

AUDITOR'S REPORT

To The Shareholders of Dcon Products Public Company Limited

I have audited consolidated statements of financial position of DCON PRODUCTS PUBLIC COMPANY LIMITED AND SUBSIDIARIES and the separate statements of financial position of DCON PRODUCTS PUBLIC COMPANY LIMITED as at December 31, 2011 and 2010, and the related consolidated statements of comprehensive income and separate statements of comprehensive income, consolidated statements of changes in shareholders' equity and separate statements of changes in shareholders' equity, and consolidated statements of cash flows and separate statements of cash flows for the years then ended. These financial statements are the responsibility of the Company's management as to their correctness and completeness of the presentation. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. I believe that my audits provide a reasonable basis for my opinion.


In my opinion, the consolidated and separate financial statements referred to above present fairly in all material respects, the consolidated financial position of DCON PRODUCTS PUBLIC COMPANY LIMITED AND SUBSIDIARIES and separate financial position of DCON PRODUCTS PUBLIC COMPANY LIMITED as at December 31, 2011 and 2010 and the results of consolidated and separate operations and cash flows for the years then ended in conformity with generally accepted accounting principles.

As stated in note 2, 4 and 5 to financial statements for the year ended December 31, 2011, the Company adopted the revised financial reporting standards issued by the Federation of Accounting Professions and in accordance with the notification of the Department of Business Development regarding the condensed form should be included in the financial statements B.E. 2554, that the adoption is effective for the financial statements for the accounting periods beginning on or after January 1, 2011 onwards for preparation and presentation these financial statements. Accordingly the comparative consolidated and separate financial statements for the year ended December 31, 2010 have been presented in new format for corresponding with the consolidated and separate financial statements for the year ended December 31, 2011.

D I A International Audit Co., Ltd.

February 23, 2012

Office of D I A International Auditing



(Mrs. Vilairat Rojnuckarin)

C.P.A. (Thailand)

Registration No. 3104

DCON PRODUCTS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2011 AND 2010

Assets	Note	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
		2011	2010	2011	2010
Current assets					
Cash and cash equivalents	6	49,388,593.06	30,205,481.38	39,746,060.71	23,338,543.76
Current investment	7	261,072.87	20,171,569.90	261,072.87	20,171,569.90
Trade and other receivables	8	97,314,656.70	106,227,044.00	90,435,112.77	101,605,933.72
Short - term loans to other persons		3,570,350.00	3,570,350.00	3,570,350.00	3,570,350.00
Inventories	9	210,405,164.41	192,387,887.44	49,300,487.10	49,884,055.96
Total current assets		360,939,837.04	352,562,332.72	183,313,083.45	198,570,453.34
Non-current assets					
Land held for development	10	49,370,259.64	49,370,259.64	0.00	0.00
Investment in subsidiaries	11	0.00	0.00	241,663,520.71	223,333,320.00
Investment property	12	31,750,100.20	35,500,885.58	0.00	0.00
Property, plant and equipment	13	286,853,057.35	252,799,350.40	249,466,727.07	215,129,226.33
Intangible assets	14	4,497,963.65	5,208,623.85	4,497,963.65	5,208,623.85
Non-operating assets	15	105,415,757.54	115,062,017.71	105,415,757.54	115,062,017.71
Deposit for purchasing land		0.00	3,700,000.00	0.00	3,700,000.00
Other non-current assets		896,086.02	1,240,396.02	896,086.02	1,240,396.02
Total non-current assets		478,783,224.40	462,881,533.20	601,940,054.99	563,673,583.91
Total assets		839,723,061.44	815,443,865.92	785,253,138.44	762,244,037.25

Notes to financial statements are parts of these financial statements.

DCON PRODUCTS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (Continued)

AS AT DECEMBER 31, 2011 AND 2010

Liabilities and shareholders' equity	Note	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
		2011	2010	2011	2010
Current liabilities					
Bank overdrafts and short - term loans					
from financial institutions	16	2,207,773.46	5,729,099.98	1,534,023.89	2,522,774.35
Trade and other payables		85,085,684.03	92,673,757.03	78,908,823.83	87,468,995.75
Payables under the Court's judgement	18	16,108,998.59	0.00	0.00	0.00
Share subscription payable		0.00	0.00	0.00	10,000,000.00
Current portion of long - term debt	17	651,820.24	243,885.14	0.00	0.00
Accrued income tax		11,804,737.45	10,456,557.22	9,399,712.09	9,449,128.65
Total current liabilities		115,859,013.77	109,103,299.37	89,842,559.81	109,440,898.75
Non-current liabilities					
Liabilities under financial lease agreement	17	568,148.19	559,466.12	0.00	0.00
Employee benefit obligations		3,512,764.52	0.00	3,231,374.52	0.00
Long-term provisions	18	0.00	10,010,000.00	0.00	0.00
Other non-current liabilities		1,307,195.60	1,810,715.60	317,195.60	570,715.60
Total non-current liabilities		5,388,108.31	12,380,181.72	3,548,570.12	570,715.60
Total liabilities		121,247,122.08	121,483,481.09	93,391,129.93	110,011,614.35

Notes to financial statements are parts of these financial statements.

DCON PRODUCTS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (Continued)

AS AT DECEMBER 31, 2011 AND 2010

Liabilities and shareholders' equity (Cont.)	Note	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
		2011	2010	2011	2010
Shareholders' equity					
Share capital					
Authorized share capital					
206,000,000 common shares					
of Baht 1 each	19	206,000,000.00	206,000,000.00	206,000,000.00	206,000,000.00
Issued and paid-up share capital					
200,000,000 common shares					
of Baht 1 each		200,000,000.00	200,000,000.00	200,000,000.00	200,000,000.00
Premium on common share capital		319,825,000.00	319,825,000.00	319,825,000.00	319,825,000.00
Retained earnings					
Appropriated					
Legal reserve	20	20,600,000.00	20,600,000.00	20,600,000.00	20,600,000.00
Unappropriated	21	184,040,115.22	138,804,769.46	151,437,008.51	111,807,422.90
Other components of equity		(5,992,404.63)	0.00	0.00	0.00
Total owners of the Company		718,472,710.59	679,229,769.46	691,862,008.51	652,232,422.90
Non-controlling interests		3,228.77	14,730,615.37	0.00	0.00
Total shareholders' equity		718,475,939.36	693,960,384.83	691,862,008.51	652,232,422.90
Total liabilities and shareholders' equity		839,723,061.44	815,443,865.92	785,253,138.44	762,244,037.25

Notes to financial statements are parts of these financial statements.

DCON PRODUCTS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	Note	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
		2011	2010	2011	2010
Sales and services		820,826,419.80	738,876,927.71	721,273,082.80	628,609,501.13
Cost of sales and services		(554,223,834.86)	(500,838,315.68)	(491,072,466.16)	(422,278,954.36)
Gross profit		266,602,584.94	238,038,612.03	230,200,616.64	206,330,546.77
Other income					
Gain on disposal of investment property		6,004,589.09	0.00	0.00	0.00
Others		10,876,691.43	11,988,054.61	15,249,365.06	17,464,684.53
Selling expenses		(95,469,842.63)	(85,278,445.69)	(91,528,127.70)	(81,825,886.53)
Administrative expenses		(63,342,869.59)	(66,066,453.67)	(48,956,990.01)	(51,174,347.57)
Loss from Court's judgement	18	(6,098,998.59)	0.00	0.00	0.00
Finance costs		(353,911.69)	(354,585.27)	(31,846.65)	(52,417.66)
Profit before income tax		118,218,242.96	98,327,182.01	104,933,017.34	90,742,579.54
Income tax expenses	22	(34,296,449.66)	(24,866,483.36)	(26,618,087.73)	(21,042,131.47)
Profit for the year		83,921,793.30	73,460,698.65	78,314,929.61	69,700,448.07
Other comprehensive income		0.00	0.00	0.00	0.00
Total comprehensive income for the year		83,921,793.30	73,460,698.65	78,314,929.61	69,700,448.07
Total comprehensive income attributable to :					
Owners of the Company		83,920,689.76	71,430,088.79	78,314,929.61	69,700,448.07
Non-controlling interests		1,103.54	2,030,609.86	0.00	0.00
		83,921,793.30	73,460,698.65	78,314,929.61	69,700,448.07
Earnings per share	23				
Basic earnings per share		0.42	0.36	0.39	0.35
Weighted average number of common shares		200,000,000	200,000,000	200,000,000	200,000,000
Diluted earnings per share		0.41	0.35	0.38	0.34
Weighted average number of common shares		203,832,649	202,253,738	203,832,649	202,253,738

Notes to financial statements are parts of these financial statements.

DCON PRODUCTS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

Consolidated financial statements (Baht)								
Note	Equity holders of the Company					Total equity holders of the parent	Non-controlling interests	Total shareholders' equity
	Issued and paid-up share capital	Premium on share capital	Retained earnings		Other components of equity			
Appropriated			Unappropriated	Different of change in percentage of investment in subsidiary				
Balance as at December 31, 2009	200,000,000.00	319,825,000.00	20,000,000.00	85,974,680.67	0.00	625,799,680.67	14,800,007.91	640,599,688.58
The changes in shareholders' equity for the year 2010 :								
Total comprehensive income for the year								
	0.00	0.00	0.00	71,430,088.79	0.00	71,430,088.79	2,030,609.86	73,460,698.65
Legal reserve	20	0.00	0.00	600,000.00	(600,000.00)	0.00	0.00	0.00
Dividend paid	21	0.00	0.00	0.00	(18,000,000.00)	0.00	(18,000,000.00)	(2,100,002.40)
Balance as at December 31, 2010	200,000,000.00	319,825,000.00	20,600,000.00	138,804,769.46	0.00	679,229,769.46	14,730,615.37	693,960,384.83
Effects of adoption the new accounting policy-employee benefits								
	5	0.00	0.00	0.00	(2,685,344.00)	0.00	(2,685,344.00)	0.00
Balance as at January 1, 2011								
- after restatement	200,000,000.00	319,825,000.00	20,600,000.00	136,119,425.46	0.00	676,544,425.46	14,730,615.37	691,275,040.83
The changes in shareholders' equity for the year 2011 :								
Total comprehensive income for the year								
	0.00	0.00	0.00	83,920,689.76	0.00	83,920,689.76	1,103.54	83,921,793.30
Dividend paid	21	0.00	0.00	0.00	(36,000,000.00)	0.00	(36,000,000.00)	0.00
Interim dividend	21	0.00	0.00	0.00	0.00	0.00	(2,390,694.06)	(2,390,694.06)
Purchase investment in subsidiary								
	10	0.00	0.00	0.00	0.00	(5,992,404.63)	(5,992,404.63)	(12,337,796.08)
Balance as at December 31, 2011	200,000,000.00	319,825,000.00	20,600,000.00	184,040,115.22	(5,992,404.63)	718,472,710.59	3,228.77	718,475,939.36

Notes to financial statements are parts of these financial statements.

DCON PRODUCTS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	Note	Separate financial statements (Baht)				Total shareholders' equity
		Issued and paid-up share capital	Premium on share capital	Retained earnings		
				Appropriated	Unappropriated	
Balance as at December 31, 2009		200,000,000.00	319,825,000.00	20,000,000.00	60,706,974.83	600,531,974.83
The changes in shareholders' equity						
for the year 2010 :						
Total comprehensive income						
for the year		0.00	0.00	0.00	69,700,448.07	69,700,448.07
Legal reserve	20	0.00	0.00	600,000.00	(600,000.00)	0.00
Dividend paid	21	0.00	0.00	0.00	(18,000,000.00)	(18,000,000.00)
Balance as at December 31, 2010		200,000,000.00	319,825,000.00	20,600,000.00	111,807,422.90	652,232,422.90
Effects of adoption the new accounting						
policy-employee benefits	5	0.00	0.00	0.00	(2,685,344.00)	(2,685,344.00)
Balance as at January 1, 2010						
- after restatement		200,000,000.00	319,825,000.00	20,600,000.00	109,122,078.90	649,547,078.90
The changes in shareholders' equity						
for the year 2011:						
Total comprehensive income						
for the year		0.00	0.00	0.00	78,314,929.61	78,314,929.61
Dividend paid	21	0.00	0.00	0.00	(36,000,000.00)	(36,000,000.00)
Balance as at December 31, 2011		200,000,000.00	319,825,000.00	20,600,000.00	151,437,008.51	691,862,008.51

Notes to financial statements are parts of these financial statements.

DCON PRODUCTS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2011	2010	2011	2010
Cash flows from operating activities				
Profit before income tax	118,218,242.96	98,327,182.01	104,933,017.34	90,742,579.54
Adjustment				
Depreciation	38,605,382.32	44,874,221.57	34,147,817.48	39,628,645.42
Doubtful accounts	0.00	708,485.12	0.00	530,000.00
Loss on obsolete goods	0.00	62,474.22	0.00	0.00
Reversed loss on obsolete goods	0.00	(275,191.91)	0.00	(275,191.91)
Gain on disposal of investment property	(6,004,589.09)	0.00	0.00	0.00
Gain on disposal of equipment	(947,583.98)	(2,529,591.90)	(903,605.27)	(2,529,783.79)
Amortized intangible assets	710,660.20	655,994.40	710,660.20	655,994.40
Amortized withholding income tax	0.00	139.12	0.00	0.00
Loss form Court's judgement	6,098,998.59	360,000.00	0.00	0.00
Employee benefit provisions	827,420.52	0.00	546,030.52	0.00
Dividend received	0.00	0.00	(4,781,379.94)	(4,199,997.60)
Interest expenses	353,911.69	354,585.27	31,846.65	52,417.66
	157,862,443.21	142,538,297.90	134,684,386.98	124,604,663.72
(Increase) Decrease in portion of operating assets				
Trade and other receivables	8,912,387.30	(36,705,143.49)	11,170,820.95	(36,154,636.32)
Inventories	(18,017,276.97)	(74,459,377.09)	583,568.86	(8,411,811.01)
Non - operating assets	0.00	(703,198.20)	0.00	0.00
Other non - current assets	344,310.00	(425,081.03)	344,310.00	(425,081.03)
Increase (Decrease) in portion of operating liabilities				
Trade and other payables	(7,588,073.00)	28,973,728.70	(8,560,171.92)	27,896,084.38
Other non - current liabilities	(503,520.00)	915,715.60	(253,520.00)	570,715.60
Cash generated (paid) from operation	141,010,270.54	60,134,942.39	137,969,394.87	108,079,935.34

Notes to financial statements are parts of these financial statements.

DCON PRODUCTS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2011	2010	2011	2010
Interest paid	(353,911.69)	(354,585.27)	(31,846.65)	(52,417.66)
Income tax paid	(32,948,269.43)	(20,258,614.92)	(26,667,504.29)	(14,741,175.33)
Net cash provided by (used in) operating activities	107,708,089.42	39,521,742.20	111,270,043.93	93,286,342.35
Cash flows from investing activities				
(Increase) Decrease in current investment	19,910,497.03	(2,171,569.90)	19,910,497.03	(2,171,569.90)
Payments for purchase of ordinary share increase of subsidiary	(18,333,343.57)	0.00	(28,333,343.57)	(90,000,000.00)
Proceeds from sales of ordinary share of subsidiary	3,142.86	0.00	3,142.86	0.00
Dividend received from subsidiaries	0.00	0.00	4,781,379.94	4,199,997.60
Decrease in long - term loans to related companies	0.00	0.00	0.00	21,500,000.00
Proceeds from sales of investment property	8,515,750.00	0.00	0.00	0.00
Payments for purchase of equipment	(57,462,028.13)	(14,036,750.37)	(55,246,241.57)	(13,208,572.14)
Proceeds from sales of equipment	1,136,807.48	2,733,607.48	1,010,788.79	2,730,607.48
Net cash provided by (used in) investing activities	(46,229,174.33)	(13,474,712.79)	(57,873,776.52)	(76,949,536.96)
Cash flows from financing activities				
Increase (Decrease) in overdrafts and short - term loans from financial institutions	(3,521,326.52)	(140,900.47)	(988,750.46)	2,131,908.56
Decrease in long - term loans from other parties	0.00	(10,256,308.90)	0.00	(10,256,308.90)
Payments for liabilities under financial lease agreement	(383,782.83)	(209,098.79)	0.00	0.00
Dividend paid	(38,390,694.06)	(20,100,002.40)	(36,000,000.00)	(18,000,000.00)
Net cash provided by (used in) financing activities	(42,295,803.41)	(30,706,310.56)	(36,988,750.46)	(26,124,400.34)
Net increase (decrease) in cash and cash equivalents	19,183,111.68	(4,659,281.15)	16,407,516.95	(9,787,594.95)
Cash and cash equivalents as at January 1	30,205,481.38	34,864,762.53	23,338,543.76	33,126,138.71
Cash and cash equivalents as at December 31	49,388,593.06	30,205,481.38	39,746,060.71	23,338,543.76

Notes to financial statements are parts of these financial statements.

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2011 AND 2010

1. GENERAL INFORMATION

1.1 The Company was registered as a company limited on August 6, 1996 with registration no.(1) 1955/2539. On March 24, 2004, the Company was changed its status to public company limited with registration no.0107547000303.

1.2 The Company's office is located at 3300/57 Chang Tower B Building, 8th floor, Phaholyothin Road, Ladyao, Bangkok and the factories are located as follows :

1st factory : 33 Moo 8, Tambon Chong Sarika, Amphur Pattanakom, Lopburi.

2nd factory : 280 Moo 1, Leing Mueng Road, Tambon Chong Sarika, Amphur Pattanakom, Lopburi.

3rd factory : 39/3 Moo 7, Tambon Natai, Amphur Ban Naduam, Suratthani.

1.3 Business engagement

1.3.1 The Company engaged in business of manufacturing and selling of construction supplies (precast floor, concrete post and others).

1.3.2 The subsidiaries engaged in business of manufacturing and selling of construction supplies (precast floor and other), sales land and lease of real estate. The real estate project in progress as follows :

1) The project which had sales volume

	2011	2010
Bann Orrada Project		
Contract value (Baht)	211,061,496.00	184,395,000.00
% of total sales value	83.34	72.81

2) "Orrada Land Project" starts to operate in 2009 but had no sales volume.

3) "Orrada Ratchapruak Project" starts to operate in the third quarter of 2010 but had no sales volume.

2. BASIS OF FINANCIAL STATEMENTS PREPARATION AND PRESENTATION

2.1 PRESENTATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in conformity with generally accepted accounting principles enunciated under the Accounting Professions Act B.E. 2547 and presented in accordance with the notification of Department of Business Development by Ministry of Commerce dated September 28, 2011 regarding the condensed form should be included in the financial statements B.E. 2554 and the regulations of the Securities and Exchange Commission regarding the preparation and presentation of financial reporting under the Securities and Exchange Act B.E. 2535.

The financial statements have been prepared under the historical cost convention, except as transaction disclosed in related accounting policy.

2.2 PRESENTATION OF FINANCIAL STATEMENTS

The Company has applied TAS 1 (Revised 2009) "Presentation of Financial Statements". Under the revised standards, a set of financial statements comprises:

- Statement of financial position
- Statement of comprehensive income
- Statement of changes in shareholders' equity
- Statement of cash flows
- Notes to the financial statements

2.3 ISSUED AND REVISED FINANCIAL REPORTING STANDARDS

The Federation of Accounting Professions issued various revised financial reporting standards which certain standards are relevant to the Company's operations and effective for the accounting period beginning on or after January 1, 2011. The Company applied those standards as below:

<u>Financial reporting standards</u>	<u>Contents</u>
Framework for the Preparation and Presentation of Financial Statements (Revised 2009)	
TAS 1 (Revised 2009)	Presentation of Financial Statements
TAS 2 (Revised 2009)	Inventories
TAS 7 (Revised 2009)	Statements of Cash Flows
TAS 8 (Revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (Revised 2009)	Events After the Reporting Period
TAS 11 (Revised 2009)	Construction Contracts
TAS 16 (Revised 2009)	Property, Plant and Equipment
TAS 17 (Revised 2009)	Leases
TAS 18 (Revised 2009)	Revenue
TAS 19	Employee Benefits
TAS 23 (Revised 2009)	Borrowing Costs
TAS 24 (Revised 2009)	Related Party Disclosures

<u>Financial reporting standards</u>	<u>Contents</u>
TAS 27 (Revised 2009)	Consolidated and Separate Financial Statements
TAS 33 (Revised 2009)	Earnings per Share
TAS 34 (Revised 2009)	Interim Financial Reporting
TAS 36 (Revised 2009)	Impairment of Assets
TAS 37 (Revised 2009)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (Revised 2009)	Intangible Assets

The adoption of newly issued and revised financial reporting standards in these financial statements resulted to the changes in the Company's accounting policy. The effects have been disclosed in notes 5 to financial statements.

In addition the above newly issued and revised financial reporting standards, the other standards are expected to be effective for the financial statements beginning on or after January 1, 2013 and have not been adopted in the preparation of these financial statements. The details are following:

<u>Financial reporting standards</u>	<u>Contents</u>
TAS 12	Income Taxes
TAS 20 (Revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (Revised 2009)	The Effects of Changes in Foreign Exchange Rate
TSIC 10	Government Assistance-No Specific Relation to Operating Activities
TSIC 21	Income Taxes- Recovery of Revalued Non-Depreciable Assets
TSIC 25	Income Taxes- Changes in the Tax Status of an Enterprises or its Shareholders

At present, the Company is being evaluated the effects of those standards on the financial statements in the year in which they are initially applied.

3. CONSOLIDATED FINANCIAL STATEMENTS PREPARATION BASIS

The consolidated financial statements of Dcon Products Public Company Limited and its subsidiaries in which the Company has ability to control in making financial and operating decisions as follows:

	<u>Percentage of shareholding</u>		<u>Type of business</u>
	2011	2010	
Orrada Co., Ltd.	99.99	99.99	Sales and lease real estate
Rompo Products Co., Ltd.	99.99	66.67	Manufacturing and selling of precast floor

According to the minutes of Directors' meeting No. 1/2011 held on February 24, 2011, passed the resolution to purchase ordinary shares of Rompo Product Co., Ltd. (subsidiary) from Mr. Chareon Towan (related person) for 1,166,667 shares of Baht 15.71429 each, amounting to Baht 18.33 million or 33.33%, resulted the Company has increase in percentage of shareholding to 99.99% of the issued and paid-up share capital of such subsidiary. Difference of purchasing price and carrying value of net assets based on proportion in subsidiary was recorded in shareholders' equity.

After additionally purchase ordinary shares of subsidiary, the Company had sold investment in subsidiary to an executive administrator (100 shares) and an employee of subsidiary (100 shares) totalling 200 shares of Baht 15.71429 each, amounting to Baht 3,142.86, resulting to the shareholding proportion in subsidiary of the Company have not been changed.

The consolidated financial statements have been prepared in conformity with the same accounting policy for the same accounts and accounting events of the Company and subsidiaries.

The balance of accounts and transactions between Deon Products Public Company Limited and its subsidiaries unrealized gain between of the Company and net assets of subsidiaries have been eliminated from the consolidated financial statements.

4. SUMMARY SIGNIFICANT ACCOUNTING POLICIES

4.1 Revenues and Expenses Recognition

4.1.1 Revenues and expenses are recognized on an accrual basis.

4.1.2 Revenue from the sales of goods are recognized as income whenever the goods, the significant risks and rewards have been transferred to the buyer.

4.1.3 Revenue from assets for lease are recognized as income on over the period of the lease and based on the rate in agreement.

4.2 Cash and cash equivalents

Cash and cash equivalents included cash on hand and at banks of which are due within three months from the deposit date and without restriction on withdrawal.

4.3 Allowance for Doubtful accounts

The Company and subsidiaries provide the allowance for doubtful accounts from the estimated loss of uncollectible receivable based on a review of collection experience and current financial status of each receivable.

4.4 Inventory Valuation

Inventories are valued at the lower of cost on a first-in first-out (FIFO) basis or net realizable value.

Cost of land development is stated at cost which consist of cost of land acquisition, land development and expenses directly related to the project including interest.

4.5 Investment

Investments in securities for trading are stated at fair value. Gain or loss on changes in fair value is recognized as income or expenses in the statements of comprehensive income.

Investment in subsidiaries are stated at cost less provision for impairment (if any).

4.6 Investment Properties

TAS 40 (Revised 2009) "Investment Properties" are properties held to earn rental or for capital appreciation or both, is disclosed separately from property, plant and equipment and measured using the cost for investment properties. Depreciation and useful lives of investment properties were applied in accordance with TAS 16 (Revised 2009) "Property, Plant and Equipment" and the Company has adopted this accounting standard, which have no material impacts on investment property.

4.7 Property, plant and equipment

4.7.1 Land is stated at cost. Building and equipment are stated at cost less accumulated depreciation and provision for impairment of assets (if any)

4.7.2 Building and equipment are depreciation on a straight-line basis over the estimated useful lives of the assets as follows :

	Number of years
Building and building improvement	5, 10 and 20
Machinery and equipment	5, 10 and 15
Underground well	5 and 10
Furniture, fixtures and office equipment	5
Vehicles	5 and 10

Land and assets under construction were not depreciated.

4.7.3 TAS 16 (Revised 2009) required the entity to include cost of assets dismantlement, removal and restoration as parts of cost of property, plant and equipment, the depreciation charge has to be determined separately for each significant parts of property, plant and equipment. In addition, the entity is required to review the useful lives, residual value and depreciation method at least at each financial year - end. Nevertheless, the Company has adopted the revised accounting standards which have no material impact on the Company's property, plant and equipment.

4.8 Intangible assets

Intangible assets are valued at cost less accumulated amortization and provision for impairment of assets (if any).

Amortization is calculated on a straight-line basis as follows :

	Number of years
Computer software	10
Research and development costs	15

4.9 Impairment of assets

The Company and subsidiaries have assessed the impairment of assets whenever events or changes indicated that the carrying amount of an assets exceeds its recoverable value (net selling price of the assets under current operation or its utilization value whichever is higher). The Company will consider the impairment for each asset item or each asset unit generating cash flows, whenever is practical. In case of the carrying amount of an asset exceeds its recoverable value, the Company will recognize an impairment in the statements of comprehensive income. The Company will reverse the impairment loss whenever there is an indication that there is no longer impairment or reduction in impairment.

4.10 Financial instruments

Financial instruments are presented in statements of financial position, consist of cash and cash equivalents, current investment, trade and other receivables, bank overdrafts and short-term loans from financial institutions, trade and other payables and liabilities under financial lease agreement. The basis of recognition and measurement of each item is separately disclosed in the related transactions.

4.11 Long-term lease

The Company and subsidiaries recorded vehicles under financial lease agreement/hire purchase agreement as assets and liabilities in an amount equal to the fair value at the leased assets or the present value of minimum payments under agreement. Interest expenses are recorded on over the term of agreement.

4.12 Employee benefits

4.12.1 Provident fund

The Company has established provident fund under the defined contribution plan. The fund's assets are separated entities which are administered by the outsider fund manager. The Company and employees made contribution into such provident fund. The Company's contribution payments to the provident fund were recorded as expenses in statements of comprehensive income in the period in which they are incurred.

4.12.2 Post-Employee benefits

The Company provides for post-employment benefits, payable to employees under the Thai Labor Law. The present value of employee benefit liabilities recognized in the financial statements is estimated on an actuarial basis using Projected Unit Credit Method by the independent experts (Actuary). The calculation was made by utilizing various assumptions about future events. The Company is responsible for the selection of appropriate assumptions.

The principal actuarial assumptions used for employee benefits calculation were summarized as follows;

Discount rate	4.42 per annum
Employee turnover	Age-related scale and kind of employees
Mortality	According to Thailand TMO2008 male and female tables

4.13 Income tax

The Company and subsidiaries recognized corporate income tax by calculating from taxable net profit on the condition as described in the Revenue Code.

4.14 Accounting estimates

Preparation of financial statements in conformity with generally accepted accounting principles required the management to make several estimation and assumption which affect the reported amounts in the financial statements and notes related thereto. Consequent actual results may differ from these estimates.

The Company made estimates and assumptions concerning the future factors. The results of accounting estimates may be differ from the related actual results. The estimates and assumptions that may have a risk of causing an adjustment to the assets in the next financial year related to allowance for doubtful accounts, allowance for devaluation of inventories and provision for impairment of assets at the statements of financial position date. Other estimates are described in the corresponding disclosures.

4.15 Provisions

The Company recognizes a provision when an entity has a present legal or constructive obligation as a result of a past event. It is probable that an outflow of economic benefits resources will be required to settle the obligation and reliable estimate can be made of the amount of the obligation. If some or all the expenditure is required to settle a provision, is expected to be reimbursed when it is virtually certain that reimbursement will be received if the Company settles the obligation. The amount recognized should not exceed the amount of the provision.

4.16 Basic earnings per share

Earnings (Loss) per share as presented in the statements of comprehensive income is the basic earnings per share which is determined by dividing the net profit for the year by the weighted average number of common shares issued and paid-up during the year.

Diluted earnings per share is calculated by dividing net profit for the year by the weighted average of common share issued during the year added by the number of common shares issued for offering to warrant holders of the Company.

5. CHANGES IN ACCOUNTING POLICY OF PROVISIONS FOR EMPLOYEE BENEFITS

5.1 Changes in accounting policy

In 2011, the Company applied TAS 19 "Employee Benefits", in accordance with the FAP's notification, the Company thus taken employee benefits obligation to adjust the beginning of 2011 retained earnings. From apply such accounting standards, the financial statements for the year ended December 31, 2011 represented the decrease in beginning retained earnings and increase in non-current liabilities by the same amount of Baht 2.69 million as follows:

	Consolidated statements of financial position (Baht)	Separate statements of comprehensive income (Baht)
Retained earnings - unappropriated as at December 31, 2010	138,804,769.46	111,807,422.90
Employee benefit obligations	(2,685,344.00)	(2,685,344.00)
Retained earnings - unappropriated as at January 1, 2011	<u>136,119,425.46</u>	<u>109,122,078.90</u>

5.2 Financial statements presentation

The reclassification for the financial statements as at December 31, 2010 are as follows:

	(Unit : Baht)		
	<u>Before reclassify</u>	<u>Reclassify</u>	<u>After reclassify</u>
<u>Consolidated statements of financial position</u>			
Trade and other receivables	100,295,205.76	5,931,838.24	106,227,044.00
Other current assets	5,931,838.24	(5,931,838.24)	0.00
Land held for development	0.00	49,370,259.64	49,370,259.64
Investment property	0.00	35,500,885.58	35,500,885.58
Property, plant and equipment	288,300,235.98	(35,500,885.58)	252,799,350.40
Non-operating assets	164,432,277.35	(49,370,259.64)	115,062,017.17
Trade and other payables	75,184,020.18	17,489,736.85	92,673,757.03
Other current liabilities	17,489,736.85	(17,489,736.85)	0.00
<u>Separate statements of financial position</u>			
Trade and other receivables	96,250,642.57	5,355,291.15	101,605,933.72
Other current assets	5,355,291.15	(5,355,291.15)	0.00
Trade and other payables	73,604,612.78	13,864,382.97	87,468,995.75
Other current liabilities	13,864,382.97	(13,864,382.97)	0.00

6. SUPPLEMENT DISCLOSURE OF CASH FLOWS INFORMATION

6.1 Cash and cash equivalents comprise:

	<u>Consolidated financial statements (Baht)</u>		<u>Separate financial statements (Baht)</u>	
	2011	2010	2011	2010
Cash	556,351.81	656,408.85	436,835.81	400,000.00
Cash at banks - current accounts	10,432,532.97	4,937,957.45	10,432,532.97	4,469,120.45
Cash at banks - savings deposit	37,201,409.71	18,477,073.81	27,678,393.36	12,335,382.04
Cash at banks - fixed deposit				
with 3 months	1,198,298.57	6,134,041.27	1,198,298.57	6,134,041.27
Total	49,388,593.06	30,205,481.38	39,746,060.71	23,338,543.76

6.2 Non-cash transaction

For the year ended December 31, 2011

The subsidiary entered into hire purchase a vehicle agreement amount of Baht 1.33 million which was already made the initial installment in the amount of Baht 0.53 million. The remaining is presented as liabilities under financial lease agreement.

For the year ended December 31, 2010

The subsidiary entered into hire purchase a vehicle agreement amount of Baht 1.16 million which was already made the initial installment in the amount of Baht 0.16 million. The remaining is presented as liabilities under financial lease agreement.

7. CURRENT INVESTMENT

	Consolidated and Separate financial statements (Baht)	
	2011	2010
K - Treasury Fund - short term government bond	101,625.36	99,429.38
SCB Savings Fixed Income Fund (SCBSFF)	159,447.51	20,072,140.52
Total	<u>261,072.87</u>	<u>20,171,569.90</u>

8. TRADE AND OTHER RECEIVABLES

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2011	2010	2011	2010
Trade accounts receivable	103,561,961.53	111,356,175.75	91,360,679.98	100,603,650.42
Other receivables	6,137,073.40	7,349,350.24	3,427,440.64	5,355,291.15
Total	<u>109,699,034.93</u>	<u>118,705,525.99</u>	<u>94,788,120.62</u>	<u>105,958,941.57</u>
Less Allowance for doubtful accounts				
- Trade accounts receivable	(10,966,866.23)	(11,060,969.99)	(4,353,007.85)	(4,353,007.85)
- Other receivables	(1,417,512.00)	(1,417,512.00)	0.00	0.00
Net	<u>97,314,656.70</u>	<u>106,227,044.00</u>	<u>90,435,112.77</u>	<u>101,605,933.72</u>

Billed trade accounts receivable separated on aging

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2011	2010	2011	2010
Undue receivables	61,543,099.99	56,845,386.90	57,375,890.49	53,918,708.30
Overdue receivables				
- Less than 3 months	24,544,320.05	36,775,595.23	23,882,569.93	36,082,320.19
- Over 3 months to 6 months	4,642,245.53	3,766,630.00	4,292,245.53	3,404,762.00
- Over 6 months to 12 months	843,004.86	1,365,051.84	520,102.86	1,329,090.09
- Over 12 months	11,989,291.10	12,603,511.78	5,289,871.17	5,868,769.84
Total	<u>103,561,961.53</u>	<u>111,356,175.75</u>	<u>91,360,679.98</u>	<u>100,603,650.42</u>

9. INVENTORIES

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2011	2010	2011	2010
Finished goods	27,841,696.28	33,033,887.58	27,186,100.04	32,207,182.88
Finished goods in process	328,091.73	175,752.45	328,091.73	175,752.45
Raw materials and supplies	24,145,719.50	25,492,262.49	22,674,635.84	24,239,272.95
Cost of land for development				
- Land	117,993,484.13	119,305,735.31	0.00	0.00
- Land for development	22,345,473.61	14,155,437.22	0.00	0.00
- Work in progress	175,224,447.49	145,298,151.65	0.00	0.00
Total	<u>367,878,912.74</u>	<u>337,461,226.70</u>	<u>50,188,827.61</u>	<u>56,622,208.28</u>
Less Cost of land for development transfer to cost of sales	<u>(156,585,407.82)</u>	<u>(138,335,186.94)</u>	<u>0.00</u>	<u>0.00</u>
Total	<u>211,293,504.92</u>	<u>199,126,039.76</u>	<u>50,188,827.61</u>	<u>56,622,208.28</u>
Less Allowance for obsolete goods	<u>(888,340.51)</u>	<u>(6,738,152.32)</u>	<u>(888,340.51)</u>	<u>(6,738,152.32)</u>
Net	<u>210,405,164.41</u>	<u>192,387,887.44</u>	<u>49,300,487.10</u>	<u>49,884,055.96</u>

10. LAND HELD FOR DEVELOPMENT

As at December 31, 2011 and 2010, subsidiaries' land held for development (including land, land improvement and utilities) in the amount of Baht 21.42 million are mortgaged as collateral for overdraft lines and short-term loans from financial institutions (note 16) and contingent liabilities from bank issuance of letter of guarantee (note 31.2).

11. INVESTMENTS IN SUBSIDIARIES

Company's name	Type of business	Relationship	Paid-up share capital (Baht)		Percentage of shareholding		Separate financial statements (Baht)			
							Cost method		Dividend income	
			2011	2010	2011	2010	2011	2010	2011	2010
Orrada Co., Ltd.	Sales and lease real estate	Shareholders and directorship	200,000,000.00	200,000,000.00	99.99	99.99	200,000,000.00	200,000,000.00	0.00	0.00
Rompo Products Co., Ltd.	Manufacturing and selling of precast floor	Shareholders and directorship	35,000,000.00	35,000,000.00	99.99	66.67	41,663,520.71	23,333,320.00	4,781,379.94	4,199,997.60
Total							241,663,520.71	223,333,320.00	4,781,379.94	4,199,997.60

The financial statements for the years ended December 31, 2011 and 2010 of above subsidiaries have been taken for preparing the consolidated financial statements which were audited by the auditor.

According to the minutes of Directors' meeting No. 1/2011 held on February 24, 2011, passed the resolution to purchase ordinary shares of Rompo Products Co., Ltd. (subsidiary) from Mr. Chareon Towan (related person) for 1,166,667 shares of Baht 15.71429 each, amounting to Baht 18.33 million or 33.33%, resulted the Company has increase in percentage of shareholding to 99.99% of the issued and paid-up share capital of such subsidiary. Difference of purchasing price and carrying value of net assets based on proportion in subsidiary was recorded in shareholders' equity.

Book value of net assets of Rompo Products Co., Ltd. (subsidiary) as at the acquisition date consist of:

	Consolidated
	financial statements (Baht)
	<u>2011</u>
Current assets	7,668,502.38
Non-current assets	45,116,289.50
Total assets	52,784,791.88
Less Current liabilities	(15,761,701.33)
Net assets	<u>37,023,090.55</u>
Book value of assets acquisition (33.33%)	12,339,796.08
Less Payment for investment	(18,333,343.57)
Different from changes in percentage of investment in subsidiary	<u>(5,993,547.49)</u>

After additionally purchase ordinary shares of subsidiary, the Company had sold investment in subsidiary to an executive administrator (100 shares) and an employee of subsidiary (100 shares) totaling 200 shares of Baht 15.71429 each, amounting to Baht 3,142.86, resulting to the shareholding proportion in subsidiary of the Company have not been changed.

12. INVESTMENT PROPERTY

	Consolidated financial statements (Baht)		
	Land	Building	Total
Assets cost :			
As at December 31, 2010	19,663,883.90	27,347,157.55	47,011,041.45
Disposal	<u>(357,815.31)</u>	<u>(3,148,555.00)</u>	<u>(3,506,370.31)</u>
As at December 31, 2011	<u>19,306,068.59</u>	<u>24,198,602.55</u>	<u>43,504,671.14</u>
Accumulated depreciation :			
As at December 31, 2010	0.00	11,510,155.87	11,510,155.87
Depreciation for the year	0.00	1,239,624.47	1,239,624.47
Depreciation - write off	0.00	<u>(995,209.40)</u>	<u>(995,209.40)</u>
As at December 31, 2011	<u>0.00</u>	<u>11,754,570.94</u>	<u>11,754,570.94</u>
Net assets value			
As at December 31, 2010	<u>19,663,883.90</u>	<u>15,837,001.68</u>	<u>35,500,885.58</u>
As at December 31, 2011	<u>19,306,068.59</u>	<u>12,444,031.61</u>	<u>31,750,100.20</u>

As at December 31, 2011 and 2010, investment properties are land and 10 factory buildings for lease (in 2010, 11 factory buildings) had fair value amount of Baht 88.27 million and Baht 96.38 million respectively.

As at December 31, 2011 and 2010 land and factory buildings for lease of subsidiary at cost of Baht 5.89 million, are placed as security for filed the petition to oppose the Appeal Court's Judgement (note 18).

13. PROPERTY, PLANT AND EQUIPMENT

Consolidated financial statements (Baht)

	Land and land improvement	Building and building improvement	Machinery, tools and equipment	Underground well	Furniture, fixtures and office equipment	Vehicles	Assets under construction	Total
Assets - cost :								
As at December 31, 2010	79,128,730.98	183,388,435.32	203,496,836.91	3,692,629.50	23,491,049.91	146,090,856.40	2,464,660.86	641,753,199.88
Purchase / Transfer	3,929,245.95	2,073,674.25	7,797,794.01	0.00	3,450,050.67	33,299,157.99	11,451,232.05	62,001,154.92
Disposal	0.00	0.00	(201,203.61)	0.00	(90,872.76)	(719,875.00)	(38,735.79)	(1,050,687.16)
Transference	0.00	735,477.78	1,586,013.50	0.00	0.00	15,332.37	(2,336,823.65)	0.00
As at December 31, 2011	<u>83,057,976.93</u>	<u>186,197,587.35</u>	<u>212,679,440.81</u>	<u>3,692,629.50</u>	<u>26,850,227.82</u>	<u>178,685,471.76</u>	<u>11,540,333.47</u>	<u>702,703,667.64</u>
Accumulated depreciation :								
As at December 31, 2010	0.00	73,722,037.48	163,032,601.43	3,599,115.34	19,359,024.71	129,241,061.52	0.00	388,953,840.48
Depreciation for the year	0.00	6,655,909.27	11,922,870.64	37,987.75	1,872,102.19	7,230,627.83	0.00	27,719,497.68
Depreciation - write off	0.00	0.00	(50,733.04)	0.00	(52,123.33)	(719,871.50)	0.00	(822,727.87)
As at December 31, 2011	<u>0.00</u>	<u>80,377,946.75</u>	<u>174,904,739.03</u>	<u>3,637,103.09</u>	<u>21,179,003.57</u>	<u>135,751,817.85</u>	<u>0.00</u>	<u>415,850,610.29</u>
Net assets value								
As at December 31, 2010	<u>79,128,730.98</u>	<u>109,666,397.84</u>	<u>40,464,235.48</u>	<u>93,514.16</u>	<u>4,132,025.20</u>	<u>16,849,794.88</u>	<u>2,464,660.86</u>	<u>252,799,359.40</u>
As at December 31, 2011	<u>83,057,976.93</u>	<u>105,819,640.60</u>	<u>37,774,701.78</u>	<u>55,526.41</u>	<u>5,671,224.25</u>	<u>42,933,653.91</u>	<u>11,540,333.47</u>	<u>286,853,057.35</u>

13. PROPERTY, PLANT AND EQUIPMENT (Continued)

	Separate financial statements (Baht)							Total
	Land and land improvement	Building and building improvement	Machinery, tools and equipment	Underground well	Furniture, fixtures and office equipment	Vehicles	Assets under construction	
Assets - cost :								
As at December 31, 2010	53,996,380.76	171,927,086.43	185,484,490.71	3,577,136.73	19,868,993.01	137,603,608.65	2,336,823.65	574,794,519.94
Purchase / Transfer	3,900,000.00	2,073,674.25	7,180,170.04	0.00	3,066,769.61	31,274,909.64	11,450,718.03	58,946,241.57
Disposal	0.00	0.00	(119,200.00)	0.00	0.00	(519,875.00)	0.00	(639,075.00)
Transference	0.00	735,477.78	1,586,013.50	0.00	0.00	15,332.37	(2,336,823.65)	0.00
As at December 31, 2011	<u>57,896,380.76</u>	<u>174,736,238.46</u>	<u>194,131,474.25</u>	<u>3,577,136.73</u>	<u>22,935,762.62</u>	<u>168,373,975.66</u>	<u>11,450,718.03</u>	<u>633,101,686.51</u>
Accumulated depreciation :								
As at December 31, 2010	0.00	69,968,928.94	147,708,271.72	3,542,253.65	16,383,682.19	122,062,157.11	0.00	359,665,293.61
Depreciation for the year	0.00	6,085,200.24	10,248,481.30	26,300.11	1,603,849.17	6,537,726.49	0.00	24,501,557.31
Depreciation - write off	0.00	0.00	(12,017.98)	0.00	0.00	(519,873.50)	0.00	(531,891.48)
As at December 31, 2011	<u>0.00</u>	<u>76,054,129.18</u>	<u>157,944,735.04</u>	<u>3,568,553.76</u>	<u>17,987,531.36</u>	<u>128,080,010.10</u>	<u>0.00</u>	<u>383,634,959.44</u>
Net assets value								
As at December 31, 2010	<u>53,996,380.76</u>	<u>101,958,157.49</u>	<u>37,776,218.99</u>	<u>34,883.08</u>	<u>3,485,310.82</u>	<u>15,541,451.54</u>	<u>2,336,823.65</u>	<u>215,129,226.33</u>
As at December 31, 2011	<u>57,896,380.76</u>	<u>98,682,109.28</u>	<u>36,186,739.21</u>	<u>8,582.97</u>	<u>4,948,231.26</u>	<u>40,293,965.56</u>	<u>11,450,718.03</u>	<u>249,466,727.07</u>

As at December 31, 2011 and 2010, land, building, machinery and equipment at cost of Baht 156.40 million in the consolidated financial statements, and Baht 138.18 million in the separate financial statements are mortgaged as collateral for overdrafts line and short-term loans from financial institutions (note 16) and contingent liabilities from bank issuance of letter of guarantee (note 31.2).

14. INTANGIBLE ASSETS

	Consolidated and Separate financial statements (Baht)		
	Computer software	Products research and development	Total
Intangible assets - cost :			
As at December 31, 2010	6,649,420.09	12,715,569.38	19,364,989.47
As at December 31, 2011	6,649,420.09	12,715,569.38	19,364,989.47
Accumulated amortization :			
As at December 31, 2010	1,440,796.24	2,168,347.36	3,609,143.60
Increase	710,660.20	0.00	710,660.20
As at December 31, 2011	2,151,456.44	2,168,347.36	4,319,803.80
Impairment of intangible assets :			
As at December 31, 2010	0.00	10,547,222.02	10,547,222.02
As at December 31, 2011	0.00	10,547,222.02	10,547,222.02
Net intangible assets value			
As at December 31, 2010	5,208,623.85	0.00	5,208,623.85
As at December 31, 2011	4,497,963.65	0.00	4,497,963.65

Amortization of intangible assets for the years ended December 31, 2011 and 2010 amount of Baht 0.71 million and Baht 0.66 million respectively.

15. NON-OPERATING ASSETS

Consolidated and Separate financial statements (Baht)				
	December 31, 2010	Increase	Decrease	December 31, 2011
Property, plant and equipment				
Assets - cost				
Land and land improvement	17,448,452.47	0.00	0.00	17,448,452.47
Building and building improvement	62,766,155.35	0.00	0.00	62,766,155.35
Machinery, tools and equipment	99,623,503.15	0.00	0.00	99,623,503.15
Total	<u>179,838,110.97</u>	<u>0.00</u>	<u>0.00</u>	<u>179,838,110.97</u>
Less Accumulated depreciation				
Building and building improvement	(12,138,019.76)	(2,953,094.78)	0.00	(15,091,114.54)
Machinery, tools and equipment	(31,365,859.04)	(6,693,165.39)	0.00	(38,059,024.43)
Total	<u>(43,503,878.80)</u>	<u>(9,646,260.17)</u>	<u>0.00</u>	<u>(53,150,138.97)</u>
Less Provision for impairment of assets	<u>(21,272,214.46)</u>	<u>0.00</u>	<u>0.00</u>	<u>(21,272,214.46)</u>
Non-operating assets - net	<u><u>115,062,017.71</u></u>			<u><u>105,415,757.54</u></u>

In the third quarter of 2009, the increasing of non-operating assets amount of Baht 136.87 million derived from transferring land, building and equipment because the factory was temporarily stopped for using in its manufacture. The Company led the independent appraiser to appraise the value of building by using the replacement cost new, machinery and equipment by using fair market value, the total appraisal value is lower than carrying value amount of Baht 21.27 million.

As at December 31, 2011 and 2010, land, building, machinery and equipment as cost Baht 134.02 million in the consolidated and separate financial statements are mortgaged as collateral against overdraft line and short-term loans from financial institutions (note 16) and contingent liabilities from bank issuance of letter of guarantee (note 31.2).

16. BANK OVERDRAFTS AND SHORT - TERM LOANS FROM FINANCIAL INSTITUTIONS

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2011	2010	2011	2010
Bank overdrafts	1,707,773.46	4,229,099.98	1,534,023.89	2,522,774.35
Short - term loans	500,000.00	1,500,000.00	0.00	0.00
Total	2,207,773.46	5,729,099.98	1,534,023.89	2,522,774.35

As at December 31, 2011 and 2010, the Company and its subsidiaries have overdrafts line from 3 banks of Baht 52 million in the consolidated financial statements, and Baht 40 million in the separate financial statements respectively at the interest rate of MOR to MOR+0.25% per annum and short - term loans from 5 banks for the credit line of Baht 126 million in the consolidated financial statements and Baht 121 million in the separate financial statements respectively at the interest rate of MLR - 0.5% to MLR - 2.75% per annum and MOR per annum.

The above liabilities guaranteed by mortgaging land held for development (note 10), land with its building, and machinery and equipment (note 13 and 15).

17. LIABILITIES UNDER FINANCIAL LEASE AGREEMENT

1) Liabilities under financial lease agreement exclude future interest are as follow:

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2011	2010	2011	2010
Payable under lease agreement	1,219,968.43	803,351.26	0.00	0.00
Less Current portion of long - term liabilities	(651,820.24)	(243,885.14)	0.00	0.00
Net	568,148.19	559,466.12	0.00	0.00

As at December 31, 2011 and 2010 vehicles at cost of Baht 2.49 million and Baht 1.16 million in the consolidated financial statements which are under the payment as indicated in agreement.

2) The minimum amount to be paid under financial lease agreement are as follow:

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2011	2010	2011	2010
Within 1 year	683,327.97	268,800.00	0.00	0.00
Over 1 year to 3 years	577,808.03	537,600.00	0.00	0.00
Over 3 years to 5 years	0.00	44,800.00	0.00	0.00
Total	1,261,136.00	851,200.00	0.00	0.00
Less Future interest under financial lease agreement	(41,167.57)	(47,848.74)	0.00	0.00
Present value of liabilities under financial lease agreement	1,219,968.43	803,351.26	0.00	0.00

18. LONG - TERM PROVISIONS

As at December 31, 2010 subsidiary has provisions to be paid to a customer for the amount of Baht 10.01 million (interest of Baht 5.11 million) under the sentence of the Court of First Instance on December 28, 2001, from the subsidiary was sued to make debt repayment for the breach of contract to buy and to sell of land and its construction total amount of Baht 4.90 million and the interest at the rate 15% per annum. Such subsidiary filed to appeal the sentence of the Court of First Instance. Later, on April 29, 2005, the Appeal Court has upheld the decision of the Court of First Instance but subsidiary filed the petition to oppose the Appeal Court's judgement on December 6, 2005.

On February 1, 2012, the Supreme Court has stated decision of the Appeal Court by ordering the Company to make payment to such receivable in the amount of Baht 16.11 million (including interest expenses). As at December 31, 2011, the Company then presented the amount to be paid as current liabilities and recognized the increased long - term provisions amount of Baht 6.10 million as expenses in the statements of comprehensive income for the year ended December 31, 2011.

19. SHARE CAPITAL

According to the minutes of shareholders' general meeting no. 1/2010 held on April 22, 2010, passed the resolution to issued 6 million units of warrants to purchase ordinary shares of the Company to employees of the Company and of subsidiary (ESOP) offering price. One unit of warrant can be exercised to purchase 1 ordinary share in the value of Baht 1 each. Term of warrants is 5 years from the issuance date of warrants. As at December 31, 2010, the Company has already issued 5.73 million units of warrants.

As at May 14, 2010, the Company has registered the increase share capital with the Ministry of Commerce, from Baht 200 million to Baht 206 million by issuing newly 6 million shares at par value of Baht 1 each to reserve for the exercise of warrants to purchase of ordinary shares.

20. LEGAL RESERVE

Under the Public Company Limited Act, the Company is required to set aside as reserve fund at least 5% of its annual net income after deduction of the deficit brought forward (if any) until the reserve is not less than 10% of authorized capital. The reserve is not available for dividend distribution.

21. RETAINED EARNINGS APPROPRIATION

Parents

According to the minutes of shareholders' general meeting no. 1/2010 held on April 22, 2010, passed the resolution to pay dividend from profit for the year 2009 to the shareholders at Baht 0.09 per share for 200 million shares, totaling Baht 18 million. During the year, the Company has already paid such dividend in whole amount.

According to the minutes of shareholders' general meeting no. 1/2011 held on April 21, 2011, passed the resolution to pay dividend from profit for the year 2010 to the shareholders at Baht 0.18 per share for 200 million shares, totaling Baht 36 million. During the year, the Company has already paid such dividend in whole amount.

Subsidiary

According to the minutes of shareholders' general meeting no. 1/2010 held on April 25, 2010, passed the resolution to pay dividend from the 2009 retained earnings and the results of operation for the year 2009 to the shareholders at Baht 1.80 per share for 3.50 million shares, totaling Baht 6.30 million. During the year, subsidiary has already paid such dividend in whole amount.

According to the minutes of directors' meeting no. 1/2011 held on January 29, 2011, passed the resolution to pay interim dividend from profit of the results of operation for the year 2010 and January, 2011 to the shareholders at Baht 1.95864 per share for 3.50 million shares, totaling Baht 6.86 million. During the year, the subsidiary has already paid such dividend in whole amount.

According to the minutes of directors' meeting no. 3/2011 held on March 16, 2011, passed the resolution to pay interim dividend from profit of the results of operation for the period during February 1 - 11, 2011 to the shareholders at Baht 0.09524 per share for 3.50 million shares, totaling Baht 0.32 million. During the year, the subsidiary has already paid such dividend in whole amount.

22. INCOME TAX CALCULATION

The corporate income tax is calculated at the rate of 30 per cent of profit (loss) before deducting with tax expenses and added by other expenses which shall not be allowed as expenses in tax calculation and deduction with exempted taxable profit derived from promoted business by using the rate as specified in the promotion certificate (note 28).

23. EARNINGS PER SHARE

Consolidated financial statements								
	Net profit			Number of shares			Earnings / share	
	2011	Baht	2010	2011	shares	2010	2011	Baht 2010
Basic earnings per share								
Net profit (loss) of common								
shareholders	83,920,689.76		71,430,088.79	200,000,000		200,000,000	0.42	0.36
Effects of potential common share								
(exercise rights)	-		-	3,832,649		2,253,738		
Diluted earnings per share								
Profit (Loss) of common								
shareholders assumed								
as conversion to								
common share	83,920,689.76		71,430,088.79	203,832,649		202,253,738	0.41	0.35
Separate financial statements								
	Net profit			Number of shares			Earnings / share	
	2011	Baht	2010	2011	shares	2010	2011	Baht 2010
Basic earnings per share								
Net profit (loss) of common								
shareholders	78,314,929.61		69,700,448.07	200,000,000		200,000,000	0.39	0.35
Effects of potential common share								
(exercise rights)	-		-	3,832,649		2,253,738		
Diluted earnings per share								
Profit (Loss) of common								
shareholders assumed								
as conversion to								
common share	78,314,929.61		69,700,448.07	203,832,649		202,253,738	0.38	0.34

24. TRANSACTIONS WITH RELATED PERSONS AND PARTIES

Assets, liabilities, revenues and expenses arose from transaction with persons and related companies. These related transactions are determined on the conditions in the normal course of business and based on the Company concerned as follows :

24.1 General information

<u>Name</u>	<u>Type of Business</u>	<u>Relationship</u>	<u>Description</u>	<u>Princing policy</u>
Subsidiaries				
Orrada Co., Ltd.	Sales and lease of real estate	Shareholders and directorship	Revenues from sales of goods Interest income	At cost Under loans contract and promissory notes
Rompo Products Co., Ltd.	Manufacturing and selling of precast floor	Shareholders and directorship	Sales Purchase of raw materials	At agreed of Baht 60,000.00 per month Close to the selling price applicable to other customer Close to the purchasing price applicable from other dealers

24.2 Assets and liabilities transaction with related persons and parties consist of:

	<u>Consolidated financial statements (Baht)</u>		<u>Separate financial statements (Baht)</u>	
	2011	2010	2011	2010
Orrada Co., Ltd.				
Trade and other receivables	0.00	0.00	125,451.08	736,315.07

24.3 Revenues and expenses transaction with related persons and parties, are presented belows:

	<u>Consolidated financial statements (Baht)</u>		<u>Separate financial statements (Baht)</u>	
	2011	2010	2011	2010
Sales of goods				
Orrada Co., Ltd.	0.00	0.00	4,778,376.57	472,321.06
Rompo Products Co., Ltd.	0.00	0.00	17,981.60	516,949.90
Other income (interest income)				
Orrada Co., Ltd.	0.00	0.00	0.00	1,086,583.32
Other income (Management fee)				
Orrada Co., Ltd.	0.00	0.00	120,000.00	480,000.00
Other income				
Rompo Products Co., Ltd.	0.00	0.00	60,791.59	0.00

25. DIRECTORS' REMUNERATION

Directors' remuneration represents the benefits paid to the Company's directors in accordance with Section 90 of the Public Limited Companies Act, excluding salaries and related benefits payable to executive directors.

26. MANAGEMENT BENEFIT EXPENSES

Management benefit expenses focuses expenses relating to salaries, remunerations and other benefits to the directors and management, in accordance with the definitions of the Office of the Securities and Exchange Commission. Management under definition includes a chief executive officer, the next four executive levels immediately below that chief executive officer and all persons in positions comparable to these fourth executive levels.

27. EXPENSES ANALYZED BY NATURE

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2011	2010	2011	2010
Changes in inventories of finished goods and work in progress	(13,989,058.80)	(78,143,018.21)	4,868,743.56	(9,291,639.04)
Raw materials and supplies used	396,631,951.98	347,938,595.15	361,898,690.23	319,693,348.54
Directors' remuneration	916,800.00	914,300.00	916,800.00	914,300.00
Management benefit expenses	5,670,861.64	7,175,090.06	4,006,853.00	4,932,210.00
Employees benefit expenses	66,837,497.06	56,970,825.55	56,248,860.78	49,492,873.45
Depreciation	38,605,382.32	44,874,221.57	34,147,817.48	39,628,645.42

28. RIGHTS AND PRIVILEGES FROM PROMOTION CERTIFICATE

28.1 The Company and its subsidiary (Rompo Products Co., Ltd.) are granted certain right and privileges as a promoted industry under the Promotion of Investment Act B.E. 2520 for the precast floor products by the approval of the Board of Investment in accordance with the certificate dated August 25, 1997 and February 7, 1997 respectively.

The significant privileges are as follows:

- 1) To exempt the customs duties for imported machinery as approved by the Board of Investment.
- 2) To exempt the corporate income tax from net profit for the period of 8 years from the date of income earnings and reduce the corporate income tax from net profit from investment at the rate of 50% of the normal rate for the next 5 years from the overdue of such duration.
- 3) The Company's shareholders will be exempt the corporate income tax for dividend received from the Company all duration of income tax exemption of the Company.

The Company must to comply with the certain conditions and terms as stipulated in promotion certificate.

28. RIGHTS AND PRIVILEGES FROM PROMOTION CERTIFICATE

28.2 The results of operation of the Company and two subsidiaries separated into promoted business and non-promoted business for the years ended December 31, 2011 and 2010 as follows:

	Consolidated financial statements (Baht)					
	Promoted business		Non-promoted business		Total	
	2011	2010	2011	2010	2011	2010
Sales and services	67,076,047.45	73,787,345.17	753,750,372.35	665,089,582.54	820,826,419.80	738,876,927.71
Cost of sales and services	(52,450,603.55)	(61,712,967.85)	(501,773,231.31)	(439,125,347.83)	(554,223,834.86)	(500,838,315.68)
Gross profit	14,625,443.90	12,074,377.32	251,977,141.04	225,964,234.71	266,602,584.94	238,038,612.03
Other income	324,423.18	313,449.68	16,556,857.34	11,674,604.93	16,881,280.52	11,988,054.61
Selling expenses	(8,951,713.89)	(8,594,731.67)	(86,518,128.74)	(76,683,714.01)	(95,469,842.63)	(85,278,445.68)
Administrative expenses	(14,079,743.83)	(16,912,954.59)	(55,362,124.35)	(49,153,499.09)	(69,441,868.18)	(66,066,453.68)
Finance costs	(2,361.12)	(133,373.91)	(351,550.57)	(221,211.36)	(353,911.69)	(354,585.27)
Income tax expenses	0.00	0.00	(34,296,449.66)	(24,866,483.36)	(34,296,449.66)	(24,866,483.36)
Total comprehensive income						
for the year	(8,083,951.76)	(13,253,233.17)	92,005,745.06	86,713,931.82	83,921,793.30	73,460,698.65

Unidentifiable selling expenses, administrative expenses and finance costs were allocated to the separately income segment.

29. FINANCIAL INFORMATION BY SEGMENT

29.1 For the purpose of presentation the financial information in the consolidated financial statements, the core manufacturing and selling construction supplies (business are precast floor, concrete post and others) sales and lease of real estate that the financial information by segment are as follows:

	Sales of construction supplies		Sales of real estate		Real estate for lease		Total	
	2011	2010	2011	2010	2011	2010	2011	2010
(Unit : Baht)								
Statement of comprehensive income								
Revenues	787,114,319.80	684,390,327.71	26,856,700.00	47,454,000.00	6,855,400.00	7,032,600.00	820,826,419.80	738,876,927.71
Costs	(530,454,362.51)	(464,276,927.75)	(22,524,282.34)	(35,224,365.07)	(1,245,190.01)	(1,337,022.86)	(554,223,834.86)	(500,838,315.68)
Segment profit	<u>256,659,957.29</u>	<u>220,113,399.96</u>	<u>4,332,417.66</u>	<u>12,229,634.93</u>	<u>5,610,209.99</u>	<u>5,695,577.14</u>	<u>266,602,584.94</u>	<u>238,038,612.03</u>
Statement of financial position								
Segment assets	597,184,207.08	590,229,168.34	158,977,997.41	189,794,396.88	22,697,340.12	26,262,409.54	778,859,544.61	806,285,974.76
Unallocated assets							60,863,516.83	9,157,891.16
Total assets							<u>839,723,061.44</u>	<u>815,443,865.92</u>
Segment liabilities	96,255,511.24	106,391,915.38	19,270,190.98	10,050,896.42	990,000.00	1,240,000.00	116,515,702.22	117,682,811.80
Unallocated liabilities							4,731,419.86	3,800,669.29
Total liabilities							<u>121,247,122.08</u>	<u>121,483,481.09</u>

29.2 The Company did not present the financial information by segment for the separate financial statements since the Company's operation involve virtually a single construction materials business in one geographical segment in domestic.

30. DISCLOSURE AND PRESENTATION OF FINANCIAL INSTRUMENTS

1) Accounting policy

The significant accounting policies and method adopted including the basis of recognition and measurement relating to each class of financial assets and liabilities have been disclosed in notes to financial statements no. 4.10.

2) Credit risk

Credit risk derives from failure by counterparties to discharge their obligations resulting in financial loss to the Company and subsidiaries. The Company and subsidiaries have policy to hedge this credit risk by reviewing the financial status of customers and collecting in advance before delivery of goods. Financial assets shown in statements of financial position at the book value deducted by allowance for doubtful accounts is maximum value of credit risk.

3) Interest rate risk

Interest rate risk from changes in market interest rate will affect the results of the Company and joint venture's operations and cash flows. The Company and subsidiaries exposed the interest rate risk due to its bank overdrafts and short-term loans from financial institutions and liabilities under financial lease agreement. The Company and its subsidiaries do not use derivative financial instruments to hedge such risk.

4) Fair value of financial instruments

Financial assets shown in statements of financial position consist of cash and cash equivalents, current investment, trade and other receivables. Financial liabilities shown in statements of financial position consist of bank overdrafts and short-term loans from financial institutions, trade and other payables and liabilities under financial lease agreement.

Book value of financial assets and liabilities are close to their fair value.

31. COMMITMENT AND CONTINGENT LIABILITIES

31.1 The Company and subsidiary have commitment under hire contractors agreement and lease land agreement as at December 31, 2011 and 2010 totally Baht 13.54 million and Baht 7.18 million in the consolidated financial statements.

31.2 The Company and subsidiaries have contingent liabilities from a bank issuance of letter of guarantees for purchasing raw materials from several sellers for guarantee the work performance to the employer and guarantee central utilities usage to government agencies as at December 31, 2011 and 2010 amounting to Baht 72.96 million and Baht 60.90 million in the consolidated financial statements, and amounting to Baht 60.20 million and Baht 57.59 million in the separate financial statements respectively. Contingent liabilities are guaranteed by land held for development (note 10) and land, building, machinery and equipment (note 13 and 15).

31.3 On August 27, 2004, the Company filed the petition to the Central Intellectual Property and International Trade Court in which a company had alleged copy right infringement and claimed on loss of Baht 210.50 million. Later on December 8, 2004, such company filed the counter - claim and explained that it is the invention researcher and requested to revoke the patent of the Company and claimed of Baht 510 million plus interest at 7.5 per cent per annum, including the opportunity loss on selling its products of Baht 10 million per month. On September 30, 2009, the Court of First Instance has ordered to dismiss the above case and sentenced to revoke the Company's precast floor products No. 16808. In the third quarter of 2010, the Company and such company accepted the sentence of the Court of First Instance.

31.4 On December 7, 2004, an individual person sued the Company and a director to the Civil court for the alleged of committing a contempt by allegely revealling in a court paper in such a way that the defendant is damaged as stated in note 31.3 and ask the court for Baht 400 million in indemnity plus interest at 7.5 per cent per annum. At present, the Court ordered to strike the case out of the case list temporarily, the management ensured that the prosecution of that person would not affect to the Company.

32. PROVIDENT FUND

On June 1, 2004, the Company has joined to be a member of provident fund named "Peum Kuan Mun King Registered Provident fund" which registered in accordance with the Provident Fund Act B.E. 2530 and the amendment by appointing the fund management to be fund manager. The fund is contributed to both by the employees and the Company at the same rate of 3% of employees wage. The accumulation and benefits will be paid to the members upon their retirement, death or resignation.

33. CAPITAL MANAGEMENT

The objective of financial management of the Company is to maintain the continuity of operation capability and capital structure to be properly appropriated.

34. FINANCIAL STATEMENTS APPROVAL

These financial statements were approved and authorized for issue by the Company's Board of directors on February 23, 2012.