



Part 3

Financial Position and Operating Performance

13. Financial Statements

13.1 Auditor and summary of auditor's report

The auditor's report of the financial statements of the company and its subsidiaries for the year 2012 – 2014

For the year 2012

Audited financial statements	: Ended 31 December 2012
Auditor	: DIA International Auditing Company Limited By Mrs. Wilairat Rotnakarin, certified public accountant, registration no. 3104 who has been granted license from the Office of the Securities and Exchange Commission
Auditor's comment	: Exhibits unqualified opinion that the consolidated financial statement and statement of consolidated financial position and separate financial position, consolidated operation results and separate operation results, consolidated cash flow, and separate cash flow present fairly in all material respects and be in accordance with financial reporting standard.

For the year 2013

Audited financial statements	: Ended 31 December 2013
Auditor	: DIA International Auditing Company Limited By Mrs. Wilairat Rotnakarin, certified public accountant, registration no. 3104 who has been granted license from the Office of the Securities and Exchange Commission.
Auditor's comment	: Exhibits unqualified opinion that the consolidated financial statement and separate statement of consolidated financial position and separate financial position, consolidated operation results and separate operation result, consolidated cash flow, and separate cash flow present fairly in all material respects and be in accordance with financial reporting standard.

For the year 2014

Audited financial statements	: Ended 31 December 2014
Auditor	: DIA International Auditing Company Limited By Mrs. Wilairat Rotnakarin, certified public accountant, registration no. 3104 who has been granted license from the Office of the Securities and Exchange Commission.
Auditor's comment	: Exhibits unqualified opinion that the consolidated financial statement and separate Statement of consolidated financial position and separate financial position, consolidated operation results and separate operation result, consolidated cash flow, and separate cash flow present fairly in all material respects and be in accordance with financial reporting standard.



13.2 Summary of financial condition and results of operations. (Consolidated)

STATEMENTS OF FINANCIAL POSITION	AUDITED		AUDITED		AUDITED	
	December 31, 2012		December 31, 2013		December 31, 2014	
	million baht	%	million baht	%	million baht	%
Cash and cash equivalents	66.01	31.07%	29.31	13.18%	36.04	15.42%
Current investment	20.00	9.41%	69.95	31.45%	83.85	35.88%
Trade accounts receivable – net	54.79	25.79%	55.42	24.91%	39.52	16.92%
Trade accounts receivable	55.97	26.34%	56.60	25.44%	41.84	17.91%
Allowance for doubtful accounts	(1.18)	–0.55%	(1.18)	–0.53%	(2.32)	–0.99%
Other receivables	2.16	1.02%	3.69	1.66%	6.26	2.68%
Total current assets	142.96	67.29%	158.36	71.19%	165.67	70.90%
Retention	12.64	5.95%	14.42	6.48%	15.30	6.55%
Investments in subsidiaries and associate	0.00	0.00%	2.34	1.05%	2.49	1.07%
Investments in joint venture	2.75	1.30%	2.49	1.12%	2.94	1.26%
Investment properties	0.46	0.22%	0.46	0.21%	0.46	0.20%
Property, plant and equipment	10.16	4.78%	9.92	4.46%	9.29	3.98%
Intangible assets	0.59	0.28%	1.85	0.83%	2.58	1.10%
Pledged fixed deposit	29.27	13.77%	12.60	5.67%	12.76	5.46%
Long-term loans to related parties	0.00	1.89%	9.00	2.52%	9.00	3.85%
Deferred tax assets	4.02	0.00%	5.61	4.05%	5.68	2.43%
Other non-current assets	9.62	4.53%	5.39	2.42%	7.51	3.20%
Total non-current assets	69.51	32.71%	64.08	28.81%	68.01	29.10%
Total assets	212.47	100.00%	222.44	100.00%	233.68	100.00%
Bank overdrafts	0.77	0.36%	0.00	0.00%	0.00	0.00%
Trade and other payables	20.19	9.50%	21.46	9.65%	29.75	12.73%
Current portion of financial lease liabilities	0.11	0.05%	0.12	0.05%	0.12	0.05%
Accrued income tax	0.00	0.00%	0.35	0.16%	0.00	0.00%
Total current liabilities	21.07	9.92%	21.93	9.86%	29.87	12.78%
Financial lease liabilities	0.30	0.14%	0.18	0.08%	0.06	0.02%
Employee benefit provisions	20.27	9.54%	22.26	10.01%	24.11	10.32%
Total non-current liabilities	20.57	9.68%	22.44	10.09%	24.17	10.34%
Total liabilities	41.63	19.59%	44.37	19.95%	54.04	23.13%
Authorized share capital	100.00	47.07%	100.00	44.96%	100.00	42.79%
Issued and paid-up share capital	100.00	47.07%	100.00	44.96%	100.00	42.79%
Premium on share capital	48.31	22.74%	48.31	21.72%	48.31	20.67%
Unrealized gain on changes in investment valuation	0.01	0.00%	(0.13)	–0.06%	(0.15)	–0.07%



STATEMENTS OF FINANCIAL POSITION	AUDITED		AUDITED		AUDITED	
	December 31, 2012		December 31, 2013		December 31, 2014	
	million baht	%	million baht	%	million baht	%
Retained earnings						
Appropriated	1.13	0.53%	2.28	1.03%	3.28	1.40%
Unappropriated	21.39	10.07%	27.57	12.39%	28.29	12.11%
Total owners of the Company	170.84	80.41%	178.03	80.04%	179.73	76.91%
Non-controlling interests	0.00	0.00%	0.04	0.02%	(0.09)	-0.04%
Total shareholders' equity	170.84	80.41%	178.07	80.06%	179.64	76.87%
Total liabilities and shareholders' equity	212.47	100.00%	222.44	100.00%	233.68	100.00%

STATEMENTS OF FINANCIAL POSITION	AUDITED		AUDITED		AUDITED	
	December 31, 2012		December 31, 2013		December 31, 2014	
	million baht	%	million baht	%	million baht	%
Services and sales income	265.29	100.00%	291.10	100.00%	263.65	100.00%
Services income	265.29	100.00%	290.26	99.71%	263.65	100.00%
Sales income	0.00	0.00%	0.84	0.29%	0.00	0.00%
Cost of services and sales	181.23	68.31%	198.12	68.06%	178.20	67.59%
Cost of services	181.23	68.31%	197.55	67.86%	178.20	67.59%
Cost of sales	0.00	0.00%	0.57	0.20%	0.00	0.00%
Gross profit	84.06	31.69%	92.98	31.940%	85.45	32.41%
Other income	2.91	1.10%	2.69	0.92%	3.16	1.20%
Profit before expenses	86.97	32.78%	95.67	32.86%	88.61	33.61%
Administrative expenses	67.47	25.43%	68.63	23.58%	66.20	25.11%
Share of profit (loss) on investment in associate and joint venture	0.14	0.05%	(0.87)	-0.30%	(0.60)	-0.23%
Profit before finance cost and income tax	19.64	7.40%	26.15	8.99%	23.01	8.73%
Finance costs	0.10	0.04%	0.05	0.02%	0.02	0.01%
Profit before income tax	19.54	7.37%	26.10	8.97%	22.99	8.72%
Income tax expenses	4.28	1.61%	6.84	2.35%	5.40	2.05%
Profit (loss) for the year	15.26	5.75%	19.26	6.62%	17.59	6.67%
Other comprehensive income (expense) – net of tax	0.01	0.00%	(0.13)	-0.04%	(0.02)	-0.01%
Total comprehensive income for the year	15.27	5.76%	19.13	6.57%	17.57	6.66%
Total comprehensive income attributable to						
Owners of the Company	15.26	5.75%	19.32	6.64%	17.70	6.71%
Non-controlling interests	0.00	0.00%	(0.06)	-0.02%	(0.13)	-0.05%
Earnings per share # owners of the Company	0.04		0.05		0.04	
Ordinary shares of par (Baht / Shares)	0.25		0.25		0.25	
Issued and paid-up share capital	400.00		400.00		400.00	



STATEMENTS OF CASH FLOW	AUDITED	AUDITED	AUDITED
	2012	2013	2014
	million baht	million baht	million baht
Profit (loss) before income tax	19.54	26.10	22.99
Adjustment net profit to cash receipt (disbursement)	6.95	13.92	5.54
Profit from operation before changes in operating assets and liabilities	26.49	40.02	28.53
Trade and other receivables	(4.62)	(1.96)	12.19
Retention	(2.81)	(1.78)	(0.89)
Other non-current assets	(0.64)	(0.53)	1.05
(Increase) Decrease in assets from operation	(8.07)	(4.27)	12.35
Trade and other payables	5.12	(1.36)	8.29
Employee benefit provisions	(4.97)	(2.62)	(2.61)
Increase (Decrease) in liabilities from operation	0.15	(3.98)	5.68
Cash generated (paid) from operation	18.57	31.77	46.56
Interest paid	(0.10)	(0.05)	(0.03)
Corporate income tax paid	(11.79)	(8.24)	(8.96)
Net cash provided by (used in) operating activities	6.69	23.48	37.57
Proceeds from dividend	0.00	0.19	0.75
Payments investments in joint venture	(30.00)	(100.08)	(101.57)
Proceeds from sales of current investment	10.00	50.38	88.37
Pledged fixed deposit	(1.48)	16.66	(0.17)
Payments for investment in subsidiaries and associate	0.00	(2.95)	0.00
Proceeds from sales of assets	2.43	0.56	0.02
Payments for property, plant and equipment acquisition	(2.17)	(1.71)	(1.10)
Payments for intangible assets acquisition	(0.26)	(1.45)	(1.02)
Long-term loans	0.00	(9.00)	0.00
Net cash provided by (used in) investing activities	(21.48)	(47.40)	(14.72)
Increase (Decrease) in bank overdrafts	0.77	(0.77)	0.00
Payments for financial lease liabilities	(0.64)	(0.11)	(0.12)
Proceeds from common shares increase	78.31	0.00	0.00
Dividend paid	(8.00)	(12.00)	(16.00)
Proceeds from non-controlling interests	0.00	0.10	0.00
Net cash provided by (used in) financing activities	70.44	(12.78)	(16.12)
Net increase (decrease) in cash and cash equivalents	55.65	(36.70)	6.73
Cash and cash equivalents as at January 1	10.36	66.01	29.31
Cash and cash equivalents as at December 31	66.01	29.31	36.04



FINANCIAL RATIOS		2012	2013	2014
Liquidity Ratios				
Liquidity Ratios	Time	6.79	7.22	5.55
Cash Flow Ratio	Time	0.33	1.09	1.45
Accounts receivable turnover	Time	5.02	5.17	5.36
Average collection period	Day	72	70	67
Accounts payable turnover	Time	10.28	9.51	6.96
Period is payable	Day	35	38	52
Cash Cycle	Day	37	32	15
Profitability Ratios				
Margin	%	31.69%	31.94%	32.41%
Operating margin	%	7.40%	8.99%	8.73%
Cash to profitability	%	34.06%	89.77%	163.28%
Net margin	%	5.75%	6.62%	6.67%
Return on equity	%	11.92%	11.04%	9.83%
Efficiency Ratios				
Return on assets	%	9.05%	8.86%	7.71%
Return on assets	%	23.34%	28.84%	26.63%
Asset Turnover	Time	1.57	1.34	1.16
Financial Policy Ratios				
Debt to equity shares	Time	0.24	0.25	0.30
Interest Coverage Ratio	Time	114.66	584.58	2149.5
Charge Coverage Ratio (Cash basis)	Time	0.60	1.54	2.06
Dividend Payout	%	491.43%	62.29%	90.96%



Summary of financial condition and results of operations. (Separate Financial Statements)

Project Planning Service Public Company Limited

Summary of Financial Position And Performance	AUDITED		AUDITED		AUDITED	
	December 31, 2012		December 31, 2013		December 31, 2014	
	million baht	%	million baht	million baht	%	million baht
Total assets	210.31	100.00%	224.92	100.00%	234.21	100.00%
Total liabilities	39.63	18.84%	43.90	19.52%	52.95	22.61%
Total shareholders' equity	170.68	81.16%	181.02	80.48%	181.26	77.39%
Total income	260.34	100.00%	284.76	100.00%	256.35	100.00%
Profit (loss) for the year	16.45	6.32%	22.46	7.89%	16.27	6.35%

Financial Ratios		2012	2013	2014
Liquidity Ratios	Time	7.22	7.41	5.87
Debt to equity shares Ratios	Time	0.23	0.24	0.29
Return on assets Ratios	%	7.82%	10.32%	7.09%
Return on equity Ratios	%	9.64%	12.77%	8.98%

PPS Design Co., Ltd. (PPS subsidiary, which holds 99.99% of the share capital.)

Summary of Financial Position And Performance	AUDITED		AUDITED		AUDITED	
	December 31, 2012		December 31, 2013		December 31, 2014	
	million baht	%	million baht	million baht	%	million baht
Total assets	5.90	100.00%	6.56	100.00%	8.36	100%
Total liabilities	2.40	40.73%	4.87	74.18%	8.08	96.65%
Total shareholders' equity	3.50	59.27%	1.69	25.82%	0.28	3.35%
Total income	8.45	100.00%	6.50	100.00%	7.59	100.00%
Profit (loss) for the year	(1.33)	-15.77%	(1.80)	-27.73%	(1.42)	-18.71%

Financial Ratios		2012	2013	2014
Liquidity Ratios	Time	0.74	0.61	0.51
Debt to equity shares Ratios	Time	0.69	2.88	28.86
Return on assets Ratios	%	-22.59%	-28.89%	-19.03%
Return on equity Ratios	%	-38.11%	-69.36%	-144.16%



PPS Information Consultant Co., Ltd (PPS subsidiary, which holds 90.00% of the share capital.)

Summary of Financial Position And Performance	AUDITED		AUDITED	
	December 31, 2013		December 31, 2014	
	million baht	million baht	million baht	million baht
Total assets	1.85	100.00%	1.51	100.00%
Total liabilities	1.43	77.09%	2.42	160.27%
Total shareholders' equity	0.42	22.91%	(0.91)	-60.27%
Total income	3.01	100.00%	2.99	100.00%
Profit (loss) for the year	(0.58)	-19.15%	(1.33)	-44.49%

Note: PPS Infor Systems Consultants Limited was established on January 4, 2013 and recognized as revenue on January 4, 2013

Financial Ratios		2013	2014
Liquidity Ratios	Time	1.04	0.40
Debt to equity shares Ratios	Time	3.40	(2.66)
Return on assets Ratios	%	-31.35%	-79.17%
Return on equity Ratios	%	-138.10%	542.86%

14. Management Discussion and Analysis

Operating result

(A) Overview of the operating result

The company operates an engineering consultancy business to provide consulting service and construction project management service for various construction projects. The service offered is a long-term consultancy service which can be segregated into two categories as below:

1) The fixed-revenue contract (lump sum fixed price contract) where the company realizes the revenue from service providing on a percentage of completion method when a completion can be accurately estimated in accordance to the proportionate cost of service as incurred to the total estimated cost of service. The company bills the invoice on a monthly basis according to the amount in the contract.

2) The monthly-based payment contract where the company realizes the revenue when the service provided is completed and the service fee will be charged on a monthly basis according to the actual number of staffs involved in the project by calculating from the professional service fee for each profession stated in the contract.

Additionally, the company has started a business expansion to leverage the project construction management service expertise such as designing, project construction management service application development, and system support for example. The company has started to realize part of the revenue from the expansion. Moreover, the subsidiaries have won more oversea projects; this makes the revenue of the company and the subsidiaries grown from 268.20 million baht in 2012 to 293.79 million baht in 2013 but dropped to 266.81 million baht in 2014, respectively. The reasons for the revenue decline are the political complication in the first half of 2014 and some of our projects are finished while new projects are delaying or deferring.

The parent company has made a net profit of 15.26 million baht in 2012, 19.33 million baht in 2013 and 17.72 million baht in 2014, respectively. The reduction in net profit decline is caused by under expected revenue however cost of services and operating expenses have declined in higher rate than the decline in revenue. The reasons are that the company has been operating with cost efficiency and flexibility in responsive to the market situation due to political complications.

(B) Analysis of the operating result

Revenue

The company and the subsidiaries have earned the revenue from providing consultancy and project construction management service. The accounting policy of the company to realize the revenue differs according to the contract type, which is

1) The fixed-revenue contract (lump sum fixed price contract), where the company realizes the revenue from service providing on a percentage of completion method according to the generally accepted accounting principles, and

2) The monthly-based payment contract where the company realizes the revenue when the service provided is completed and the service fee will be charged on a monthly basis according to the actual number of staffs involved in the project

For the fiscal year of 2012-2014, the revenues of the company and the subsidiaries are 268.20 million baht in 2012, 293.79 million baht in 2013 and 266.81 million baht in 2014, respectively. The details can be shown as below.



	Year 2012		Year 2013		Year 2014	
	million Baht	%	million Baht	%	million Baht	%
Revenue from service	265.29	98.92%	290.26	98.80%	263.65	98.82%
Revenue from selling	0.00	0.00%	0.84	0.28%	0.00	0.00%
Revenue from service	265.29	98.92%	290.26	98.80%	263.65	98.82%
Total revenue	268.20	100.00%	293.79	100.00%	266.81	100.00%

Revenue from service

For the fiscal year of 2012–2014, the revenue of the company and the subsidiaries are from 265.29 million baht in 2012 grown to 290.26 million baht in 2013 but dropped to 263.65 million baht in 2014, respectively.

In year 2012, the company earned 265.29 million baht which was increased 9.13 million baht (3.56%) from previous year by provision of service to total of 75 projects comprising of 38 consecutive projects (earned 204.51 million baht) from previous year and 37 new (majority were short term) projects commenced in year (earned 60.78 million baht) compared to 51 projects in year 2011. Majority of revenue in year 2012 was earned from short term construction projects of retail business.

In year 2013, the revenue from service was 290.26 million baht which increased 24.97 million baht (9.41%) from year 2012. The income was from 43 new projects (104.06 million baht) and 46 consecutive projects (186.20 million baht). The growth was from 2 major customers' projects in department store and retail businesses which generated 143.87 million baht with growth rate of 17.54 % from year 2012. Moreover the Company provided services to another major customer for hi-end residential projects (5 Condominium projects; 28.36 million baht) and Hongsa power in Lao PDR (11.51 million baht).

In year 2014, the revenue from service was 263.65 million baht which decreased 26.61 million baht (9.17%) from year 2013. The income was from 31 new projects (41.19 million baht) and from 51 consecutive projects (222.46 million baht). The growth was keeping from 2 major customers' projects in department store and retail businesses which generated 123.51 million baht with growth rate of 16.21% and 19.45%. Moreover the Company has provided services of early stage for another major customer of hi-rise luxury residential projects. The reasons for the revenue decline are the political complication in the first half of 2014 and some of our projects are finished while new projects are delaying or deferring.

The revenue of company and the subsidiaries can be categorized into revenue from consecutive projects and new projects in each fiscal year, and the number of projects that were serviced and realized for each fiscal year during 2012–2014 as below

	Year 2012		Year 2013		Year 2014	
	million Baht	%	million Baht	%	million Baht	%
1. Revenue from consecutive projects	204.51	38	186.20	46	222.46	51
2. Revenue from new projects	60.78	37	104.06	43	41.19	31
Total revenue from service	265.29	75	290.26	89	263.65	82

Other revenue

Other sources of revenue from the company and the subsidiaries were interest received and other revenue. The company and the subsidiaries have earned 2.91 million baht, 2.69 million baht and 3.16 respectively. The company has earned 1.21 million baht from an interest in the investment, 0.73 million baht from selling the mutual fund units, and 0.75 million baht from the mutual fund dividend in 2014.

Cost of Services and gross profit margin

Cost of services of the Company and the subsidiaries are comprised of major items such as salary, benefits, personnel expense for directors, project managers, engineers, technical specialists, and project secretaries. The company recorded the cost according to the actual number of staffs in each project in accordance with the consultancy contract. Other service costs are comprised of project management expense and traveling expense for example. Additional consultancy costs are applicable for some projects which the company has to employed external specialists.

For the fiscal year of 2012–2014, the company and the subsidiaries' cost of services was 181.23 million baht, 197.55 million baht and 178.20 million baht or 68.31 percent, 67.86 percent and 67.59 percent of the revenue from service respectively. The decreased cost of services in year 2014 were by decrease of staff's benefit such as salary, overtime, site allowance and staff's accommodation expenses caused by effective and flexible

For the fiscal year of 2012–2014, the company and the subsidiaries have a gross profit margin at 84.06 million baht, 92.98 million baht and 85.46 million baht or 31.69 percent, 31.94 percent and 32.41 percent of the total revenue from selling and service respectively.

The company and the subsidiaries have a marginal increase in gross profit margin from the year earlier, however, the employee cost such as salary and employee benefits such as social security fund contribution and provident fund contribution varies according to the decreasing number of employees and the amount of contracts, which was decreased from 171.78 million baht in 2013 to 160.44 million baht in 2013 or decreased 13.84 million baht (7.94 percent).

Administrative expense

Administrative expense of the company and the subsidiaries were primarily consisted of office personnel, including management, and other management expense such as vehicle and transportation expenses of management and employees, and financial, tax, and legal consultancy fee for example. The company and the subsidiaries' administrative expense during fiscal year 2012–2013 were at 67.47 million baht and 68.64 million baht, for example.

For 2013, the administrative expense of the company and the subsidiaries was at 66.20 million baht, decreased of 2.44 million baht or 3.55 percent resulting from effective expenses management and control although the Company provided much more expenses on recruitment of new staffs prepared for business expansion.

Other expenses

For the fiscal year of 2014, the company and the subsidiaries have other expenses of provision to doubtful debt for 1.14 million baht (0.23% of revenue). Provision and record of doubtful debt to 3 customers is conformed to the Company's policy. However in early of year 2015, the Company and the subsidiaries have been partial paid on debts from all of 3 debtors under practically legal performed to protect the Company's benefits. Such expenses of doubtful debts will be reverted after received payments from debtors.

Net profit and net profit ratio

Fiscal year	Year 2012	Year 2013	Year 2014
Net profit	15.26	19.33	17.72
Net profit ratio	5.69%	6.58%	6.64%
Average shareholder's equity	126.03	174.45	178.85
Return on equity	12.11%	11.08%	9.91%
Dividend payout	75.00	12.00	16.00
Dividend payout ratio	455.93%	53.43%	98.34%

For the fiscal year of 2012–2013, the company and the subsidiaries have a net profit margin (parent company part only) of 15.26 million baht and 19.33 million baht respectively or 5.69 percent and 6.58 percent of the revenue from service respectively.

For the fiscal year of 2014, the company and the subsidiaries have a net profit margin (parent company part only) of 17.22 million baht or 6.64 percent of the revenue from service which was slightly increased from previous year although the revenue was under from expectation.

However decreased rate of cost and expenses was greater than decreased rate of revenue from effective cost & expenses control which was flexible to fluctuation of market from political complications. Therefore the net profit ratio was slightly increased from year 2013.

Return on shareholder's equity

The company and the subsidiaries' return on equity were 12.11 percent and 11.08 percent during the fiscal year of 2012–2013. The average return on equity (only for the parent company) was 126.03 million baht and 174.45 million baht respectively.

The company and the subsidiaries' return on equity were 9.91 percent during the fiscal year of 2014, a decrease of 1.17 percent. The shareholder's equity (only for the parent company) was 174.45 million baht. The decrement of the shareholder's equity in comparison to 2013 was an increment of 4.40 million baht in the average shareholder's equity, an increase of 2.52 percent.

Financial position and assets

The net assets of the company and the subsidiaries were valued at 212.47 million baht, 222.44 million baht and 233.67 million baht on 31 December 2012, 31 December 2013, and 31 December 2014 respectively. Total assets in 2014 were increased by 11.23 million baht or 5.05 percent from the previous year. The examples of assets were 6.73 million baht in cash and cash equivalent and 13.90 million baht in temporary investment.

● **Cash and cash equivalent**

On 31 December 2012 and 31 December 2013, the company and the subsidiaries possessed 66.01 million baht and 29.31 million baht of cash and cash equivalent respectively. Decrease of cash and cash equivalent in year 2013 by 36.70 million baht was from investment of 20 million baht to be 69.95 million baht in mutual fund. The source of increased cash and cash equivalent was from the raise of capital in the stock exchange.

As of 31 December 2014, the company and the subsidiaries possessed 36.04 million baht of cash and cash equivalent, an increment of 6.73 million baht or 22.96 percent. The source of increased cash and cash equivalent were from operating working capital and from raise of capital in the stock exchange.

- Account receivables, other receivables, and allowance for doubtful debt

(Unit: Million baht)

Maturity	December 31, 2012	December 31, 2013	December 31, 2014
Not yet due	33.49	23.04	25.20
During 1–90 days	21.39	30.40	13.86
During 91–180 days	0.00	1.41	0.62
During 181–365 days	0.00	0.65	0.00
Over 365 days	1.10	1.10	2.17
Total	55.97	56.60	41.85
Less allowance for doubtful debt	(1.18)	(1.18)	(2.32)
Net account receivables	54.79	55.42	39.53

The Company's account receivables were coming from the 30-day credit term offered to the customers after the invoice date, however, the company has a collection process from project owners which has a specific monthly schedule such as invoice date and payment collection date for example, in order to collect the receivables in the scheduled time period.

As of 31 December 2012 and 31 December 2013, the company and the subsidiaries were having 54.79 million baht and 55.42 million in net account receivables and other receivables, respectively. As of 31 December 2014, the company has 39.53 million baht in account receivables and other receivables, a decrease of 15.89 million baht by shorter average collection time and decrease amount of account receivables from under target of revenue.

As of 31 December 2014 the company and the subsidiaries have an increment in net account receivables and other receivables with more than 365 days of 1.14 million baht from 3 customers which have been fully reserved and recorded as doubtful debts. However in early of year 2015, the Company and the subsidiaries have been partial paid on debts from all of 3 debtors under practically legal performed to protect the Company's benefits. Such expenses of doubtful debts will be reverted after received payments from debtors.

- Retention

As of 31 December 2012 and 31 December 2013, the company and the subsidiaries have a retention valued at 12.64 million baht and 14.42 million baht respectively; this is to comply with the project management contract that requires the retention. The owners of large-scale projects or high-value or government-owned projects would deduct the retention from the invoiced amount for approximately 5–10 percent of the project value. The average warranty period is 1 year from the delivery date.

As of 31 December 2014, the company and the subsidiaries have a retention valued at 15.30 million baht, slightly increased from the year earlier, as the company has earned more revenue from customers who required retention. During year 2014, the company and the subsidiaries have received the release of retention for 3.18 million baht.

- Land, building, and equipment

As of 31 December 2012 and 31 December 2013, the company and the subsidiaries possessed 10.16 million baht and 9.92 million baht worth of net land, building and equipment, respectively. This comprised of the land and building of the head office, the decoration, facilities, office furniture, durable foods, and vehicles, etc.

As of 31 December 2014, the company and the subsidiaries possessed 9.29 million baht worth of net property and equipment. During the year 2014, the company has expand the office for expansion of new business, investment in office furniture and equipments, depreciation according to normal accounting practices resulting to slightly decrease of net property and equipment.

- **Fixed deposits with pledged guarantee**

As of 31 December 2012 and 31 December 2013, the company and the subsidiaries were having 29.27 million baht and 12.60 million baht in fixed deposits with pledged guarantee respectively, a decrease of 16.67 million baht in fixed deposits with pledged guarantee is a result that the company has changed the pledged collaterals to the financial institutions by increasing building value, and the company used non-pledge bank deposits to invest in the mutual fund to enhance the return.

As of 31 December 2014, the company and the subsidiaries were having 12.76 million baht in fixed deposits with pledged guarantee, a slight increase from return on investment in banking.

Capital source

- **Liabilities**

As of 31 December 2012, 31 December 2013, and 31 December 2014, the company and the subsidiaries were having 41.63 million baht, 44.37 million baht and 54.04 million baht for total liabilities respectively. The increase of total liabilities in year 2014 were from increase of account payables and liabilities from provision of employee's benefits. Thus, the description of major items in the liabilities is listed below

- **Account payables and other payables**

As of 31 December 2012 and 31 December 2013, the company and the subsidiaries were having 20.19 million baht and 21.46 million baht in account payables, respectively. The company was having account payables because some project owners would like to hire the overall project management so the company has hired external specialists to jointly work with the company for such projects. Other payables are inclusive of unpaid expenses and unearned revenue for example.

As of 31 December 2014, the company and the subsidiaries were held 29.74 million baht in account payables and other payables. Account payables amount was 1.46 million baht and other payable amount was 28.29 million baht, which was comprised of unpaid expenses, unearned revenue, and other payables for example.

- **Employee benefit liabilities estimation**

As of 31 December 2012, 31 December 2013 and 31 December 2014, the company and the subsidiaries were having 20.27 million baht, 22.26 million baht and 24.11 million baht in employee benefits respectively, a net increase of 1.85 million baht or 8.31 percent. The increase benefits amount was at 4.46 million baht, and the payoff to retired employees was 2.61 million baht

Shareholder's equity

As of 31 December 2012, 31 December 2013 and 31 December 2014, the company was having 170.84 million baht, 178.04 million baht and 179.77 million baht in shareholder's equity, respectively. The shareholder's equity in 2014 was slightly increased as a result of net operating profit in 2014.

Capital structure

The company and the subsidiaries have the debt to equity ratio (D/E ratio) of 0.24 times, 0.25 times and 0.30 times at the end of 2012, 2013, and 2014 respectively (calculated from total liabilities divided by the parent's company equity on the same year-end date). The debt to equity ratio in 2012 and 2013 were about the same as the company had no long term loan from banking. There were only financial lease of 0.18 million baht and 0.30 million baht respectively.

The major causes of debt to equity ratio increase in year 2014 were increase of liabilities, especially account payables, other payables, accrued expenses, the employee benefits and some small increase in shareholder's equity.

Liquidity

	Unit	December 31, 2012	December 31, 2013	December 31, 2014
Cash and cash equivalent	million Baht	66.01	29.31	36.04
Current assets	million Baht	142.96	158.35	165.67
Current liabilities	million Baht	21.07	21.93	29.87
Current ratio (Current assets/Current liabilities)	times	6.79	7.23	5.55
Cash flow from operation	million Baht	6.69	23.48	37.57

Although the current ratio at the end of 2014 was 5.55 times, decreased from the year 2013 but still be on good ratio. The company had high liquidity with increased of current assets for 7.32 million baht (4.63 percent) whilst increased of current liabilities for 7.94 million baht (36.21 percent).

The company and the subsidiaries' cash flow from operation was 37.57 million baht in 2014, this reflects an efficient liquidity management of the company.

Investment expense

The company and the subsidiaries have no significant investment expense in 2014. The investment expense was only buying office stationary and minor office building decoration.