



Part

3

Financial Position and
Operational Results

3.1 Financial Highlights

Financial Information (Unit : Million Baht)	2014	2013 (Update)	2012
Total Assets	731.37	648.18	705.22
Total Liabilities	599.59	483.26	527.26
Total Shareholders' Equity	131.78	164.92	177.96
Revenue from Construction	532.63	1,077.85	894.49
Revenue from Real Estate Development	-	22.90	207.10
Total Revenues	549.03	1,114.15	1,105.98
Net Profit (loss) for the year	(33.14)	(16.46)	49.70
Financial Ratio			
Liquidity Ratio (times)	1.67	1.46	1.23
ROE (%)	(22.34)	(9.60)	32.64
ROA (%)	(4.55)	(3.57)	11.74
Debt to Equity Ratio (times)	4.55	2.93	2.96
Total Asset Turnover (times)	0.80	1.65	1.86
Gross margin (%)	1.92	3.11	10.85
Net Profit Ratio (%)	(6.04)	(1.48)	4.49
Basic Net Profit (loss) Per Share (Baht)	(0.26)	(0.13)	0.40
Dividend Payout Ratio (%)	-	-	-
Book Value Per Share (Baht)	1.04	1.30	1.42

STRUCTURE OF REVENUES	2014		2013		2012	
Business Category	Amount (MB)	%	Amount (MB)	%	Amount (MB)	%
1. Revenues from Construction	532.63	97.01	1,077.85	96.74	894.49	80.88
2. Revenue from property Development	-	-	22.90	2.06	207.10	18.72
3. Other incomes	16.40	2.99	13.40	1.20	4.39	0.40
Total	549.03	100.00	1,114.15	100.00	1,105.98	100.00

* Information from the Restated Financial Statements

3.1.1 Financial Statements

Summary of Auditing

Auditors of the Company's Financial Statements

- For the year ended 31 December 2014 and 2013 is Mr. Prawit Viwanthananut CPA Registration No. 4917 of PV Audit Co., Ltd.
- For the year ended 31 December 2012 was Mr. Udom Thanuratpong, CPA Registration No. 8501 of ANS Audit Co. Ltd.
- The auditor gave a note to the financial statements in Clause 4 that the Company has corrected the errors during the year 2014 for the errors occurred in the previous year on the amortization of the trade creditors and other creditors. Therefore, the financial statements for the year ended 31 December 2013 as shown in the comparative information has been adjusted retroactively to reflect such correction of the errors.
- The auditor has expressed his unqualified opinion in his report.

3.1.2 SUMMARY OF STATEMENT OF FINANCIAL POSITION, STATEMENT OF COMPREHENSIVE INCOME, STATEMENT OF CASH FLOWS AND FINANCIAL RATIO AS COMPARE 3 YEARS.

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2014, 2013 AND 2012

UNIT : THOUSAND BAHT

DESCRIPTION	2014	2013 (Restated)	2012
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	9,361	5,743	40,949
Trade and other receivables	63,717	90,985	128,642
Work in progress	-	4,415	7,873
Unbilled receivables	72,634	109,474	145,650
Cost of property development	396,273	247,033	225,330
Other current assets	8,588	11,591	28,616
Total Current Assets	550,573	469,241	577,060
NON-CURRENT ASSETS			
Restricted bank deposits	26,802	24,467	20,723
Building and equipment	23,070	29,244	23,112
Intangible asset	3,702	682	300
Deferred tax assets	16,956	8,993	5,114
Other non-current assets	110,264	115,550	78,910
Total Non-current Assets	180,794	178,936	128,159
TOTAL ASSETS	731,367	648,177	705,219

STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2014, 2013 AND 2012

UNIT: THOUSAND BAHT

DESCRIPTION	2014	2013 (Restated)	2012
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Bank overdrafts and short-term loans from financial institutions	29,782	9,580	114,908
Trade and other payables	119,901	111,786	179,853
Current portion of liabilities	3,151	2,995	629
Estimated cost	60,675	78,474	52,642
Retention payables	30,867	46,215	28,078
Advances received	69,753	63,252	81,204
Other current liabilities	15,993	8,861	11,944
Total Current Liabilities	330,122	321,163	469,258
NON-CURRENT LIABILITIES			
Long-term loans from financial institutions	262,400	152,300	52,300
Long-term liabilities under finance lease	1,287	4,435	1,205
Employee benefit obligations	5,777	5,357	4,499
Total Non-current Liabilities	269,464	162,092	58,004
Total Liabilities	599,586	483,255	527,262
SHAREHOLDERS' EQUITY			
Authorized share capital 400 million ordinary shares, Baht 1 par value	400,000	400,000	400,000
Issued and paid-up share capital: 126,720,042 ordinary shares in 2014, 126,720,000 ordinary shares in 2013 and 125,579,000 ordinary shares in 2012, fully paid-up	126,720	126,720	125,579
Premium on ordinary shares	56,413	56,413	54,131
Deficit	(51,352)	(18,211)	(1,753)
Total Shareholders' Equity	131,781	164,922	177,957
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	731,367	648,177	705,219

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2014, 2013 AND 2012

UNIT: THOUSAND BAHT

DESCRIPTION	2014	2013 (Restated)	2012
REVENUE FROM SALES AND SERVICES			
Revenue from construction	532,633	1,077,855	894,487
Revenue from sales	-	22,905	207,099
Total revenue	532,633	1,100,760	1,101,586
COST OF SALES AND SERVICES			
Cost of construction	(522,423)	(1,053,290)	(841,647)
Cost of sales	-	(13,190)	(140,402)
Total cost	(522,423)	(1,066,480)	(982,049)
Gross profit	10,210	34,280	119,537
Other income	16,407	13,396	4,394
Profit before expense	26,617	47,676	123,931
Administrative expenses	(57,987)	(66,528)	(54,106)
Finance cost	(9,735)	(1,484)	(4,262)
Profit (loss) before income tax	(41,105)	(20,336)	65,563
Tax Income (expense)	7,963	3,879	(15,867)
Profit (loss) for the year	(33,142)	(16,457)	49,696
Other comprehensive income (loss)	-	-	-
Total comprehensive income (loss)	(33,142)	(16,457)	49,696
Profit (loss) per share			
Basic profit (loss) per share (Baht)	(0.26)	(0.13)	0.40
Weighted average number of ordinary shares (Shares)	126,720,025	126,403,112	125,107,574

STATEMENT OF CASH FLOWS
FOR THE YEAR END OF DECEMBER 31, 2014, 2013 AND 2012

UNIT: THOUSAND BAHT

DESCRIPTION	2014	2013 (Restated)	2012
CASH FLOW FROM OPERATING ACTIVITIES			
Profit (loss) before income tax	(41,105)	(20,336)	65,563
Adjustments to reconcile profit (loss) before income tax to net cash provided by (used in) operating activities			
Depreciation and amortization	9,317	10,848	11,428
Provision incurred from the employee benefit obligations	1,304	858	716
Estimate cost overrun (reversal)	(17)	17	-
Doubtful debt	-	-	20
(Gain) loss on disposal of and written-off assets	(2,182)	1,177	(1,573)
Interest income	(612)	(769)	(773)
Interest expenses	9,735	1,484	3,762
Profit (loss) from operating activities before change in operating assets and liabilities	(23,560)	(6,721)	79,143
Change in operating assets (increase) decrease			
Trade and other receivables	27,260	37,670	(21,197)
Work in progress	4,415	3,458	(2,023)
Unbilled receivables	36,840	36,177	(78,955)
Cost of property development	(149,240)	(21,703)	(89,115)
Other current assets	3,002	17,026	(5,219)
Restricted bank deposits	(2,335)	(3,744)	4,349
Other non-current assets	(886)	(16,648)	3,056
Change in operating liabilities increase (decrease)			
Trade and other payables	7,761	(68,113)	103,756
Estimated Cost	(17,798)	25,832	16,923
Retention payables	(15,348)	18,137	13,016
Advances received	6,501	(17,952)	(55,282)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2014, 2013 AND 2012

UNIT: THOUSAND BAHT

DESCRIPTION	2014	2013 (Restated)	2012
Other current liabilities	7,149	(3,100)	3,693
Payment of employee benefit obligations	(885)	-	-
Cash generated (paid) from operations	(117,124)	319	(27,855)
Interest received	621	755	929
Income tax refund	23,375	-	5,473
Income tax paid	(17,202)	(19,993)	(24,384)
Net cash used in operating activities	(110,330)	(18,919)	(45,837)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of equipment	(3,266)	(11,288)	(9,740)
Disposal of equipment	2,523	467	1,776
Purchase of intangible asset	(3,238)	(492)	(329)
Net cash used in investing activities	(3,981)	(11,313)	(8,293)
CASH FLOWS FROM FINANCIAL ACTIVITIES			
Increase (decrease) in bank overdrafts	9,802	2,600	(8,601)
Increase (decrease) in short-term loans from financial institutions	10,399	(107,928)	98,589
Proceed from long-term loans from financial institutions	110,100	100,000	78,800
Repayment of long-term loans from financial institutions	-	-	(83,307)
Repayment of liabilities under finance lease	(2,990)	(1,631)	(444)
Proceed from issued ordinary shares	-	3,423	1,737
Interest paid	(9,382)	(1,438)	(4,113)
Net cash provided by (used in) financing activities	117,929	(4,974)	82,661
Net increase (decrease) in cash and cash equivalents	3,618	(35,206)	28,531
Cash and cash equivalents at beginning of year	5,743	40,949	12,418
Cash and cash equivalents at end of year	9,361	5,743	40,949

Financial Ratio

DESCRIPTION	2014	2013 *	2012
LIQUIDITY RATIO			
Liquidity Ratio (Times)	1.67	1.46	1.23
Quick Ratio (Times)	0.22	0.30	0.36
Cash from operation Ratio (Times)	(0.34)	(0.05)	(0.10)
Account Receivable Turnover (Times)	6.89	10.02	9.33
Average Collection Period (Day)	53	37	40
Account Payable Turnover (Times)	4.51	7.31	7.66
Average Payment Period (Day)	81	50	48
Profitability Ratio			
Gross Profit Margin (%) – Construction Business	1.92	2.28	5.91
Gross Profit Margin (%) – Property Business	-	42.41	32.21
Operating Profit Margin (%)	(8.97)	(2.93)	5.55
Other profit Margin (%)	2.99	1.20	0.40
Quality of earnings (%)	(230.93)	(58.67)	(92.23)
Net Profit Margin (%)	(6.04)	(1.48)	4.49
Return on Equity (%)	(22.34)	(9.60)	32.64
Efficiency Ratio			
Return of asset (%)	(4.55)	(3.57)	11.74
Fixed Asset Turnover (%)	(84.04)	(21.03)	468.13
Total Asset Turnover (Times)	0.80	1.65	1.86
Financial Policy Ratio			
Debt to Equity Ratio (Times)	4.55	2.93	2.96
Interest Coverage Ratio (Times)	(10.33)	(11.75)	(11.18)
Solvency Ratio (Times)	(13.56)	(1.41)	(0.49)
Dividend Payout Ratio (%)	0.00	0.00	0.00

*Information from the Restated Financial Statements

3.2 Management Discussion and Analysis

3.2.1 Operating Results

After the political situation has been back to normal in the second half of the year 2014, the overall Thai economy did not grow that much since the private sector spending was expanding gradually due to the limitation of the farmers' income and household debts, including delayed government spending which caused certain parts of the private sector postponed their investment for a period of time waiting for the clarity of the government policy and the progress of the government projects.

The overall picture of the property market in 2014 was both large and small business operators were affected by the political turmoil in the first quarter of the year which resulted in psychological effect and caused the delayed consumption of consumers and delayed in buying high value residence. Consumers would be more prudent and careful and take more time in choosing and buying residence in particular the location and price.

In 2014, the Company had the construction works in the category of residence, hotels and shopping malls, for example, Sucre Condominium, Kao Yai, Changwad Nakornratchsima; 6-storey hotel Splendid Resort Hotel, Changwad Nakornratchsima; Dusit D2 Hotel, Kao Yai, Changwad Nakornratchsima and The Phyll Community Mall, Khet Prakanong, Bangkok, etc.

The Company earned the revenue from construction business in the amount of 532.63 Million Baht, which was reduced by 545.22 Million Baht if compared to 1,077.85 Million Baht in 2013. In 2014, the Company did not earn any sales revenue from the property development business. As a result, the Company earned the revenue only from the construction business with the construction cost of 522.42 Million Baht with the gross revenue of 10.21 Million Baht which was reduced by 1.92% from the previous year due to 16 Million Baht expense on the delayed handover of the construction works.

The Company's administrative expense was 57.98 Million Baht, reduced by 12.85% or 8.55 Million Baht from the previous year due to the reduction of the advertising and PR expenses of Focus Ploenchit Condominium Project from 10 Million Baht in 2013 to 2.55 Million Baht or reduced by 7.45 Million Baht.

The Company's financial cost was 9.73 Million Baht, increased by 557.43% or 8.25 Million Baht if compared to 1.48 Million Baht in the same period of the previous year. This resulted from the interest paid to financial institutions for the purchase of land for Focus Ploenchit Condominium Project.

In 2014, the Company received the deferred tax income of 7.96 Million Baht which resulted in the net loss of 33.14 Million Baht or 6.04% of the total revenue.

However, the Company commits to focus on the potential development, both in the quality of work and personnel in order to have quality service standard and on-time handover of works to customers. The Company's works still include both public and private sectors, taking into account the various risks in accepting the works, the ability to pay of each customer in supporting our decision making in accepting the works and in order to reduce possible risk of non-payment.

3.2.2 Revenue

Since 2012, the Company has had the revenue from construction business in parallel with the property development business as follows:

(Unit : Million Baht)

Source of Income	2014		2013*		2012	
Construction Business	532.63	97.01%	1,077.85	96.74%	894.49	80.88%
Property Development Business	-	0.00%	22.90	2.06%	207.10	18.72%
Other Revenue	16.40	2.99%	13.40	1.20%	4.39	0.40%
Total	549.03	100.00%	1,114.15	100.00%	1,105.98	100.00%

* Information from the Restated Financial Statements

Construction Business

The Company is classified as a medium-size construction company providing general construction and engineering businesses, i.e. design, construction of structural works, architectural works, engineering system works and environmental engineering works, for example, office buildings, shopping centers, hotels, resorts, hospitals, residences, educational institutions, student dormitory, manufacturing plants, rice mill and silo, roads, bridges, pipe jacking and waste water treatment, railway, railway stations and other public utilities.

The Company's revenue will depend on the type and quantity of the works acquired during each period of time. The Company's policy is to accept the works from both public and private sectors by considering the reasonable return rate and potential customers with credibility and good financial position.

The revenue recognition is Information from the construction work completion at each stage with reference to the survey of the work done. The construction revenue will be recognized no more than the actual construction cost. The work done which is not handed over and unbilled will show as the work done but unbilled. The construction period for both public and private sectors is approximately 1-2 years or longer depending on the value of each project. The revenue ratio of construction business revenue in 2014, 2013 and 2012 were 97.01%, 96.74% and 80.88% of the total revenue.

The Company's revenue from construction business was 532.63 Million Baht or 97.01% of the total revenue, reduced by 50.58% or 545.22 Million Baht from 1,077.85 Million Baht in 2013 because most construction works have already been completed, for example, Kanyarat Lake View Condominium Project, Changwad Khonkaen, H2O Condominium Project, Changwad Nakornratchsima and Rice Mill and Silo Project, Changwad Angthong, etc. Therefore, most revenue in 2014 would derive from the Phyll Community Mall Project, Prakanong, Bangkok; Sucre Condominium Kao Yai Project, Changwad Nakornratchsima, 6 storey Splendid Resort Hotel, Changwad Nakornratchsima and DusitD2, Kao Yai, Changwad Nakornratchsima.

Property Development Business

In 2014, the Company had no revenue from selling property since the Company had transferred ownership of Focus on Saladaeng condominium units to its customers during the fourth quarter of 2011 and 31 December 2013, totally 61 units and there was only one unit left, and Focus Ploenchit Condominium Project located in Sukhumvit Soi 2 was under construction. This resulted in the revenue ratio of the property development in 2014, 2013 and 2012 were 0%, 2.06% and 18.72% of the total revenue respectively.

As of 31 December 2014, the value of agreements to buy and sell is as follows:

Project	No. of Units	Million Baht		% of Total Sales
		Total Sales of the Project	Contract Value	
Focus on Saladaeng	62	288.32	279.41	96.91
Focus Ploenchit	132	800.35	318.94	39.85

3.2.3 Expenses

The Company's expenses consist of the work acceptance cost, property selling cost, administrative cost, financial cost and income tax expense.

- The work acceptance cost consists of materials cost, sub-contract cost and construction labor cost and various overhead and expenses, etc.
- The property selling cost consists of the land acquisition cost, land development cost, design cost, public utility cost and costs directly related to the project, including interest paid on the loan for project development prior to project completion.

In 2014 and 2013, the Company's costs in each business are as follows:

(Unit : Million Baht)

Particulars	2014				2013				Increased (decreased)	
	Construction		Property Development		Construction		Property Development		Construction	Property Development
Revenue	532.63	100%	-	-	1,077.85	100%	22.90	100%	(545.22)	(22.90)
Cost	522.42	98.08%	-	-	1,053.29	97.72%	13.19	57.60%	(530.87)	(13.19)
Gross Margin	10.21	1.92%	-	-	24.56	2.28%	9.71	42.40%	(14.35)	(9.71)

Cost of Construction Business: In 2014, the Company's revenue decreased by 545.22 Million Baht from the previous year, the construction cost also decreased altogether with the revenue recognition. However, the Company incurred the expenses on the delayed handover of the works in the amount of 16 Million Baht. This resulted in an increase of the construction cost from 97.72% in 2013 to 98.08% in 2014.

Cost of Property Development Business: In 2014, the Company had no revenue from the property development business while the selling cost in 2013 was 57.60%. The difference of selling cost is due to the difference of the space and selling price of each unit.

Administrative Expenses

(Unit : Million Baht)

Particulars	2014	2013	Difference	
Administrative Expenses	57.98	66.53	(8.55)	12.85%

In 2014, the Company's administrative expenses was 57.98 Million Baht consisting of staff salary, management's remuneration, rent and service charge of the office, depreciation, etc., which decreased by 8.55 Million Baht or 12.85% if compared to 66.53 Million Baht in 2013. This was because the Company's advertising and PR expenses of Focus Ploenchit Condominium Project decreased by 7.45 Million Baht from 10 Million Baht in 2013 to 2.55 Million Baht in 2014.

Financial Cost

(Unit : Million Baht)

Particulars	2014	2013	Difference	
Financial Cost	9.73	1.48	8.25	557.43%

In 2014, the Company's financial cost increased by 8.25 Million Baht or 557.43% from 1.48 Million Baht to 9.73 Million Baht. This was because the interest paid on loans from the financial institution for the land purchase for Focus Ploenchit Condominium in the amount of 8.41 Million Baht and the interest on the short term loan from the project finance by selling the work done (account receivable) at a discount in form of promissory notes and the overdraft loan.

Income Tax Revenue

(Unit : Million Baht)

Particulars	2014	2013	Difference	
Deferred tax income	7.96	3.88	4.08	105.15%

In 2014, the Company's deferred tax income was 7.96 Million Baht due to the temporary difference of the deferred income tax which increased by 3.88 Million Baht in 2013, if compared to that of 2014 which was 4.08 Million Baht or an increase of 105.15%.

Corporate Income Tax Reduction

The Royal Decree issued under the Revenue Code on the tax rate reduction No. 530 B.E. 2554 dated 14 December 2011 reduces the corporate income tax from 30% to 23% of the net profit for the first accounting period commencing on or after 1 January 2012 and 20% of the net profit for the following two accounting periods commencing on or after 1 January 2013 onwards.

The Royal Decree issued under the Revenue Code on the tax rate reduction No.577 B.E. 2557 dated 3 November 2014 extends the corporate income tax reduction to 20% of the net profit for the accounting year start on or after 1 January 2015 but no later than 31 December 2015.

The 20% corporate income tax rate applies to the Company in the valuation of assets and liabilities of the

deferred income tax as of 31 December 2014 and 2013 according to the explanation of the Federation of Accounting Professions issued in 2012.

3.2.4 Net Loss

(Unit : Million Baht)

Particulars	2014	%	2013	%	Increased (Decreased)	
Main Revenue	532.63	97.01	1,100.75	98.80	(568.12)	(51.61)%
Other Revenue	16.40	2.99	13.40	1.22	3.00	22.39%
Total Revenue	549.03	100.00	1,114.15	100.00	(565.12)	(50.72%)
Total Cost	(522.42)	(95.15)	(1,066.48)	(95.72)	544.06	51.01%
Administrative Cost	(57.98)	(10.56)	(66.53)	(5.97)	8.55	12.85%
Financial Cost	(9.73)	(1.77)	(1.48)	(0.13)	(8.25)	(557.43)%
Deferred Tax Income	7.96	1.44	3.88	0.34	4.08	105.15%
Net Loss for the Year	(33.14)	(6.04)	(16.46)	(1.48)	(16.68)	(101.34)%
Loss Per Share (Baht)	(0.26)		(0.13)		(0.13)	

* Information from the Restated Financial Statements

The Company's net loss from the operations for the year ended 31 December 2014 was 33.14 Million Baht or 6.04% of the total revenue, while that of the year 2013 was 16.46 Million Baht or 1.48% of the total revenue or an increase of the net loss of 16.68 Million Baht or 101.34%. The key changes are as follows:

1. The total main revenue was 549.03 Million Baht in 2014 which decreased by 565.12 Million Baht or 50.72% from 1,114.15 Million Baht in 2013. The main revenue decreased by 545.22 Million Baht or 50.58% from the construction business because most construction works have been completed, the remaining quantity of works then reduced in both value and number of projects.
2. The construction cost increased from 97.72% of the construction revenue in 2013 to 98.08% in 2014 due to the expenses on delayed handover of the works.
3. The financial cost increased by 8.25 Million Baht from 1.48 Million Baht in 2013 to 9.73 Million Baht due to the interest paid on the loan from financial institutions for the land purchase of Focus Ploenchit Condominium Project.

3.2.5 Financial Position

The key changes of the Company's financial position in 2014 compared to 2013 are as follows:

(Unit : Million Baht)

Particulars	2014	2013*	Increased (Decreased)	
Trade and Other Receivables	63.72	90.98	(27.26)	(29.96)%
Unbilled receivables	72.63	109.47	(36.84)	(33.65)%
Cost of Property Development	396.27	247.03	149.24	60.41%
Total Current Assets	550.57	469.24	81.33	17.33%
Intangible Assets	3.70	0.68	3.02	444.12%
Deferred Tax Assets	16.96	8.99	7.97	88.65%
Total Non-Current Assets	180.79	178.93	1.86	1.04%
Total Assets	731.36	648.17	83.19	12.83%

* Information from the Restated Financial Statements

1. Analysis of Assets

The Company's total assets as of 31 December 2014 increased by 12.83% or 83.19 Million Baht from 648.17 Million Baht in 2013 to 731.36 Million Baht in 2014, divided into 550.57 Million Baht in current assets and 180.79 Million Baht in non-current assets.

In 2014, the Company's current assets were 550.57 Million Baht or 75.28% of the total assets. The key items of which are as follows:

- 1.1 Trade and other receivables were 63.72 Million Baht or 11.57% of the current assets which are divided into the trade receivable of 61.82 Million Baht and other receivable of 1.90 Million Baht or decreased by 27.26 Million Baht or 29.96% if compared to 90.98 Million Baht in 2013.

As of 31 December 2014, 2013 and 2012, the Company's outstanding trade receivables categorized by payment period are as follows:

(Unit : Million Baht)

	2014	2013	2012
3 Months or Less	43.73	81.39	108.89
From more than 3 months to 6 months	1.54	-	19.47
From more than 6 months to 12 months	10.88	8.81	-
More than 12 months	5.67	-	-
Total	61.82	90.20	128.36
Debt Collection Period (days)	53	37	40

The Company's outstanding receivable of more than 6 to 12 months was 10.88 Million Baht and more than 12 months was 5.67 Million Baht which includes two trade receivables. In March 2014, the Company received payment from one trade receivable in the amount of 15.89 Million Baht. The Company's management will negotiate with the project owner to conclude the payment of the remaining amount of 0.66 Million Baht.

- 1.2 The unbilled completed work was the completed work but was not handed over and no invoice was issued which decreased by 36.84 Million or 33.65% from 109.47 Million Baht in 2013 to 72.63 Million Baht in 2014 since most works have been completed and handed over to the owners, making the balance of work quantity reduced in both value and number of projects.
- 1.3 The cost of property development of 396.27 Million Baht increased by 149.24 Million Baht or 60.41% from 247.03 Million Baht in 2013 since Focus Ploenchit Condominium Project is under the construction which is expected to be completed in the second quarter of the year 2015.
- 1.4 The intangible assets of 3.70 Million Baht increased by 3.02 Million Baht or 444.12 Million Baht from 0.68 Million Baht in 2013 because the Company purchased the copyrighted computer software program from Data in Motion Co., Ltd. at the market price of 1.96 Million Baht. The said company is a related company with the authorized directors in common.
- 1.5 The non-current assets of 180.79 Million Baht consists of:
 - Deferred tax assets of 16.96 Million Baht which increased by 7.97 Million Baht or 88.65% compared to 8.99 Million Baht in 2013 due to the tax net loss increase by 6.20 Million Baht.
 - Retention receivable of 70.09 Million Baht was deducted by customers as retention at the rate of 5-10% of the construction work value billed by the Company. The Company will receive such retention upon completion of the work or every 3 months in accordance with the agreed terms under the contracts.

However, the Company as a sub-contractor of NVPSKG Joint Venture has reserved the retention receivable since 2003 in the Waste Water Collection and Treatment Project in Samutprakarn in the full amount of 13.31 Million Baht. It is expected that the Company will receive back the retention from the said Joint Venture within this year 2015 after the Joint Venture receiving the construction cost from the project owner according to the judgment of the Supreme Administrative Court within this year 2015.

In addition, the Company also reserved the full amount of one doubtful debt in 2009 in an amount of 6.24 Million Baht under the unpaid cheques as damages on delayed construction which are now in the process of debt collection.

- The withholding tax of 50.86 Million Baht which includes the withholding tax of 33.66 Million Baht in 2013 which was refunded by the Revenue Department in February 2015, and 17.30 Million Baht in 2014.

2. Analysis of Liabilities

(Unit : Million Baht)

Particulars	2014	2013*	Increased (Decreased)	
Bank Overdrafts and Short Term Loan from Financial Institutions	29.78	9.58	20.20	210.86%
Other Current Liabilities	15.99	8.86	7.13	80.47%
Total Current Liabilities	330.12	321.16	8.96	2.79%
Long Term Loan from Financial Institutions	262.40	152.30	110.10	72.29%
Liabilities under Long Term Financial Lease Agreements	1.29	4.43	(3.14)	(70.88)%
Total Non-Current Liabilities	269.46	162.09	107.37	66.24%
Total Liabilities	599.58	483.25	116.33	24.07%

* Information from the Restated Financial Statements

As of the end of 2014, the Company's total liabilities increased by 116.33 Million Baht or 24.07% from 483.25 Million Baht of the previous year to 599.58 Million Baht, divided into 330.12 Million Baht current liabilities and 269.46 Million Baht non-current liabilities. The key particulars are as follows:

- 2.1 The bank overdrafts and short term loan increased by 20.20 Million Baht or 210.86% from 9.58 Million Baht in 2013 to 29.78 Million Baht due to the Company sold at discount the work done in form of promissory notes in the amount of 17.38 Million Baht and the bank overdraft of 12.40 Million Baht.
- 2.2 Other current liabilities increased by 7.13 Million Baht or 80.47% from 8.86 Million Baht in 2013 to 15.99 Million Baht due to the deferred expenses on delayed handover of the works recorded by the Company.
- 2.3 The long term loan from financial institutions increased by 110.10 Million Baht from 152.30 Million Baht in 2013 to 262.40 Million Baht since the Company withdrew money from domestic commercial banks as the working capital for the Focus Ploenchit Project under the long term loan amount of 335 Million Baht.

Details of the Long Term Loan from Financial Institutions

Loan (Million Baht)	Duration	Interest Rate Per Year	Objective
155	June 2012 – December 2016	MLR – 1.25	For Land Purchase of Focus Ploenchit Project
180	June 2012 – February 2017	MLR – 1.25	For Construction of Focus Ploenchit Project

The collateral security for the said loan includes the land and present and future buildings thereon subject to the condition that the principal sum will be repaid at 70% of the agreement to buy and to sell upon the condo unit ownership transfer and the interest will be paid on a monthly basis.

During 2014, the Company was granted an extension of the loan repayment for the loan amount of 155 Million Baht from the original due date until 25 December 2016.

3. Analysis of Shareholders' Equity

At the end of 2014 and 2013, the Company's issued and paid-up capital, the share premium and the shareholders' equity are as follows:

(Unit : Million Baht)

Particulars	2014	2013	Increased (Decreased)	
Registered Capital	400.00	400.00	-	-
Issued and Paid-Up Capital (Baht)	126,720,042	126,720,000	42 Baht	-
Share Premium (Baht)	56,413,239	56,413,155	84 Baht	-
Deficit	(51.35)	(18.21)	33.14	181.99%
Total Shareholders' Equity	131.78	164.92	(33.14)	(20.09%)

As of 31 December 2014, the shareholders' equity of the Company decreased by 33.14 Million Baht or 20.09% from 164.92 Million Baht in 2013 to 131.78 Million Baht. The key changes are as follows:

3.1 Warrants: The final exercise of warrants was fixed on 15 June 2014. Shareholders holding 42 warrants exercised their rights to convert the warrants into 42 ordinary shares at the exercise price of 3 Baht per share. This resulted in the share premium of 84 Baht. The paid-up capital increase due to the said exercise was registered with the Ministry of Commerce from 126,720,000 Baht to 126,720,042 Baht on 19 June 2014.

- As at 31 December 2014, there was no outstanding warrant.
- As at 31 December 2013, there were unexercised warrants of 73,279,638 units.

3.2 Information from the above factors, the Company's net loss was 33.14 Million Baht, resulting in the accumulated loss increase from 18.21 Million Baht to 51.35 Million Baht

4. Analysis of Cash Flow

(Unit : Million Baht)

Particulars	2014	2013	Increased (Decreased)
Cash Flow Used in Operations Activities	(110.33)	(18.92)	91.41
Cash Flow Used in the Investing Activities	(3.98)	(11.31)	(7.33)
Net Cash Flow from (used in) funding activities	117.93	(4.97)	122.90
Cash and cash equivalent increased (decreased) during the year	3.62	(35.20)	38.82
Cash and cash equivalent at the beginning of the year	5.74	40.95	(35.21)
Cash and cash equivalent at the end of the year	9.36	5.74	3.62

The cash flow statements show the changing cash flows from the operations activities, investing activities and funding activities at the year end and show the balance of cash and cash equivalent as of 31 December 2014 in the amount of 9.36 Million Baht which was an increase of 3.62 Million Baht or 63.07% if compared to the previous year of 5.74 Million Baht as follows:

- 4.1 The net cash flow used in the operations activities of 110.33 Million Baht which was mainly used for the property development of Focus Ploenchit Condominium Project increased by 149.24 Million Baht from the previous year. However, the Company received a refund of the withholding tax of the year 2012 in the amount of 23.37 Million Baht.
- 4.2 The net cash flow used in the vesting activities of 3.98 Million Baht was the purchase of intangible assets, i.e. copyrighted computer software program of 3.24 Million Baht.
- 4.3 The net cash flow used in the funding activities of 117.93 Million Baht was mostly due to the withdrawal of the long term loan from financial institutions of 110.10 Million Baht for the construction of Focus Ploenchit Condominium Project with the interest paid in 2014 in the total amount of 9.38 Million Baht (not including the interest paid on the loan for construction which was the capital expenditure).

5. Analysis of Key Financial Ratios

In 2014, the Company's key financial ratios are as follows:

- 5.1 Liquidity Ratio: The Company's liquidity ratio was 1.67 times which was better than 1.46 times in 2013.
- 5.2 Profitability Ratio: The Company operates the construction business in parallel with the property development business to diversity risk from making profits only in one business. However, Focus Ploenchit Condominium Project was under construction in 2014, the Company then earned the revenue only from the construction business with the gross margin at 1.92%.
- 5.3 Debt to Equity Ratio: Since the Company's withdrawal of the long term loan from financial institutions for the construction of condominium increased by 110.10 Million Baht, making the total withdrawal of the loan of 262.40 Million Baht. This resulted in an increase of the debt equity ratio from 2.93 times to 4.55 times.

6. Obligations and Contingencies

As of 31 December 2014, the Company's obligations and contingencies are as follows:

- 6.1 The Company's letter of guarantee issued by domestic commercial banks in relation to the obligations under the contracts in the ordinary course of business with the balance as of 31 December 2014 in the amount of 412.35 Million Baht.
- 6.2 The obligations of payments under the contracts as follows:
- 6.2.1 Payments under the office building rent and service agreements which will be ended on 14 August 2017 in the amount of 11.33 Million Baht.
 - 6.2.2 Payments under construction contracts and employment contracts of the property development projects in the amount of 83.25 Million Baht
 - 6.2.3 Purchase of intangible asset agreement in the amount of Baht 0.81 million.
- 6.3 The Company was claimed in a court case for payment of goods in the claimed amount of 1.40 Million Baht. The court of first instance ruled that the Company has to pay 0.18 Million Baht with an interest. The appellate court confirmed the said judgment. The case is now under consideration of the Supreme Court.

Major Factors and Influences Possibly Affecting the Future Operations or Financial Position

Factor of Industrial Conditions

Since the construction business is a type of the service business, the factor influencing on the operation of the Company in the future is the demand of services of customers or users. This depends on the investment policy of the public and private sectors which determines the quantity of construction projects. However, the main factor of the Company's operation depends on the capability of directors, executives, and team of supplying new construction projects for the Company. The quantity of work and the value of accepted projects must correspond to the working capital that the Company can afford. The main source of funds of the Company consists of capital of the Company and loans from commercial banks and financial institutions. In addition, the Company also controls the construction cost, such as, construction materials cost, transportation cost, wages, and administrative expenses, including financial cost, to be in the appropriate level.

Although the property development business causes the high return to the Company, there are factors affecting the operation in terms of ability of supplying potential lands at reasonable price and meeting the demand of the target customers.

Change of Major Shareholders

Although the Company has been established since 1989, later the group of major shareholders of the Company was changed. The group of Mrs.Napharat Sihanatkathakul became the major shareholder. In addition, the executives and the management policies have been changed as well. The Company has started to operate the construction since 2000. The Company has the policy which does not focus on the construction in any specific industrial sectors only. As a result, the income proportion of the Company was not constant previously. However, the Company plans to participate in some auction or construction projects of the private sector which the Company considers that the owners have ability to pay and the Company will gain the appropriate return rate. In addition, the Company has competency in the construction and it is possible that the Company will be employed in this project because engineers of the Company are expert in various construction works. Executives and engineers of the Company also give advices on the design, usage of construction materials, and construction techniques which can save the construction costs and the construction work will also be qualified, well-accepted, and trusted by various groups of customers.

Disclosure of Auditors' Remuneration

1. Audit Fee

The Company and its subsidiaries have paid the following audit fees:

- To the auditors for the previous accounting year in the amount of 0 Baht
- To the auditors' audit firm for the previous accounting year in the amount of 525,000 Baht

2. Non-Audit Fee

The Company and its subsidiaries have paid the non-audit fee, i.e. None

- To the auditors for the previous accounting year in the amount of 0 Baht
- To the auditors' audit firm for the previous accounting year in the amount of 0 Baht