loans to related parties	18	-	-	6,000,000	5,000,000
Refundable tax		-	17,055,505	-	15,917,358
Other current assets		6,433,165	4,837,537	6,187,195	4,721,928
Total current assets		312,110,471	370,901,726	344,922,910	380,411,217
Non-current assets					
Investment in subsidiary	9	-	-	2,100,000	2,100,000
Property, plant and equipment	10	338,645,051	314,788,211	324,541,479	311,338,394
Intangible assets	10	11,945,993	9,125,240	11,885,778	9,061,484
Retention receivables		20,579,224	5,493,711	20,579,224	5,493,711
Withholding tax deducted at source		44,668,353	27,448,061	40,846,129	25,687,808
Deposits		1,198,053	948,353	1,069,754	817,353
Deferred tax assets	11	624,774	421,752	587,412	411,541
Total non-current assets		417,661,448	358,225,328	401,609,776	354,910,291
Total assets		729,771,919	729,127,054	746,532,686	735,321,508

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The accompanying notes are an integral part of this interim financial information.

CAZ (Thailand) Public Company Limited
(Formerly "CAZ (Thailand) Company Limited")
Statement of Financial Position (Cont'd)
As at 30 June 2018

	Notes	Consolidated financial statements		Separate financial statements	
		Unaudited 30 June 2018 Baht	Audited 31 December 2017 Baht	Unaudited 30 June 2018 Baht	Audited 31 December 2017 Baht
Liabilities and equity					
Current liabilities					
Trade and other payables	13	186,893,114	171,596,121	214,215,022	184,624,861
Service income received in advance	7	185,824,065	163,812,489	185,824,065	163,812,489
Current portion of long-term borrowings from banks	12	38,640,000	38,640,000	38,640,000	38,640,000
Current portion of liabilities under finance lease agreements	12	1,229,217	1,229,788	1,092,107	1,095,378
Other current liabilities		10,051,577	21,445,428	7,332,566	19,858,322
Total current liabilities		422,637,973	396,723,826	447,103,760	408,031,050
Non-current liabilities					
Long-term borrowings from banks	12	163,020,000	182,340,000	163,020,000	182,340,000
Finance lease liabilities	12	1,069,720	1,271,628	597,746	730,417
Retention payables		5,601,048	5,486,711	6,207,112	5,679,866
Employee benefit obligations		2,832,243	1,794,021	2,653,106	1,745,606
Total non-current liabilities		172,523,011	190,892,360	172,477,964	190,495,889
Total liabilities		595,160,984	587,616,186	619,581,724	598,526,939

The accompanying notes are an integral part of this interim financial information.

CAZ (Thailand) Public Company Limited
(Formerly "CAZ (Thailand) Company Limited")

Statement of Financial Position (Cont'd)

As at 30 June 2018

	Consolidated		Separate	
	financial statements		financial statements	
	Unaudited	Audited	Unaudited	Audited
	30 June	31 December	30 June	31 December
	2018	2017	2018	2017
Note	Baht	Baht	Baht	Baht
Liabilities and equity (Cont'd)				
Equity				
Share Capital	14			
Authorised share capital				
280,000,000 ordinary shares				
at par value of Baht 0.50 each				
(2017: 1,000,000 ordinary shares				
at par value of Baht 100 each)	140,000,000	100,000,000	140,000,000	100,000,000
Issued and paid-up				
200,000,000 ordinary shares				
paid-up of Baht 0.50 each				
(2017: 1,000,000 ordinary shares				
at par value of Baht 100 each)	100,000,000	100,000,000	100,000,000	100,000,000
Retained earnings				
Appropriated - legal reserve	2,963,812	1,128,546	2,963,812	1,128,546
Unappropriate	19,889,289	29,984,974	17,617,150	29,296,023
Other components of equity				
- share based payment	6,370,000	6,370,000	6,370,000	6,370,000
Equity attributable to owners of the parent	129,223,101	137,483,520	126,950,962	136,794,569
Non-controlling interests	5,387,834	4,027,348	-	-
Total equity	134,610,935	141,510,868	126,950,962	136,794,569
Total liabilities and equity	729,771,919	729,127,054	746,532,686	735,321,508

The accompanying notes are an integral part of this interim financial information.

CAZ (Thailand) Public Company Limited
(Formerly "CAZ (Thailand) Company Limited")
Statement of Comprehensive Income (Unaudited)
For the interim three-month period ended 30 June 2018

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Note	Baht	Baht	Baht	Baht
Revenues from construction contracts	340,677,540	177,521,863	340,677,540	177,521,863
Cost of construction contracts	(309,831,108)	(153,583,649)	(313,753,906)	(156,093,212)
Gross profit	30,846,432	23,938,214	26,923,634	21,428,651
Other income	724,417	176,792	1,332,244	386,152
Administrative expenses	(14,947,247)	(14,016,857)	(13,808,215)	(12,329,302)
Finance cost	(3,103,503)	(4,264,646)	(3,097,213)	(4,264,646)
Profit before income tax	13,520,099	5,833,503	11,350,450	5,220,855
Income tax	(2,679,187)	(1,179,405)	(2,268,300)	(1,109,756)
Profit for the period	10,840,912	4,654,098	9,082,150	4,111,099
Other comprehensive income:				
Item that will not be reclassified to profit or loss				
Remeasurements of employee benefit obligations (net of tax)	(237,688)	-	(237,688)	-
Total comprehensive income for the period	10,603,224	4,654,098	8,844,462	4,111,099
Profit attributable to:				
Owners of the parent	10,012,752	4,408,485	9,082,150	4,111,099
Non-controlling interests	828,160	245,613	-	-
	10,840,912	4,654,098	9,082,150	4,111,099
Total comprehensive income attributable to:				
Owners of the parent	9,775,064	4,408,485	8,844,462	4,111,099
Non-controlling interests	828,160	245,613	-	-
	10,603,224	4,654,098	8,844,462	4,111,099
Earnings per share	16			
Basic earnings per share (Baht)	0.05	0.04	0.05	0.04

The accompanying notes are an integral part of this interim financial information.

CAZ (Thailand) Public Company Limited
(Formerly "CAZ (Thailand) Company Limited")
Statement of Comprehensive Income (Unaudited)
For the interim six-month period ended 30 June 2018

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Note	Baht	Baht	Baht	Baht
Revenues from construction contracts	715,218,162	309,667,983	715,218,162	310,396,705
Cost of construction contracts	(643,352,608)	(265,862,707)	(650,490,510)	(269,242,684)
Gross profit	71,865,554	43,805,276	64,727,652	41,154,021
Other income	991,293	1,341,080	2,300,656	1,886,964
Administrative expenses	(31,578,308)	(26,472,971)	(29,376,449)	(24,089,538)
Finance cost	(6,075,158)	(9,169,509)	(6,062,249)	(9,169,509)
Profit before income tax	35,203,381	9,503,876	31,589,610	9,781,938
Income tax	(6,999,547)	(2,212,892)	(6,329,450)	(2,143,242)
Profit for the period	28,203,834	7,290,984	25,260,160	7,638,696
Other comprehensive income:				
Item that will not be reclassified to profit or loss				
Remeasurements of employee benefit obligations (net of tax)	(237,688)	-	(237,688)	-
Total comprehensive income for the period	27,966,146	7,290,984	25,022,472	7,638,696
Profit attributable to:				
Owners of the parent	26,843,348	7,493,494	25,260,160	7,638,696
Non-controlling interests	1,360,486	(202,510)	-	-
	28,203,834	7,290,984	25,260,160	7,638,696
Total comprehensive income attributable to:				
Owners of the parent	26,605,660	7,493,494	25,022,472	7,638,696
Non-controlling interests	1,360,486	(202,510)	-	-
	27,966,146	7,290,984	25,022,472	7,638,696
Earnings per share	16			
Basic earnings per share (Baht)	0.13	0.06	0.13	0.07

The accompanying notes are an integral part of this interim financial information.

CAZ (Thailand) Public Company Limited
(Formerly "CAZ (Thailand) Company Limited")
Statement of Changes in Equity (Unaudited)
For the interim six-month period ended 30 June 2018

		Consolidated financial statements							
		Attributable to owners of the parent				Non-controlling interests			
		Retained earnings		Other components of equity		Total owners of the parent		Total equity	
		Issued and paid-up share capital	Appropriated - legal reserve	Unappropriated					
Note		Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
	Opening balance at 1 January 2017	58,500,000	-	29,316,816	6,370,000	94,186,816	3,771,657	97,958,473	
	Total comprehensive income for the period	-	-	7,493,494	-	7,493,494	(202,510)	7,290,984	
	Closing balance at 30 June 2017	58,500,000	-	36,810,310	6,370,000	101,680,310	3,569,147	105,249,457	
	Opening balance at 1 January 2018	100,000,000	1,128,546	29,984,974	6,370,000	137,483,520	4,027,348	141,510,868	
	Legal reserve	-	1,835,266	(1,835,266)	-	-	-	-	
17	Dividends	-	-	(34,866,079)	-	(34,866,079)	-	(34,866,079)	
	Total comprehensive income for the period	-	-	26,605,660	-	26,605,660	1,360,486	27,966,146	
	Closing balance at 30 June 2018	100,000,000	2,963,812	19,889,289	6,370,000	129,223,101	5,387,834	134,610,935	

The accompanying notes are an integral part of this interim financial information.

CAZ (Thailand) Public Company Limited
(Formerly "CAZ (Thailand) Company Limited")

Statement of Changes in Equity (Undited)

For the interim six-month period ended 30 June 2018

	Separate financial statements					
	Issued and paid-up share capital	Retained earnings		Other components of equity		Total equity Baht
		Baht	Appropriated - legal reserve Baht	Unappropriated Baht	Baht	
Opening balance at 1 January 2017	58,500,000	-	28,015,170	6,370,000	92,885,170	
Total comprehensive income for the period	-	-	7,638,696	-	7,638,696	
Closing balance at 30 June 2017	58,500,000	-	35,653,866	6,370,000	100,523,866	
Opening balance at 1 January 2018	100,000,000	1,128,546	29,296,023	6,370,000	136,794,569	
Legal reserve	-	1,835,266	(1,835,266)	-	-	
Dividends	-	-	(34,866,079)	-	(34,866,079)	
Total comprehensive income for the period	-	-	25,022,472	-	25,022,472	
Closing balance at 30 June 2018	100,000,000	2,963,812	17,617,150	6,370,000	126,950,962	

The accompanying notes are an integral part of this interim financial information.

CAZ (Thailand) Public Company Limited
(Formerly "CAZ (Thailand) Company Limited")
Statement of Cash Flows (Unaudited)
For the interim six-month period ended 30 June 2018

	Note	Consolidated financial statements		Separate financial statements	
		2018 Baht	2017 Baht	2018 Baht	2017 Baht
Cash flows from operating activities					
Profit before income tax		35,203,381	9,503,876	31,589,610	9,781,938
Adjustments for:					
Depreciation and amortisation	10	13,670,406	10,387,474	12,670,131	10,289,290
Loss on disposal and written-offs property, plant and equipment		109,617	-	56,200	-
Allowance for doubtful accounts		-	50,397	-	50,397
Written off withholding tax deducted at source		480,941	-	480,941	-
Interest income		-	-	(221,272)	(183,972)
Interest expenses		6,075,158	9,169,509	6,062,249	9,169,509
Cash flows before changes in operating assets and liabilities		55,539,503	29,111,256	50,637,859	29,107,162
Changes in operating assets and liabilities					
Trade and other receivables		64,836,019	50,621,796	41,662,464	52,275,530
Unbilled receivables		(73,546,162)	23,231,211	(73,546,162)	23,771,296
Inventories		(1,550,147)	(1,154,149)	(1,550,147)	(1,154,149)
Other current assets		(1,584,294)	762,572	(1,453,931)	620,417
Restricted bank deposits		-	(25,000,000)	-	(25,000,000)
Retention receivables		(15,085,513)	9,578,371	(15,085,513)	9,426,132
Deposits		(249,700)	(51,325)	(252,400)	(32,425)
Trade and other payables		18,339,791	(2,136,518)	29,782,961	(3,984,864)
Service income received in advance		22,011,576	27,463,032	22,011,577	24,961,793
Other current liabilities		(11,393,847)	(1,763,320)	(12,525,760)	(1,524,805)
Retention payables		114,337	(1,219,800)	527,245	(2,845,615)
Employee benefit obligations		741,112	305,359	610,390	305,359
Cash generated from operations		58,172,675	109,748,485	40,818,583	105,925,831
Cash paid for interest expenses		(6,119,767)	(13,227,116)	(6,106,857)	(13,227,116)
Cash paid for income tax		(24,374,774)	(12,657,456)	(21,615,554)	(12,124,457)
Cash receipt for refunded tax		16,574,564	3,661,428	15,436,417	3,660,972
Net cash generated from operating activities		44,252,698	87,525,341	28,532,589	84,235,230

The accompanying notes are an integral part of this interim financial information.

CAZ (Thailand) Public Company Limited
(Formerly "CAZ (Thailand) Company Limited")
Statement of Cash Flows (undited) (Cont'd)
For the interim six-month period ended 30 June 2018

	Notes	Consolidated financial statements		Separate financial statements	
		2018 Baht	2017 Baht	2018 Baht	2017 Baht
Cash flows from investing activities					
Proceeds from short-term loans to related parties	18	-	-	2,000,000	3,000,000
Payment on short-term loans to related parties	18	-	-	(3,000,000)	-
Acquisition of property, plant and equipment		(39,590,690)	(12,593,954)	(25,166,783)	(12,591,330)
Acquisition of intangible assets		(3,424,060)	(1,137,317)	(3,424,060)	(1,303,741)
Proceeds from disposals of property, plant and equipment		121,495	-	2,251,495	-
Interest income received		-	-	260,985	120,444
Net cash used in investing activities		(42,893,255)	(13,731,271)	(27,078,363)	(10,774,627)
Cash flows from financing activities:					
Finance lease principal payments		(643,535)	(509,951)	(576,998)	(509,951)
Payment on borrowings from related parties		-	(84,500,000)	-	(84,500,000)
Proceeds from borrowings from related parties		-	60,000,000	-	60,000,000
Payments on long-term borrowings from banks	12	(19,320,000)	(19,320,000)	(19,320,000)	(19,320,000)
Dividends payment	17	(34,866,079)	-	(34,866,079)	-
Net cash used in financing activities		(54,829,614)	(44,329,951)	(54,763,077)	(44,329,951)
Net increase (decrease) in cash and cash equivalents		(53,470,171)	29,464,119	(53,308,851)	29,130,652
Cash and cash equivalents at the beginning of the period		91,978,902	7,476,453	90,814,169	6,883,466
Cash and cash equivalents at the end of the period		38,508,731	36,940,572	37,505,318	36,014,118
Non-cash transactions					
Purchase of property, plant and equipment for which no cash has been paid (included in account payable and other accounts payable)		2,484,910	5,483,100	2,484,910	2,633,100
Purchase of property, plant and equipment under leases contracts		441,056	-	441,056	-

The accompanying notes are an integral part of this interim financial information.

1 General information

CAZ (Thailand) Public Company Limited ("the Company") is a public limited company which is incorporated and domiciled in Thailand. The address of the Company's registered office is as follows:

239 Huaipong-Nongbon Road, Tambol Huaipong, Amphur Muang-rayong, Rayong

For reporting purposes, the Company and its subsidiary are referred to as the Group.

The principal business operations of the Group are summarized as follows:

EPC Services:	Such Engineering, Procurement, Construction, Construction management including pre-commissioning and commissioning for Industrial, Energy and Petrochemical/ Chemical Business
Structure Machanic and Piping (SMP) Services:	Structure Erection, Piping fabrication & Erection, Equipment Erection, Electric and Instrument work including pre-commissioning and commissioning for Industrial, Energy and Petrochemical/ Chemical Business
Civil & Building services:	Civil and Building construction works including Engineering work for Industrial, Energy Petrochemical/ Chemical Business, and Infrastructure Business
Fabrication and other services:	Mechanical Fabrication work (Structure, Vessel, Heat Exchanger, Tanks) including Procurement of materials for Energy and Petrochemical/ Chemical Business

The Company has registered as a public limited company and changed the Company's name from "CAZ (Thailand) Company Limited" to "CAZ (Thailand) Public Company Limited" on 3 May 2018.

These Group consolidated and separate financial information were authorized for issue by the Board of Directors on 7 August 2018.

This interim consolidated and separate financial information has been reviewed, not audited.

2 Accounting policies

2.1 Basis of preparation

The interim financial information has been prepared in accordance with Thai Accounting Standard 34 Interim Financial Reporting. The primary financial information (statement of financial position, statement of comprehensive income, statement of changes in shareholders' equity and cash flows) is presented in a format consistent with the annual financial statements complying with Thai Accounting Standard 1 Presentation of Financial Statements. The notes to the financial information are prepared in a condensed format. Additional notes are presented as required by the Securities and Exchange Commission under the Securities and Exchange Act.

The interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2017.

An English version of the interim consolidated and separate financial information has been prepared from the interim financial information that is in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language interim financial information shall prevail.

The accounting policies used in the preparation of the interim financial information are consistent with those used in the annual financial statements for the year ended 31 December 2017.

Costs that are incurred unevenly during the financial year are anticipated or deferred in the interim report only if it would also be appropriate to anticipate or defer such costs at the end of the financial year.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

2 Accounting policies (Cont'd)

2.2 Revised accounting standards, revised financial reporting standards, and related interpretations

2.2.1 Revised financial reporting standards are effective for annual periods beginning on or after 1 January 2018 which have significant change and are relevant to the Group:

TAS 7 (revised 2017)	Statement of cash flows
TAS 12 (revised 2017)	Income taxes

TAS 7 (revised 2017), the amendments require additional disclosure of changes in liabilities arising from financing activities. This includes changes arising from cash and non-cash.

TAS 12 (revised 2017), the amendments clarify the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base. Specifically, the amendments confirm that:

- A temporary difference exists whenever the carrying amount of an asset is less than its tax base at the end of the reporting period.
- An entity can assume that it will recover an amount higher than the carrying amount of an asset to estimate its future taxable profit.
- Where the tax law restricts the source of taxable profits against which particular types of deferred tax assets can be recovered, the recoverability of the deferred tax assets can only be assessed in combination with other deferred tax assets of the same type.
- Tax deductions resulting from the reversal of deferred tax assets are excluded from the estimated future taxable profits.

The management has assessed and considered that the above revised standards do not have significant impact on the Group except for disclosure.

2.2.2 New financial reporting standard is effective for annual periods beginning on or after 1 January 2019 which is relevant to the Group. The Group has not yet adopted this standard.

TFRS 15	Revenue from contracts with customers
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TFRS 15 provide the requirements for the recognition of revenue. This standard will supersede the following standards:

TAS 11 (revised 2017)	Construction contracts
TAS 18 (revised 2017)	Revenue
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
TSIC 31 (revised 2017)	Revenue - barter transactions involving advertising services

The new standard is based on the principle that

- revenue is recognised when control of a good or service transfers to a customer - so the notion of control replaces the existing notion of risks and rewards
- an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

2 Accounting policies (Cont'd)

2.1 Revised accounting standards, revised financial reporting standards, and related interpretations (Cont'd)

2.2.2 New financial reporting standard is effective for annual periods beginning on or after 1 January 2019 which is relevant to the Group. The Group has not yet adopted this standard. (Cont'd)

An entity recognises revenue in accordance with that core principle by applying the following steps:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Entities will have a choice to apply this standard retrospectively in accordance with TAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, subject to the expedients or retrospectively with the cumulative effect recognised as an adjustment to the opening balance of retained earnings of the annual reporting period that includes the date of initial application with additional disclosures. The Group will first apply this standard for annual reporting periods beginning on or after 1 January 2019. Management is currently assessing the impact from initial application of this standard in detail.

3 Estimates

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2017.

4 Segment information

Operating segment information is reported in a manner consistent with the internal report that provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the Group's operating segment, has been identified as the Board of Directors of the Group.

The Group is principally engaged in the services relating to engineering, procurement, construction management, commissioning of operation and maintenance. Its operations are carried on only in Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain exclusively to the aforementioned reportable operating segment and geographical area.

Geographic information

The Group operates in Thailand only. As a result, all the revenues and assets as presented in the financial statements pertain exclusively to this geographical reportable segment.

Major customers

The Group has 4 customers in EPC Services which each customer generated revenues more than 10% of total revenues in the consolidated financial statements for the six-month period ended 30 June 2018, totalling Baht 693 million (30 June 2017: 1 customer in SMP services, totalling Baht 257 million).

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5 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	30 June 2018 Baht	31 December 2017 Baht	30 June 2018 Baht	31 December 2017 Baht
Cash on hand	352,125	410,621	233,602	234,139
Cash at bank - Current accounts	37,931,059	91,317,931	37,047,780	90,330,988
- Savings accounts	224,514	249,321	222,903	248,013
- Short-term fixed accounts	1,033	1,029	1,033	1,029
Total	38,508,731	91,978,902	37,505,318	90,814,169

Deposits held at call with banks bear interest at the rates 0.13% to 0.85% per annum (2017: 0.13% to 0.85% per annum). The short-term fixed deposits have maturity of 3 months.

6 Trade and other receivables

	Consolidated financial statements		Separate financial statements	
	30 June 2018 Baht	31 December 2017 Baht	30 June 2018 Baht	31 December 2017 Baht
Trade receivables-third parties	83,479,450	148,887,828	83,479,450	148,843,464
<u>Less</u> Allowance for impairment of trade receivables	(201,588)	(201,588)	(201,588)	(201,588)
Trade receivables - net	83,277,862	148,686,240	83,277,862	148,641,876
Receivables from related parties (Note 18)	24,831	24,414	28,306,764	7,904,500
Prepaid expenses	15,685,007	15,798,999	15,464,896	14,846,893
Advance payments to subcontractors	1,720,290	1,155,851	1,720,290	1,200,215
Trade and other receivables - net	100,707,990	165,665,504	128,769,812	172,593,484

Aging analysis of trade receivables are as follows:

	Consolidated financial statements		Separate financial statements	
	30 June 2018 Baht	31 December 2017 Baht	30 June 2018 Baht	31 December 2017 Baht
- Up to 3 months	83,277,862	148,141,560	83,277,862	148,097,195
- 3 - 6 months	-	544,680	-	544,681
- 6 - 12 months	-	-	-	-
- Over 12 months	201,588	201,588	201,588	201,588
Total	83,479,450	148,887,828	83,479,450	148,843,464
<u>Less</u> Allowance for impairment of trade receivables	(201,588)	(201,588)	(201,588)	(201,588)
Trade accounts receivable - net	83,277,862	148,686,240	83,277,862	148,641,876

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7 Unbilled receivables/Service income received in advance

	Consolidated financial statements		Separate financial statements	
	30 June 2018 Baht	31 December 2017 Baht	30 June 2018 Baht	31 December 2017 Baht
Unbilled receivables				
Project value as per contracts	4,060,832,882	966,087,933	4,060,832,882	966,087,933
Accumulated amount recognised as revenue on percentage of completion basis	1,881,406,257	641,011,859	1,881,406,257	641,011,859
<u>Less</u> Value of total billed	<u>(1,719,012,827)</u>	<u>(552,164,589)</u>	<u>(1,719,012,827)</u>	<u>(552,164,589)</u>
Unbilled receivables	<u>162,393,430</u>	<u>88,847,270</u>	<u>162,393,430</u>	<u>88,847,270</u>
Service income received in advance				
Project value as per contracts	399,627,727	1,208,122,450	399,627,727	1,208,122,450
Value of total billed	397,714,202	935,714,839	397,714,202	935,714,839
<u>Less</u> Accumulated amount recognised as revenue on percentage of completion basis	<u>(211,890,137)</u>	<u>(771,902,350)</u>	<u>(211,890,137)</u>	<u>(771,902,350)</u>
Service income received in advance	<u>185,824,065</u>	<u>163,812,489</u>	<u>185,824,065</u>	<u>163,812,489</u>

8 Inventories

	Consolidated financial statements		Separate financial statements	
	30 June 2018 Baht	31 December 2017 Baht	30 June 2018 Baht	31 December 2017 Baht
Raw materials	4,067,155	2,517,008	4,067,155	2,517,008
<u>Less</u> Allowance for net realisable value of inventories	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Inventories - net	<u>4,067,155</u>	<u>2,517,008</u>	<u>4,067,155</u>	<u>2,517,008</u>

9 Investments in subsidiaries

Investments in subsidiaries as at 30 June 2018 and 31 December 2017 are as follows:

Name	Country of incorporation and place of business	Nature of business	Proportion of ordinary shares held by the group		Proportion of ordinary shares held by non- controlling interests		Separate financial statements	
			%		%		Cost method, net	
			2018	2017	2018	2017	2018	2017
JKEC Co., Ltd. (JKEC)	Thailand	Construction contractor	51.22	51.22	48.78	48.78	2,100,000	2,100,000

10 Property, plant and equipment and intangible assets

The movement of property, plant, equipment and intangible assets for the six-month period ended 30 June 2018 is summarised as follows:

	Consolidated financial statements		Separate financial statements	
	Property, plant and equipment Baht	Intangible assets Baht	Property, plant and equipment Baht	Intangible assets Baht
Opening net book amount	314,788,211	9,125,240	311,338,394	9,061,484
Additions	37,033,556	3,424,060	25,459,649	3,424,060
Written offs/Disposals	(109,617)	-	(186,199)	-
Depreciation charge	(13,067,099)	(603,307)	(12,070,365)	(599,766)
Closing net book amount	<u>338,645,051</u>	<u>11,945,993</u>	<u>324,541,479</u>	<u>11,885,778</u>

Land and buildings of Baht 251.68 million (2017: Baht 254.55 million) have been pledged for borrowings from bank (Note 12).

11 Deferred tax assets

	Consolidated financial statements		Separate financial statements	
	30 June 2018 Baht	31 December 2017 Baht	30 June 2018 Baht	31 December 2017 Baht
Deferred income tax assets	652,494	452,388	605,232	429,864
Deferred income tax liabilities	(27,720)	(30,636)	(17,820)	(18,323)
Deferred income tax, net	<u>624,774</u>	<u>421,752</u>	<u>587,412</u>	<u>411,541</u>

Deferred tax assets arise from temporary differences of the allowance for doubtful accounts and reserve obligations for employee benefits. Deferred tax liabilities arise from temporary differences of finance lease and gains and losses arising from the acquisition of assets between the Group.

12 Borrowings

	Consolidated financial statements		Separate financial statements	
	30 June 2018 Baht	31 December 2017 Baht	30 June 2018 Baht	31 December 2017 Baht
Current				
Current portion of long-term borrowings from banks	38,640,000	38,640,000	38,640,000	38,640,000
Current portion of finance lease liabilities	1,229,217	1,229,788	1,092,107	1,095,378
Total current borrowings	<u>39,869,217</u>	<u>39,869,788</u>	<u>39,732,107</u>	<u>39,735,378</u>
Non-current				
Long-term borrowings from banks	163,020,000	182,340,000	163,020,000	182,340,000
Finance lease liabilities	1,069,720	1,271,628	597,746	730,417
Total non-current borrowings	<u>164,089,720</u>	<u>183,611,628</u>	<u>163,617,746</u>	<u>183,070,417</u>
Total borrowings	<u>203,958,937</u>	<u>223,481,416</u>	<u>203,349,853</u>	<u>222,805,795</u>

12 Borrowings (Cont'd)

The movement in long-term borrowings from banks are analysed as follows:

	Consolidated financial statements	Separate financial statements
	30 June 2018 Baht	30 June 2018 Baht
Opening amount	220,980,000	220,980,000
Additions	-	-
Repayments	(19,320,000)	(19,320,000)
Closing amount	<u>201,660,000</u>	<u>201,660,000</u>

On 15 January 2016, the Company entered into the loan agreement with a local bank amounting to Baht 10 million, which required the repayment of Baht 720,000 every 6 months, totalling 14 periods. This borrowing bears the interest rate at 4% per annum and is pledged by its director.

On 15 January 2016, the Company entered into the loan agreement with a local bank amounting to Baht 10 million, which required the repayment of Baht 720,000 every 6 months, totalling 14 periods. This borrowing bears the interest rate at MLR% per annum and is pledged by its director.

On 10 August 2016, the Company entered into the loan agreement with a local bank amounting to Baht 250 million, which required the repayment of Baht 2.98 million per month, totalling 84 periods and the outstanding amount for the last month. This borrowing bears the interest rate at MLR- 0.75% per annum for the first anniversary of the date of drawdown and MLR - 0.50% per annum for the period thereafter. The borrowing is pledged by its land and buildings (Note 10), its director, and its ultimate parent.

Reconciliation of liabilities arising from financing activities

	Consolidated financial statements			
	31 December 2017 Baht	Cash flows Baht	Non-cash changes New lease Baht	30 June 2018 Baht
Long-term borrowings	220,980,000	(19,320,000)	-	201,660,000
Lease liabilities	2,501,416	(643,535)	441,056	2,298,937
Long-term debt	<u>223,481,416</u>	<u>(19,963,535)</u>	<u>441,056</u>	<u>203,958,937</u>
	Separate financial statements			
	31 December 2017 Baht	Cash flows Baht	Non-cash changes New lease Baht	30 June 2018 Baht
Long-term borrowings	220,980,000	(19,320,000)	-	201,660,000
Lease liabilities	1,825,795	(576,998)	441,056	1,689,853
Long-term debt	<u>222,805,795</u>	<u>(19,896,998)</u>	<u>441,056</u>	<u>203,349,853</u>

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13 Trade and other payables

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Trade accounts payable	145,424,899	147,146,072	137,451,441	141,662,128
Trade accounts payable - related parties (Note 18)	3,175,312	1,647,741	28,159,346	18,066,615
Accrued expenses	37,336,766	22,735,668	30,803,600	20,126,753
Accrued expenses - related parties (Note 18)	709,702	-	17,554,200	4,769,365
Other payables	246,435	66,640	246,435	-
Total trade and other payables	186,893,114	171,596,121	214,215,022	184,624,861

14 Share capital

	Consolidated and Separate financial statements			
	Authorised share capital		Issued and paid-up capital	
	Number of Shares	Ordinary shares Baht	Number of Shares	Ordinary shares Baht
At 1 January 2018	1,000,000	100,000,000	1,000,000	100,000,000
Change in par value of ordinary shares	199,000,000	-	199,000,000	-
Total	200,000,000	100,000,000	200,000,000	100,000,000
Issue of shares	80,000,000	40,000,000	-	-
At 30 June 2018	280,000,000	140,000,000	200,000,000	100,000,000
At 31 January 2017	585,000	58,500,000	585,000	58,500,000
Issue of shares	-	-	-	-
At 30 June 2017	585,000	58,500,000	585,000	58,500,000

As 30 June 2018, the total number of authorised ordinary shares is 280,000,000 shares (2017: 1,000,000 shares) with a par value of Baht 0.50 per share (2017: Baht 100 per share). All issued shares, 200,000,000 shares, are fully paid (2017: 1,000,000 shares) with a par value of Baht 0.50 per share (2017: Baht 100 per share).

At the Annual General Meeting 1/2018 held on 10 April 2018, the shareholders approved to register the decrease in authorised share capital with the Ministry of Commerce from a par value of Baht 100 per share with total shares of 1,000,000 shares to a par value of Baht 0.50 per share with total shares of 200,000,000 shares. To support the offering of shares to the public. In addition, the shareholders approved to increase authorised share capital 80,000,000 ordinary shares from 200,000,000 with a par value of Baht 0.50 per share to 280,000,000 ordinary shares with a par value of Baht 0.50 per share, totalling Baht 140,000,000. These changes is to support offering shares to the public.

15 Income taxes

The interim income tax expense is accrued based on management's estimate using the tax rate that would be applicable to expected total annual earnings. The estimated average annual tax rate used is 20% (30 June 2017: 20% per annum).

16 Earnings per share

Basic earnings per share are calculated by dividing the net profit for the period attributable to shareholders by the weighted average number of ordinary shares.

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
For the three-month period ended 30 June				
Net profit attributable to ordinary shareholders of the parent (Baht)	10,012,752	4,408,485	9,082,150	4,111,099
Weighted average of issued ordinary shares during the period after decrease par value to Baht 0.50 (shares)	200,000,000	117,000,000	200,000,000	117,000,000
Basic earnings per share (Baht)	0.05	0.04	0.05	0.04
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
For the six-month period ended 30 June				
Net profit attributable to ordinary shareholders of the parent (Baht)	26,843,348	7,493,494	25,260,160	7,638,696
Weighted average of issued ordinary shares during the period after decrease par value to Baht 0.50 (shares)	200,000,000	117,000,000	200,000,000	117,000,000
Basic earnings per share (Baht)	0.13	0.06	0.13	0.07

The Company changed a par value of share capital from Baht 100 per share to Baht 0.50 per share (Note 14). The Company; therefore, adjusted the weighted average number of ordinary shares for the period ended 30 June 2017 as if the event started since the prior period. The earnings per share is then adjusted accordingly.

17 Dividends per share

The Company's dividend paid and dividend per share consist of:

The operation for the period	Approved by	Approved date	Dividend paid (million Baht)	Dividend per share (Baht)	Payment date
2018					
1 January 2018 to 31 March 2018	Board of Director's Meeting	11 May 2018	7.04	0.04	8 June 2018
2016 - 2017					
1 January 2017 to 31 December 2017 1 January 2016 to 31 December 2016	The Shareholders' Meeting	10 April 2018	27.83	27.83	9 May 2018
2015					
1 January 2015 to 31 March 2015	The Shareholders' Meeting	22 November 2017	6.12	21.46	18 December 2017
1 April 2015 to 31 December 2015	The Shareholders' Meeting	22 November 2017	7.37	13.52	18 December 2017
2014					
1 January 2014 to 31 December 2014	The Shareholders' Meeting	22 November 2017	7.50	26.33	18 December 2017

18 Related-party transactions

Individuals and entities that directly or indirectly control or are controlled by or are under common control with the Company, including individuals or entities having significant influence over the Company, key management personnel, including directors and officers of the Company and close members of the family of these individuals and entities associated with these individuals also constitute related parties.

In considering each possible related-party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

The Group is controlled by Takuni (Thailand) Co., Ltd. ("the parent") incorporated in Thailand which owns 51.3% of the Company's shares. The remaining 48.7% of the shares is held by individual. The Group's ultimate parent is Takuni Group Public Company Limited ("the ultimate parent"). The Group's ultimate controlling party is Treeweeranuwat family.

The following transactions were significant to subsidiaries and related parties:

a) Revenues from sales of goods/services, interest income and other income

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
For the three-month period ended 30 June				
Rental income				
Related party	36,000	36,000	36,000	36,000
Subsidiary	-	-	344,350	111,000
	<u>36,000</u>	<u>36,000</u>	<u>380,350</u>	<u>147,000</u>
Interest income				
Subsidiary	-	-	91,623	77,698
Service income				
Related party	31,853	13,388	31,853	13,388
Subsidiary	-	-	75,450	26,050
	<u>31,853</u>	<u>13,388</u>	<u>107,303</u>	<u>39,438</u>
Other income				
Related party	-	70,000	-	70,000
Subsidiary	-	-	1,708,459	46,208
	<u>-</u>	<u>70,000</u>	<u>1,708,459</u>	<u>116,208</u>

18 Related-party transactions (Cont'd)

The following transactions were significant to subsidiaries and related parties: (Cont'd)

The following transactions were significant to subsidiaries and related parties:

a) Revenues from sales of goods/services, interest income and other income (Cont'd)

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
For the six-month period ended 30 June				
Rental income				
Related party	72,000	72,000	72,000	72,000
Subsidiary	-	-	671,999	270,500
	<u>72,000</u>	<u>72,000</u>	<u>743,999</u>	<u>342,500</u>
Interest income				
Subsidiary	-	-	221,272	183,972
Service income				
Related party	65,955	31,288	65,955	31,288
Subsidiary	-	-	143,319	41,450
	<u>65,955</u>	<u>31,288</u>	<u>209,274</u>	<u>72,738</u>
Other income				
Related party	-	70,000	-	70,000
Subsidiary	-	-	3,005,676	733,546
	<u>-</u>	<u>70,000</u>	<u>3,005,676</u>	<u>803,546</u>

b) Purchases of goods and services, and interest expenses

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
For the three-month period ended 30 June				
Cost of construction contracts				
Related parties	2,858,732	4,000,272	2,858,732	4,000,272
Subsidiary	-	-	36,855,512	5,315,779
	<u>2,858,732</u>	<u>4,000,272</u>	<u>39,714,244</u>	<u>9,316,051</u>
For the six-month period ended 30 June				
Cost of construction contracts				
Related parties	6,617,996	6,693,230	6,617,996	6,693,230
Subsidiary	-	-	75,276,807	16,543,198
	<u>6,617,996</u>	<u>6,693,230</u>	<u>81,894,803</u>	<u>23,236,428</u>

18 Related-party transactions (Cont'd)

The following transactions were significant to subsidiaries and related parties: (Cont'd)

c) Outstanding balances arising from sales/purchases of goods/services

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Other receivable				
Related parties	24,831	24,414	24,831	24,414
Subsidiary	-	-	2,438,023	2,362,436
	<u>24,831</u>	<u>24,414</u>	<u>2,462,854</u>	<u>2,386,850</u>
Advance payments to subcontractors				
Subsidiary	-	-	25,651,602	5,285,630
Accrued interest income				
Subsidiary	-	-	192,308	232,020
	<u>24,831</u>	<u>24,414</u>	<u>28,306,764</u>	<u>7,904,500</u>
Trade accounts payable				
Related parties	3,175,312	1,647,741	3,175,312	1,647,741
Subsidiary	-	-	24,984,034	16,418,874
	<u>3,175,312</u>	<u>1,647,741</u>	<u>28,159,346</u>	<u>18,066,615</u>
Accrued expenses				
Related parties	709,702	-	709,702	-
Subsidiary	-	-	16,844,498	4,769,365
	<u>709,702</u>	<u>-</u>	<u>17,554,200</u>	<u>4,769,365</u>

d) Short-term loans to related parties

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Subsidiary	-	-	6,000,000	5,000,000

The movement of loans to related parties are as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Opening balance	-	-	5,000,000	5,000,000
Additions	-	-	3,000,000	3,000,000
Repayments	-	-	(2,000,000)	(3,000,000)
Ending balance	<u>-</u>	<u>-</u>	<u>6,000,000</u>	<u>5,000,000</u>

The Company has short-term loan to a subsidiary. The loan is unsecured loan and carry interest at the rate of 6.13% per annum (31 December 2017: 8.62% per annum). The loan is due for repayment on demand. No provision has been required in the period for this loan.

18 Related-party transactions (Cont'd)

The following transactions were significant to subsidiaries and related parties: (Cont'd)

e) Key management compensation

Key management includes directors (executive and non-executive), the compensation paid or payable to key management is shown below:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
For the three-month period ended 30 June				
Salaries and other short-term employee benefits	3,444,212	3,360,396	2,734,717	3,047,396
Employee benefit obligations	76,154	83,504	76,154	83,504
	<u>3,520,366</u>	<u>3,443,900</u>	<u>2,810,871</u>	<u>3,130,900</u>
	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
For the six-month period ended 30 June				
Salaries and other short-term employee benefits	6,636,424	5,551,640	5,228,155	5,051,973
Employee benefit obligations	152,309	167,008	152,309	167,008
	<u>6,788,733</u>	<u>5,718,648</u>	<u>5,380,464</u>	<u>5,218,981</u>

19 Commitments

a) Letters of guarantees

The Group has outstanding bank guarantees issued by the banks on behalf of the Company to guarantee its contractual performance, electricity usage, and purchase of supplies as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Letters of guarantees	<u>637,651,760</u>	<u>282,174,377</u>	<u>637,651,760</u>	<u>282,174,377</u>

19 Commitments (Cont'd)

b) Operating lease commitments - where a Group Company is the lessee

The Group has operating equipments, land and room rentals under operating lease agreements. The lease terms are between 1 year to 4 years.

The future aggregate minimum lease payments under operating lease in respect of operating equipments, land and room rentals are as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Within 1 year	2,184,066	2,381,150	1,048,500	1,291,650
Within 2 to 5 years	493,000	420,000	445,000	420,000
Over 5 years	-	-	-	-
Total	2,677,066	2,801,150	1,493,500	1,711,650

20 Contingencies

Contingent liabilities

The Company has been sued from claiming damage case by a company ("plaintiff") for breach of service contract in amount of Baht 1.52 million. The Court of First Instance reached out judgment on 27 October 2017 to dismiss the case. On 22 February 2018, the plaintiff filed an appeal with its claims to the Court of Appeal and the Company received notice from the court to defend the plaintiff's appeal on 11 March 2018. On 9 May 2018, the Company request to extend time for filing the plaintiff's appeal to the court and has to file an appeal to defend the plaintiff's appeal within 10 June 2018. The Company has not recorded provision for the contingent liabilities, which may arise from the legal proceeding since the management believes that the Company will not incur any significant loss from this litigation.

During this second quarter, the Company has been sued and claimed for compensation and damages by a subcontractor ("plaintiff") because the Company breached of agreement made with the plaintiff. The plaintiff requested the Civil Court to order the Company to pay the compensation for construction work performed by the plaintiff. Currently, this case is being mediated and compromised between the disputed parties. However, the management expects that the Company will be liable for damages partially and recognised it as liabilities in the statement of financial position as at 30 June 2018.