

## **AUDITOR'S REPORT**

To The Shareholders of

**DCON PRODUCTS PUBLIC COMPANY LIMITED**

I have audited the accompanying consolidated and separate financial statements of DCON PRODUCTS PUBLIC COMPANY LIMITED AND SUBSIDIARIES and of DCON PRODUCTS PUBLIC COMPANY LIMITED, which comprise consolidated and separate statements of financial position as at December 31, 2013, consolidated and separate statements of comprehensive income, consolidated and separate statements of changes in shareholders' equity, and consolidated and separate statements of cash flows for the year then ended, including notes of summary of significant accounting policies and other explanatory information.

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

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

### **Auditor's Responsibility**

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

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

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

**Opinion**

In my opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of DCON PRODUCTS PUBLIC COMPANY LIMITED AND SUBSIDIARIES and of DCON PRODUCTS PUBLIC COMPANY LIMITED as at December 31, 2013, and their financial performance and cash flows for the year then ended in accordance with the financial reporting standards.

**Emphasis of Matter**

Without qualifying my opinion, I draw your attention to notes 2 and 5 to financial statements as explained involving the impacts on the Company from changes in new accounting policy since accounting standard No.12 “Income Taxes” was applied.

D I A International Audit Co., Ltd.

(Mrs. Suvimol Krittayakiern)

C.P.A. (Thailand)

Registration No. 2982

February 27, 2014

DCON PRODUCTS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2013

Assets	Note	Consolidated financial statements (Baht)			Separate financial statements (Baht)		
		December 31, 2013	December 31, 2012	January 1, 2012	December 31, 2013	December 31, 2012	January 1, 2012
			(Restated)	(Restated)		(Restated)	(Restated)
<b>Current assets</b>							
Cash and cash equivalents	6	38,078,922.46	56,939,591.66	49,388,593.06	29,699,094.90	44,307,698.08	39,746,060.71
Current investment		271,487.80	261,720.74	261,072.87	271,487.80	261,720.74	261,072.87
Trade and other receivables	7	158,790,048.84	146,209,527.30	97,314,656.70	148,212,882.61	137,848,725.07	90,435,112.77
Short-term loans		3,570,350.00	3,570,350.00	3,570,350.00	23,570,350.00	109,570,350.00	3,570,350.00
Inventories	8	424,039,849.50	315,802,390.15	210,405,164.41	53,550,073.66	54,169,976.23	49,300,487.10
<b>Total current assets</b>		<b>624,750,658.60</b>	<b>522,783,579.85</b>	<b>360,939,837.04</b>	<b>255,303,888.97</b>	<b>346,158,470.12</b>	<b>183,313,083.45</b>
<b>Non-current assets</b>							
Land held for development	9	27,154,366.11	49,370,259.64	49,370,259.64	0.00	0.00	0.00
Investment in subsidiaries	10	0.00	0.00	0.00	341,663,520.71	241,663,520.71	241,663,520.71
Investment properties	11	24,713,992.97	33,947,601.52	31,840,100.20	0.00	0.00	0.00
Property, plant and equipment	12	517,208,661.74	330,411,318.59	286,763,057.35	466,165,752.90	289,156,134.16	249,466,727.07
Intangible assets	13	3,295,307.25	3,896,635.45	4,497,963.65	3,295,307.25	3,896,635.45	4,497,963.65
Deferred tax assets	14	5,260,984.52	6,111,694.78	12,129,990.65	5,108,593.98	5,465,939.84	7,175,627.96
Non-operating assets	15	87,971,642.10	96,461,449.42	105,415,757.54	87,971,642.10	96,461,449.42	105,415,757.54
Other non-current assets		2,031,693.40	1,656,202.84	896,086.02	2,031,693.40	1,656,202.84	896,086.02
<b>Total non-current assets</b>		<b>667,636,648.09</b>	<b>521,855,162.24</b>	<b>490,913,215.05</b>	<b>906,236,510.34</b>	<b>638,299,882.42</b>	<b>609,115,682.95</b>
<b>Total assets</b>		<b>1,292,387,306.69</b>	<b>1,044,638,742.09</b>	<b>851,853,052.09</b>	<b>1,161,540,399.31</b>	<b>984,458,352.54</b>	<b>792,428,766.40</b>

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, 2013

Liabilities and shareholders' equity	Note	Consolidated financial statements (Baht)			Separate financial statements (Baht)		
		December 31, 2013	December 31, 2012	January 1, 2012	December 31, 2013	December 31, 2012	January 1, 2012
		(Restated)	(Restated)		(Restated)	(Restated)	
<b>Current liabilities</b>							
Bank overdrafts and short-term loans							
from financial institutions	16	25,705,041.46	42,052,955.48	2,207,773.46	24,705,041.46	41,105,711.80	1,534,023.89
Trade and other payables	17	180,827,291.23	136,983,176.30	85,085,684.03	143,108,698.83	127,356,140.03	78,908,823.83
Payables under the Court's judgment		0.00	0.00	16,108,998.59	0.00	0.00	0.00
Current portion of long-term debt	18 , 19	33,243,190.12	6,667,915.85	651,820.24	33,198,590.87	6,166,775.01	0.00
Accrued income tax		29,914,032.68	19,828,769.84	11,804,737.45	25,299,855.43	17,598,743.56	9,399,712.09
<b>Total current liabilities</b>		<b>269,689,555.49</b>	<b>205,532,817.47</b>	<b>115,859,013.77</b>	<b>226,312,186.59</b>	<b>192,227,370.40</b>	<b>89,842,559.81</b>
<b>Non-current liabilities</b>							
Long-term loan	18	28,358,029.44	0.00	0.00	8,358,029.44	0.00	0.00
Financial lease liabilities	19	35,845,797.24	13,016,935.42	568,148.19	35,845,797.24	12,949,936.17	0.00
Deferred tax liabilities	14	1,822,883.00	1,256,467.25	1,079,716.56	1,822,883.00	1,256,467.25	1,079,716.56
Employee benefit obligations		5,331,854.57	4,265,966.57	3,512,764.52	4,707,787.57	3,749,685.57	3,231,374.52
Other non-current liabilities		930,000.00	1,240,854.00	1,307,195.60	0.00	240,854.00	317,195.60
<b>Total non-current liabilities</b>		<b>72,288,564.25</b>	<b>19,780,223.24</b>	<b>6,467,824.87</b>	<b>50,734,497.25</b>	<b>18,196,942.99</b>	<b>4,628,286.68</b>
<b>Total liabilities</b>		<b>341,978,119.74</b>	<b>225,313,040.71</b>	<b>122,326,838.64</b>	<b>277,046,683.84</b>	<b>210,424,313.39</b>	<b>94,470,846.49</b>

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, 2013

Liabilities and shareholders' equity (Cont'd)	Note	Consolidated financial statements (Baht)			Separate financial statements (Baht)		
		December 31, 2013	December 31, 2012	January 1, 2012	December 31, 2013	December 31, 2012	January 1, 2012
		(Restated)	(Restated)		(Restated)	(Restated)	
<b>Shareholders' equity</b>							
Share capital							
Authorized share capital							
206,000,000 common shares							
of Baht 1 each		206,000,000.00	206,000,000.00	206,000,000.00	206,000,000.00	206,000,000.00	
Issued and paid-up share capital							
202,865,000 common shares							
of Baht 1 each	20	202,865,000.00			202,865,000.00		
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	319,825,000.00	
Retained earnings							
Appropriated							
Legal reserve	21	20,600,000.00	20,600,000.00	20,600,000.00	20,600,000.00	20,600,000.00	
Unappropriated	22	413,109,743.72	284,887,451.63	195,089,893.87	341,203,715.47	233,609,039.15	
Other components of equity		(5,992,404.63)	(5,992,404.63)	(5,992,404.63)	0.00	0.00	
<b>Total owners of the Company</b>		950,407,339.09	819,320,047.00	729,522,489.24	884,493,715.47	774,034,039.15	
Non-controlling interests		1,847.86	5,654.38	3,724.21	0.00	0.00	
<b>Total shareholders' equity</b>		950,409,186.95	819,325,701.38	729,526,213.45	884,493,715.47	774,034,039.15	
<b>Total liabilities and shareholders' equity</b>		1,292,387,306.69	1,044,638,742.09	851,853,052.09	1,161,540,399.31	984,458,352.54	

Notes to financial statements are parts of these financial statements.

DCON PRODUCTS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2013

	Note	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
		2013	2012 (Restated)	2013	2012 (Restated)
Sales and services		1,311,249,815.22	1,029,730,786.83	1,119,894,380.89	901,021,052.56
Cost of sales and services		(798,763,377.72)	(671,885,516.25)	(687,130,338.11)	(592,555,097.89)
<b>Gross profit</b>		<u>512,486,437.50</u>	<u>357,845,270.58</u>	<u>432,764,042.78</u>	<u>308,465,954.67</u>
Other income					
Gain on disposal of investment properties		6,603,012.31	6,464,948.04	0.00	0.00
Others		12,604,247.01	16,830,741.60	23,141,107.80	26,146,881.08
Selling expenses		(169,386,712.22)	(121,467,395.94)	(146,784,228.20)	(114,378,456.37)
Administrative expenses		(86,831,169.33)	(72,494,272.80)	(63,165,363.53)	(55,640,601.07)
Finance costs		(4,852,242.47)	(1,883,929.70)	(4,648,761.27)	(1,754,750.14)
<b>Profit before income tax</b>		<u>270,623,572.80</u>	<u>185,295,361.78</u>	<u>241,306,797.58</u>	<u>162,839,028.17</u>
Income tax expenses	23	(55,241,390.51)	(45,495,471.85)	(46,548,971.26)	(36,762,908.93)
Profit for the year		<u>215,382,182.29</u>	<u>139,799,889.93</u>	<u>194,757,826.32</u>	<u>126,076,119.24</u>
Other comprehensive income (expense)		<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
<b>Total comprehensive income for the year</b>		<u><u>215,382,182.29</u></u>	<u><u>139,799,889.93</u></u>	<u><u>194,757,826.32</u></u>	<u><u>126,076,119.24</u></u>
Total comprehensive income attributable to :					
Owners of the Company		215,385,442.09	139,797,557.76	194,757,826.32	126,076,119.24
Non-controlling interests		(3,259.80)	2,332.17	0.00	0.00
		<u>215,382,182.29</u>	<u>139,799,889.93</u>	<u>194,757,826.32</u>	<u>126,076,119.24</u>
Earnings per share					
Basic earnings per share		1.06	0.70	0.96	0.63
Weighted average number of common shares		202,547,083	200,000,000	202,547,083	200,000,000
Diluted earnings per share	24	1.05	0.68	0.95	0.62
Weighted average number of common shares	24	205,132,844	204,533,758	205,132,844	204,533,758

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 YEAR ENDED DECEMBER 31, 2013

Consolidated financial statements (Baht)

	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, 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
Effects of changes in adoption the new accounting policy for income taxes	5	0.00	0.00	11,049,778.65	0.00	11,049,778.65	495.44	11,050,274.09
Balance as at January 1, 2012								
- after restatement	200,000,000.00	319,825,000.00	20,600,000.00	195,089,893.87	(5,992,404.63)	729,522,489.24	3,724.21	729,526,213.45
Changes in shareholders' equity for the year 2012:								
Dividend paid	22	0.00	0.00	(50,000,000.00)	0.00	(50,000,000.00)	(402.00)	(50,000,402.00)
Total comprehensive income for the year		0.00	0.00	139,797,557.76	0.00	139,797,557.76	2,332.17	139,799,889.93
Balance as at December 31, 2012	200,000,000.00	319,825,000.00	20,600,000.00	284,887,451.63	(5,992,404.63)	819,320,047.00	5,654.38	819,325,701.38
Balance as at December 31, 2012	200,000,000.00	319,825,000.00	20,600,000.00	280,032,288.68	(5,992,404.63)	814,464,884.05	5,589.80	814,470,473.85
Effects of changes in adoption the new accounting policy for income taxes	5	0.00	0.00	4,855,162.95	0.00	4,855,162.95	64.58	4,855,227.53
Balance as at December 31, 2012								
- after restatement	200,000,000.00	319,825,000.00	20,600,000.00	284,887,451.63	(5,992,404.63)	819,320,047.00	5,654.38	819,325,701.38
Changes in shareholders' equity for the year 2013:								
Increase in share capital	20	2,865,000.00	0.00	0.00	0.00	2,865,000.00	0.00	2,865,000.00
Dividend paid	22	0.00	0.00	(87,163,150.00)	0.00	(87,163,150.00)	(546.72)	(87,163,696.72)
Total comprehensive income for the year		0.00	0.00	215,385,442.09	0.00	215,385,442.09	(3,259.80)	215,382,182.29
Balance as at December 31, 2013	202,865,000.00	319,825,000.00	20,600,000.00	413,109,743.72	(5,992,404.63)	950,407,339.09	1,847.86	950,409,186.95

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 YEAR ENDED DECEMBER 31, 2013

Separate financial statements (Baht)						
	Note	Issued and paid-up share capital	Premium on share capital	Retained earnings		Total shareholders' equity
				Appropriated	Unappropriated	
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
Effects of changes in adoption the new accounting policy for income taxes	5	0.00	0.00	0.00	6,095,911.40	6,095,911.40
Balance as at January 1, 2012 - after restatement		200,000,000.00	319,825,000.00	20,600,000.00	157,532,919.91	697,957,919.91
Changes in shareholders' equity for the year 2012:						
Dividend paid	22	0.00	0.00	0.00	(50,000,000.00)	(50,000,000.00)
Total comprehensive income for the year		0.00	0.00	0.00	126,076,119.24	126,076,119.24
Balance as at December 31, 2012		200,000,000.00	319,825,000.00	20,600,000.00	233,609,039.15	774,034,039.15
Balance as at December 31, 2012		200,000,000.00	319,825,000.00	20,600,000.00	229,399,566.56	769,824,566.56
Effects of changes in adoption the new accounting policy for income taxes	5	0.00	0.00	0.00	4,209,472.59	4,209,472.59
Balance as at December 31, 2012 - after restatement		200,000,000.00	319,825,000.00	20,600,000.00	233,609,039.15	774,034,039.15
Changes in shareholders' equity for the year 2013:						
Increase in share capital	20	2,865,000.00	0.00	0.00	0.00	2,865,000.00
Dividend paid	22	0.00	0.00	0.00	(87,163,150.00)	(87,163,150.00)
Total comprehensive income for the year		0.00	0.00	0.00	194,757,826.32	194,757,826.32
Balance as at December 31, 2013		202,865,000.00	319,825,000.00	20,600,000.00	341,203,715.47	884,493,715.47

Notes to financial statements are parts of these financial statements.



DCON PRODUCTS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

**STATEMENTS OF CASH FLOWS**

FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Consolidated financial statements (Baht)</u>		<u>Separate financial statements (Baht)</u>	
	2013	2012	2013	2012
Cash flows from operating activities				
Profit before income tax	270,623,572.80	185,295,361.78	241,306,797.58	162,839,028.17
Adjustment				
Gain on changes in current investment	(9,767.06)	(647.87)	(9,767.06)	(647.87)
Doubtful accounts	71,673.45	34,065.75	59,173.45	0.00
Write off withholding tax	862,531.00	0.00	0.00	0.00
Loss on obsolete goods	138,589.43	0.00	138,589.43	0.00
Reversed loss on obsolete goods	0.00	(537,535.39)	0.00	(537,535.39)
Gain on disposal of investment properties	(6,787,804.31)	(6,651,587.96)	0.00	0.00
Depreciation	46,727,041.67	40,117,434.25	42,124,509.83	36,471,092.52
(Gain) Loss on disposal of equipment	(283,464.86)	(3,067,256.53)	598,261.65	(3,089,715.76)
Amortized intangible assets	601,328.20	601,328.20	601,328.20	601,328.20
Employee benefit provisions	1,065,888.00	753,202.05	958,102.00	518,311.05
Dividend received	0.00	0.00	(9,519,453.28)	(6,999,598.00)
Interest expenses	4,852,242.47	1,883,929.70	4,648,761.27	1,754,750.14
	<u>317,861,830.79</u>	<u>218,428,293.98</u>	<u>280,906,303.07</u>	<u>191,557,013.06</u>
(Increase) Decrease in portion of operating assets				
Trade and other receivables	(13,499,228.53)	(46,678,835.25)	(10,407,833.53)	(46,026,042.20)
Inventories	(79,542,534.34)	(104,859,690.35)	481,313.14	(4,331,953.74)
Other non-current assets	(375,490.56)	(760,116.82)	(375,490.56)	(760,116.82)
Increase (Decrease) in portion of operating liabilities				
Trade and other payables	39,497,570.20	51,897,492.27	11,406,014.07	48,447,316.20
Payables under the Court's judgement	0.00	(16,108,998.59)	0.00	0.00
Other non-current liabilities	(310,854.00)	(66,341.60)	(240,854.00)	(76,341.60)

Notes to financial statements are parts of these financial statements.

DCON PRODUCTS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

**STATEMENTS OF CASH FLOWS (Continued)**

FOR THE YEAR ENDED DECEMBER 31, 2013

	<b>Consolidated financial statements (Baht)</b>		<b>Separate financial statements (Baht)</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
Cash generated (paid) from operation	263,631,293.56	101,851,803.64	281,769,452.19	188,809,874.90
Interest paid	(4,852,242.47)	(1,883,929.70)	(4,648,761.27)	(1,754,750.14)
Income tax paid	(43,754,499.12)	(32,138,923.90)	(37,939,595.24)	(26,677,438.65)
Net cash provided by (used in) operating activities	<u>215,024,551.97</u>	<u>67,828,950.04</u>	<u>239,181,095.68</u>	<u>160,377,686.11</u>
Cash flows from investing activities				
(Increase) Decrease in short-term loans	0.00	0.00	86,000,000.00	(106,000,000.00)
Payments for purchase of ordinary share increase of subsidiary	0.00	0.00	(100,000,000.00)	0.00
Dividend received from subsidiaries	0.00	0.00	9,519,453.28	6,999,598.00
Payments for fixed assets acquisition	(164,072,624.17)	(54,197,562.42)	(149,830,617.67)	(47,616,353.86)
Proceeds from sales of equipment	1,737,268.71	3,441,176.25	0.00	3,322,308.03
Payments for investment properties acquisition	0.00	(5,021,228.13)	0.00	0.00
Proceeds from sales of investment properties	8,400,000.00	8,400,000.00	0.00	0.00
Net cash provided by (used in) investing activities	<u>(153,935,355.46)</u>	<u>(47,377,614.30)</u>	<u>(154,311,164.39)</u>	<u>(143,294,447.83)</u>
Cash flows from financing activities				
Increase (Decrease) in bank overdrafts and short-term loans from financial institutions	(16,347,914.02)	39,845,182.02	(16,400,670.34)	39,571,687.91
Increase in long-term loan	28,358,029.44	0.00	17,108,029.44	0.00
Payments for financial lease liabilities	(7,661,284.41)	(2,745,117.16)	(15,887,743.57)	(2,093,288.82)
Proceeds from share capital increase	2,865,000.00	0.00	2,865,000.00	0.00
Dividend paid	(87,163,696.72)	(50,000,402.00)	(87,163,150.00)	(50,000,000.00)
Net cash provided by (used in) financing activities	<u>(79,949,865.71)</u>	<u>(12,900,337.14)</u>	<u>(99,478,534.47)</u>	<u>(12,521,600.91)</u>
Net increase (decrease) in cash and cash equivalents	<u>(18,860,669.20)</u>	<u>7,550,998.60</u>	<u>(14,608,603.18)</u>	<u>4,561,637.37</u>
Cash and cash equivalents as at January 1	<u>56,939,591.66</u>	<u>49,388,593.06</u>	<u>44,307,698.08</u>	<u>39,746,060.71</u>
Cash and cash equivalents as at December 31	<u><u>38,078,922.46</u></u>	<u><u>56,939,591.66</u></u>	<u><u>29,699,094.90</u></u>	<u><u>44,307,698.08</u></u>

Notes to financial statements are parts of these financial statements.

DCON PRODUCTS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2013

**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, 8<sup>th</sup> floor, Phaholyothin Road, Ladyao, Bangkok and the factories are located as follows :

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

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

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

4th factory : 191 , 192 , 193 Moo 11, Khonkan-Mahasarakham Road, Tambon Phang, Amphur Kosumpisai, Mahasara

5th factory : 15 , 19 , Tambon Makhhamku, Amphur Nihompattana, Rayong.

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), and sales of land and lease of real estate. The real estate project in progress as follows :

1) The project which had sales volume

	2013	2012
<u>Bann Orrada Project</u>		
Contract value (Baht)	215,731,496.00	215,731,496.00
% of total sales value	85.19	85.19
<u>Orrada Ratchapruak Project</u>		
Contract value (Baht)	138,072,000.00	60,105,000.00
% of total sales value	40.41	17.59
<u>Ngamwongwan Condominium Project</u>		
Contract value (Baht)	537,020,750.00	0.00
% of total sales value	58.30	0.00

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

3) "Orrada Condominium Project" starts to operate in the third quarter of 2012. At present, the project is being constructed.

## 2. PREPARATION OF FINANCIAL STATEMENTS BASIS

2.1 The financial statements have been prepared in conformity with Financial Reporting Standards, enunciated under the Accounting Professions Act B.E. 2547 and presented in accordance with the notification of the 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 in accordance with 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 Accounting standards adoption during the year

The Federation of Accounting Professions issued accounting standards, financial reporting standards, standing interpretations and accounting guidance which are expected to be effective for the financial statements beginning on or after January 1, 2013 as detailed below:

#### Accounting Standards

TAS 12 Income Taxes

TAS 20 Accounting for Government Grants and Disclosure of Government Assistance

TAS 21 (Revised 2009) The Effects of Changes in Foreign Exchange Rate

#### Financial Reporting Standards

TFRS 8 Operation Segments

#### Standing Interpretations

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

#### Accounting Guidance

Transfers of Financial Assets

The above accounting standards, financial reporting standards, standing interpretations and accounting guidance will have no significantly impacts on these financial statements.

## 2.3 The new issued and revised accounting standards and financial reporting standards

- 1) The new issued and revised accounting standards and financial reporting standards which are expected to be effective for the financial statements beginning on or after January 1, 2014 onwards and the Company and subsidiaries have not adopted in the preparation of these financial statements. The details are following:

### Accounting Standards

- TAS 1 (Revised 2012) Presentation of Financial Statements
- TAS 7 (Revised 2012) Statement of Cash Flows
- TAS 12 (Revised 2012) Income Taxes
- TAS 17 (Revised 2012) Leases
- TAS 18 (Revised 2012) Revenue
- TAS 19 (Revised 2012) Employee Benefits
- TAS 21 (Revised 2012) The Effects of Changes in Foreign Exchange Rate
- TAS 24 (Revised 2012) Related Party Disclosures
- TAS 28 (Revised 2012) Investments in Associates
- TAS 31 (Revised 2012) Interests in Joint Venture
- TAS 34 (Revised 2012) Interim Financial Reporting
- TAS 36 (Revised 2012) Impairment of Assets
- TAS 38 (Revised 2012) Intangible Assets

### Financial Reporting Standards

- TFRS 2 (Revised 2012) Share - Based Payments
- TFRS 3 (Revised 2012) Business Combinations
- TFRS 5 (Revised 2012) Non-current Held for Sale and Discontinued Operations
- TFRS 8 (Revised 2012) Operating Segments

### Standing Interpretations

- TSIC 15 Operating Leases - Incentives
- TSIC 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease
- TSIC 29 Service Concession Arrangements Disclosures
- TSIC 32 Intangible Assets - Web Site Costs

### Financial Reporting Interpretations

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

- 2) The issued and revised accounting standards and financial reporting standards which are effective for the financial statements beginning on or after January 1, 2016 onwards and the Company and subsidiaries have not applied for these financial statements as follows:

### Financial Reporting Standards

- TFRS 4 Insurance Contracts

At present, the Company and subsidiaries are 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:

	Percentage of shareholding		Type of business
	2013	2012	
Orrada Co., Ltd.	99.99	99.99	Sales and lease real estate
Rompo Products Co., Ltd.	99.99	99.99	Manufacturing and selling of precast floor

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 Dcon 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 a straight-line basis over the period of the lease.

#### 4.2 Cash and cash equivalents

Cash and cash equivalents included cash on hand and at banks of which the maturity is less than three months from the deposit date and without restriction on withdrawal.

#### 4.3 Trade and Other Receivables

Trade and other receivables are stated at the rights to receive amount / invoice amount less allowance for doubtful accounts.

The Company and subsidiaries provided allowance for doubtful accounts by considering the overdue period of the accounts receivable from the abilities to repay the debts of each accounts receivable.

#### 4.4 Inventory

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

4.6.1 Investment properties are properties held to earn rental or for capital appreciation or both.

4.6.2 Subsidiaries stated land at cost, building at cost less accumulated depreciation and devaluation of assets (if any).

Cost is included initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which the subsidiaries incur.

4.6.3 Subsidiaries calculated depreciation on a straight-line basis over the estimated useful lives of assets and the depreciation charge has to be determined separately for each significant parts of assets item with the cost that is significant in relation to the total cost of the assets item. In addition, the entity is required to review the useful lives, residual value and depreciation method at least at each financial year-end.

The estimated useful lives of building is 20 years

Land and assets under construction were not depreciated.

#### 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). Cost is included initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which the Company incurs.



4.7.2 Building and equipment are depreciated on a straight-line basis over the estimated useful lives of the assets and the depreciation charge has to be determined separately for each significant parts of assets with the cost that is significant in relation to the total cost of assets item. In addition, the entity is required to review the useful lives, residual value and depreciation method at least at each financial year-end.

The estimated useful lives of the assets are 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.

#### 4.8 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 and short-term loans, bank overdrafts and short-term loans from financial institutions, trade and other payables and financial lease liabilities. 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 and deferred tax

1. Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognized in profit or loss except to the extent that they relate to a business combination, or items recognized directly in equity or in other comprehensive income
  - Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.
  - Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized that it is probable that they will not utilize in the foreseeable future.
2. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they adjust, using tax rates enacted or substantively enacted at the reporting date.
3. In determining the amount of current and deferred tax, the Company and subsidiaries take into account the impact of uncertain tax positions and whether additional taxes and interest may be settled. The Company and subsidiaries believe that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Company and subsidiaries to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.
4. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but the Company and subsidiaries intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

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

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 the financial reporting standards 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 and subsidiaries 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 and subsidiaries recognize 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 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. EFFECTS FROM INITIAL ADOPTION FINANCIAL REPORTING STANDARDS

The Company and subsidiaries have applied TAS 12 "Income Taxes", in accordance with the FAP's notification, the Company and subsidiaries thus taken income tax expenses (income) to adjust the beginning of 2013 retained earnings and made retroactively adjustment the 2012 financial statements. The effects from apply such accounting standards, the financial statements for the year ended December 31, 2013 represented the increase in beginning retained earnings and increase in deferred tax assets/liabilities by the same amount of Baht 4.86 million and Baht 4.21 million in the consolidated and separate financial statements respectively. The 2012 financial statements have changed as follows :

	<b>Consolidated financial statements (Baht)</b>		
	<u>Before restatement</u>	<u>After restatement</u>	<u>Difference</u>
<u>Statements of financial position as at December 31, 2012</u>			
Deferred tax assets	0.00	6,111,694.78	6,111,694.78
Deferred tax liabilities	0.00	1,256,467.25	1,256,467.25
Retained earnings - unappropriated	280,032,288.68	284,887,451.63	4,855,162.95
Non-controlling interests	5,589.80	5,654.38	64.58
<u>Statements of financial position as at January 1, 2012</u>			
Deferred tax assets	0.00	12,129,990.65	12,129,990.65
Deferred tax liabilities	0.00	1,079,716.56	1,079,716.56
Retained earnings - unappropriated	184,040,115.22	195,089,893.87	11,049,778.65
Non-controlling interests	3,228.77	3,724.21	495.44
<u>Statements of comprehensive income</u>			
<u>For the year ended December 31, 2012</u>			
Income tax expenses	39,300,425.29	45,495,471.85	6,195,046.56
Total comprehensive income for the year	145,994,936.49	139,799,889.93	(6,195,046.56)
Basic earnings per share	0.73	0.70	(0.03)
Weighted average number of common shares	200,000,000	200,000,000	

	<b>Separate financial statements (Baht)</b>		
	<u>Before restatement</u>	<u>After restatement</u>	<u>Difference</u>
<u>Statements of financial position as at December 31, 2012</u>			
Deferred tax assets	0.00	5,465,939.84	5,465,939.84
Deferred tax liabilities	0.00	1,256,467.25	1,256,467.25
Retained earnings - unappropriated	229,399,566.56	233,609,039.15	4,209,472.59
<u>Statements of financial position as at January 1, 2012</u>			
Deferred tax assets	0.00	7,175,627.96	7,175,627.96
Deferred tax liabilities	0.00	1,079,716.56	1,079,716.56
Retained earnings - unappropriated	151,437,008.51	157,532,919.91	6,095,911.40
<u>Statements of comprehensive income</u>			
<u>For the year ended December 31, 2012</u>			
Income tax expenses	34,876,470.12	36,762,908.93	1,886,438.81
Total comprehensive income for the year	127,962,558.05	126,076,119.24	(1,886,438.81)
Basic earnings per share	0.64	0.63	(0.01)
Weighted average number of common shares	200,000,000	200,000,000	

## 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>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
Cash	922,000.00	732,000.00	740,000.00	590,000.00
Cash at banks - current accounts	4,666,558.74	8,724,260.07	1,789,439.16	8,724,260.07
Cash at banks - savings deposit	31,245,915.01	46,273,766.78	25,925,207.03	33,783,873.20
Cash at banks - fixed deposit				
with 3 months	1,244,448.71	1,209,564.81	1,244,448.71	1,209,564.81
Total	<u>38,078,922.46</u>	<u>56,939,591.66</u>	<u>29,699,094.90</u>	<u>44,307,698.08</u>

6.2 Non-cash transaction

### **For the year ended December 31, 2013**

#### Parents

The Company entered into hire purchase 20 vehicles agreement of Baht 57.07 million which is presented as financial lease liabilities and the outstanding for fixed assets acquisition amount of Baht 4.35 million which is presented as other payables.

## 6.2 Non-cash transaction (Cont'd)

### For the year ended December 31, 2012

#### Parents

The Company entered into hire purchase 7 vehicles agreement of Baht 19.82 million which is presented as financial lease liabilities.

#### Subsidiary

The subsidiary entered into hire purchase of a vehicle agreement amount of Baht 2.98 million which was already made the initial installment in the amount of Baht 0.05 million. The remaining is presented as financial lease liabilities.

## 7. TRADE AND OTHER RECEIVABLES

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2013	2012	2013	2012
Trade accounts receivable	159,724,397.21	148,831,057.12	148,378,732.16	136,535,884.92
Other receivables	11,555,769.06	9,796,914.16	4,246,331.75	5,665,848.00
Total	171,280,166.27	158,627,971.28	152,625,063.91	142,201,732.92
Less Allowance for doubtful accounts				
- trade accounts receivable	(11,072,605.43)	(11,000,931.98)	(4,412,181.30)	(4,353,007.85)
- other receivables	(1,417,512.00)	(1,417,512.00)	0.00	0.00
Net	158,790,048.84	146,209,527.30	148,212,882.61	137,848,725.07

#### Billed trade accounts receivable separated on aging

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2013	2012	2013	2012
Undue trade accounts receivable	95,231,892.80	82,016,980.01	91,828,701.45	77,689,670.46
Overdue trade accounts receivable				
- Less than 3 months	50,186,639.38	51,103,781.23	49,364,126.89	50,658,379.79
- Over 3 months to 6 months	1,406,170.31	2,836,500.95	1,281,170.31	2,706,500.95
- Over 6 months to 12 months	845,404.48	997,222.06	845,404.48	610,023.78
- More than 12 months	12,054,290.24	11,876,572.87	5,059,329.03	4,871,309.94
Total	159,724,397.21	148,831,057.12	148,378,732.16	136,535,884.92

## 8. INVENTORIES

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2013	2012	2013	2012
Finished goods	26,678,066.51	33,170,362.07	25,202,977.77	32,446,662.58
Finished goods in process	0.00	475,676.02	0.00	475,676.02
Raw materials and supplies	30,897,304.37	23,299,665.14	28,836,490.44	21,598,442.75
Cost of land for development				
- Land	218,789,360.77	195,462,061.07	0.00	0.00
- Land for development	37,730,191.51	26,391,046.61	0.00	0.00
- Work in progress	358,054,852.49	225,662,148.36	0.00	0.00
Total	672,149,775.65	504,460,959.27	54,039,468.21	54,520,781.35
Less Cost of land for development				
transfer to cost of sales	(247,620,531.60)	(188,307,764.00)	0.00	0.00
Total	424,529,244.05	316,153,195.27	54,039,468.21	54,520,781.35
Less Allowance for obsolete				
goods	(489,394.55)	(350,805.12)	(489,394.55)	(350,805.12)
Net	424,039,849.50	315,802,390.15	53,550,073.66	54,169,976.23

As at December 31, 2013, subsidiary's inventories- Condominium Project at cost amount of Baht 141.62 million are mortgaged as collateral against long-term loans (note 18).

## 9. LAND HELD FOR DEVELOPMENT

For the third quarter of 2013, subsidiary transferred land held for development amount of Baht 22.22 million to inventories since such land was taken to develop for selling purpose.

As at December 31, 2013 and 2012, subsidiaries' land held for development (including land, land improvement and utilities) in the amount of Baht 21.42 million are mortgaged as collateral against overdraft lines and short-term loans from financial institutions (note 16) and contingent liabilities from bank issuance of letter of guarantee (note 32.2).



## 10. 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	
			2013	2012	2013	2012	2013	2012	2013	2012
Orrada Co., Ltd.	Sales and lease real estate	Shareholders and directorship	300,000,000.00	200,000,000.00	99.99	99.99	300,000,000.00	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	99.99	41,663,520.71	41,663,520.71	9,519,423.28	6,999,598.00
Total							341,663,520.71	241,663,520.71	9,519,423.28	6,999,598.00

On March 29, 2013, a subsidiary (Orrada Co., Ltd.) has registered it increase share capital from Baht 200 million to Baht 300 million (divided into 30 million shares at par value of Baht 10 each). The Company's shareholding still being the same proportion. During the period, the Company has made payment for such increase share capital in full.

The financial statements for the year ended December 31, 2013 and 2012 of above subsidiary have been taken for preparing the consolidated financial statements which were audited by the auditor.

## 11. INVESTMENT PROPERTIES

<b>Consolidated financial statements (Baht)</b>				
	Land	Building	Assets under construction	Total
<b>Assets cost :</b>				
As at December 31, 2011	19,396,068.59	24,198,602.55	0.00	43,594,671.14
Purchase	0.00	0.00	5,207,868.05	5,207,868.05
Disposal	(997,610.53)	(2,278,192.50)	0.00	(3,275,803.03)
As at December 31, 2012	18,398,458.06	21,920,410.05	5,207,868.05	45,526,736.16
Purchase	150,000.00	0.00	0.00	150,000.00
Disposal	(987,975.96)	(2,154,592.00)	0.00	(3,142,567.96)
Transfer to inventories	(1,374,960.86)	0.00	(5,207,868.05)	(6,582,828.91)
As at December 31, 2013	16,185,521.24	19,765,818.05	0.00	35,951,339.29
<b>Accumulated depreciation :</b>				
As at December 31, 2011	0.00	11,754,570.94	0.00	11,754,570.94
Depreciation for the year	0.00	1,165,314.77	0.00	1,165,314.77
Depreciation - write off	0.00	(1,340,751.07)	0.00	(1,340,751.07)
As at December 31, 2012	0.00	11,579,134.64	0.00	11,579,134.64
Depreciation for the year	0.00	1,003,791.95	0.00	1,003,791.95
Depreciation - write off	0.00	(1,345,580.27)	0.00	(1,345,580.27)
As at December 31, 2013	0.00	11,237,346.32	0.00	11,237,346.32
<b>Net assets value</b>				
As at December 31, 2012	18,398,458.06	10,341,275.41	5,207,868.05	33,947,601.52
As at December 31, 2013	16,185,521.24	8,528,471.73	0.00	24,713,992.97

As at December 31, 2013 and 2012, investment properties are land including factory buildings of subsidiary had fair value amount of Baht 67.20 million (8 units) and Baht 75.82 million (9 units) respectively.

## 12. PROPERTY, PLANT AND EQUIPMENT

	Consolidated 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, 2011	82,967,976.93	186,197,587.35	212,679,440.81	3,692,629.50	26,850,227.82	178,685,471.76	11,540,333.47	702,613,667.64
Acquisition/transfer	34,748.23	2,036,937.36	13,331,974.20	280,000.00	1,225,070.47	56,155,319.84	955,942.22	74,019,992.32
Disposal	0.00	0.00	(328,046.11)	0.00	(71,662.61)	(8,672,488.79)	(175,398.44)	(9,247,595.95)
Transference	313,333.85	3,499,824.93	7,407,593.04	0.00	(8,000.00)	508,000.00	(11,720,751.82)	0.00
As at December 31, 2012	83,316,059.01	191,734,349.64	233,090,961.94	3,972,629.50	27,995,635.68	226,676,302.81	600,125.43	767,386,064.01
Acquisition	38,898,856.80	838,671.51	15,223,531.90	0.00	4,531,621.16	78,635,773.27	87,356,134.76	225,484,589.40
Disposal	0.00	(72,730.74)	(1,284,079.04)	0.00	(164,450.00)	(3,375,724.70)	0.00	(4,896,984.48)
Transference	464,268.41	0.00	21,615.02	0.00	0.00	0.00	(485,883.43)	0.00
As at December 31, 2013	122,679,184.22	192,500,290.41	247,052,029.82	3,972,629.50	32,362,806.84	301,936,351.38	87,470,376.76	987,973,668.93
Accumulated depreciation :								
As at December 31, 2011	0.00	80,377,946.75	174,904,739.03	3,637,103.09	21,179,003.57	135,751,817.85	0.00	415,850,610.29
Depreciation for the year	0.00	7,458,073.90	10,906,880.20	30,354.59	1,818,185.01	9,784,317.66	0.00	29,997,811.36
Depreciation - write off	0.00	0.00	(181,234.84)	0.00	(19,957.60)	(8,672,483.79)	0.00	(8,873,676.23)
Transference	0.00	0.00	7,499.00	0.00	(7,499.00)	0.00	0.00	0.00
As at December 31, 2012	0.00	87,836,020.65	185,637,883.39	3,667,457.68	22,969,731.98	136,863,651.72	0.00	436,974,745.42
Depreciation for the year	0.00	7,309,731.28	10,682,890.25	66,615.19	1,993,580.70	17,180,624.98	0.00	37,233,442.40
Depreciation - write off	0.00	(47,027.60)	(685,784.39)	0.00	(164,438.00)	(2,545,930.64)	0.00	(3,443,180.63)
As at December 31, 2013	0.00	95,098,724.33	195,634,989.25	3,734,072.87	24,798,874.68	151,498,346.06	0.00	470,765,007.19
Net assets value								
As at December 31, 2012	83,316,059.01	103,898,328.99	47,453,078.55	305,171.82	5,025,903.70	89,812,651.09	600,125.43	330,411,318.59
As at December 31, 2013	122,679,184.22	97,401,566.08	51,417,040.57	238,556.63	7,563,932.16	150,438,005.32	87,470,376.76	517,208,661.74

## 12. 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, 2011	57,896,380.76	174,736,238.46	194,131,474.25	3,577,136.73	22,935,762.62	168,373,975.66	11,450,718.03	633,101,686.51
Acquisition/transfer	34,748.23	2,036,937.36	12,467,896.30	280,000.00	886,186.76	51,618,773.11	114,242.00	67,438,783.76
Disposal	0.00	0.00	(273,456.79)	0.00	0.00	(8,492,488.79)	(85,783.00)	(8,851,728.58)
Transference	89,453.11	3,499,824.93	7,267,656.99	0.00	0.00	508,000.00	(11,364,935.03)	0.00
As at December 31, 2012	58,020,582.10	180,273,000.75	213,593,570.75	3,857,136.73	23,821,949.38	212,008,259.98	114,242.00	691,688,741.69
Acquisition	38,530,869.25	0.00	12,552,926.05	0.00	2,975,157.20	76,498,390.10	80,685,240.30	211,242,582.90
Disposal	0.00	0.00	(1,130,687.38)	0.00	0.00	0.00	0.00	(1,130,687.38)
As at December 31, 2013	96,551,451.35	180,273,000.75	225,015,809.42	3,857,136.73	26,797,106.58	288,506,650.08	80,799,482.30	901,800,637.21
Accumulated depreciation :								
As at December 31, 2011	0.00	76,054,129.18	157,944,735.04	3,568,553.76	17,987,531.36	128,080,010.10	0.00	383,634,959.44
Depreciation for the year	0.00	6,883,434.70	10,035,188.27	19,138.03	1,571,521.04	9,007,502.36	0.00	27,516,784.40
Depreciation - write off	0.00	0.00	(126,651.52)	0.00	0.00	(8,492,484.79)	0.00	(8,619,136.31)
As at December 31, 2012	0.00	82,937,563.88	167,853,271.79	3,587,691.79	19,559,052.40	128,595,027.67	0.00	402,532,607.53
Depreciation for the year	0.00	6,706,993.56	9,962,569.30	56,000.04	1,535,444.95	15,373,694.66	0.00	33,634,702.51
Depreciation - write off	0.00	0.00	(532,425.73)	0.00	0.00	0.00	0.00	(532,425.73)
As at December 31, 2013	0.00	89,644,557.44	177,283,415.36	3,643,691.83	21,094,497.35	143,968,722.33	0.00	435,634,884.31
Net assets value								
As at December 31, 2012	58,020,582.10	97,335,436.87	45,740,298.96	269,444.94	4,262,896.98	83,413,232.31	114,242.00	289,156,134.16
As at December 31, 2013	96,551,451.35	90,628,443.31	47,732,394.06	213,444.90	5,702,609.23	144,537,927.75	80,799,482.30	466,165,752.90

As at December 31, 2013 and 2012, land, building, machinery and equipment at cost of Baht 157.17 million and Baht 156.40 million in the consolidated financial statements, and Baht 138.18 million in the separate financial statements are mortgaged as collateral against overdrafts line and short-term loans from financial institutions (note 16), long-term loans (note 18) and contingent liabilities from bank issuance of letter of guarantee (note 32.2).

### 13. INTANGIBLE ASSETS

	Consolidated and Separate financial statements (Baht)					
	Computer software		Products research and development		Total	
	2013	2012	2013	2012	2013	2012
Intangible assets - cost :						
Beginnig balance	6,649,420.09	6,649,420.09	12,715,569.38	12,715,569.38	19,364,989.47	19,364,989.47
Ending balance	6,649,420.09	6,649,420.09	12,715,569.38	12,715,569.38	19,364,989.47	19,364,989.47
Accumulated amortization :						
Beginnig balance	2,752,784.64	2,151,456.44	2,168,347.36	2,168,347.36	4,921,132.00	4,319,803.80
Amortization for the year	601,328.20	601,328.20	0.00	0.00	601,328.20	601,328.20
Ending balance	3,354,112.84	2,752,784.64	2,168,347.36	2,168,347.36	5,522,460.20	4,921,132.00
Provision for impairment of assets :						
Beginnig balance	0.00	0.00	10,547,222.02	10,547,222.02	10,547,222.02	10,547,222.02
Ending balance	0.00	0.00	10,547,222.02	10,547,222.02	10,547,222.02	10,547,222.02
Net intangible assets value						
Beginnig balance	3,896,635.45	4,497,963.65	0.00	0.00	3,896,635.45	4,497,963.65
Ending balance	3,295,307.25	3,896,635.45	0.00	0.00	3,295,307.25	3,896,635.45

#### 14. DEFERRED TAX ASSETS / LIABILITIES

The increase and decrease of deferred tax assets / liabilities are as follows :

<b>Consolidated financial statements (Baht)</b>					
	Recognize as (expenses)		Recognize as (expenses)		
	As at December 31, 2011	income in profit or loss (Note 23.2)	As at December 31, 2012	income in profit or loss (Note 23.2)	
<u>Deferred tax assets</u>					
Trade accounts receivable (allowance for doubtful accounts)	1,343,148.47	(444,969.76)	898,178.71	0.00	898,178.71
Inventories (allowance for devaluation of inventories)	266,502.15	(196,341.13)	70,161.02	0.00	70,161.02
Intangible assets (provision for impairment)	0.00	1,054,722.20	1,054,722.20	(210,944.42)	843,777.78
Non-operating assets (provision for impairment)	4,633,811.49	(1,913,293.56)	2,720,517.93	(338,021.82)	2,382,496.11
Lawsuits provisions	4,832,699.18	(4,832,699.18)	0.00	0.00	0.00
Employee benefit obligations	1,053,829.36	(200,636.04)	853,193.32	213,177.58	1,066,370.90
Deficit from operation of subsidiaries	0.00	514,921.60	514,921.60	(514,921.60)	0.00
Total	12,129,990.65	(6,018,295.87)	6,111,694.78	(850,710.26)	5,260,984.52
<u>Deferred tax liabilities</u>					
Fixed assets (depreciation)	(1,079,716.56)	(176,750.69)	(1,256,467.25)	(566,415.75)	(1,822,883.00)
Net	11,050,274.09	(6,195,046.56)	4,855,227.53	(1,417,126.01)	3,438,101.52
<b>Separate financial statements (Baht)</b>					
	Recognize as (expenses)		Recognize as (expenses)		
	As at December 31, 2011	income in profit or loss (Note 23.2)	As at December 31, 2012	income in profit or loss (Note 23.2)	
<u>Deferred tax assets</u>					
Trade accounts receivable (allowance for doubtful accounts)	1,305,902.36	(435,300.39)	870,601.57	0.00	870,601.57
Inventories (allowance for devaluation of inventories)	266,502.15	(196,341.13)	70,161.02	0.00	70,161.02
Intangible assets (provision for impairment)	0.00	1,054,722.20	1,054,722.20	(210,944.42)	843,777.78
Non-operating assets (provision for impairment)	4,633,811.49	(1,913,293.56)	2,720,517.93	(338,021.82)	2,382,496.11
Employee benefit obligations	969,412.36	(219,475.24)	749,937.12	191,620.38	941,557.50
Total	7,175,628.36	(1,709,688.12)	5,465,939.84	(357,345.86)	5,108,593.98
<u>Deferred tax liabilities</u>					
Fixed assets (depreciation)	(1,079,716.56)	(176,750.69)	(1,256,467.25)	(566,415.75)	(1,822,883.00)
Net	6,095,911.80	(1,886,438.81)	4,209,472.59	(923,761.61)	3,285,710.98

## 15. NON-OPERATING ASSETS

<b>Consolidated and Separate financial statements (Baht)</b>				
	Land and land improvement	Building and building improvement	Machinery, tools and equipment	Total
Assets - cost				
As at December 31, 2011	17,448,452.47	62,766,155.35	99,623,503.15	179,838,110.97
As at December 31, 2012	17,448,452.47	62,766,155.35	99,623,503.15	179,838,110.97
As at December 31, 2013	17,448,452.47	62,766,155.35	99,623,503.15	179,838,110.97
Accumulated depreciation :				
As at December 31, 2011	0.00	15,091,114.54	38,059,024.43	53,150,138.97
Depreciation for the year	0.00	2,961,185.22	5,993,122.90	8,954,308.12
As at December 31, 2012	0.00	18,052,299.76	44,052,147.33	62,104,447.09
Depreciation for the year	0.00	2,953,094.55	5,536,712.77	8,489,807.32
As at December 31, 2013	0.00	21,005,394.31	49,588,860.10	70,594,254.41
Provision for impairment of assets :				
As at December 31, 2011	0.00	3,339,102.98	17,933,111.48	21,272,214.46
As at December 31, 2012	0.00	3,339,102.98	17,933,111.48	21,272,214.46
As at December 31, 2013	0.00	3,339,102.98	17,933,111.48	21,272,214.46
Net non-operating assets value				
As at December 31, 2012	17,448,452.47	41,374,752.61	37,638,244.34	96,461,449.42
As at December 31, 2013	17,448,452.47	38,421,658.06	32,101,531.57	87,971,642.10

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 new replacement cost, 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, 2013 and 2012, 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), long-term loan (note 18) and contingent liabilities from bank issuance of letter of guarantee (note 32.2).

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

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2013	2012	2013	2012
Bank overdrafts	4,705,041.46	1,552,955.48	4,705,041.46	1,105,711.80
Short-term loans	21,000,000.00	40,500,000.00	20,000,000.00	40,000,000.00
Total	25,705,041.46	42,052,955.48	24,705,041.46	41,105,711.80

As at December 31, 2013 and 2012, the Company and subsidiaries have overdrafts line for the amount of Baht 82 million (5 banks) and Baht 72 million (4 banks) in the consolidated financial statements, and Baht 60 million (4 banks) 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 216 million in the consolidated financial statements and Baht 211 million in the separate financial statements respectively at the interest rate of MLR - 2.75% to MLR - 0.5% per annum and MOR per annum.

The above liabilities guaranteed by mortgaging land held for development (note 9), land with its building, and machinery and equipment (note 12 and 15).

## 17. TRADE AND OTHER PAYABLES

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2013	2012	2013	2012
Trade accounts payable	112,566,667.74	99,993,337.24	108,648,913.95	96,677,412.37
Other payables				
Amount received in				
advance for goods	36,532,832.97	14,078,497.87	10,255,913.24	13,408,497.87
Accrued expenses	19,185,439.32	15,389,624.96	15,548,347.93	12,412,671.52
Fixed assets acquisition payable	4,346,544.73	0.00	4,346,544.73	0.00
Others	8,195,806.47	7,521,716.23	4,308,978.98	4,857,558.27
Total	180,827,291.23	136,983,176.30	143,108,698.83	127,356,140.03



## 18. LONG-TERM LOAN

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2013	2012	2013	2012
Loan from bank	37,108,029.44	0.00	17,108,029.44	0.00
Less Current portion of long-term liabilities	(8,750,000.00)	0.00	(8,750,000.00)	0.00
Net	28,358,029.44	0.00	8,358,029.44	0.00

### Parent company

The Company has obtained the approval for long-term loans line from a bank for credit amount of Baht 70 million for using in factory construction. The interest is payable on a monthly payment at the rate of MLR-2% per annum. The principal is repayable within 36 month from the first withdrawal date, the first installment will be made at the end of nine months from the first withdrawal date. The following installment will be made on a quarterly basis in the amount of Baht 4.38 million each. The Company has made the first withdrawal amount of Baht 17.11 million on December 2, 2013.

Such loans are guaranteed by land with its construction of the Company (note 12 and 15).

### Subsidiary

The subsidiary has obtained the approval for long-term loans line from a bank for credit amount of Baht 450 million for using in condominium construction. The interest is payable on a monthly payment at the rate of MLR-2% per annum. The principal is repayable within 36 month from the first withdrawal date when the subsidiary transferred the ownership of condominium to the customers at least 75% of selling price. The Company has made the first withdrawal amount of Baht 20 million on December 2, 2013.

Such loans are guaranteed by inventories-land with its construction of the subsidiary (note 8).

## 19. FINANCIAL LEASE LIABILITIES

19.1 Financial lease liabilities exclude future interest are as follow:

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2013	2012	2013	2012
Lease payable	60,338,987.36	19,684,851.27	60,294,388.11	19,116,711.18
Less Current portion of long-term liabilities	(24,493,190.12)	(6,667,915.85)	(24,448,590.87)	(6,166,775.01)
Net	35,845,797.24	13,016,935.42	35,845,797.24	12,949,936.17

19.2 As at December 31, 2013 and 2012, vehicles at cost of Baht 78.05 million and Baht 22.31 million respectively in the consolidated financial statements and Baht 76.89 million and Baht 19.82 million respectively in the separate financial statements which are under the payment as indicated in agreement.

19.3 The minimum to be paid for financial lease is as follows :

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2013	2012	2013	2012
Within 1 year	25,946,877.32	7,512,251.94	25,902,077.32	7,001,652.00
Over 1 year to 3 years	38,730,210.00	13,690,917.22	38,730,210.00	13,623,717.22
Total	64,677,087.32	21,203,169.16	64,632,287.32	20,625,369.22
Less Future interest under financial lease	(4,338,099.96)	(1,518,317.89)	(4,337,899.21)	(1,508,658.04)
Present value of financial lease liabilities	60,338,987.36	19,684,851.27	60,294,388.11	19,116,711.18

## 20. SHARE CAPITAL

20.1 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 (the first exercise date will be on January 31, 2013 and every 3 months thereafter, the warrant is exercisable during January 31, 2013 to November 30, 2013 at 50%). On June 1, 2010, the Company has already issued 5.73 million units of warrants.

20.2 The increase of share capital are as follow :

	Authorized share capital		Issued and paid-up share capital	
	Number of shares	Amount (Baht)	Number of shares	Amount (Baht)
Balance as at January 1, 2013	206,000,000	206,000,000.00	200,000,000	200,000,000.00
Common shares issued from exercise of warrants	0	0.00	2,865,000	2,865,000.00
Balance as at December 31, 2013	206,000,000	206,000,000.00	202,865,000	202,865,000.00

During the year 2013 the Company and subsidiaries' employees exercised right of warrants to purchase ordinary shares are as follow :

1. On January 31, 2013, exercised right of warrants for 2,705,000 units of warrants equal to 2,705,000 ordinary shares. The Company has registered the increase share capital with the Ministry of Commerce on February 4, 2013.

2. On April 30, 2013, exercised right of warrants for 30,000 units of warrants equal to 30,000 ordinary shares. The Company has registered the increase share capital with the Ministry of Commerce on May 15, 2013.

3. On July 31, 2013, exercised right of warrants for 130,000 units of warrants equal to 130,000 ordinary shares. The Company has registered the increase share capital with the Ministry of Commerce on August 14, 2013.

As a result, as at December 31, 2013, the Company has issued and paid-up share capital from Baht 200 million to Baht 202.87 million (202,865,000 ordinary shares at par of Baht 1 each).

20.3 The decrease of warrants to purchase ordinary shares are as follow :

	<u>Number of units</u>
Balance as at January 1, 2013	5,730,000
Exercise of warrants	<u>(2,865,000)</u>
Balance as at December 31, 2013	<u><u>2,865,000</u></u>

20.4 Event after the reporting period, on February 13, 2014, the Company and subsidiaries' employees exercised right of warrants to purchase ordinary shares for 2,569,400 units of warrants equal to 2,569,400 ordinary shares. As a result, the Company has issued and paid-up share capital from Baht 202.87 million to Baht 205.44 million (205,434,400 ordinary shares at par of Baht 1 each). The Company has registered the increase share capital with the Ministry of Commerce on February 7, 2014.

## **21. 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.

## **22. RETAINED EARNINGS APPROPRIATION**

### Parent

According to the minutes of the shareholders' general meeting for the year 2012 held on April 26, 2012, passed the resolution to pay dividend from the results of operation for the year 2011 to the shareholders at Baht 0.25 per share, for 200 million shares amounting to Baht 50 million. During the year, the Company has already paid such dividend.

According to the minutes of the shareholders' general meeting for the year 2013 held on April 25, 2013, passed the resolution to pay dividend from the results of operation for the year 2012 to the shareholders at Baht 0.43 per share, for 202.70 million shares amounting to Baht 87.16 million. During the year, the Company has already paid such dividend.

### Subsidiaries

According to the minutes of shareholders' general meeting for the year 2012 held on April 25, 2012, passed the resolution to pay dividend from the results of operation for the year 2011 to the shareholders at Baht 2 per share, for 3.50 million shares amounting to Baht 7 million. During the year, the subsidiary has already paid such dividend.

According to the minutes of shareholders' general meeting for the year 2013 held on April 26, 2013, passed the resolution to pay dividend from the results of operation for the year 2012 to the shareholders at Baht 2.72 per share, for 3.50 million shares amounting to Baht 9.52 million. During the year, the subsidiary has already paid such dividend.

## **23. INCOME TAX**

### 23.1 The calculation of current income taxes

The corporate income tax is calculated at the rate of 20 per cent (for the year 2013) and 23 per cent (for the year 2012) of profit (loss) before deducting with tax expenses and added back other expenses which shall not be allowed as expenses in tax calculation (if any) except the exempted taxable profit derived from promoted business by using the rate as specified in the promotion certificate (note 29).

23.2 Income tax recognized in profit or loss

	Consolidated		Separate	
	financial statements (Baht)		financial statements (Baht)	
	2013	2012	2013	2012
		(Restated)		(Restated)
<b>Current income tax</b>				
for the current year	53,824,264.50	39,300,425.29	45,625,209.65	34,876,470.12
<b>Deferred tax</b>				
Changes in temporary differences				
of deferred tax	1,417,126.01	6,195,046.56	923,761.61	1,886,438.81
Total income tax	<u>55,241,390.51</u>	<u>45,495,471.85</u>	<u>46,548,971.26</u>	<u>36,762,908.93</u>

23.3 Reconciliation for effective income tax rate

	Consolidated		Separate	
	financial statements (Baht)		financial statements (Baht)	
	2013	2012	2013	2012
		(Restated)		(Restated)
Profit before income tax after				
profit derived from promoted				
activities	279,808,607.45	185,773,009.56	250,491,832.23	163,316,675.95
Income tax rate (%)	20	23	20	23
Income tax	55,961,721.49	42,727,792.20	50,098,366.45	37,562,835.47
Income tax reduction	0.00	4,403,235.74	0.00	2,751,781.51
Prohibited taxable expenses	833,844.91	346,524.36	383,122.79	198,181.86
Exempted income	(2,045,016.23)	(2,579,680.28)	(2,028,627.32)	(2,139,982.37)
Additional taxable expenses	0.00	0.00	(1,903,890.66)	(1,609,907.54)
Effects from elimination with				
subsidiary	490,840.34	597,599.83	0.00	0.00
Total income tax	<u>55,241,390.51</u>	<u>45,495,471.85</u>	<u>46,548,971.26</u>	<u>36,762,908.93</u>
Income tax rate (%)	<u>20</u>	<u>24</u>	<u>19</u>	<u>23</u>

## 24. EARNINGS PER SHARE

Consolidated financial statements									
	Net profit			Number of shares			Earnings / share		
	2013	Baht	2012	2013	shares	2012	2013	Baht	2012
Basic earnings per share									
Net profit (loss) of common									
shareholders	215,378,922.49	139,797,557.76		202,547,083		200,000,000	1.06		0.70
Effects of potential common share									
(exercise rights)	-	-		2,585,761		4,533,758			
Diluted earnings per share									
Profit (Loss) of common									
shareholders assumed									
as conversion to									
common share	215,378,922.49	139,797,557.76		205,132,844		204,533,758	1.05		0.68
Separate financial statements									
	Net profit			Number of shares			Earnings / share		
	2013	Baht	2012	2013	shares	2012	2013	Baht	2012
Basic earnings per share									
Net profit (loss) of common									
shareholders	194,757,826.32	126,076,119.24		202,547,083		200,000,000	0.96		0.63
Effects of potential common share									
(exercise rights)	-	-		2,585,761		4,533,758			
Diluted earnings per share									
Profit (Loss) of common									
shareholders assumed									
as conversion to									
common share	194,757,826.32	126,076,119.24		205,132,844		204,533,758	0.95		0.62

## 25. TRANSACTIONS WITH RELATED PERSONS AND PARTIES

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

### 25.1 General information

<u>Name</u>	<u>Type of Business</u>	<u>Relationship</u>	<u>Description</u>	<u>Princing policy</u>
<u>Subsidiaries</u>				
Orrada Co., Ltd.	Sales and lease of real estate	Shareholders and directorship	Revenues from sales of goods	At cost
			Interest income	At the interest rate of 4% per annum
Rompo Products Co., Ltd.	Manufacturing and selling of precast floor	Shareholders and directorship	Purchase vehicle	At cost - net

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

	<u>Consolidated financial statements (Baht)</u>		<u>Separate financial statements (Baht)</u>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
Orrada Co., Ltd.				
Trade and other receivables	0.00	0.00	218,402.99	247,265.29
Short-term loans	0.00	0.00	20,000,000.00	106,000,000.00

The increase and decrease of short-term loans are as follow :

	<u>Separate financial statements (Baht)</u>	
	<b>2013</b>	<b>2012</b>
Beginning balance	106,000,000.00	0.00
Increase during the period	85,747,749.30	122,000,000.00
Decrease during the period	<u>(171,747,749.30)</u>	<u>(16,000,000.00)</u>
Ending balance	<u>20,000,000.00</u>	<u>106,000,000.00</u>

25.3 Revenues and expenses transaction with related persons and parties are as follows :

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2013	2012	2013	2012
Mr. Wittawat Pornkul				
Other income (gain on sales of vehicle)	0.00	1,542,055.08	0.00	1,542,055.08
Orrada Co., Ltd.				
Sales of goods	0.00	0.00	3,102,284.91	3,303,082.05
Other income (interest income)	0.00	0.00	2,282,163.83	2,776,530.75

25.4 Other transactions with related persons and parties are as follows :

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2013	2012	2013	2012
Rompo Products Co., Ltd.				
Purchase vehicle	0.00	0.00	829,789.06	0.00

## 26. 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.

## 27. 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.



## 28. EXPENSES ANALYZED BY NATURE

Expenses analyzed by nature are as follows :

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2013	2012	2013	2012
Changes in inventories of finished				
goods and work in progress	(100,778,409.55)	(104,823,173.90)	7,719,360.83	(5,408,146.83)
Raw materials and consumables				
used	521,804,064.76	487,189,277.03	481,498,351.87	450,522,477.71
Directors' remuneration	2,393,500.00	1,422,500.00	2,393,500.00	1,422,500.00
Management benefit expenses	6,623,497.63	6,116,333.00	4,494,659.00	3,996,055.00
Employees benefit expenses	102,871,736.79	82,384,759.26	87,125,362.10	69,740,334.44
Depreciation	46,727,041.67	40,117,434.25	42,124,509.83	36,471,092.52

## 29. RIGHTS AND PRIVILEGES FROM PROMOTION CERTIFICATE

29.1 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 April 30, 2007. 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 comply with the certain conditions and terms as stipulated in promotion certificate.

## 29. RIGHTS AND PRIVILEGES FROM PROMOTION CERTIFICATE

The results of operation of the Company and two subsidiaries separated into promoted business and non-promoted business as follow :

(Unit : Baht)

	Promoted business		Non-promoted business		Total	
	2013	2012	2013	2012	2013	2012
Sales and services	67,727,770.84	80,327,299.67	1,243,522,044.38	949,403,487.16	1,311,249,815.22	1,029,730,786.83
Cost of sales and services	(57,639,135.12)	(58,466,397.10)	(741,124,242.60)	(613,419,119.15)	(798,763,377.72)	(671,885,516.25)
Gross profit	10,088,635.72	21,860,902.57	502,397,801.78	335,984,368.01	512,486,437.50	357,845,270.58
Other income	1,096,723.88	1,048,487.14	18,110,535.44	22,247,202.50	19,207,259.32	23,295,689.64
Selling expenses	(6,424,078.15)	(8,397,236.48)	(162,962,634.07)	(113,070,159.46)	(169,386,712.22)	(121,467,395.94)
Administrative expenses	(13,946,316.10)	(14,898,938.21)	(72,884,853.23)	(57,595,334.59)	(86,831,169.33)	(72,494,272.80)
Finance costs	0.00	(90,862.80)	(4,852,242.47)	(1,793,066.90)	(4,852,242.47)	(1,883,929.70)
Profit (Loss) before income tax	(9,185,034.65)	(477,647.78)	279,808,607.45	185,773,009.56	270,623,572.80	185,295,361.78
Income tax expenses	0.00	0.00	(55,241,390.51)	(45,495,471.85)	(55,241,390.51)	(45,495,471.85)
Profit (Loss) for the year	(9,185,034.65)	(477,647.78)	224,567,216.94	140,277,537.71	215,382,182.29	139,799,889.93

Unidentifiable selling expenses, administrative expenses and finance costs were allocated to each related income segment.

### 30. FINANCIAL INFORMATION BY SEGMENT

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

The Company and subsidiaries' operations involve virtually in business of manufacturing and selling construction supplies (precast floor, concrete post and others), sales of land and lease of real estate in one geographical segment only in Thailand. Therefore, revenues and assets in financial statements are reported in geographical segment.

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

	(Unit : Baht)							
	Sales of construction supplies		Sales of real estate		Real estate for lease		Total	
	2013	2012	2013	2012	2013	2012	2013	2012
<u>Statement of comprehensive income</u>								
Revenues	1,201,895,065.22	975,483,386.83	102,738,350.00	47,486,000.00	6,616,400.00	6,761,400.00	1,311,249,815.22	1,029,730,786.83
Costs	(738,686,977.55)	(638,930,143.13)	(59,072,608.22)	(31,790,058.35)	(1,003,791.95)	(1,165,314.77)	(798,763,377.72)	(671,885,516.25)
Segment gross profit	463,208,087.67	336,553,243.70	43,665,741.78	15,695,941.65	5,612,608.05	5,596,085.23	512,486,437.50	357,845,270.58
Other income	12,341,860.72	17,016,243.64	6,603,012.31	6,464,948.04			19,207,259.32	23,295,689.64
Selling expenses	(148,694,225.74)	(115,856,650.50)	(20,692,486.48)	(5,610,745.44)	0.00	0.00	(169,386,712.22)	(121,467,395.94)
Administrative expenses	(71,445,352.09)	(63,153,929.29)					(86,831,169.33)	(72,494,272.80)
Finance costs	(4,845,500.83)	(1,867,938.20)					(4,852,242.47)	(1,883,929.70)
Profit before income tax	250,564,869.73	172,690,969.35					270,623,572.80	185,295,361.78
Income tax expenses	(50,769,242.31)	(41,174,367.77)					(55,241,390.51)	(45,495,471.85)
Profit for the year	199,795,627.42	131,516,601.58					215,382,182.29	139,799,889.93

Sales of real estate and real estate for lease can not be separated administrative expenses by segment amount of Baht 15.39 million and Baht 9.34 million for the years ended December 31, 2013 and 2012 respectively.

(Unit : Baht)

	Sales of construction supplies		Sales of real estate		Real estate for lease		Total	
	2013	2012	2013	2012	2013	2012	2013	2012
<u>Statement of financial position</u>								
Segment assets	861,396,679.90	694,218,566.02	398,914,134.86	309,054,785.89	16,160,308.93	26,219,835.40	1,276,471,123.69	1,029,493,187.31
Unallocated assets							15,916,183.00	15,145,554.78
Total assets							<u>1,292,387,306.69</u>	<u>1,044,638,742.09</u>
Segment liabilities	286,170,880.89	217,684,602.63	50,243,310.76	3,577,999.79	930,000.00	1,000,000.00	337,344,191.65	222,262,602.42
Unallocated liabilities							4,633,928.09	3,050,438.29
Total liabilities							<u>341,978,119.74</u>	<u>225,313,040.71</u>

30.2 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.

### 30.3 Major customer information

In 2013 and 2012, the Company has income from sales of construction supplies in the amount of Baht 177.27 million and Baht 220.79 million respectively received from 5 major customers.

### **31. 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 subsidiaries' operations and cash flows. The Company and subsidiaries exposed the interest rate risk due to its bank overdrafts, short-term loans from financial institutions, long-term loans and financial lease liabilities. The Company and 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 and short-term loans. Financial liabilities shown in statements of financial position consist of bank overdrafts and short-term loans from financial institutions, trade and other payables, long-term loan and financial lease liabilities.

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

### **32. COMMITMENT AND CONTINGENT LIABILITIES**

32.1 The Company and subsidiaries have commitment under hire contractors agreement, purchase inventories agreement, lease land agreement and others as at December 31, 2013 and 2012, totally Baht 594.79 million and Baht 26.99 million in the consolidated financial statements and as at December 31, 2013 totally Baht 19.26 million in the separate financial statements.

32.2 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, 2013 and 2012 amounting to Baht 126.68 million and Baht 91.83 million in the consolidated financial statements, and amounting to Baht 99.53 million and Baht 77.93 million in the separate financial statements respectively. Contingent liabilities are guaranteed by land held for development (note 9) and land, building, machinery and equipment (note 12) and non-operating assets (note 15).

32.3 The Company has contingent liabilities from guarantee credit line of subsidiary to a bank as at December 31, 2013 amounting to Baht 460 million.

### **33. 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.

### **34. CAPITAL MANAGEMENT**

The objective of financial management of the Company is to preserve the ability to continue its operation as a going concern and capital structure to be properly appropriated.

### **35. EVENTS AFTER THE REPORTING PERIOD**

According to the minutes of Board of directors' meeting No. 1/2014 held on February 27, 2014, passed the resolution to propose the approval for dividend payment from the results of operation for the year 2013 at Baht 1.04 per share for 202.87 million shares totally Baht 210.98 million to the general meeting of the shareholders.

### **36. FINANCIAL STATEMENTS APPROVAL**

These financial statements were approved and authorized for issue by the Company's Board of directors on February 27, 2014.