

CAZ (THAILAND) COMPANY LIMITED

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

31 DECEMBER 2017



Independent Auditor's Report

To the shareholders and the Board of Directors of CAZ (Thailand) Company Limited

My opinion

In my opinion, the consolidated financial statements of CAZ (Thailand) Company Limited (the Company) and its subsidiaries (the Group) and the separate financial statements of the Company present fairly, in all material respects, the consolidated and separate financial position of the Group and of the Company as at 31 December 2017 and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

What I have audited

The consolidated financial statements and the separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 December 2017;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include a summary of significant accounting policies.

Basis for opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of my report. I am independent of the Group and the Company in accordance with the Federation of Accounting Professions under the Royal Patronage of his Majesty the King's Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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

The audit committee assists the directors in discharging their responsibilities for overseeing the Group and the Company's financial reporting process.



Auditor's responsibilities for the audit of the consolidated and separate financial statements

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

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

PricewaterhouseCoopers ABAS Ltd.

Nattaporn Phan-Udom
Certified Public Accountant (Thailand) No. 3430
Bangkok
29 March 2018

CAZ (Thailand) Company Limited
Statement of Financial Position
As at 31 December 2017

		Consolidated financial statements		Separate financial statements		
			Restated		Restated	
		31 December	31 December	31 December	31 December	1 January
		2017	2016	2017	2016	2016
Notes	Baht	Baht	Baht	Baht	Baht	Baht
Assets						
Current assets						
Cash and cash equivalents	8	91,978,902	7,476,453	90,814,169	6,883,466	4,267,243
Trade and other receivables	9	165,665,504	125,093,470	172,593,484	128,156,318	85,834,092
Unbilled receivables	10	88,847,270	50,212,277	88,847,270	48,707,894	84,706,527
Inventories	11	2,517,008	978,510	2,517,008	978,510	5,951,468
Short-term loans						
to related parties		-	-	5,000,000	5,000,000	-
Refundable tax		17,055,505	-	15,917,358	-	-
Other current assets		4,837,537	2,622,548	4,721,928	2,410,439	2,239,486
Total current assets		370,901,726	186,383,258	380,411,217	192,136,627	182,998,816
Non-current assets						
Investment in subsidiary	12	-	-	2,100,000	2,100,000	-
Property, plant and equipment	13	314,788,211	316,721,241	311,338,394	315,947,370	25,695,801
Intangible asset	14	9,125,240	2,903,012	9,061,484	2,875,365	2,847,205
Retention receivables		5,493,711	17,854,932	5,493,711	17,702,693	42,416,239
Withholding tax deducted						
at source		27,448,061	36,556,870	25,687,808	35,418,267	19,542,488
Deposits		948,353	767,032	817,353	625,668	2,910,971
Deferred tax assets	15	421,752	204,591	411,541	204,591	627,508
Total non-current assets		358,225,328	375,007,678	354,910,291	374,873,954	94,040,212
Total assets		729,127,054	561,390,936	735,321,508	567,010,581	277,039,028

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

CAZ (Thailand) Company Limited
Statement of Financial Position (Cont'd)
As at 31 December 2017

		Consolidated financial statements		Separate financial statements		
			Restated		Restated	
		31 December	31 December	31 December	31 December	1 January
		2017	2016	2017	2016	2016
Notes		Baht	Baht	Baht	Baht	Baht
Liabilities and equity						
Current liabilities						
Trade and other payables	17	171,596,121	71,925,521	184,624,861	81,517,367	95,163,211
Service income received in advance	10	163,812,489	32,690,164	163,812,489	32,690,164	32,952,935
Current portion of long-term borrowings from banks	16	38,640,000	38,640,000	38,640,000	38,640,000	-
Current portion of liabilities under finance lease agreements	16	1,229,788	916,582	1,095,378	916,582	1,018,847
Borrowings from third parties		-	-	-	-	14,408,000
Borrowings from related parties	16	-	79,500,000	-	79,500,000	31,500,000
Other current liabilities		21,445,428	10,570,000	19,858,322	9,852,132	12,227,318
Total current liabilities		396,723,826	234,242,267	408,031,050	243,116,245	187,270,311
Non-current liabilities						
Long-term borrowings from banks	16	182,340,000	220,980,000	182,340,000	220,980,000	-
Finance lease liabilities	16	1,271,628	1,333,511	730,417	1,333,511	2,100,319
Retention payables		5,486,711	5,904,129	5,679,866	7,723,099	7,459,936
Employee benefit obligations	18	1,794,021	972,556	1,745,606	972,556	3,137,539
Total non-current liabilities		190,892,360	229,190,196	190,495,889	231,009,166	12,697,794
Total liabilities		587,616,186	463,432,463	598,526,939	474,125,411	199,968,105

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

CAZ (Thailand) Company Limited
Statement of Financial Position (Cont'd)
As at 31 December 2017

	Notes	Consolidated financial statements		Separate financial statements		
		31 December 2017	Restated	31 December 2017	Restated	
			31 December 2016		31 December 2016	1 January 2016
		Baht	Baht	Baht	Baht	Baht
Liabilities and equity (Cont'd)						
Equity						
Share Capital	19					
Authorised share capital						
1,000,000 ordinary shares						
at par value of Baht 100 each						
(2016 : 585,000 ordinary shares						
paid-up of Baht 100 each,						
2015 : 545,000 ordinary shares						
at par value of Baht 100 each)		100,000,000	58,500,000	100,000,000	58,500,000	54,500,000
Issued and paid-up						
1,000,000 ordinary shares						
paid-up of Baht 100 each						
(2016 : 585,000 ordinary shares						
paid-up of Baht 100 each,						
2015 : 545,000 ordinary shares						
paid-up of Baht 100 each)		100,000,000	58,500,000	100,000,000	58,500,000	54,500,000
Retained earnings						
Appropriated - Legal reserve	20	1,128,546	-	1,128,546	-	-
Unappropriate		29,984,974	29,316,816	29,296,023	28,015,170	16,200,923
Other components of equity						
- share based payment		6,370,000	6,370,000	6,370,000	6,370,000	6,370,000
Equity attributable to						
owners of the parent		137,483,520	94,186,816	136,794,569	92,885,170	77,070,923
Non-controlling interests		4,027,348	3,771,657	-	-	-
Total equity		141,510,868	97,958,473	136,794,569	92,885,170	77,070,923
Total liabilities and equity		729,127,054	561,390,936	735,321,508	567,010,581	277,039,028

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

CAZ (Thailand) Company Limited
Statement of Comprehensive Income
For the year ended 31 December 2017

	Notes	Consolidated financial statements		Separate financial statements	
		Restated		Restated	
		2017 Baht	2016 Baht	2017 Baht	2016 Baht
Revenues from construction contracts		1,019,287,945	651,295,454	1,019,559,896	637,752,356
Cost of construction contracts		(917,540,918)	(576,044,840)	(923,892,414)	(569,711,814)
Gross profit		101,747,027	75,250,614	95,667,482	68,040,542
Other income	21	2,690,489	4,245,509	5,102,911	5,705,862
Administrative expenses		(58,539,718)	(50,417,484)	(54,643,205)	(48,735,805)
Finance cost		(16,648,407)	(12,551,783)	(16,639,071)	(12,211,783)
Profit before income tax		29,249,391	16,526,856	29,488,117	12,798,816
Income tax	23	(6,080,145)	(3,843,033)	(5,961,867)	(3,020,866)
Profit for the year		23,169,246	12,683,823	23,526,250	9,777,950
Other comprehensive income:					
Item that will not be reclassified to profit or loss					
Remeasurements of employee benefit obligations (net of tax)	18	(129,866)	2,036,297	(129,866)	2,036,297
Total comprehensive income for the year		23,039,380	14,720,120	23,396,384	11,814,247
Profit attributable to:					
Owners of the parent		22,913,555	11,079,596	23,526,250	9,777,950
Non-controlling interests		255,691	1,604,227	-	-
		23,169,246	12,683,823	23,526,250	9,777,950
Total comprehensive income attributable to:					
Owners of the parent		22,783,689	13,115,893	23,396,384	11,814,247
Non-controlling interests		255,691	1,604,227	-	-
		23,039,380	14,720,120	23,396,384	11,814,247
Earnings per share	24				
Basic earnings per share (Baht)		38.20	19.29	39.22	17.02

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

CAZ (Thailand) Company Limited
Statement of Changes in Equity
For the year ended 31 December 2017

Consolidated financial statements											
Attributable to owners of the parent											
Notes	Issued and paid-up share capital	Retained earnings		Unappropriated		Other components of equity		Total owners of the parent		Non-controlling interests	Total equity
		Baht	Legal reserve	Appropriated	Baht	Baht	Baht	Baht	Baht		
Opening balance at 1 January 2016											
	(as previously reported)	54,500,000	-	22,570,923	-	-	-	77,070,923	-	-	77,070,923
4	Retrospective adjustment from error	-	-	(6,370,000)	-	6,370,000	-	-	-	-	-
Opening balance at 1 January 2016 (restated)											
19	Proceeds from share issued	54,500,000	-	16,200,923	-	6,370,000	-	77,070,923	-	-	77,070,923
	Acquisition of subsidiaries	4,000,000	-	-	-	-	-	4,000,000	-	-	4,000,000
	Total comprehensive income for the year	-	-	-	-	-	-	-	2,167,430	2,167,430	2,167,430
		-	-	13,115,893	-	-	-	13,115,893	1,604,227	1,604,227	14,720,120
Closing balance as at 31 December 2016 (restated)											
		58,500,000	-	29,316,816	-	6,370,000	-	94,186,816	3,771,657	3,771,657	97,958,473
Closing balance as at 31 December 2016											
	(as previously reported)	58,500,000	-	35,255,095	-	-	-	93,755,095	3,771,657	3,771,657	97,526,752
4	Retrospective adjustment from error	-	-	(5,938,279)	-	6,370,000	-	431,721	-	-	431,721
Opening balance at 1 January 2017 (restated)											
19	Proceeds from share issued	58,500,000	-	29,316,816	-	6,370,000	-	94,186,816	3,771,657	3,771,657	97,958,473
	Legal reserve	41,500,000	-	-	-	-	-	41,500,000	-	-	41,500,000
20	Dividend	-	1,128,546	(1,128,546)	-	-	-	-	-	-	-
25	Total comprehensive income for the year	-	-	(20,986,985)	-	-	-	(20,986,985)	-	-	(20,986,985)
		-	-	22,783,689	-	-	-	22,783,689	255,691	255,691	23,039,380
Closing balance as at 31 December 2017											
		100,000,000	1,128,546	29,984,974	-	6,370,000	-	137,483,520	4,027,348	4,027,348	141,510,868

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

CAZ (Thailand) Company Limited
Statement of Changes in Equity
For the year ended 31 December 2017

Separate financial statements							
Notes		Issued and paid-up share capital	Retained earnings		Other components of equity		Total equity Baht
			Baht	Appropriated-	Unappropriated	Baht	
				Legal reserve			
			Baht	Baht		Baht	
	Opening balance at 1 January 2016 (as previously reported)	54,500,000	-	22,570,923	-	-	77,070,923
4	Retrospective adjustment from error	-	-	(6,370,000)	6,370,000	-	-
	Opening balance at 1 January 2016 (restated)	54,500,000	-	16,200,923	6,370,000	-	77,070,923
19	Proceeds from share issued	4,000,000	-	-	-	-	4,000,000
	Total comprehensive income for the year	-	-	11,814,247	-	-	11,814,247
	Closing balance as at 31 December 2016 (restated)	58,500,000	-	28,015,170	6,370,000	-	92,885,170
	Closing balance as at 31 December 2016 (as previously reported)	58,500,000	-	33,953,449	-	-	92,453,449
4	Retrospective adjustment from error	-	-	(5,938,279)	6,370,000	-	431,721
	Opening balance at 1 January 2017 (restated)	58,500,000	-	28,015,170	6,370,000	-	92,885,170
19	Proceeds from share issued	41,500,000	-	-	-	-	41,500,000
20	Legal reserve	-	1,128,546	(1,128,546)	-	-	-
25	Dividend	-	-	(20,986,985)	-	-	(20,986,985)
	Total comprehensive income for the year	-	-	23,396,384	-	-	23,396,384
	Closing balance as at 31 December 2017	100,000,000	1,128,546	29,296,023	6,370,000	-	136,794,569

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

CAZ (Thailand) Company Limited
Statement of Cash Flows
For the year ended 31 December 2017

	Notes	Consolidated financial statements		Separate financial statements	
		2017	Restated	2017	Restated
		Baht	2016 Baht	Baht	2016 Baht
Cash flows from operating activities					
Profit before income tax		29,249,391	16,526,856	29,488,117	12,798,816
Adjustments for:					
Depreciation and amortisation	13, 14	21,780,450	11,758,552	21,361,019	11,650,424
Allowance for doubtful accounts		151,191	50,397	151,191	50,397
Gains on disposals of property, plant and equipment		(384,417)	(2,653,149)	(1,459,780)	(3,212,050)
Gains on acquisition of a subsidiary		-	(175,801)	-	-
Tax penalty and surcharge		301,066	-	301,066	-
Interest income	21	-	(41,192)	(314,678)	(41,189)
Interest expenses		16,648,406	12,416,783	16,639,071	12,211,783
Cash flows before changes in operating assets and liabilities		67,746,087	37,882,446	66,166,006	33,458,181
Changes in operating assets and liabilities					
Trade and other receivables		(40,601,730)	(36,167,251)	(42,272,626)	(41,434,836)
Unbilled receivables		(38,634,992)	42,372,435	(40,139,376)	35,998,633
Inventories		(1,538,498)	4,972,958	(1,538,498)	4,972,958
Other current assets		(2,214,989)	(371,487)	(2,311,489)	(170,953)
Retention receivables		12,361,221	25,221,543	12,208,982	24,713,546
Deposits		(181,321)	2,183,175	(191,685)	2,285,303
Trade and other payables		107,929,418	(35,723,812)	111,366,309	(24,890,571)
Service income received in advance		131,122,325	(7,747,690)	131,122,325	(262,771)
Other current liabilities		10,875,428	(1,990,505)	10,006,189	(2,375,186)
Retention payables		(417,418)	(1,555,807)	(2,043,232)	263,163
Employee benefit obligations		659,133	380,388	610,718	380,388
Cash generated from operations		247,104,664	29,456,393	242,983,623	32,937,855
Cash paid for interest expenses		(21,434,463)	(7,444,270)	(21,425,127)	(7,239,270)
Cash paid for income tax		(33,809,497)	(20,513,507)	(31,920,755)	(18,982,802)
Cash receipt for refunded tax		19,296,894	-	19,296,438	-
Net cash generated from operating activities		211,157,598	1,498,616	208,934,179	6,715,783

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

CAZ (Thailand) Company Limited
Statement of Cash Flows (Cont'd)
For the year ended 31 December 2017

		Consolidated financial statements		Separate financial statements	
			Restated		Restated
		2017	2016	2017	2016
Notes		Baht	Baht	Baht	Baht
Cash flows from investing activities					
Proceeds from short-term loans to related parties	26	-	-	3,000,000	-
Payment on short-term loans to related parties	26	-	-	(3,000,000)	(5,000,000)
Acquisition of property, plant and equipment		(22,519,851)	(297,714,184)	(21,148,961)	(297,617,095)
Acquisition of intangible assets		(6,723,635)	(168,047)	(6,682,135)	(168,047)
Proceeds from disposal of property, plant and equipment		1,296,689	4,439,252	1,296,689	4,439,252
Cash paid from acquisition of subsidiary, net of acquiree's cash		-	(792,760)	-	(2,100,000)
Interest income received		-	3,406	120,444	3,403
Net cash used in investing activities		(27,946,797)	(294,232,333)	(26,413,963)	(300,442,487)
Cash flows from financing activities:					
Payments on borrowings from third parties		-	(14,408,000)	-	(14,408,000)
Finance lease principal payments		(1,081,367)	(869,073)	(962,528)	(869,073)
Proceeds from borrowings from related parties	26	113,000,000	153,200,000	113,000,000	153,200,000
Payment on borrowings from related parties	26	(192,500,000)	(105,600,000)	(192,500,000)	(105,200,000)
Proceeds from long-term borrowings from banks	16	-	270,000,000	-	270,000,000
Payments on long-term borrowings from banks	16	(38,640,000)	(10,380,000)	(38,640,000)	(10,380,000)
Payments for dividend	25	(20,986,985)	-	(20,986,985)	-
Proceeds from issue of ordinary shares	19	41,500,000	4,000,000	41,500,000	4,000,000
Net cash generated from (used in) financing activities		(98,708,352)	295,942,927	(98,589,513)	296,342,927
Net increase (decrease) in cash and cash equivalents		84,502,449	3,209,210	83,930,703	2,616,223
Cash and cash equivalents at the beginning of the year		7,476,453	4,267,243	6,883,466	4,267,243
Cash and cash equivalents at the end of the year	8	91,978,902	7,476,453	90,814,169	6,883,466
Non-cash transactions					
Purchase of property, plant and equipment for which no cash has been paid		3,970,760	6,105,861	3,171,331	6,105,861
Purchase of intangible assets for which no cash has been paid		-	166,353	-	166,353
Disposals of equipment for which no cash has been received		121,495	-	2,121,495	900,000

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

1 General Information

CAZ (Thailand) Company Limited ("the Company") is a limited company incorporated on 6 February 2014 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 Service:	Such Engineering, Procurement, Construction, Construction management including pre-commissioning and commissioning for Industrial, Energy and Petrochemical/ Chemical Business
Construction Service:	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

These Group consolidated and company financial statements were authorized for issue by the Board of Directors on 29 March 2018.

2 Accounting policies

The principal accounting policies adopted in the preparation of these consolidated and company financial statements are set out below:

2.1 Basis of preparation

The consolidated and separate financial statements have been prepared in accordance with Thai generally accepted accounting principles under the accounting Accounting Act B.E. 2543, being those Thai financial reporting standards issued under the accounting Accounting Profession Act B.E.2547, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act.

The consolidated and separate financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

Comparative figures have been adjusted to conform with changes in presentation in the current year

An English version of the consolidated and separate financial statements have been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

2 Accounting policies (Cont'd)

2.2 Revised financial reporting standards, and related interpretations

Revised financial reporting standards are effective for annual periods beginning on or after 1 January 2018 which have significant changes and are relevant to the Group. The Group has not yet adopted these revised standards.

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 Group's management assessed and considered that the above revised standards will not have a material impact on the Group except for disclosure.

2.3 Group accounting - investments in subsidiaries

(1) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations except business combination under common control. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measured are recognised in profit or loss.

2 Accounting policies (Cont'd)

2.3 Group accounting - Investments in subsidiaries (Cont'd)

(1) Subsidiaries (Cont'd)

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognise and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(2) Transactions with non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(3) Disposal of subsidiaries

When the Group ceases to have control it shall ceased to consolidate its subsidiaries. Any retained interest in the entity is re-measured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

2.4 Foreign currency translation

a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Thai Baht, which is the Company's functional and the Group's presentation currency.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in profit and loss, any exchange component of that gain or loss is recognised in profit and loss.

2 Accounting policies (Cont'd)

2.5 Cash and cash equivalents

In the statements of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the statements of financial position, bank overdrafts are shown within borrowings in current liabilities.

2.6 Trade accounts receivable

Trade accounts receivable are carried at the original invoice amount and subsequently measured at the remaining amount less any allowance for doubtful receivables based on a review of all outstanding amounts at the year-end. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debts are written-off during the year in which they are identified and recognised in profit or loss within selling expenses.

2.7 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the first-in, first-out method. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charges, less all attributable discounts, allowances or rebates. The cost of finished goods and work in progress comprises design costs, raw materials, direct labour, other direct costs and related production overheads based on normal operating capacity. It excludes borrowing costs. Net realisable value is the estimate of the selling price in the ordinary course of business, less applicable variable selling expenses. Allowance is made, where necessary, for obsolete, slow-moving and defective inventories.

2.8 Construction contracts

A construction contract is a contract specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and functions or their ultimate purpose or use.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred where it is probable those costs will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When the outcome of a construction contract can be estimated reliably and it is probable that the contract will be profitable, contract revenue is recognised over the period of the contract. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. They are presented as inventories, prepayments or other assets, depending on their nature.

The Group presents as an asset the gross amount due from customers for contract work for all contracts in progress and for which costs incurred plus recognised profits (less recognised losses) exceed progress billings. Progress billings not yet paid by customers and retention are included within 'trade and other receivables'. The Group presents as a liability the gross amount due to customers for contract work for all contracts in progress for which progress billings exceed costs incurred plus recognised profits (less recognised losses).

2 Accounting policies (Cont'd)

2.9 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight line method to their residual values over their estimated useful lives, as follows:

Building and building improvements	20 years
Machinery, tool and equipment	5 years
Furniture and fixtures	5 years
Office equipment	3, 5 years
Motor vehicles	5 years

The assets' residual values and useful lives are reviewed and adjusted if appropriate at the end of each reporting period.

The asset's carrying amount is written-down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 2.11).

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other (losses)/gains - net' in profit or loss.

2.10 Intangible assets

Computer software

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Amortisation is allocated the cost of computer software over their estimated useful lives of 10 years.

Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

2.11 Impairment of assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2 Accounting policies (Cont'd)

2.12 Leases

Leases - where the Group is the lessee

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

Leases of property, plant or equipment where the lessee has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the liabilities balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to profit or loss over the lease period so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant or equipment acquired under finance leases is depreciated over the shorter period of the useful life of the asset and the lease term.

Leases - where the Group is the lessor

Assets leased out under operating leases are included in property, plant and equipment in the statement of financial position. They are depreciated over their expected useful lives on a basis consistent with other similar property, plant and equipment owned by the Group. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

2.13 Borrowings

Borrowings are recognised initially at the fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective yield method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of reporting date.

(a) Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised as expense in the period in which they are incurred.

2 Accounting policies (Cont'd)

2.14 Current and deferred income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements.

However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is provided on temporary differences arising from investments in subsidiaries, associates and joint arrangements, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.15 Employee benefit obligations

Retirement benefits

A defined benefit plan is a retirement plan that is not a defined contribution plan. Typically defined benefit plans define an amount of retirement benefit that an employee will receive on retirement, usually depends on one or more factors such as age, years of service and compensation.

The liability recognised in the statement of financial position in respect of defined benefit retirement plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related retirement liability.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. They are included in retained earnings in the statements of changes in equity.

Past-service costs are recognised immediately in profit or loss.

2 Accounting policies (Cont'd)

2.16 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.17 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.18 Share-based payment

The Group recognise the goods or service received or acquired in a share-based payment transaction when it obtains the goods or as the services are received. The Group recognise a corresponding increase in equity if the goods or services were received in an equity-settled share-based payment transaction or a liability if the goods or services were acquired in a cash-settled share-based payment transaction.

When the goods or services received or acquired in a share-based payment transaction do not qualify for recognition as assets, they shall be recognised as expense.

If the identifiable consideration received by the Group appears to be less than the fair value of the equity instruments granted or liability incurred, typically this situation indicates that other consideration such as unidentifiable goods or services have been received by the Group. The Group shall measure the unidentifiable goods or services received as the difference between the fair value of the share-based payment and the fair value of any identifiable goods or services received. The Group shall measure the unidentifiable goods or service received at the grant date.

2.19 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and service in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts, and after eliminating sales within the Group for the consolidated financial statements. Revenue from sales of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer. Revenue from rendering services is based on the stage of completion determined by reference to services performed to date as a percentage of total services to be performed. (See accounting policy in Note 2.8 construction contracts).

Revenues from construction services recognised based on a percentage of completion basis. The percentage of completion is measure based on comparison of actual construction costs incurred up to the end of the period and total anticipated construction costs to be incurred to completion.

Rental income is recognised using straight-line method over the rental period.

Interest income is recognised using the effective interest method.

2 Accounting policies (Cont'd)

2.20 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders, and interim dividend are approved by the Board of Directors.

2.21 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as that makes strategic decisions.

3 Financial risk management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: interest rate risk, credit risk and liquidity risk. Risk management is carried out and approved by the board of directors when management expect that there are some significant changes in the financial risk factors. The board provides written principles for overall risk management, as well as written policies covering specific areas.

3.1.1 Interest rate risk

The Group enters into the long-term borrowing agreements from domestic financial institutions which some of them bear floating interest rates. Therefore the Group has interest rate risk arises from changes in interest rates, which may have an effect on the Group's and Company's operations in the current reporting period and in future years. Management does not use any financial instruments to manage interest rate risk because the Group assesses that the changes in interest rate will not be moved significantly under the current situation.

3.1.2 Credit risk

The Group are exposed to credit risk primarily with respect to construction contract debtors. The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. Since majority of construction services are made to good financial position customers, the Group do not anticipate material losses from its debt collection. The maximum exposure to credit risk is limited to carrying amount of receivables, other receivables and loans as presented in the statement of financial position.

3.1.3 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities, and the ability to close out market positions. Due to the dynamic nature of the underlying business, the Group treasury aims at maintaining flexibility in funding by keeping committed credit lines available.

3.2 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The disclosure of borrowings that are measured at fair value is presented in note 16.

4 Change in presentation / change in accounting policies / errors

Change in presentation

The Group made a change in the presentation of trade and other receivables and other current assets to comply with the announcement of the Department of Business Development Regulation dated 7 November 2011 in relation to the format of the Financial Statements B.E. 2554.

Change in accounting policy

The Group changed the accounting policy of inventories from the weighted average method to the First-in, First-out ("FIFO") method because the Group wrongly disclosed the accounting policy. In practice, the Group applies the FIFO method but wrongly disclosed the weighted average method in the prior year financial statements.

Correction of error(s)

Consolidated financial statements and separate financial statements

The Group restated the prior year financial statements because the Company under-recorded a share-based payment amount of Baht 6.37 million arising from the issue of new shares to a new shareholder in the year 2015. The Group made retrospective adjustments and recognised the share-based payment as expense in the year 2015. As a result, unappropriated retained earnings and other components of equity as presented in the financial position as at 31 December 2016 and 1 January 2016 for both consolidated and separate financial statements had been changed accordingly.

In addition, the Group restated the prior year's financial statements because the Company understated revenues from construction contracts of Baht 3.77 million and accrued cost of construction contracts of Baht 3.23 million arising from the under-recording of accrued cost of construction contracts charged by its subcontractor, which is a subsidiary. As a result, the Group made retrospective adjustments for those amounts and the related income tax amount of Baht 0.11 million in the statement of comprehensive income for the year ended 31 December 2016. These adjustments created an increase in retained earnings totalling of Baht 0.43 million in both the consolidated and separate financial statements.

Consolidated financial statements

The Group wrongly eliminated intercompany transactions which are revenues from construction contracts and the cost of construction services amount of Baht 6.47 million in the consolidated financial statement for the year ended 31 December 2016. As a result, the Group made retrospective adjustment to present the correct revenues from construction contracts and the cost of construction contracts in the statement of comprehensive income for the year ended 31 December 2016.

4 Change in presentation / change in accounting policies / errors (Cont'd)

The effects of change in presentation and correction of error of the above to the statement of financial position of the Group as at 31 December 2016 are as follows;

	Consolidated financial statements		
	As at 31 December 2016		
	Originally stated Baht	Adjustments Baht	Restated Baht
Statement of Financial Position			
Assets			
Current assets			
Trade and other receivables	116,699,616	8,393,854	125,093,470
Unbilled receivables	51,647,043	(1,434,766)	50,212,277
Advance payment to subcontractors	3,546,583	(3,546,583)	-
Other current assets	8,216,167	(5,593,619)	2,622,548
Total current assets	188,564,372	(2,181,114)	186,383,258
Non-current assets			
Withholding tax deducted at source	36,664,800	(107,930)	36,556,870
Total non-current assets	375,115,608	(107,930)	375,007,678
Total assets	563,679,980	(2,289,044)	561,390,936
Liabilities			
Current liabilities			
Service income received in advance	35,410,929	(2,720,765)	32,690,164
Total current liabilities	236,963,032	(2,720,765)	234,242,267
Total liabilities	466,153,228	(2,720,765)	463,432,463
Equity			
Retained earnings			
Unappropriate	35,255,095	(5,938,279)	29,316,816
Other components of equity - share-based payment	-	6,370,000	6,370,000
Total equity	97,526,752	431,721	97,958,473
Total liabilities and equity	563,679,980	(2,289,044)	561,390,936

4 Change in presentation / change in accounting policies / errors (Cont'd)

The effects of change in presentation and correction of error of the above to the statement of financial position of the Company as at 31 December 2016 and 1 January 2016 are as follows;

	Separate financial statements					
	As at 31 December 2016			As at 1 January 2016		
	Originally stated Baht	Adjustments Baht	Restated Baht	Originally stated Baht	Adjustments Baht	Restated Baht
Statement of Financial Position						
Assets						
Current assets						
Trade and other receivables	117,899,163	10,257,155	128,156,318	83,530,541	2,303,551	85,834,092
Unbilled receivables	46,054,848	2,653,046	48,707,894	84,706,527	-	84,706,527
Advance payment to subcontractors	4,232,847	(4,232,847)	-	2,205,793	(2,205,793)	-
Other current assets	7,581,689	(5,171,250)	2,410,439	2,337,244	(97,758)	2,239,486
Total current assets	188,630,523	3,506,104	192,136,627	182,998,816	-	182,998,816
Non-current assets						
Withholding tax deducted at source	35,526,197	(107,930)	35,418,267	19,542,488	-	19,542,488
Total non-current assets	374,981,884	(107,930)	374,873,954	94,040,212	-	94,040,212
Total assets	563,612,407	3,398,174	567,010,581	277,039,028	-	277,039,028
Liabilities						
Current liabilities						
Trade and other payables	77,429,555	4,087,812	81,517,367	95,163,211	-	95,163,211
Service Income received in advance	33,811,523	(1,121,359)	32,690,164	32,952,935	-	32,952,935
Total current liabilities	240,149,792	2,966,453	243,116,245	187,270,311	-	187,270,311
Total liabilities	471,158,958	2,966,453	474,125,411	199,968,105	-	199,968,105
Equity						
Retained earnings						
Unappropriate	33,953,449	(5,938,279)	28,015,170	22,570,923	(6,370,000)	16,200,923
Other components of equity - share-based payment	-	6,370,000	6,370,000	-	6,370,000	6,370,000
Total equity	92,453,449	431,721	92,885,170	77,070,923	-	77,070,923
Total liabilities and equity	563,612,407	3,398,174	567,010,581	277,039,028	-	277,039,028

4 Change in presentation / change in accounting policies / errors (Cont'd)

The effects of the above to the statement of comprehensive income for the year ended 31 December 2016 are as follows;

	For the year ended 31 December 2016					
	Consolidated financial statements			Separate financial statements		
	Originally stated Baht	Adjustments Baht	Restated Baht	Originally stated Baht	Adjustments Baht	Restated Baht
Statement of Comprehensive Income						
Construction services income	657,228,223	(5,932,769)	651,295,454	633,977,951	3,774,405	637,752,356
Cost of construction services	(582,517,260)	6,472,420	(576,044,840)	(566,477,060)	(3,234,754)	(569,711,814)
Gross profit	74,710,963	539,651	75,250,614	67,500,891	539,651	68,040,542
Profit before income tax	15,987,205	539,651	16,526,856	12,259,165	539,651	12,798,816
Income tax	(3,735,103)	(107,930)	(3,843,033)	(2,912,936)	(107,930)	(3,020,866)
Profit for the year	12,252,102	431,721	12,683,823	9,346,229	431,721	9,777,950
Total comprehensive income for the year	14,288,399	431,721	14,720,120	11,382,526	431,721	11,814,247
Profit attributable to:						
Owners of the parent	10,647,875	431,721	11,079,596	9,346,229	431,721	9,777,950
Non-controlling interests	1,604,227	-	1,604,227	-	-	-
	12,252,102	431,721	12,683,823	9,346,229	431,721	9,777,950
Total comprehensive income attributable to:						
Owners of the parent	12,684,172	431,721	13,115,893	11,382,526	431,721	11,814,247
Non-controlling interests	1,604,227	-	1,604,227	-	-	-
	14,288,399	431,721	14,720,120	11,382,526	431,721	11,814,247
Basic earnings per share (Baht)	18.55	0.74	19.29	16.28	0.74	17.02

5 Critical accounting estimates and judgements

5.1 Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting result of accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

(a) Revenue recognition

The Group uses the percentage-of-completion method in accounting for its fixed-price contracts to deliver design services. The percentage of completion is measure based on comparison of actual construction costs incurred up to the end of the period and total anticipated construction costs to be incurred to completion. The percentage of completion method requires the Group to estimate total anticipated construction costs to be incurred to completion. Where the estimated percentage of completion differ by 1%, the amount of revenue recognised in the year would be changed by Baht 19.15 million.

In addition, The Group has to estimate revenue and future operating performance, especially for construction in order to assess the ability of profitability. When it is probable that total contract costs will exceed total contract revenue, the Group has to recognise the expected loss as an expense immediately.

6 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

7 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 3 customers in procurement and installation services which each generated revenues more than 10% of total revenues in the consolidated financial statements for the period ended 31 December 2017, totalling Baht 863.17 million (2016: 3 customers, totalling Baht 413.28 million).

8 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Cash on hand	410,621	578,760	234,139	463,754
Cash at bank - Current accounts	91,317,931	6,885,692	90,330,988	6,409,214
- Savings accounts	249,321	10,981	248,013	9,478
- Short-term fixed accounts	1,029	1,020	1,029	1,020
Total	91,978,902	7,476,453	90,814,169	6,883,466

Deposits held at call with banks bear interest at the rates 0.13% to 0.85% per annum (2016: 0.12% to 0.85% per annum). The short-term fixed deposits have maturity of 3 months.

9 Trade and other receivables

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Trade receivables-third parties	148,887,828	116,602,060	148,843,464	116,491,272
<u>Less</u> Allowance for impairment of trade receivables	(201,588)	(50,397)	(201,588)	(50,397)
Trade receivables - net	148,686,240	116,551,663	148,641,876	116,440,875
Receivables from related parties (Note 26)	24,414	-	7,904,500	2,849,712
Prepaid expenses	15,798,999	5,413,149	14,846,893	4,990,780
Advance payments to subcontractors	1,155,851	3,128,658	1,200,215	3,874,951
Trade and other receivables - net	<u>165,665,504</u>	<u>125,093,470</u>	<u>172,593,484</u>	<u>128,156,318</u>

Aging analysis of trade accounts receivable as at 31 December are as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
- Up to 3 months	148,141,560	116,400,472	148,097,195	116,289,684
- 3 - 6 months	544,680	-	544,681	-
- 6 - 12 months	-	-	-	-
- Over 12 months	201,588	201,588	201,588	201,588
Total	148,887,828	116,602,060	148,843,464	116,491,272
<u>Less</u> Allowance for impairment of trade receivables	(201,588)	(50,397)	(201,588)	(50,397)
Trade accounts receivable - net	<u>148,686,240</u>	<u>116,551,663</u>	<u>148,641,876</u>	<u>116,440,875</u>

10 Unbilled receivables/ Service income received in advance

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Unbilled receivables				
Project value as per contracts	966,087,933	1,420,154,017	966,087,933	1,403,943,722
Accumulated amount recognised as revenue on percentage of completion basis	641,011,859	1,085,837,328	641,011,859	1,069,627,033
<u>Less</u> Value of total billed	(552,164,589)	(1,035,625,051)	(552,164,589)	(1,020,919,139)
Unbilled receivables	<u>88,847,270</u>	<u>50,212,277</u>	<u>88,847,270</u>	<u>48,707,894</u>
Service income received in advance				
Project value as per contracts	1,208,122,450	871,663,362	1,208,122,450	871,663,362
Value of total billed	935,714,839	615,403,461	935,714,839	615,403,461
<u>Less</u> Accumulated amount recognised as revenue on percentage of completion basis	(771,902,350)	(582,713,297)	(771,902,350)	(582,713,297)
Service income received in advance	<u>163,812,489</u>	<u>32,690,164</u>	<u>163,812,489</u>	<u>32,690,164</u>

11 Inventories

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Raw materials	2,517,008	978,510	2,517,008	978,510
<u>Less</u> Allowance for net realisable value of inventories	-	-	-	-
Inventories - net	<u>2,517,008</u>	<u>978,510</u>	<u>2,517,008</u>	<u>978,510</u>

12 Investments in subsidiaries

12.1 Subsidiaries

The group comprises of a subsidiary listed below as at 31 December 2017. All subsidiaries are included in the consolidation and have share capital consisting solely of ordinary shares that are held directly by the Group. The proportion of ownership interests held equals the voting rights held by the Group.

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 (Baht)	
			(%) 2017	(%) 2016	(%) 2017	(%) 2016	2017	2016
JKEC Co., Ltd. (JKEC)	Thailand	Construction contractor	51.22	51.22	48.78	48.78	<u>2,100,000</u>	<u>2,100,000</u>

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13 Property, plant and equipment

	Consolidated financial statements						
	Land Baht	Building and building improvements Baht	Machinery, tools and equipment Baht	Furniture and fixtures Baht	Office equipment Baht	Motor vehicles Baht	Asset under installation Baht
At 1 January 2016							
Cost	-	-	26,040,873	402,747	2,022,037	5,865,000	-
Less Accumulated depreciation	-	-	(6,006,733)	(100,528)	(550,790)	(1,976,804)	-
Net book amount	-	-	20,034,140	302,219	1,471,247	3,888,196	-
For the year ended 31 December 2016							
Opening net book amount	-	-	20,034,140	302,219	1,471,247	3,888,196	-
Acquisitions through subsidiaries	-	-	144,400	-	336,613	-	-
Additions	183,800,000	73,615,549	42,906,770	543,933	1,057,781	2,197,655	-
Disposals and written offs - net	-	-	(341,100)	-	-	(1,786,102)	-
Depreciation charge	-	(1,191,536)	(8,180,257)	(115,663)	(729,016)	(1,233,588)	-
Closing net book amount	183,800,000	72,424,013	54,563,953	730,489	2,136,625	3,066,161	-
At 31 December 2016							
Cost	183,800,000	73,615,549	68,727,364	946,680	3,416,431	6,243,661	-
Less Accumulated depreciation	-	(1,191,536)	(14,163,411)	(216,191)	(1,279,806)	(3,177,500)	-
Net book amount	183,800,000	72,424,013	54,563,953	730,489	2,136,625	3,066,161	-
For the year ended 31 December 2017							
Opening net book amount	183,800,000	72,424,013	54,563,953	730,489	2,136,625	3,066,161	-
Additions	-	152,500	15,339,795	296,771	514,249	1,638,000	-
Transfer- net	-	-	2,486,607	178,960	(217,008)	-	-
Disposals and written offs - net	-	-	(1,029,184)	-	(14,678)	-	-
Depreciation charge	-	(3,682,460)	(15,088,447)	(239,206)	(865,218)	(1,403,711)	-
Closing net book amount	183,800,000	68,894,053	56,272,724	967,014	1,553,970	3,300,450	-
At 31 December 2017							
Cost	183,800,000	73,768,049	84,964,329	1,518,412	3,568,984	7,881,661	-
Less Accumulated depreciation	-	(4,873,996)	(28,691,605)	(551,398)	(2,015,014)	(4,581,211)	-
Net book amount	183,800,000	68,894,053	56,272,724	967,014	1,553,970	3,300,450	-

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13 Property, plant and equipment (Cont'd)

Separate financial statements								
	Land Baht	Building and building improvements Baht	Machinery, tools and equipment Baht	Furniture and fixtures Baht	Office equipment Baht	Motor vehicles Baht	Asset under installation Baht	Total Baht
At 1 January 2016								
Cost	-	-	26,040,873	402,747	2,022,037	5,865,000	-	34,330,657
Less Accumulated depreciation	-	-	(6,006,734)	(100,528)	(550,790)	(1,976,804)	-	(8,634,856)
Net book amount	-	-	20,034,139	302,219	1,471,247	3,888,196	-	25,695,801
For the year ended 31 December 2016								
Opening net book amount	-	-	20,034,139	302,219	1,471,247	3,888,196	-	25,695,801
Additions	183,800,000	73,615,549	42,508,037	543,933	1,057,781	2,197,655	-	303,722,955
Transfer - net	-	-	-	-	-	-	-	-
Disposals and written offs - net	-	-	(341,099)	-	-	(1,786,102)	-	(2,127,201)
Depreciation charge	-	(1,191,536)	(8,152,858)	(115,663)	(650,540)	(1,233,588)	-	(11,344,185)
Closing net book amount	183,800,000	72,424,013	54,048,219	730,489	1,878,488	3,066,161	-	315,947,370
At 31 December 2016								
Cost	183,800,000	73,615,549	68,184,231	946,680	3,079,818	6,243,661	-	335,869,939
Less Accumulated depreciation	-	(1,191,536)	(14,136,012)	(216,191)	(1,201,330)	(3,177,500)	-	(19,922,569)
Net book amount	183,800,000	72,424,013	54,048,219	730,489	1,878,488	3,066,161	-	315,947,370
For the year ended 31 December 2017								
Opening net book amount	183,800,000	72,424,013	54,048,219	730,489	1,878,488	3,066,161	-	315,947,370
Additions	-	152,500	14,133,445	296,771	514,249	679,000	2,448,559	18,224,524
Transfer - net	-	-	2,486,607	178,960	(217,008)	-	(2,448,559)	-
Disposals and written offs - net	-	-	(1,958,404)	-	(10,093)	-	-	(1,968,497)
Depreciation charge	-	(3,682,460)	(14,852,031)	(239,206)	(770,095)	(1,321,211)	-	(20,865,003)
Closing net book amount	183,800,000	68,894,053	53,857,836	967,014	1,395,541	2,423,950	-	311,338,394
At 31 December 2017								
Cost	183,800,000	73,768,049	82,287,941	1,518,412	3,240,390	6,922,661	-	351,537,453
Less Accumulated depreciation	-	(4,873,996)	(28,430,105)	(551,398)	(1,844,849)	(4,498,711)	-	(40,199,059)
Net book amount	183,800,000	68,894,053	53,857,836	967,014	1,395,541	2,423,950	-	311,338,394

13 Property, plant and equipment (Cont'd)

Land and buildings of Baht 252.55 million (2016: Baht 256.22 million) have been pledged for long-term borrowings from bank (Note 16).

Additions include Baht 6.5 million (2016: Baht 5.9 million) assets leased under finance leases where the Group is lessee.

Leased assets where the Group is a lessee under a finance lease, comprise motor vehicles:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
At 31 December				
Cost	7,503,000	5,865,000	6,544,000	5,865,000
<u>Less</u> Accumulated depreciation	(4,481,064)	(3,153,018)	(4,398,564)	(3,153,018)
Net book amount	<u>3,021,936</u>	<u>2,711,982</u>	<u>2,145,436</u>	<u>2,711,982</u>

14 Intangible assets

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
At 1 January				
Cost	3,377,216	3,012,916	3,347,316	3,012,916
<u>Less</u> Accumulated amortisation	(474,204)	(165,711)	(471,951)	(165,711)
Net book amount	<u>2,903,012</u>	<u>2,847,205</u>	<u>2,875,365</u>	<u>2,847,205</u>
For the year ended 31 December				
Opening net book amount	2,903,012	2,847,205	2,875,365	2,847,205
Additions	3,080,978	364,300	3,039,478	334,400
Software under installation	3,642,657	-	3,642,657	-
Amortisation charge	(501,407)	(308,493)	(496,016)	(306,240)
Closing net book amount	<u>9,125,240</u>	<u>2,903,012</u>	<u>9,061,484</u>	<u>2,875,365</u>
At 31 December				
Cost	10,100,851	3,377,216	10,029,451	3,347,316
<u>Less</u> Accumulated amortisation	(975,611)	(474,204)	(967,967)	(471,951)
Net book amount	<u>9,125,240</u>	<u>2,903,012</u>	<u>9,061,484</u>	<u>2,875,365</u>

15 Deferred tax assets

The analysis of deferred tax assets is as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Deferred tax assets to be recovered within 12 months	161,654	204,591	161,126	204,591
Deferred tax assets to be recovered after more than 12 months	260,098	-	250,415	-
	<u>421,752</u>	<u>204,591</u>	<u>411,541</u>	<u>204,591</u>

The movements on deferred income taxes during the years are as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Opening net book value	204,591	627,508	204,591	627,508
Charged (credited) to profit or loss (Note 23)	184,695	86,157	174,484	86,157
Charged (credited) to other comprehensive income (Note 23)	32,466	(509,074)	32,466	(509,074)
Closing net book value	<u>421,752</u>	<u>204,591</u>	<u>411,541</u>	<u>204,591</u>

The movements in deferred tax assets during the year is as follows:

	Consolidated financial statements			
	2016 Baht	Charged (credited) to profit or loss Baht	Charged (credited) to other comprehensive income Baht	2017 Baht
Allowances for doubtful accounts	10,080	30,238	-	40,318
Employee benefits obligations	194,511	131,828	32,465	358,804
Assets under finance lease	-	22,630	-	22,630
	<u>204,591</u>	<u>184,696</u>	<u>32,465</u>	<u>421,752</u>

	Separate financial statements			
	2016 Baht	Charged (credited) to profit or loss Baht	Charged (credited) to other comprehensive income Baht	2017 Baht
Allowances for doubtful accounts	10,080	30,238	-	40,318
Employee benefits obligations	194,511	122,145	32,465	349,121
Assets under finance lease	-	22,102	-	22,102
	<u>204,591</u>	<u>174,485</u>	<u>32,465</u>	<u>411,541</u>

16 Borrowings

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 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	1,229,788	916,582	1,095,378	916,582
Borrowings from related parties (Note 26)	-	79,500,000	-	79,500,000
Total current borrowings	39,869,788	119,056,582	39,735,378	119,056,582
Non-Current				
Long-term borrowings from banks	182,340,000	220,980,000	182,340,000	220,980,000
Finance lease liabilities	1,271,628	1,333,511	730,417	1,333,511
Total non-current borrowings	183,611,628	222,313,511	183,070,417	222,313,511
Total borrowings	223,481,416	341,370,093	222,805,795	341,370,093

The interest rate exposure on the bank borrowings of the Group is as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Borrowings:				
- at fixed rates	15,680,000	18,560,000	15,680,000	18,560,000
- at floating rates	205,300,000	241,060,000	205,300,000	241,060,000
Total borrowings	220,980,000	259,620,000	220,980,000	259,620,000

The effective interest rates at the statement of financial position date were as follows:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Bank borrowings	4.00% - 5.39%	4.00% - 5.53%	4.00% - 5.39%	4.00% - 5.53%

16.1 Long-term borrowings from banks

The movements of long-term borrowings from financial institutions during the year are as follows:

For the years ended 31 December	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Beginning balance	259,620,000	-	259,620,000	-
Additions	-	270,000,000	-	270,000,000
Repayments	(38,640,000)	(10,380,000)	(38,640,000)	(10,380,000)
Ending balance	220,980,000	259,620,000	220,980,000	259,620,000

On 15 January 2016, the Company entered into the loan agreement with a local financial institution 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 financial institution 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 financial institution 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 13), its director, and its ultimate parent.

16 Borrowings (Cont'd)

16.1 Long-term borrowings from banks (Cont'd)

The carrying amounts and fair values of certain long-term borrowings from banks are as follows:

	Consolidated financial statements			
	Book value		Fair value	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Long-term borrowings from banks	220,980,000	259,620,000	220,980,000	259,620,000

	Separate financial statements			
	Book value		Fair value	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Long-term borrowings from banks	220,980,000	259,620,000	220,980,000	259,620,000

The fair value of current borrowings approximate to their carrying amount, as the impact of discounting is not significant.

The fair value are based on discounted cash flows using a discount rate based upon the borrowing rate of 4.00% to 5.39% (2016: 4.00% to 5.53%) which are within level 2 of the fair value hierarchy.

Maturity of long-term borrowings is as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Within 1 year	38,640,000	38,640,000	38,640,000	38,640,000
Later than 1 years but not later than 5 years	182,340,000	220,980,000	182,340,000	220,980,000
Total long-term borrowings	220,980,000	259,620,000	220,980,000	259,620,000

17 Trade and other payables

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Trade accounts payable	147,146,072	50,891,427	141,662,128	50,215,392
Trade accounts payable - related parties (Note 26)	1,647,741	1,088,527	18,066,615	8,676,865
Accrued expenses	22,735,668	19,528,689	20,126,753	13,752,449
Accrued expenses - related parties (Note 26)	-	-	4,769,365	8,870,661
Other payables	66,640	416,878	-	2,000
Total trade and other payables	171,596,121	71,925,521	184,624,861	81,517,367

18 Employee benefit obligations

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Retirement benefit obligations (Thailand law)				
Statement of financial position				
Employee benefit obligations	1,794,021	972,556	1,745,606	972,556
Profit or loss charge included in operating profit for:				
Employee benefit obligations	659,133	380,388	610,718	380,388
Remeasurement for:				
Employee benefit obligations	(129,866)	2,036,297	(129,866)	2,036,297

Retirement benefits

The plans are final salary retirement plans. The level of benefits provided depends on members' length of service and their salary in the final years leading up to retirement.

The movement in the defined benefit obligation over the year is as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
For the year ended 31 December				
Opening balance	972,556	3,137,539	972,556	3,137,539
Current service cost	615,855	366,824	568,943	366,824
Interest cost	43,278	13,564	41,775	13,564
Remeasurement				
Loss (gain) from change in financial assumptions	162,332	(2,545,371)	162,332	(2,545,371)
Closing balance	1,794,021	972,556	1,745,606	972,556

The principal actuarial assumptions used were as follows:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Discount rate	2.19 - 3.06%	2.71%	2.19%	2.71%
Salary growth rate	3.20 - 5.00%	4.71%	3.20%	4.71%

Sensitivity analysis for each significant assumption used is as follows:

Consolidated financial statements						
Impact on defined benefit obligation						
Change in assumption	Increase in assumption		Decrease in assumption			
	2017	2016	2017	2016	2017	2016
Discount rate	0.5%	0.5%	Decrease by 2 - 9%	Decrease by 3%	Increase by 2 - 10%	Increase by 3%
Salary growth rate	0.5%	0.5%	Increase by 2 - 10%	Increase by 2%	Decrease by 2 - 9%	Decrease by 2%
Separated financial statements						
Impact on defined benefit obligation						
Change in assumption	Increase in assumption		Decrease in assumption			
	2017	2016	2017	2016	2017	2016
Discount rate	0.5%	0.5%	Decrease by 2%	Decrease by 3%	Increase by 2%	Increase by 3%
Salary growth rate	0.5%	0.5%	Increase by 2%	Increase by 2%	Decrease by 2%	Decrease by 2%

18 Employee benefit obligations (Cont'd)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method has been applied as when calculating the pension liability recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis have not been changed when compared to the previous year.

Expected maturity analysis of undiscounted retirement are as follows:

		Consolidated financial statements				
		Less than a year Baht	Between 1 - 2 years Baht	Between 2 - 5 years Baht	Over 5 years Baht	Total Baht
At 31 December 2017						
Retirement benefits		-	563,375	2,497,411	4,822,108	7,882,894
		Consolidated financial statements				
		Less than a year Baht	Between 1 - 2 years Baht	Between 2 - 5 years Baht	Over 5 years Baht	Total Baht
At 31 December 2016						
Retirement benefits		-	-	1,365,996	3,860,600	5,226,596
		Separate financial statements				
		Less than a year Baht	Between 1 - 2 years Baht	Between 2 - 5 years Baht	Over 5 years Baht	Total Baht
At 31 December 2017						
Retirement benefits		-	563,375	2,274,825	3,720,069	6,558,269
		Separate financial statements				
		Less than a year Baht	Between 1 - 2 years Baht	Between 2 - 5 years Baht	Over 5 years Baht	Total Baht
At 31 December 2016						
Retirement benefits		-	-	1,365,996	3,860,600	5,226,596

19 Share capital

	Consolidated and Separate financial statements			
	Authorised share capital		Issued and paid-up capital	
	Number of Shares Shares	Ordinary shares Baht	Number of Shares Shares	Ordinary shares Baht
At 1 January 2016	545,000	54,500,000	545,000	54,500,000
Issue of shares	40,000	4,000,000	40,000	4,000,000
At 31 December 2016	585,000	58,500,000	585,000	58,500,000
Issue of shares	415,000	41,500,000	415,000	41,500,000
At 31 December 2017	1,000,000	100,000,000	1,000,000	100,000,000

The total number of authorised ordinary shares is 1,000,000 shares (2016: 585,000 shares) with a par value of Baht 100 per share (2016: Baht 100 per share). All issued shares are fully paid.

On 9 December 2017, the shareholders at the extraordinary meeting passed a resolution to approve increase the authorised share capital from 585,000 ordinary shares with a par value of Baht 100 per share to 1,000,000 ordinary shares with a par value of Baht 100 per share. On 19 December 2017, the Company received subscription of 415,000 additional shares at Baht 100 per share. The Company registered the increased share capital with the ministry of commerce on 20 December 2017.

20 Legal reserve

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
At 1 January	-	-	-	-
Appropriation during the year	1,128,546	-	1,128,546	-
At 31 December	1,128,546	-	1,128,546	-

The reserve was set up in accordance with the provision of the Civil and Commercial Code which require the appropriation as a legal reserve of at least 5% of net income at each dividend declaration until the reserve reaches 10% of authorised capital. The reserve is not available for dividend distribution.

21 Other income

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
For the year ended 31 December				
Rental income	-	105,680	1,079,702	1,208,266
Interest income	-	41,189	314,678	41,189
Others	2,690,489	4,098,640	3,708,531	4,456,407
	<u>2,690,489</u>	<u>4,245,509</u>	<u>5,102,911</u>	<u>5,705,862</u>

22 Expense by nature

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
For the years ended 31 December				
Material cost	394,108,719	156,842,658	386,440,537	146,277,497
Subcontractor cost	153,463,026	122,472,272	218,253,885	160,771,503
Depreciation and amortisation (Note 13 and 14)	21,780,450	11,758,552	21,361,019	11,650,424
Employee salaries and wages	247,771,742	197,729,007	206,745,951	169,069,850
Employee benefit expense (Note 18)	659,133	380,388	610,718	380,388

23 Income tax

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
For the year ended 31 December				
Current tax	6,264,841	3,929,190	6,136,352	3,107,023
Deferred income tax expense (Note 15)	(184,696)	(86,157)	(174,485)	(86,157)
Income tax	6,080,145	3,843,033	5,961,867	3,020,866

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the basic weighted average tax rate applicable to profit of the Company as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
For the years ended 31 December				
Profit before income tax	29,249,391	16,526,856	29,488,117	12,798,816
Tax calculated at the tax rate of 20%	5,849,878	3,305,371	5,897,624	2,559,763
Expenses not deductible for tax purposes	53,880	468,594	53,880	468,594
Additional expense deductions allowed	-	(7,491)	-	(7,491)
Others	176,387	76,559	10,363	-
Income tax	6,080,145	3,843,033	5,961,867	3,020,866

The weighted average applicable tax rate was 20% (2016: 20%).

23 Income tax (Cont'd)

The tax (charge)/credit relating to component of other comprehensive income is as follows:

	Consolidated financial statements					
	2017			2016		
	Before tax Baht	Tax (charge) credit Baht	After tax Baht	Before tax Baht	Tax (charge) credit Baht	After tax Baht
At 31 December						
Remeasurement for:						
Employee benefit obligations	(162,332)	32,466	(129,866)	2,545,371	(509,074)	2,036,297
Other comprehensive income	<u>(162,332)</u>	<u>32,466</u>	<u>(129,866)</u>	<u>2,545,371</u>	<u>(509,074)</u>	<u>2,036,297</u>
Deferred tax (note 15)		<u>32,466</u>			<u>(509,074)</u>	
Separated financial statements						
	2017			2016		
	Before tax Baht	Tax (charge) credit Baht	After tax Baht	Before tax Baht	Tax (charge) credit Baht	After tax Baht
	Before tax Baht	Tax (charge) credit Baht	After tax Baht	Before tax Baht	Tax (charge) credit Baht	After tax Baht
At 31 December						
Remeasurement for:						
Employee benefit obligations	(162,332)	32,466	(129,866)	2,545,371	(509,074)	2,036,297
Other comprehensive income	<u>(162,332)</u>	<u>32,466</u>	<u>(129,866)</u>	<u>2,545,371</u>	<u>(509,074)</u>	<u>2,036,297</u>
Deferred tax (note 15)		<u>32,466</u>			<u>(509,074)</u>	

24 Earnings per share

Basic earnings per share are calculated by dividing the net profit for the year attributable to shareholders by the weighted average number of ordinary shares (Note 19).

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Net profit attributable to ordinary shareholders of the parent (Baht)	22,913,555	11,079,596	23,526,250	9,777,950
Weighted average number of ordinary shares outstanding (Shares)	599,781	574,399	599,781	574,399
Basic earnings per share (Baht)	<u>38.20</u>	<u>19.29</u>	<u>39.22</u>	<u>17.02</u>

25 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
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

26 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 widely held. 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 subsidiary and related parties:

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

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
For the year ended 31 December				
Rental income				
Related parties	144,000	-	144,000	-
Subsidiary	-	-	853,573	-
	<u>144,000</u>	<u>-</u>	<u>997,573</u>	<u>-</u>
Interest income				
Subsidiary	-	-	314,678	-
	<u>-</u>	<u>-</u>	<u>314,678</u>	<u>-</u>
Service income				
Related parties	73,853	-	73,853	-
Subsidiary	-	-	198,129	-
	<u>73,853</u>	<u>-</u>	<u>271,982</u>	<u>-</u>
Other income				
Related parties	70,000	-	70,000	-
Subsidiary	-	-	28,000	-
	<u>70,000</u>	<u>-</u>	<u>98,000</u>	<u>-</u>

26 Related-party transactions (Cont'd)

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

b) Purchases of goods and services, and interest expenses

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
For the years ended 31 December				
Cost of constution contracts				
Related parties	9,744,935	1,269,738	9,744,935	1,269,738
	<u>9,744,935</u>	<u>1,269,738</u>	<u>9,744,935</u>	<u>1,269,738</u>
Interest expenses				
The parent	2,889,444	2,689,219	2,889,444	2,689,219
The ultimate parent	574,041	3,735,342	574,041	3,735,342
	<u>3,463,485</u>	<u>6,424,561</u>	<u>3,463,485</u>	<u>6,424,561</u>

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

	Consolidated financial statments		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Receivable				
Related parties	24,414	-	24,414	-
Subsidiary	-	-	2,362,436	1,272,604
	<u>-</u>	<u>-</u>	<u>2,362,436</u>	<u>1,272,604</u>
Advance payments				
Subsidiary	-	-	5,285,630	1,539,322
	<u>-</u>	<u>-</u>	<u>5,285,630</u>	<u>1,539,322</u>
Accrued interest income				
Subsidiary	-	-	232,020	37,786
	<u>24,414</u>	<u>-</u>	<u>7,904,500</u>	<u>2,849,712</u>
Trade accounts payable				
Related parties	1,647,741	1,088,527	1,647,741	1,088,527
Subsidiary	-	-	16,418,874	7,588,338
	<u>1,647,741</u>	<u>1,088,527</u>	<u>18,066,615</u>	<u>8,676,865</u>
Accrued expenses				
The parent	-	2,494,836	-	2,494,836
The ultimate parent	-	2,288,014	-	2,288,014
Subsidiary	-	-	4,769,365	4,087,811
	<u>-</u>	<u>4,782,850</u>	<u>4,769,365</u>	<u>8,870,661</u>

26 Related-party transactions (Cont'd)

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

d) Short-term loans to related parties

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Subsidiary	-	-	5,000,000	5,000,000

The movement of loans to related parties are as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Opening balance	-	-	5,000,000	-
Additions	-	-	3,000,000	5,000,000
Repayments	-	-	(3,000,000)	-
Ending balance	-	-	5,000,000	5,000,000

The Company has short-term loan to a subsidiary. The loan is unsecured loan and carry interest at the rate of 8.62% per annum. The loan is due for repayment on demand. No provision has been required in the year 2017 for the loans to related parties.

e) Borrowings from related parties

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
The parent	-	49,500,000	-	49,500,000
The ultimate parent	-	30,000,000	-	30,000,000
	-	79,500,000	-	79,500,000

The movement of loans from related parties are as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Opening balance	79,500,000	31,500,000	79,500,000	31,500,000
Additions	113,000,000	153,200,000	113,000,000	153,200,000
Acquisitions through subsidiary	-	400,000	-	-
Repayments	(192,500,000)	(105,600,000)	(192,500,000)	(105,200,000)
Ending balance	-	79,500,000	-	79,500,000

The Company has borrowing from related parties. The loan is unsecured loan and carry interest at the rate of 6.03% - 6.28% per annum. The loan is due for repayment on demand.

26 Related-party transactions (Cont'd)

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

f) 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	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
For the year ended 31 December				
Salaries and other short-term employee benefits	13,228,425	9,232,599	10,348,707	8,582,599
Employee benefit obligations	300,101	96,699	300,101	96,699
	<u>13,528,526</u>	<u>9,329,298</u>	<u>10,648,808</u>	<u>8,679,298</u>

27 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	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Letters of guarantees	<u>442,174,377</u>	<u>215,820,030</u>	<u>442,174,377</u>	<u>215,820,030</u>

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	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Within 1 year	2,381,150	527,000	1,291,650	485,000
Within 2 to 5 years	420,000	549,292	420,000	549,292
Over 5 years	-	-	-	-
Total	<u>2,801,150</u>	<u>1,076,292</u>	<u>1,711,650</u>	<u>1,034,292</u>

28 Contingencies

Contingent liabilities

The Company was sued from claiming damage case by one 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 dismissed the case and the Company is free from liabilities regarding this claim. The plaintiff file an appeal with its claims to the Court of Appeal on 22 February 2018. On 11 March 2018, the Company received notice from the court to defend the plaintiff's appeal within 10 April 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.

29 Events after the reporting period

On 23 March 2018, the Board of Directors approved the following significant matters.

Dividend payment

Dividend payment from retained earnings as at 31 December 2017 at Baht 27.83 per share for 1,000,000 shares, totalling Baht 27.83 million. This will be passed to the shareholders for approval at the annual shareholders' meeting in April 2018.

Transformation from a Limited Company to a Public Limited Company

Transformation of the Company to become a Public Limited Company under Public Limited Company Act, B.E. 2535 to support its initial public offering plan. This will be passed to the shareholders for approval at the next shareholders' meeting.

Change in par value and issuing of new shares

Change in the par value of ordinary shares from Baht 100 per share to Baht 0.50 per share and an increase in the authorised share capital from Baht 100 million to Baht 140 million. These matters will be passed to the shareholders for approval at the next shareholders' meeting.