

CAZ (Thailand) Company Limited
Report and financial statements
31 December 2015



EY Office Limited
33rd Floor, Lake Rajada Office Complex
193/136-137 Rajadaplek Road
Klongtoey, Bangkok 10110
G.P.O.Box 1047, Bangkok 10501, Thailand
Tel: +66 2264 9090
Fax: +66 2264 0789-90
ey.com

บริษัท สำนักงาน อีวาย จำกัด
ชั้น 33 อาคารเลอรัชดา
193/136-137 ถนนรัชดาภิเษก
คลองเตย กรุงเทพฯ 10110
ตู้ ป.ณ. 1047 กรุงเทพฯ 10501
โทรศัพท์: +66 2264 9090
โทรสาร: +66 2264 0789-90
ey.com

Independent Auditor's Report

To the Shareholders of CAZ (Thailand) Company Limited

I have audited the accompanying financial statements of CAZ (Thailand) Company Limited, which comprise the statement of financial position as at 31 December 2015, and the related statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

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

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CAZ (Thailand) Company Limited as at 31 December 2015, and its financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

Emphasis of matter

I draw attention to Note 3 to the financial statements, during the current year, the Company has changed the basis used in preparation of its financial statements from the Thai Financial Reporting Standard applicable to non-publicly accountable entities to Thai Financial Reporting Standards. My conclusion is not qualified in respect of this matter.

Other matter

The financial statements of CAZ (Thailand) Company Limited for the period as from 6 February 2014 to 31 December 2014 was audited by other auditor, who expressed an unqualified opinion on those statements, under his report dated 27 February 2015.



Manee Rattanabunnakit
Certified Public Accountant (Thailand) No. 5313

EY Office Limited
Bangkok: 26 February 2016

CAZ (Thailand) Company Limited

Statement of financial position

As at 31 December 2015

(Unit: Baht)

	<u>Note</u>	<u>2015</u>	<u>2014</u>
Assets			
Current assets			
Cash and cash equivalents	8	4,267,243	1,040,693
Trade and other receivables	9	83,530,541	22,396,973
Unbilled receivables	10	84,785,875	64,309,373
Inventories		5,951,468	-
Short-term loan to related party	7	-	509,000
Advance payment to subcontractors		2,205,793	4,491,603
Other current assets		2,337,244	2,000,911
Total current assets		<u>183,078,164</u>	<u>94,748,553</u>
Non-current assets			
Equipment	11	25,695,801	20,269,053
Intangible asset		2,847,205	98,249
Retention receivables		42,416,239	10,327,934
Withholding tax deducted at source		19,542,488	3,599,227
Deposits		2,910,971	20,184,618
Deferred tax assets	18	627,508	-
Total non-current assets		<u>94,040,212</u>	<u>54,479,081</u>
Total assets		<u>277,118,376</u>	<u>149,227,634</u>

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

Mr

Nih

CAZ (Thailand) Company Limited

Statement of financial position (continued)

As at 31 December 2015

(Unit: Baht)

	<u>Note</u>	<u>2015</u>	<u>2014</u>
Liabilities and shareholders' equity			
Current liabilities			
Short-term loans from financial institutions	12	14,408,000	14,656,815
Trade and other payables	13	95,163,211	69,112,366
Current portion of liabilities under finance lease agreements	14	1,018,847	4,678,530
Short-term loans from related parties	7	31,500,000	5,000,000
Service income received in advance	10	33,032,283	11,647,665
Other current liabilities	15	<u>12,227,318</u>	<u>4,191,741</u>
Total current liabilities		<u>187,349,659</u>	<u>109,287,117</u>
Non-current liabilities			
Liabilities under finance lease agreements - net of current portion	14	2,100,319	2,694,263
Retention payables		7,459,936	846,926
Provision for long-term employee benefits		<u>3,137,539</u>	-
Total non-current liabilities		<u>12,697,794</u>	<u>3,541,189</u>
Total liabilities		<u>200,047,453</u>	<u>112,828,306</u>

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

mm
Nih

CAZ (Thailand) Company Limited

Statement of financial position (continued)

As at 31 December 2015

	<u>Note</u>	<u>2015</u>	<u>2014</u>
(Unit: Baht)			
Shareholders' equity			
Share capital	16		
Registered			
545,000 ordinary shares of Baht 100 each			
(2014: 285,000 ordinary shares of Baht 100 each)		<u>54,500,000</u>	<u>28,500,000</u>
Issued and fully paid-up			
545,000 ordinary shares of Baht 100 each			
(2014: 285,000 ordinary shares of Baht 100 each)		54,500,000	28,500,000
Retained earnings		<u>22,570,923</u>	<u>7,899,328</u>
Total shareholders' equity		<u>77,070,923</u>	<u>36,399,328</u>
Total liabilities and shareholders' equity		<u>277,118,376</u>	<u>149,227,634</u>

mm

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

Nim

Nim

.....

x *[Signature]*

Directors

CAZ (Thailand) Company Limited
Statement of comprehensive income
For the year ended 31 December 2015

(Unit: Baht)

		For the year ended 31 December 2015	For the period as form 6 February 2014 to 31 December 2014
	<u>Note</u>		
Revenues			
Construction services income	10	742,541,048	272,046,972
Other income		472,993	659,476
Total revenues		<u>743,014,041</u>	<u>272,706,448</u>
Expenses			
Cost of construction services		667,498,616	240,329,836
Administrative expenses		53,420,240	21,350,502
Total expenses		<u>720,918,856</u>	<u>261,680,338</u>
Profit before finance cost and income tax expenses		22,095,185	11,026,110
Finance cost		(3,684,541)	(1,078,039)
Profit before income tax expenses		18,410,644	9,948,071
Income tax expenses	18	(3,739,049)	(2,048,743)
Profit for the period		<u>14,671,595</u>	<u>7,899,328</u>
Other comprehensive income		-	-
Total comprehensive income for the period		<u>14,671,595</u>	<u>7,899,328</u>
Basic earnings per share			
Profit for the period	19	26.92	27.72

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

am
Nih

CAZ (Thailand) Company Limited
 Statement of changes in shareholders' equity
 For the year ended 31 December 2015

(Unit: Baht)

	Issued and paid-up share capital	Retained earnings	Total
Balance as at 6 February 2014	28,500,000	-	28,500,000
Total comprehensive income for the period	-	7,899,328	7,899,328
Balance as at 31 December 2014	<u>28,500,000</u>	<u>7,899,328</u>	<u>36,399,328</u>
Balance as at 1 January 2015	28,500,000	7,899,328	36,399,328
Total comprehensive income for the year	-	14,671,595	14,671,595
Increase share capital (Note 16)	<u>26,000,000</u>	-	<u>26,000,000</u>
Balance as at 31 December 2015	<u>54,500,000</u>	<u>22,570,923</u>	<u>77,070,923</u>

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

mm
Nim

CAZ (Thailand) Company Limited

Cash flows statement

For the year ended 31 December 2015

(Unit: Baht)

	For the year ended 31 December 2015	For the period as form 6 February 2014 to 31 December 2014
Cash flows from operating activities		
Profit before tax	18,410,644	9,948,071
Adjustments to reconcile profit before tax to net cash provided by (used in) operating activities:		
Depreciation and amortisation	6,600,988	2,209,205
Provision for long-term employee benefits	3,137,539	-
Interest expenses	3,684,541	1,078,039
Profit from operating activities before changes in operating assets and liabilities	31,833,712	13,235,315
Operating assets (increase) decrease		
Trade and other receivables	(61,133,568)	(22,396,973)
Unbilled receivables	(20,476,502)	(64,309,373)
Inventories	(5,951,468)	-
Advance payment to subcontractors	2,285,810	(4,491,603)
Other current assets	(336,333)	(2,000,911)
Retention receivables	(32,088,305)	(10,327,934)
Deposits	17,273,647	(20,184,618)
Operating liabilities increase (decrease)		
Trade and other payables	25,352,215	69,112,366
Service income received in advance	21,384,618	11,647,665
Other current liabilities	8,035,577	4,191,741
Retention payables	6,613,010	846,926
Cash flows used in operating activities	(7,207,587)	(24,677,399)
Cash paid for interest expenses	(2,985,911)	(1,078,039)
Cash paid for income tax	(20,309,818)	(5,647,970)
Net cash flows used in operating activities	(30,503,316)	(31,403,408)

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

gm
Nih

CAZ (Thailand) Company Limited
Cash flows statement (continued)
For the year ended 31 December 2015

(Unit: Baht)

	For the year ended 31 December 2015	For the period as form 6 February 2014 to 31 December 2014
Cash flows from investing activities		
Decrease (increase) in short-term loan to related party	509,000	(509,000)
Acquisition of equipment	(11,866,776)	(9,908,507)
Acquisition of intangible asset	(2,909,916)	(103,000)
Net cash flows used in investing activities	(14,267,692)	(10,520,507)
Cash flows from financing activities		
Increase (decrease) in short-term loans from financial institutions	(248,815)	14,656,815
Cash paid for liabilities under finance lease agreements	(4,253,627)	(5,192,207)
Increase in short-term loans from related parties	26,500,000	5,000,000
Cash receipt from increase in share capital	26,000,000	28,500,000
Net cash flows from financing activities	47,997,558	42,964,608
Net increase in cash and cash equivalents	3,226,550	1,040,693
Cash and cash equivalents at beginning of period	1,040,693	-
Cash and cash equivalents at end of period	4,267,243	1,040,693

Supplemental cash flows information

Non-cash transaction

Purchase of equipment for which no cash has been paid	-	12,565,000
---	---	------------

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

CAZ (Thailand) Company Limited

Notes to financial statements

For the year ended 31 December 2015

1. General information

CAZ (Thailand) Company Limited (“the Company”) is a limited company incorporated on 6 February 2014 and domiciled in Thailand. The Company is principally engaged in the services relating to engineering, procurement, construction management, commissioning of operation and maintenance. The registered offices of the Company is 106/49 Moo 5, Tambol Plutaloung, Amphur Sattahip, Chonburi.

2. Basis of preparation

The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 28 September 2011, issued under the Accounting Act B.E. 2543.

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

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

3. Change in basis of preparation

During the current year, the Company changed the basis of preparation of the financial statements from the Thai Financial Reporting Standard applicable to non-publicly accountable entities to Thai Financial Reporting Standards, in order that the financial statements would provide more useful information and better reflect its financial position, operating results and cash flows. The change had no effect to the financial statements.

4. New financial reporting standards

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

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

The Company has adopted the revised (revised 2014) and new financial reporting standards issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2015. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements. However, some of these standards involve changes to key principles, which are summarised below:

TAS 19 (revised 2014) Employee Benefits

This revised standard requires that the entity recognise actuarial gains and losses immediately in other comprehensive income while the former standard allowed the entity to recognise such gains and losses immediately in either profit or loss or other comprehensive income, or to recognise them gradually in profit or loss. This revised standard does not have any impact on the financial statements.

(b) Financial reporting standard that will become effective in the future

During the current year, the Federation of Accounting Professions issued a number of the revised (revised 2015) and new financial reporting standards and accounting treatment guidance which is effective for fiscal years beginning on or after 1 January 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards. The Company's management believes that the revised and new financial reporting standards and accounting treatment guidance will not have any significant impact on the financial statements when it is initially applied.

5. Significant accounting policies

5.1 Revenue recognition

Revenues from construction services

The Company recognised revenues from construction services on a percentage of completion basis. The percentage of completion is measured based on comparison of actual service costs incurred up to the end of the period and total anticipated service costs to be incurred to completion. Provision for the total anticipated loss on the project will be made in the accounts as soon as the possibility of loss is ascertained.

The recognised revenue which is not yet due per the contracts has been presented under the caption of "Unbilled receivables" under current assets in the statement of financial position. The excess of the amount billed to a customer over the value of the service contract in progress is presented as "Service income received in advance" under current liabilities in the statement of financial position.

Interest income

Interest income is recognised on an accrual basis based on the effective interest rate.

5.2 Costs of services

Costs of services comprise the cost of materials and labour, subcontractor charges, other services and overheads which are directly related to construction contracts. The Company recognises costs of services by the actual costs.

5.3 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

5.4 Trade accounts receivable

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

5.5 Inventories

Inventories are valued at the lower of cost (under the weighted average method) and net realisable value and are charged to production costs whenever consumed.

5.6 Equipment/Depreciation

Equipment is stated at cost less accumulated depreciation and allowance for diminution in value (if any).

Depreciation of equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Machinery, tool and equipment	- 5 years
Furniture and fixtures	- 5 years
Office equipment	- 3, 5 years
Motor vehicles	- 5 years

Depreciation is included in determining income.

An item of equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of equipment is included in profit or loss when the equipment is derecognised.

5.7 Intangible asset

Intangible asset (computer software) is stated at cost less accumulated amortisation and allowance for diminution in value (if any). Intangible asset is amortised as expenses in profit or loss on a straight-line basis over the economic useful life of 10 years.

5.8 Related party transactions

Related parties comprise enterprises and individuals that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies and individuals which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors, and officers with authority in the planning and direction of the Company's operations.

5.9 Long-term leases

Leases of equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in other long-term payables, which interest element is charged to the income statements over the lease period. The assets acquired under finance leases are depreciated over the useful life of the assets.

Leases of property, plant and equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

5.10 Foreign currencies

The financial statements are presented in Baht, which is also the Company's functional currency.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

5.11 Impairment of assets

At the end of each reporting period, the Company performs impairment reviews in respect of the equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss.

5.12 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits

Defined benefit plans

The Company has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by the Company based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

5.13 Provisions

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

5.14 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company recognises deferred tax liabilities for all taxable temporary differences while it recognises deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

6. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

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.

Equipment/Depreciation

In determining depreciation of equipment, the management is required to make estimates of the useful lives and residual values of the equipment and to review estimate useful lives and residual values when there are any changes.

7. Related party transactions

During the periods, the Company had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

(Unit: Million Baht)

	For the year ended 31 December 2015	For the period as from 6 February 2014 to 31 December 2014	Transfer pricing policy
<u>Transactions with related party</u>			
Interest expenses	2.8	-	8.50% per annum
<u>Transactions with management and director</u>			
Interest expenses	0.2	0.3	1% per annum

Short-term loan to related party

As at 31 December 2015, the balance of short-term loan between the Company and the related person and the movement are as follows:

(Unit: Thousand Baht)

Short-term loan to	Related by	Balance as at 31 December 2014	Decrease during the year	Balance as at 31 December 2015
Related person	Director of the Company	509	(509)	-
Total		509	(509)	-

Short-term loans from related parties

As at 31 December 2015 and 2014, the balance of short-term loans between the Company and those related parties and the movement are as follows:

(Unit: Thousand Baht)

Short-term loans from	Related by	Balance as at 31 December 2014	Increase during the year	Decrease during the year	Balance as at 31 December 2015
Takuni Group Public Company Limited	Major shareholder	-	60,300	(30,300)	30,000
Related person	Director of the Company	5,000	-	(3,500)	1,500
Total		<u>5,000</u>	<u>60,300</u>	<u>(33,800)</u>	<u>31,500</u>

Directors and management's benefits

During the year ended 31 December 2015 and for the period as from 6 February 2014 to 31 December 2014, the Company had employee benefit expenses payable to its directors and management as below.

(Unit: Million Baht)

	For the year ended 31 December 2015	For the period as from 6 February 2014 to 31 December 2014
Short-term employee benefits	25	14
Post-employment benefits	2	-
Total	<u>27</u>	<u>14</u>

8. Cash and cash equivalents

(Unit: Thousand Baht)

	<u>2015</u>	<u>2014</u>
Cash	577	470
Bank deposits	<u>3,690</u>	<u>571</u>
Total	<u>4,267</u>	<u>1,041</u>

As at 31 December 2015, bank deposits in saving accounts and fixed deposits carried interests between 0.13% and 0.85% per annum (2014: 0.98% per annum).

9. Trade and other receivables

(Unit: Thousand Baht)

	<u>2015</u>	<u>2014</u>
<u>Trade receivables - unrelated parties</u>		
Aged on the basis of due dates		
Past due		
Up to 3 months	78,873	22,397
3 - 6 months	2,991	-
6 - 12 months	1,667	-
Total trade receivables - unrelated parties	<u>83,531</u>	<u>22,397</u>
Total trade receivable	<u>83,531</u>	<u>22,397</u>

Approximately Baht 7 million (2014: Nil) of the above trade accounts receivable have been sold at a discount to financial institutions, with recourse.

10. Unbilled receivables/ Service income received in advance

(Unit: Thousand Baht)

	<u>2015</u>	<u>2014</u>
Unbilled receivables		
Project value as per contract	<u>893,821</u>	<u>505,801</u>
Accumulated amount recognised as revenue on percentage of completion basis	846,762 ✓	264,516
Less: Value of total billed	<u>(761,976)</u>	<u>(200,207)</u>
Unbilled receivables	<u>84,786</u>	<u>64,309</u>
Service income received in advance		
Project value as per contract	<u>309,486</u> ✓	<u>69,780</u>
Value of total billed	200,858	19,179
Less: Accumulated amount recognised as income on percentage of completion basis	<u>(167,826)</u> ✓	<u>(7,531)</u>
Service income received in advance	<u>33,032</u>	<u>11,648</u>

11. Equipment

(Unit: Thousand Baht)

	Machinery, tool and equipment	Furniture and fixtures	Office equipment	Motor vehicles	Total
Cost					
As at 6 February 2014	-	-	-	-	-
Additions	15,606	283	719	5,865	22,473
As at 31 December 2014	15,606	283	719	5,865	22,473
Additions	10,435	120	1,312	-	11,867
Write-off	-	-	(10)	-	(10)
As at 31 December 2015	26,041	403	2,021	5,865	34,330
Accumulated depreciation					
As at 6 February 2014	-	-	-	-	-
Depreciation for the period	1,257	23	120	804	2,204
As at 31 December 2014	1,257	23	120	804	2,204
Depreciation for the year	4,749	78	432	1,173	6,432
Depreciation on write-off	-	-	(2)	-	(2)
As at 31 December 2015	6,006	101	550	1,977	8,634
Net book value					
As at 31 December 2014	14,349	260	599	5,061	20,269
As at 31 December 2015	20,035	302	1,471	3,888	25,696
Depreciation for the period					
For the period as from 6 February 2014 to 31 December 2014					
(Baht 1 million included in cost of services, and the balance in administrative expenses)					2,204
For the year ended 31 December 2015					
(Baht 5 million included in cost of services, and the balance in administrative expenses)					6,432

As at 31 December 2015, the Company had machines and vehicles under finance lease agreements with net book values amounting to Baht 9 million (2014: Baht 11 million).

12. Short-term loans from financial institutions

The outstanding balance is short-term loans from financial institutions which carried interest at the rate of 14.50% per annum (2014: 36% per annum) and due within January 2016.

13. Trade and other payables

(Unit: Thousand Baht)

	2015	2014
Trade accounts payable	77,491	59,932
Accrued expenses	16,973	9,180
Accrued interest - related party	699	-
Total trade and other payables	95,163	69,112

14. Liabilities under finance lease agreements

(Unit: Thousand Baht)

	<u>2015</u>	<u>2014</u>
Liabilities under finance lease agreements	3,414	8,856
Less: Deferred interest expenses	(295)	(1,483)
Total	<u>3,119</u>	<u>7,373</u>
Less: Portion due within one year	(1,019)	(4,679)
Liabilities under finance lease agreements - net of current portion	<u>2,100</u>	<u>2,694</u>

The Company has entered into the finance lease agreements for rental of machines and motor vehicles for use in its operation, whereby it is committed to pay rental on a monthly basis. The terms of the agreements are generally at 5 years.

Future minimum lease payments required under the finance lease agreements were as follows:

(Unit: Thousand Baht)

	<u>As at 31 December 2015</u>		
	Less than 1 year	1-5 years	Total
Future minimum lease payments	1,164	2,250	3,414
Deferred interest expenses	(145)	(150)	(295)
Present value of future minimum lease payments	<u>1,019</u>	<u>2,100</u>	<u>3,119</u>

(Unit: Thousand Baht)

	<u>As at 31 December 2014</u>		
	Less than 1 year	1-5 years	Total
Future minimum lease payments	5,509	3,347	8,856
Deferred interest expenses	(830)	(653)	(1,483)
Present value of future minimum lease payments	<u>4,679</u>	<u>2,694</u>	<u>7,373</u>

15. Other current liabilities

(Unit: Thousand Baht)

	<u>2015</u>	<u>2014</u>
Withholding tax payables	1,765	1,748
VAT payable	5,044	1,214
Undue output VAT	5,418	1,230
Total other current liabilities	<u>12,227</u>	<u>4,192</u>

16. Share capital

On 20 March 2015, the Annual General Meeting of the Company's shareholders approved the increase of the Company's registered and issued capital by Baht 28.5 million (285,000 ordinary shares of Baht 100 each) to Baht 54.5 million (545,000 ordinary shares of Baht 100 each), through the issuance of 260,000 additional ordinary shares with a par value of Baht 100 each. The Company registered the increase of its capital with the Ministry of Commerce on 26 March 2015.

17. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)	
	For the year ended	For the period as from
	31 December 2015	6 February 2014 to 31 December 2014
Raw materials and consumables used	196,839	125,945
Salaries, wages and other employee benefits	266,540	70,857
Subcontractor costs	118,606	36,084
Rental expenses	67,365	28,899
Depreciation and amortisation	6,601	2,209
Changes in inventories	(5,951)	-

18. Income tax

Income tax expenses for the year ended 31 December 2015 and for the period as from 6 February 2014 to 31 December 2014 are made up as follows:

	(Unit: Thousand Baht)	
	For the year ended	For the period as from
	<u>31 December 2015</u>	<u>6 February 2014 to 31 December 2014</u>
Current income tax:		
Current income tax charge	4,367	2,049
Deferred tax:		
Relating to origination and reversal of temporary differences	(628)	-
Income tax expense reported in the statement of comprehensive income	<u>3,739</u>	<u>2,049</u>

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

	(Unit: Thousand Baht)	
	For the year ended	For the period as from
	<u>31 December 2015</u>	<u>6 February 2014 to 31 December 2014</u>
Accounting profit before tax	18,411	9,948
Applicable tax rate	20%	20%
Accounting profit before tax multiplied by income tax rate	3,682	1,990
Effects of:		
Non-deductible expenses	57	59
Income tax expense reported in the statement of comprehensive income	<u>3,739</u>	<u>2,049</u>

The component of deferred tax assets as at 31 December 2015 is provision for long-term employee benefits (2014: Nil).

19. Earnings per share

Basic earnings per share is calculated by dividing profit for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period.

The following table sets forth the computation of basic and diluted earnings per share:

	For the year ended	For the period as from
	<u>31 December 2015</u>	<u>6 February 2014 to 31 December 2014</u>
Profit for the period (Thousand Baht)	14,672	7,899
Weighted average number of ordinary shares (Thousand shares)	486	285
Basic earnings per share (Baht)	30.20	27.72

20. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as the Company's Board of Directors.

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

Major customers

For the year 2015, the Company has revenue from three major customers in amount of Baht 161 million, Baht 128 million and Baht 85 million (2014: one major customer in amount of Baht 152 million).

21. Commitments and contingent liabilities

21.1 Service commitments

As at 31 December 2015, the Company had service fee which payable within one year under the construction agreements amounting to Baht 51 million.

21.2 Operating lease commitments

The Company has entered into several lease agreements in respect of the lease of land, factory building, office building, machine and equipment and houses for its employee. The terms of the agreements are generally between 1 and 4 years.

Future minimum lease payments required under these non-cancellable operating leases contracts were as follows.

	(Unit: Million Baht)	
	As at 31 December	
	<u>2015</u>	<u>2014</u>
Payable:		
in up to 1 year	6	5
in over 1 and up to 4 years	1	1

21.3 Guarantees

As at 31 December 2015, there were outstanding bank guarantees of approximately Baht 138 million issued by banks on behalf of the Company to guarantee contractual performance of the Company.

22. Financial instruments

22.1 Financial risk management

The Company's financial instruments, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade accounts receivable, short-term loans from financial institutions, short-term loans from related parties, trade and other payables and liabilities under financial lease agreements. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company is exposed to credit risk primarily with respect to construction contract debtors. However, since the majority of construction services are made to creditworthy customers and due to the large number of entities comprising the Company's customer base, the Company does not anticipate material losses from its debt collection. The maximum exposure to credit risk is limited to the carrying amount of receivables and other receivables as stated in the statement of financial position.

Interest rate risk

The Company's exposure to interest rate risk relates primarily to its cash at banks, short-term loans from financial institutions, short-term loans from related parties. Most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

As at 31 December 2015, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

	2015					Effective interest rate (% per annum)
	Fixed interest rates			Non- Interest bearing	Total	
	Within 1 year	1-5 years	Floating interest rate			
Financial assets						
Cash and cash equivalents	-	-	3	1	4	0.13 - 0.85
Trade and other receivables	-	-	-	84	84	-
	-	-	3	85	88	
Financial liabilities						
Short-term loans from financial institutions						
	-	-	14	-	14	14.50
Trade and other payables						
	-	-	-	94	94	-
Short-term loans from related parties						
	32	-	-	-	32	8.50
Liabilities under finance lease agreements						
	1	2	-	-	3	5.28 - 5.43
	33	2	14	94	143	

(Unit: Million Baht)

	2014					Effective interest rate (% per annum)
	Fixed interest rates			Non- Interest bearing	Total	
	Within 1 year	1-5 years	Floating interest rate			
Financial assets						
Cash and cash equivalents	-	-	1	-	1	0.98
Trade and other receivables	-	-	-	22	22	-
	-	-	1	22	23	
Financial liabilities						
Short-term loans from financial institutions						
	-	-	15	-	15	36.00
Trade and other payables						
	-	-	-	69	69	-
Short-term loans from related parties						
	5	-	-	-	5	1.00
Liabilities under finance lease agreements						
	4	3	-	-	7	5.28 - 5.43
	9	3	15	69	96	

Foreign currency risk

The Company does not consider itself exposed to foreign currency risk because it has no significant foreign currency transactions.

22.2 Fair values of financial instruments

Since the majority of the Company's financial instruments are short-term in nature or bear floating interest rates, their fair value is not expected to be materially different from the amounts presented in statement of financial position.

23. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2015, the Company's debt-to-equity ratio was 2.60:1 (2014: 3.10:1).

24. Reclassification

The reclassifications of the statement of financial position for the year ended 31 December 2014 are as follows:

(Unit: Thousand Baht)

	As at 31 December 2014	
	As reclassified	As previously reported
Trade and other receivables	22,397	28,894
Advance payment to subcontractors	4,492	-
Other current assets	2,001	-
Other non-current assets	-	34,107
Retention receivables	10,328	-
Withholding tax deducted at source	3,599	-
Deposits	20,185	-
Short-term loans from financial institutions	14,657	-
Trade and other payables	69,112	73,304
Short-term loan from related parties	5,000	19,657
Other current liabilities	4,192	-

The reclassifications had no effect to previously reported profit or shareholders' equity.

25. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 26 February 2016.