

DCON PRODUCTS PUBLIC COMPANY LIMITED

AND SUBSIDIARIES

AUDITOR'S REPORT AND FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2012 AND 2011

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, 2012, 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 we 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, 2012, and their financial performance and cash flows for the year then ended in accordance with the financial reporting standards.

D I A International Audit Co., Ltd.

(Mrs. Vilairat Rojnuckarin)

C.P.A. (Thailand)

Registration No. 3104

February 14, 2013

DCON PRODUCTS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	<u>Consolidated financial statements (Baht)</u>		<u>Separate financial statements (Baht)</u>	
	2012	2011	2012	2011
Cash flows from operating activities				
Profit before income tax	185,295,361.78	118,218,242.96	162,839,028.17	104,933,017.34
Adjustment				
Depreciation	40,117,434.25	38,605,382.32	36,471,092.52	34,147,817.48
Gain on changes in current investment	(647.87)	0.00	(647.87)	0.00
Doubtful accounts	34,065.75	0.00	0.00	0.00
Reversed loss on obsolete goods	(537,535.39)	0.00	(537,535.39)	0.00
Gain on disposal of investment property	(6,464,948.04)	(6,004,589.09)	0.00	0.00
Gain on disposal of equipment	(3,067,256.53)	(947,583.98)	(3,089,715.76)	(903,605.27)
Amortized intangible assets	601,328.20	710,660.20	601,328.20	710,660.20
Provision for loss from litigation	0.00	6,098,998.59	0.00	0.00
Employee benefit provisions	753,202.05	827,420.52	518,311.05	546,030.52
Dividend received	0.00	0.00	(6,999,598.00)	(4,781,379.94)
Interest expenses	1,883,929.70	353,911.69	1,754,750.14	31,846.65
	<u>218,614,933.90</u>	<u>157,862,443.21</u>	<u>191,557,013.06</u>	<u>134,684,386.98</u>
(Increase) Decrease in portion of operating assets				
Trade and other receivables	(46,678,835.25)	8,912,387.30	(46,026,042.20)	11,170,820.95
Inventories	(104,859,690.35)	(18,017,276.97)	(4,331,953.74)	583,568.86
Other non-current assets	(760,116.82)	344,310.00	(760,116.82)	344,310.00
Increase (Decrease) in portion of operating liabilities				
Trade and other payables	51,897,492.27	(7,588,073.00)	48,447,316.20	(8,560,171.92)
Payables under the Court's judgement	(16,108,998.59)	0.00	0.00	0.00
Other non-current liabilities	(66,341.60)	(503,520.00)	(76,341.60)	(253,520.00)
Cash generated (paid) from operation	<u>102,038,443.56</u>	<u>141,010,270.54</u>	<u>188,809,874.90</u>	<u>137,969,394.87</u>
Interest paid	(1,883,929.70)	(353,911.69)	(1,754,750.14)	(31,846.65)
Income tax paid	(32,138,923.90)	(32,948,269.43)	(26,677,438.65)	(26,667,504.29)
Net cash provided by (used in) operating activities	<u>68,015,589.96</u>	<u>107,708,089.42</u>	<u>160,377,686.11</u>	<u>111,270,043.93</u>

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, 2012 AND 2011

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2012	2011	2012	2011
Cash flows from investing activities				
Decrease in current investment	0.00	19,910,497.03	0.00	19,910,497.03
Increase in short-term loans	0.00	0.00	(106,000,000.00)	0.00
Payments for purchase of ordinary share increase of subsidiary	0.00	(18,333,343.57)	0.00	(28,333,343.57)
Proceeds from sales of ordinary share of subsidiary	0.00	3,142.86	0.00	3,142.86
Dividend received from subsidiaries	0.00	0.00	6,999,598.00	4,781,379.94
Payments for purchase of investment property	(5,207,868.05)	0.00	0.00	0.00
Proceeds from sales of investment property	8,400,000.00	8,515,750.00	0.00	0.00
Payments for purchase of equipment	(54,197,562.42)	(57,462,028.13)	(47,616,353.86)	(55,246,241.57)
Proceeds from sales of equipment	3,441,176.25	1,136,807.48	3,322,308.03	1,010,788.79
Net cash provided by (used in) investing activities	<u>(47,564,254.22)</u>	<u>(46,229,174.33)</u>	<u>(143,294,447.83)</u>	<u>(57,873,776.52)</u>
Cash flows from financing activities				
Increase (Decrease) in bank overdrafts and short-term loans from financial institutions	39,845,182.02	(3,521,326.52)	39,571,687.91	(988,750.46)
Payments for financial lease liabilities	(2,745,117.16)	(383,782.83)	(2,093,288.82)	0.00
Dividend paid	(50,000,402.00)	(38,390,694.06)	(50,000,000.00)	(36,000,000.00)
Net cash provided by (used in) financing activities	<u>(12,900,337.14)</u>	<u>(42,295,803.41)</u>	<u>(12,521,600.91)</u>	<u>(36,988,750.46)</u>
Net increase (decrease) in cash and cash equivalents	7,550,998.60	19,183,111.68	4,561,637.37	16,407,516.95
Cash and cash equivalents as at January 1	49,388,593.06	30,205,481.38	39,746,060.71	23,338,543.76
Cash and cash equivalents as at December 31	<u><u>56,939,591.66</u></u>	<u><u>49,388,593.06</u></u>	<u><u>44,307,698.08</u></u>	<u><u>39,746,060.71</u></u>

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, 2012 AND 2011

	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, 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, 2011 - after restatement		200,000,000.00	319,825,000.00	20,600,000.00	109,122,078.90	649,547,078.90
Changes in shareholders' equity for the year 2011:						
Dividend paid	20	0.00	0.00	0.00	-36,000,000.00	-36,000,000.00
Total comprehensive income for the year		0.00	0.00	0.00	78,314,929.61	78,314,929.61
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
Changes in shareholders' equity for the year 2012:						
Dividend paid	20	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	127,962,558.05	127,962,558.05
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

Notes to financial statements are parts of these financial statements.

DCON PRODUCTS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2012 AND 2011

Assets	Note	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
		2012	2011	2012	2011
Current assets					
Cash and cash equivalents	6	56,939,591.66	49,388,593.06	44,307,698.08	39,746,060.71
Current investment		261,720.74	261,072.87	261,720.74	261,072.87
Trade and other receivables	7	146,209,527.30	97,314,656.70	137,848,725.07	90,435,112.77
Short-term loans	23	3,570,350.00	3,570,350.00	109,570,350.00	3,570,350.00
Inventories	8	315,802,390.15	210,405,164.41	54,169,976.23	49,300,487.10
Total current assets		522,783,579.85	360,939,837.04	346,158,470.12	183,313,083.45
Non-current assets					
Land held for development	9	49,370,259.64	49,370,259.64	0.00	0.00
Investment in subsidiaries	10	0.00	0.00	241,663,520.71	241,663,520.71
Investment properties	11	33,947,601.52	31,840,100.20	0.00	0.00
Property, plant and equipment	12	330,411,318.59	286,763,057.35	289,156,134.16	249,466,727.07
Intangible assets	13	3,896,635.45	4,497,963.65	3,896,635.45	4,497,963.65
Non-operating assets	14	96,461,449.42	105,415,757.54	96,461,449.42	105,415,757.54
Other non-current assets		1,656,202.84	896,086.02	1,656,202.84	896,086.02
Total non-current assets		515,743,467.46	478,783,224.40	632,833,942.58	601,940,054.99
Total assets		1,038,527,047.31	839,723,061.44	978,992,412.70	785,253,138.44

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, 2012 AND 2011

Liabilities and shareholders' equity	Note	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
		2012	2011	2012	2011
Current liabilities					
Bank overdrafts and short-term loans					
from financial institutions	15	42,052,955.48	2,207,773.46	41,105,711.80	1,534,023.89
Trade and other payables		136,983,176.30	85,085,684.03	127,356,140.03	78,908,823.83
Payables under the Court's judgement	16	0.00	16,108,998.59	0.00	0.00
Current portion of long-term debt	17	6,667,915.85	651,820.24	6,166,775.01	0.00
Accrued income tax		19,828,769.84	11,804,737.45	17,598,743.56	9,399,712.09
Total current liabilities		205,532,817.47	115,859,013.77	192,227,370.40	89,842,559.81
Non-current liabilities					
Financial lease liabilities	17	13,016,935.42	568,148.19	12,949,936.17	0.00
Employee benefit obligations		4,265,966.57	3,512,764.52	3,749,685.57	3,231,374.52
Other non-current liabilities		1,240,854.00	1,307,195.60	240,854.00	317,195.60
Total non-current liabilities		18,523,755.99	5,388,108.31	16,940,475.74	3,548,570.12
Total liabilities		224,056,573.46	121,247,122.08	209,167,846.14	93,391,129.93

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, 2012 AND 2011

Liabilities and shareholders' equity (Cont.)	Note	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
		2012	2011	2012	2011
Shareholders' equity					
Share capital	18				
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
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	19	20,600,000.00	20,600,000.00	20,600,000.00	20,600,000.00
Unappropriated	20	280,032,288.68	184,040,115.22	229,399,566.56	151,437,008.51
Other components of equity		(5,992,404.63)	(5,992,404.63)	0.00	0.00
Total owners of the Company		814,464,884.05	718,472,710.59	769,824,566.56	691,862,008.51
Non-controlling interests		5,589.80	3,228.77	0.00	0.00
Total shareholders' equity		814,470,473.85	718,475,939.36	769,824,566.56	691,862,008.51
Total liabilities and shareholders' equity		1,038,527,047.31	839,723,061.44	978,992,412.70	785,253,138.44

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, 2012 AND 2011

	Note	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
		2012	2011	2012	2011
Sales and services		1,029,730,786.83	820,826,419.80	901,021,052.56	721,273,082.80
Cost of sales and services		<u>-671,885,516.25</u>	<u>-554,223,834.86</u>	<u>-592,555,097.89</u>	<u>-491,072,466.16</u>
Gross profit		357,845,270.58	266,602,584.94	308,465,954.67	230,200,616.64
Other income					
Gain on disposal of investment property		6,464,948.04	6,004,589.09	0.00	0.00
Others		16,830,741.60	10,876,691.43	26,146,881.08	15,249,365.06
Selling expenses		-121,467,395.94	-95,469,842.63	-114,378,456.37	-91,528,127.70
Administrative expenses		-72,494,272.80	-63,342,869.59	-55,640,601.07	-48,956,990.01
Provision for loss from litigation	16	0.00	-6,098,998.59	0.00	0.00
Finance costs		<u>-1,883,929.70</u>	<u>-353,911.69</u>	<u>-1,754,750.14</u>	<u>-31,846.65</u>
Profit before income tax		185,295,361.78	118,218,242.96	162,839,028.17	104,933,017.34
Income tax expenses	21	<u>-39,300,425.29</u>	<u>-34,296,449.66</u>	<u>-34,876,470.12</u>	<u>-26,618,087.73</u>
Profit for the year		145,994,936.49	83,921,793.30	127,962,558.05	78,314,929.61
Other comprehensive income (expense)		<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total comprehensive income for the year		<u>145,994,936.49</u>	<u>83,921,793.30</u>	<u>127,962,558.05</u>	<u>78,314,929.61</u>
Total comprehensive income attributable to :					
Owners of the Company		145,992,173.46	83,920,689.76	127,962,558.05	78,314,929.61
Non-controlling interests		<u>2,763.03</u>	<u>1,103.54</u>	<u>0.00</u>	<u>0.00</u>
		<u>145,994,936.49</u>	<u>83,921,793.30</u>	<u>127,962,558.05</u>	<u>78,314,929.61</u>
Earnings per share	22				
Basic earnings per share		0.73	0.42	0.64	0.39
Weighted average number of common shares		200,000,000	200,000,000	200,000,000	200,000,000
Diluted earnings per share		0.71	0.41	0.63	0.38
Weighted average number of common shares		204,533,758	203,832,649	204,533,758	203,832,649

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, 2012 AND 2011

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				
Note			Appropriated	Unappropriated	Different of change in percentage of investment in subsidiary				
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	-2,685,344.00	0.00	-2,685,344.00	0.00	-2,685,344.00	
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
Changes in shareholders' equity for the year 2011 :									
Dividend paid	20	0.00	0.00	0.00	-36,000,000.00	0.00	-36,000,000.00	0.00	-36,000,000.00
Total comprehensive income for the year		0.00	0.00	0.00	0.00	0.00	0.00	1,103.54	1,103.54
Interim dividend	20	0.00	0.00	0.00	0.00	0.00	0.00	-2,390,694.06	-2,390,694.06
Acquisition investment in subsidiary		0.00	0.00	0.00	0.00	-5,992,404.63	-5,992,404.63	-12,337,796.08	-18,330,200.71
Balance as at December 31, 2011		200,000,000.00	319,825,000.00	20,600,000.00	100,119,425.46	-5,992,404.63	634,552,020.83	3,228.77	634,555,249.60
Changes in shareholders' equity for the year 2012:									
Dividend paid	20	0.00	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	0.00	145,992,173.46	0.00	145,992,173.46	2,763.03	145,994,936.49
Balance as at December 31, 2012		200,000,000.00	319,825,000.00	20,600,000.00	196,111,598.92	-5,992,404.63	730,544,194.29	5,589.80	730,549,784.09

Notes to financial statements are parts of these financial statements.

DCON PRODUCTS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2012 AND 2011

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 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.

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

	2012	2011
<u>Bann Orrada Project</u>		
Contract value (Baht)	215,731,496.00	211,061,496.00
% of total sales value	85.19	83.34
<u>Orrada Ratchapruak Project</u>		
Contract value (Baht)	60,105,000.00	0.00
% of total sales value	17.59	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 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 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 The Federation of Accounting Professions issued new and revise financial reporting standards of which pronounced in the Royal Gazette which have not been effective in the year 2012 as follows :

<u>Accounting standards</u>	<u>Contents</u>	<u>Effective Date</u>
TAS 12	Income Taxes	January 1, 2013
TAS 20	Accounting for Government Grants and Disclosure of Government Assistance	January 1, 2013
TAS 21 (Revised 2009)	The Effects of Changes in Foreign Exchange Rate	January 1, 2013
Financial Reporting Standards		
TFRS 8	Operation Segments	January 1, 2013
Standing Interpretations		
TSIC 10	Government Assistance-No Specific Relation to Operating Activities	January 1, 2013
TSIC 21	Income Taxes- Recovery of Revalued Non-Depreciable Assets	January 1, 2013
TSIC 25	Income Taxes- Changes in the Tax Status of an Enterprises or its Shareholders	January 1, 2013
TSIC 29	Service Concession Arrangements Disclosures	January 1, 2014
Financial Reporting Interpretations		
TFRIC 4	Determining whether an Arrangement contains a Lease	January 1, 2014
TFRIC 12	Service Concession Arrangements	January 1, 2014
TFRIC 13	Customers Loyalty Programmes	January 1, 2014
Accounting Guidance		
	Transfers of Financial Assets	January 1, 2013

Financial reporting standards which are effective on January 1, 2014, the Company is being evaluated the effects of those standards on the financial statements in the year in which they are initially applied.

Financial reporting standards which are effective on January 1, 2013, have no significantly effected to the financial statements except for the following standards :

TAS 12 Income Taxes

The management assessed the impacts on statements of financial position as at December 31, 2012 which resulted from adoption this accounting standard, as a result, the Company incurred the increasing in total assets and retained earnings by the same amount approximately Baht 5.58 million in the consolidated financial statements and Baht 4.84 million in the separate financial statements respectively, statements of comprehensive income for the year then ended represented the decrease in total comprehensive income amount approximately Baht 5.47 million in the consolidated financial statements and Baht 1.26 million in the separate financial statements respectively and the effects to the beginning retained earnings of 2012 by increasing approximately Baht 10.05 million in the consolidated financial statements and Baht 6.10 million in the separate financial statements respectively .

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
	2012	2011	
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 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

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 Company incurs.

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

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 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 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 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 OF INITIAL ADOPTION ACCOUNTING STANDARDS

In 2011, the Company applied TAS 19 "Employee Benefits", in accordance with the FAP's notification, the Company thus taken employee benefit obligations 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.

6. SUPPLEMENT DISCLOSURE OF CASH FLOWS INFORMATION

6.1 Cash and cash equivalents comprise:

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2012	2011	2012	2011
Cash	732,000.00	556,351.81	590,000.00	436,835.81
Cash at banks - current accounts	8,724,260.07	10,432,532.97	8,724,260.07	10,432,532.97
Cash at banks - savings deposit	46,273,766.78	37,201,409.71	33,783,873.20	27,678,393.36
Cash at banks - fixed deposit				
with 3 months	1,209,564.81	1,198,298.57	1,209,564.81	1,198,298.57
Total	56,939,591.66	49,388,593.06	44,307,698.08	39,746,060.71

6.2 Non-cash transaction

For the year ended December 31, 2012

Parents

The Company entered into hire purchase 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.

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.

7. TRADE AND OTHER RECEIVABLES

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2012	2011	2012	2011
Trade accounts receivable	148,831,057.12	103,561,961.53	136,535,884.92	91,360,679.98
Other receivables	9,796,914.16	6,137,073.40	5,665,848.00	3,427,440.64
Total	158,627,971.28	109,699,034.93	142,201,732.92	94,788,120.62
Less Allowance for doubtful accounts				
- Trade accounts receivable	(11,000,931.98)	(10,966,866.23)	(4,353,007.85)	(4,353,007.85)
- Other receivables	(1,417,512.00)	(1,417,512.00)	0.00	0.00
Net	146,209,527.30	97,314,656.70	137,848,725.07	90,435,112.77

Billed trade accounts receivable separated on aging as below :

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2012	2011	2012	2011
Undue receivables	82,016,980.01	61,543,099.99	77,689,670.46	57,375,890.49
Overdue receivables				
- Less than 3 months	51,103,781.23	24,544,320.05	50,658,379.79	23,882,569.93
- Over 3 months to 6 months	2,836,500.95	4,642,245.53	2,706,500.95	4,292,245.53
- Over 6 months to 12 months	997,222.06	843,004.86	610,023.78	520,102.86
- Over 12 months	11,876,572.87	11,989,291.10	4,871,309.94	5,289,871.17
Total	148,831,057.12	103,561,961.53	136,535,884.92	91,360,679.98

8. INVENTORIES

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2012	2011	2012	2011
Finished goods	33,170,362.07	27,841,696.28	32,446,662.58	27,186,100.04
Finished goods in process	475,676.02	328,091.73	475,676.02	328,091.73
Raw materials and supplies	23,299,665.14	24,145,719.50	21,598,442.75	22,674,635.84
Cost of land for development				
- Land	195,462,061.07	117,993,484.13	0.00	0.00
- Land for development	26,391,046.61	22,345,473.61	0.00	0.00
- Work in progress	225,662,148.36	175,224,447.49	0.00	0.00
Total	504,460,959.27	367,878,912.74	54,520,781.35	50,188,827.61
Less Cost of land for development				
transfer to cost of sales	(188,307,764.00)	(156,585,407.82)	0.00	0.00
Total	316,153,195.27	211,293,504.92	54,520,781.35	50,188,827.61
Less Allowance for obsolete				
goods	(350,805.12)	(888,340.51)	(350,805.12)	(888,340.51)
Net	315,802,390.15	210,405,164.41	54,169,976.23	49,300,487.10

9. LAND HELD FOR DEVELOPMENT

As at December 31, 2012 and 2011, 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 15) and contingent liabilities from bank issuance of letter of guarantee (note 30.2).

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	
			2012	2011	2012	2011	2012	2011	2012	2011
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	99.99	41,663,520.71	41,663,520.71	6,999,598.00	4,781,379.94
Total							241,663,520.71	241,663,520.71	6,999,598.00	4,781,379.94

The financial statements for the years ended December 31, 2012 and 2011 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.

11. INVESTMENT PROPERTIES

Consolidated financial statements (Baht)				
	Land	Building	Assets under construction	Total
Assets cost :				
As at December 31, 2010	19,753,883.90	27,347,157.55	0.00	47,101,041.45
Disposal	(357,815.31)	(3,148,555.00)	0.00	(3,506,370.31)
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
Accumulated depreciation :				
As at December 31, 2010	0.00	11,510,155.87	0.00	11,510,155.87
Depreciation for the year	0.00	1,239,624.47	0.00	1,239,624.47
Depreciation - write off	0.00	(995,209.40)	0.00	(995,209.40)
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
Net assets value				
As at December 31, 2011	19,396,068.59	12,444,031.61	0.00	31,840,100.20
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, 2012 and 2011, investment properties are land including 10 units of factory buildings of subsidiary had fair value amount of Baht 75.82 million and Baht 80.17 million respectively.

As at December 31, 2011, 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. In the second quarter of 2012, such land title deeds were already returned to the Company since the Supreme Court has ordered the Company to make debt payment to the plaintiff on February 1, 2012. During the year, the Company has made debt payment in accordance with the Court's ordering already.

12. 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	79,038,730.98	183,388,435.32	203,496,836.91	3,692,629.50	23,491,049.91	146,090,856.40	2,464,660.86	641,663,199.88
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	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
Purchase	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
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	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
Net assets value								
As at December 31, 2011	82,967,976.93	105,819,640.60	37,774,701.78	55,526.41	5,671,224.25	42,933,653.91	11,540,333.47	286,763,057.35
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

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, 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	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
Purchase	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
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	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
Net assets value								
As at December 31, 2011	57,896,380.76	98,682,109.28	36,186,739.21	8,582.97	4,948,231.26	40,293,965.56	11,450,718.03	249,466,727.07
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, 2012 and 2011, 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 15) and contingent liabilities from bank issuance of letter of guarantee (note 30.2).

13. INTANGIBLE ASSETS

	Consolidated and Separate financial statements (Baht)					
	Computer software		Products research and development		Total	
	2012	2011	2012	2011	2012	2011
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	2,151,456.44	1,440,796.24	2,168,347.36	2,168,347.36	4,319,803.80	3,609,143.60
Increase	601,328.20	710,660.20	0.00	0.00	601,328.20	710,660.20
Ending 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
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	4,497,963.65	5,208,623.85	0.00	0.00	4,497,963.65	5,208,623.85
Ending balance	3,896,635.45	4,497,963.65	0.00	0.00	3,896,635.45	4,497,963.65

14. NON-OPERATING ASSETS

Consolidated and Separate financial statements (Baht)				
	Land anc land improvement	Building and building improvement	Machinery, tools and equipment	Total
Assets - cost				
As at December 31, 2010	17,448,452.47	62,766,155.35	99,623,503.15	179,838,110.97
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
Accumulated depreciation :				
As at December 31, 2010	0.00	12,138,019.76	31,365,859.04	43,503,878.80
Depreciation for the year	0.00	2,953,094.78	6,693,165.39	9,646,260.17
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
Provision for impairment of assets :				
As at December 31, 2010	0.00	3,339,102.98	17,933,111.48	21,272,214.46
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
Net non-operating assets value				
As at December 31, 2011	17,448,452.47	44,335,937.83	43,631,367.24	105,415,757.54
As at December 31, 2012	17,448,452.47	41,374,752.61	37,638,244.34	96,461,449.42

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, 2012 and 2011, 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 15) and contingent liabilities from bank issuance of letter of guarantee (note 30.2).

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

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2012	2011	2012	2011
Bank overdrafts	1,552,955.48	1,707,773.46	1,105,711.80	1,534,023.89
Short-term loans	40,500,000.00	500,000.00	40,000,000.00	0.00
Total	<u>42,052,955.48</u>	<u>2,207,773.46</u>	<u>41,105,711.80</u>	<u>1,534,023.89</u>

As at December 31, 2012, the Company and its subsidiaries have overdrafts line for the amount of Baht 72 million (1 bank) and Baht 52 million (3 banks) in the consolidated financial statements, and Baht 60 million (1 bank) and Baht 40 million (3 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.

As at December 31, 2011, the Company and its subsidiaries have overdrafts line from 3 banks of Baht 52 million in the consolidated financial statements.

The above liabilities guaranteed by mortgaging land held for development (note 9), land with its building, and machinery and equipment (note 12 and 14).

16. PAYABLES UNDER THE COURT'S JUDGEMENT

As at December 31, 2011, subsidiary has contingent liabilities on payment to a customer amount of Baht 16.11 million (including interest expenses) which are liabilities derived from the Supreme Court's sentence on February 1, 2012 by ordering subsidiary to make payment to such customer since subsidiary breach of agreement to buy and to sell of land including its construction (goods). In 2012, subsidiary has made payment to customer already.

17. FINANCIAL LEASE LIABILITIES

1) Financial lease liabilities exclude future interest are as follow:

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2012	2011	2012	2011
Lease payable	19,684,851.27	1,219,968.43	19,116,711.18	0.00
Less Current portion of long-term liabilities	<u>(6,667,915.85)</u>	<u>(651,820.24)</u>	<u>(6,166,775.01)</u>	<u>0.00</u>
Net	<u>13,016,935.42</u>	<u>568,148.19</u>	<u>12,949,936.17</u>	<u>0.00</u>

As at December 31, 2012 and 2011, vehicles at cost of Baht 22.31 million and Baht 2.49 million respectively in the consolidated financial statements which are under the payment as indicated in agreement.

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

	<u>Consolidated financial statements (Baht)</u>		<u>Separate financial statements (Baht)</u>	
	2012	2011	2012	2011
Within 1 year	7,512,251.94	683,327.97	7,001,652.00	0.00
Over 1 year to 3 years	13,690,917.22	577,808.03	13,623,717.22	0.00
Total	21,203,169.16	1,261,136.00	20,625,369.22	0.00
Less Future interest under				
financial lease	(1,518,317.89)	(41,167.57)	(1,508,658.04)	0.00
Present value of financial lease				
liabilities	19,684,851.27	1,219,968.43	19,116,711.18	0.00

18. SHARE CAPITAL - WARRANTS TO PURCHASE ORDINARY SHARES

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.

Event after the reporting period, on January 31, 2013, the Company and subsidiaries' employees exercised right of warrants to purchase ordinary shares for 2,705,000 units of warrants equal to 2,705,000 ordinary shares. As a result, the Company has issued and paid-up share capital from Baht 200 million to Baht 202.71 million (202,705,000 ordinary shares at par of Baht 1 each). The Company has registered the increase share capital with the Ministry of Commerce on February 4, 2013.

19. 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.

20. RETAINED EARNINGS APPROPRIATION

Parents

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.

According to the minutes of shareholders' general meeting for the year 2012 held on April 26, 2012, passed the resolution to pay dividend from profit of 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 in whole amount.

Subsidiary

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.

According to the minutes of shareholders' general meeting for the year 2012 held on April 25, 2012, passed the resolution to pay dividend from profit of 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 in whole amount.

21. INCOME TAX CALCULATION

The corporate income tax is calculated at the rate of 23 per cent (year 2012) and 30 per cent (year 2011) 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 27).

22. EARNINGS PER SHARE

Consolidated financial statements

	Net profit			Number of shares			Earnings / share		
	2012	Baht	2011	2012	shares	2011	2012	Baht	2011
Basic earnings per share									
Net profit (loss) of common shareholders	145,992,173.46		83,920,689.76	200,000,000		200,000,000	0.73		0.42
Effects of potential common share (exercise rights)	0.00		0.00	4,533,758		3,832,649			
Diluted earnings per share									
Profit (Loss) of common shareholders assumed as conversion to common share	145,992,173.46		83,920,689.76	204,533,758		203,832,649	0.71		0.41

Separate financial statements

	Net profit			Number of shares			Earnings / share		
	2012	Baht	2011	2012	shares	2011	2012	Baht	2011
Basic earnings per share									
Net profit (loss) of common shareholders	127,962,558.05		78,314,929.61	200,000,000		200,000,000	0.64		0.39
Effects of potential common share (exercise rights)	0.00		0.00	4,533,758		3,832,649			
Diluted earnings per share									
Profit (Loss) of common shareholders assumed as conversion to common share	127,962,558.05		78,314,929.61	204,533,758		203,832,649	0.63		0.38

23. 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 :

23.1 General information

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

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

	<u>Consolidated financial statements (Baht)</u>		<u>Separate financial statements (Baht)</u>	
	2012	2011	2012	2011
Orrada Co., Ltd.				
Trade and other receivables	0.00	0.00	247,265.29	125,451.08
Short-term loans	0.00	0.00	106,000,000.00	0.00

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

	<u>Separate financial statements (Baht)</u>	
	2012	2011
Beginning balance	0.00	0.00
Increase during the period	122,000,000.00	0.00
Decrease during the period	(16,000,000.00)	0.00
Ending balance	106,000,000.00	0.00

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

	<u>Consolidated financial statements (Baht)</u>		<u>Separate financial statements (Baht)</u>	
	2012	2011	2012	2011
Mr. Wittawat Pornkul				
Other income (gain on sales of vehicle)	1,542,056.08	0.00	1,542,056.08	0.00
Orrada Co., Ltd.				
Sales of goods	0.00	0.00	3,303,082.05	4,778,376.57
Other income (interest income)	0.00	0.00	2,776,530.75	0.00
Other income (management fee)	0.00	0.00	0.00	120,000.00
Rompo Products Co., Ltd.				
Sales of goods	0.00	0.00	0.00	17,981.60
Other income	0.00	0.00	0.00	60,791.59

24. 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.

25. 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.

26. EXPENSES ANALYZED BY NATURE

Expenses analyzed by nature are as follows :

	<u>Consolidated financial statements (Baht)</u>		<u>Separate financial statements (Baht)</u>	
	2012	2011	2012	2011
Changes in inventories of finished				
goods and work in progress	(104,823,173.90)	(13,989,058.80)	(5,408,146.83)	4,868,743.56
Raw materials and consumables used	522,843,327.03	396,631,951.98	486,176,527.71	361,898,690.23
Directors' remuneration	1,422,500.00	916,800.00	1,422,500.00	916,800.00
Management benefit expenses	6,116,333.00	5,670,861.64	3,996,055.00	4,006,853.00
Employees benefit expenses	82,384,759.26	66,837,497.06	69,740,334.44	56,248,860.78
Depreciation	40,117,434.25	38,605,382.32	36,471,092.52	34,147,817.48

27. RIGHTS AND PRIVILEGES FROM PROMOTION CERTIFICATE

27.1 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 to comply with the certain conditions and terms as stipulated in promotion certificate.

27. RIGHTS AND PRIVILEGES FROM PROMOTION CERTIFICATE

27.2 The results of operation of the Company and two subsidiaries separated into promoted business and non-promoted business for the years ended

December 31, 2012 and 2011 as follows:

	(Unit : Baht)					
	Promoted business		Non-promoted business		Total	
	2012	2011	2012	2011	2012	2011
Sales and services	80,327,299.67	67,076,047.45	949,403,487.16	753,750,372.35	1,029,730,786.83	820,826,419.80
Cost of sales and services	(58,466,397.10)	(52,450,603.55)	(613,419,119.15)	(501,773,231.31)	(671,885,516.25)	(554,223,834.86)
Gross profit	21,860,902.57	14,625,443.90	335,984,368.01	251,977,141.04	357,845,270.58	266,602,584.94
Other income	1,048,487.14	324,423.18	22,247,202.50	16,556,857.34	23,295,689.64	16,881,280.52
Selling expenses	(8,397,236.48)	(8,951,713.89)	(113,070,159.46)	(86,518,128.74)	(121,467,395.94)	(95,469,842.63)
Administrative expenses	(14,898,938.21)	(14,079,743.83)	(57,595,334.59)	(55,362,124.35)	(72,494,272.80)	(69,441,868.18)
Finance costs	(90,862.80)	(2,361.12)	(1,793,066.90)	(351,550.57)	(1,883,929.70)	(353,911.69)
Income tax expenses	0.00	0.00	(39,300,425.29)	(34,296,449.66)	(39,300,425.29)	(34,296,449.66)
Profit (Loss) for the period	(477,647.78)	(8,083,951.76)	146,472,584.27	92,005,745.06	145,994,936.49	83,921,793.30

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

28. FINANCIAL INFORMATION BY SEGMENT

28.1 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:

(Unit : Baht)

	Sales of construction		Sales of		Real estate		Total	
	supplies		real estate		for lease			
	2012	2011	2012	2011	2012	2011	2012	2011
Revenues	975,483,386.83	787,114,319.80	47,486,000.00	26,856,700.00	6,761,400.00	6,855,400.00	1,029,730,786.83	820,826,419.80
Costs	-638,930,143.13	-530,454,362.51	-31,790,058.35	-22,524,282.34	-1,165,314.77	-1,245,190.01	-671,885,516.25	-554,223,834.86
Segment profit	<u>336,553,243.70</u>	<u>256,659,957.29</u>	<u>15,695,941.65</u>	<u>4,332,417.66</u>	<u>5,596,085.23</u>	<u>5,610,209.99</u>	<u>357,845,270.58</u>	<u>266,602,584.94</u>
Statement of financial position								
Segment assets	694,218,566.02	597,184,207.08	309,054,785.89	158,977,997.41	26,219,835.40	22,697,340.12	1,029,493,187.31	778,859,544.61
Unallocated assets							<u>9,033,860.00</u>	<u>60,863,516.83</u>
Total assets							<u>1,038,527,047.31</u>	<u>839,723,061.44</u>
Segment liabilities	200,317,554.89	96,255,511.24	3,577,999.79	19,270,190.98	1,000,000.00	990,000.00	204,895,554.68	116,515,702.22
Unallocated liabilities							<u>19,161,018.78</u>	<u>4,731,419.86</u>
Total liabilities							<u>224,056,573.46</u>	<u>121,247,122.08</u>

28.2 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.

29. 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 financial lease liabilities. 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 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 and financial lease liabilities.

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

30. COMMITMENT AND CONTINGENT LIABILITIES

30.1 Subsidiary has commitment under hire contractors agreement and lease land agreement as at December 31, 2012 and 2011 totally Baht 26.99 million and Baht 13.54 million in the consolidated financial statements.

30.2 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, 2012 and 2011 amounting to Baht 91.83 million and Baht 72.96 million in the consolidated financial statements, and amounting to Baht 77.93 million and Baht 60.58 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 14).

30.3 On December 7, 2004, two individual persons sued the Company and a director to the Civil court in a charge of libel by publishing documents attached with the plaint for which the Company sued a company (in a charge of copy right infringement, the both litigants had agreed with the ordering to dismiss the case of the Court of First Instance in the third quarter of 2010) and ask the Court for Baht 400 million in indemnity plus interest at 7.5 per cent per annum. On October 30, 2012, the Supreme Court has dismissed the criminal case in relation to the aforementioned civil case. As a result, such civil case fall off and the Company had not incurred any damages.

31. 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.

32. 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.

33. EVENTS AFTER THE REPORTING PERIOD

Accounting to the minutes of Board of directors' meeting No. 1/2013 held on February 14, 2013, passed the resolution to submit the approval to shareholders' general meeting for dividend payment from the results of operation for the year 2012 at Baht 0.43 per share for 20,270,500 shares totally Baht 87.16 million.

34. FINANCIAL STATEMENTS APPROVAL

These financial statements were approved and authorized for issue by the Company's Board of directors on February 14, 2013.