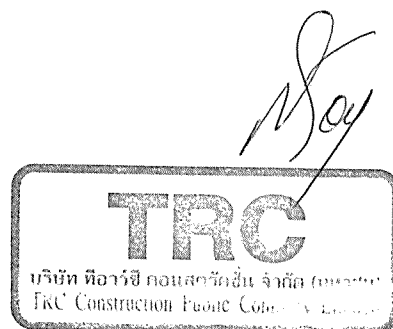


TRC Construction Public Company Limited

and its subsidiaries

Review report and interim financial statements

For the three-month and six-month periods ended 30 June 2014



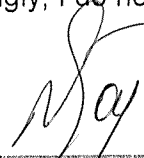
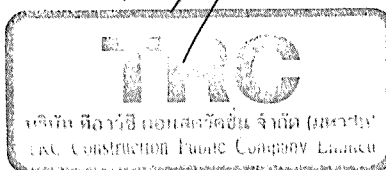
## Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of TRC Construction Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of TRC Construction Public Company Limited and its subsidiaries as at 30 June 2014, and the related consolidated statements of income and comprehensive income for the three-month and six-month periods ended 30 June 2014, and the related consolidated statements of changes in shareholders' equity, and cash flows for the six-month period then ended, as well as the condensed notes to the consolidated financial statements. I have also reviewed the separate financial information of TRC Construction Public Company Limited for the same periods. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my review.

### Scope of review

I conducted my review in accordance with Thai Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

  
  
บริษัท ทีอาร์ซี คอนสตรัคชัน จำกัด (มหาชน)  
TRC Construction Public Company Limited



Building a better  
working world

## Conclusion

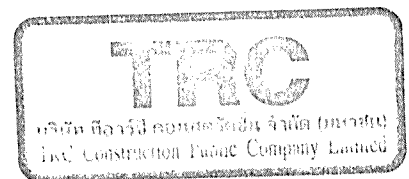
Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*.

Pimjai Manitkajohnkit

Certified Public Accountant (Thailand) No. 4521

EY Office Limited

Bangkok: 13 August 2014



TRC Construction Public Company Limited and its subsidiaries

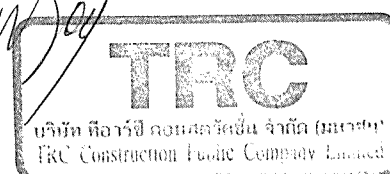
Statement of financial position

As at 30 June 2014

(Unit: Thousand Baht)

	<u>Note</u>	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>30 June 2014</u>	<u>31 December 2013</u>	<u>30 June 2014</u>	<u>31 December 2013</u>
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	3	479,080	195,563	341,266	38,166
Current investments		37	37	37	37
Trade and other receivables	2, 4	476,561	252,956	322,287	93,088
Unbilled receivable		362,955	785,135	286,529	700,263
Accounts receivable - retention under construction contracts		65,853	105,822	54,160	101,073
Advances paid to subcontractors under construction contracts		18,442	9,605	10,036	6,118
Construction in progress		123,275	2,383	118,337	2,358
Construction supplies	5	18,653	67,345	18,653	67,345
Short-term loans to related parties	2	-	-	36,662	36,428
Withholding tax deducted at source		48,967	42,260	20,976	17,928
Other current assets		36,114	37,230	25,220	24,403
<b>Total current assets</b>		<b>1,629,937</b>	<b>1,498,336</b>	<b>1,234,163</b>	<b>1,087,207</b>
<b>Non-current assets</b>					
Restricted deposits at financial institutions	6	62,028	82,674	26,841	47,297
Investments in subsidiaries	7	-	-	174,277	173,046
Investments in joint ventures	8	147	69	2,376	-
Other long-term investments	9	50,000	50,000	-	-
Property, plant and equipment	10	425,964	325,382	389,365	281,810
Intangible assets		6,170	5,803	5,837	5,450
Deferred tax assets		8,622	7,930	7,358	7,064
Other non-current assets		5,640	6,806	5,113	6,356
<b>Total non-current assets</b>		<b>558,571</b>	<b>478,664</b>	<b>611,167</b>	<b>521,023</b>
<b>Total assets</b>		<b>2,188,508</b>	<b>1,977,000</b>	<b>1,845,330</b>	<b>1,608,230</b>

The accompanying notes are an integral part of the financial statements.



TRC Construction Public Company Limited and its subsidiaries

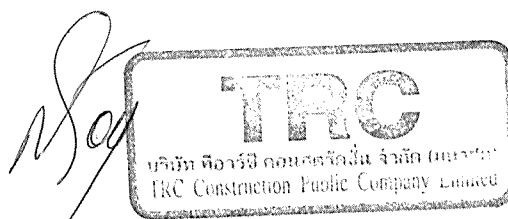
Statement of financial position (continued)

As at 30 June 2014

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	<u>Note</u>	<u>30 June 2014</u>	<u>31 December 2013</u>	<u>30 June 2014</u>	<u>31 December 2013</u>
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans					
from financial institutions	11	6,885	33,373	-	-
Trade and other payables	2, 12	423,693	321,379	297,067	191,887
Unbilled payable		312,685	96,528	272,932	64,826
Unearned construction revenue		-	33,488	-	33,488
Accounts payable - retention under					
construction contracts		20,588	15,870	10,825	7,605
Advances received from customers					
under construction contracts		61,700	193,916	61,468	189,095
Current portion of long-term loans	13	26,000	19,500	26,000	19,500
Provision for liabilities under					
construction projects	14	19,348	18,403	15,415	16,159
Current portion of liabilities under finance					
lease agreements		223	243	-	-
Income tax payable		-	2,217	-	-
Other current liabilities		40,681	14,459	33,999	10,352
Total current liabilities		911,803	749,376	717,706	532,912
Non-current liabilities					
Long-term loans - net of current portion	13	17,500	30,500	17,500	30,500
Liabilities under finance lease agreements					
- net of current portion		-	102	-	-
Provision for long-term employee benefits		25,458	23,163	21,374	19,160
Provision for litigation		20,000	20,000	20,000	20,000
Total non-current liabilities		62,958	73,765	58,874	69,660
Total liabilities		974,761	823,141	776,580	602,572

The accompanying notes are an integral part of the financial statements.



TRC Construction Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 June 2014

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	<u>Note</u>	<u>30 June 2014</u>	<u>31 December 2013</u>	<u>30 June 2014</u>	<u>31 December 2013</u>
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Shareholders' equity</b>					
Share capital					
Registered					
851,029,737 ordinary shares of Baht 0.50 each		425,515	425,515	425,515	425,515
Issued and paid-up					
816,586,773 ordinary shares of Baht 0.50 each		408,293	408,293	408,293	408,293
Share premium		257,909	257,909	257,909	257,909
Share subscription received in advance from					
exercise of warrants	15	7,414	-	7,414	-
Capital reserve for share-based payment	15	20,731	8,240	20,731	8,240
Retained earnings					
Appropriated - statutory reserve					
The Company		38,258	38,258	38,258	38,258
Subsidiaries		3,193	2,214	-	-
Unappropriated		480,806	433,553	336,145	292,958
Other components of shareholders' equity		4,634	9,380	-	-
Equity attributable to owners of the Company		1,221,238	1,157,847	1,068,750	1,005,658
Non-controlling interests of the subsidiaries		(7,491)	(3,988)	-	-
<b>Total shareholders' equity</b>		<b>1,213,747</b>	<b>1,153,859</b>	<b>1,068,750</b>	<b>1,005,658</b>
<b>Total liabilities and shareholders' equity</b>		<b>2,188,508</b>	<b>1,977,000</b>	<b>1,845,330</b>	<b>1,608,230</b>

The accompanying notes are an integral part of the financial statements.

Directors

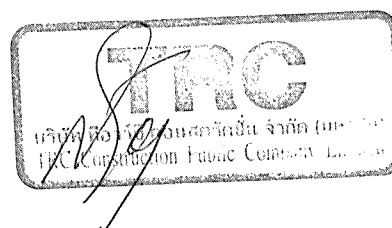


TRC Construction Public Company Limited and its subsidiaries

## For the three-month period ended 30 June 2014

		Consolidated financial statements		Separate financial statements	
	Note	2014	2013	2014	2013
<b>Revenues</b>					
Construction services income		686,125	534,137	530,607	368,459
Interest income	2	718	855	886	1,755
Other income	2	9,633	9,354	8,512	9,122
<b>Total revenues</b>		<u>696,476</u>	<u>544,346</u>	<u>540,005</u>	<u>379,336</u>
<b>Expenses</b>					
Cost of construction services	2	542,479	479,056	400,001	321,501
Administrative expenses		<u>83,746</u>	<u>45,398</u>	<u>63,329</u>	<u>32,974</u>
<b>Total expenses</b>		<u>626,225</u>	<u>524,454</u>	<u>463,330</u>	<u>354,475</u>
<b>Profit before share loss from investment</b>					
<b>in joint venture, finance cost, and</b>					
<b>income tax expenses</b>		70,251	19,892	76,675	24,861
Share of loss from investments in joint venture	8	<u>(527)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Profit before finance cost and</b>					
<b>income tax expenses</b>		69,724	19,892	76,675	24,861
Finance cost	2	<u>(1,013)</u>	<u>(914)</u>	<u>(314)</u>	<u>(537)</u>
<b>Profit before income tax expenses</b>		<u>68,711</u>	<u>18,978</u>	<u>76,361</u>	<u>24,324</u>
Income tax expenses	16	<u>(16,702)</u>	<u>(5,610)</u>	<u>(17,017)</u>	<u>(3,692)</u>
<b>Profit for the period</b>		<u><u>52,009</u></u>	<u><u>13,368</u></u>	<u><u>59,344</u></u>	<u><u>20,632</u></u>
<b>Profit attributable to:</b>					
Equity holders of the Company		53,725	16,580	<u>59,344</u>	<u>20,632</u>
Non-controlling interests of the subsidiaries		<u>(1,716)</u>	<u>(3,212)</u>		
		<u><u>52,009</u></u>	<u><u>13,368</u></u>		
					(Unit: Baht)
<b>Earnings per share</b>	17				
Basic earnings per share					
Profit attributable to equity holders					
of the Company		<u>0.07</u>	<u>0.02</u>	<u>0.07</u>	<u>0.03</u>

The accompanying notes are an integral part of the financial statements.



(Unaudited but reviewed)

TRC Construction Public Company Limited and its subsidiaries

Statement of comprehensive income

For the three-month period ended 30 June 2014

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Profit for the period	52,009	13,368	59,344	20,632
Other comprehensive income:				
Exchange differences on translation of				
financial statements in foreign currency	(1,235)	1,970	-	-
Loss on revaluation of investment in subsidiary	(2,956)	-	-	-
Other comprehensive income for the period	(4,191)	1,970	-	-
Total comprehensive income for the period	<u>47,818</u>	<u>15,338</u>	<u>59,344</u>	<u>20,632</u>
Total comprehensive income attributable to:				
Equity holders of the Company	49,591	18,059	<u>59,344</u>	<u>20,632</u>
Non-controlling interests of the subsidiaries	(1,773)	(2,721)		
	<u>47,818</u>	<u>15,338</u>		

The accompanying notes are an integral part of the financial statements.





TRC Construction Public Company Limited and its subsidiaries

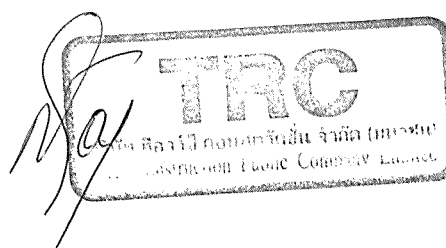
## For the six-month period ended 30 June 2014

## Consolidated financial statements

### Separate financial statements

	<u>Note</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
<b>Revenues</b>					
Construction services income		1,412,587	1,174,470	990,556	906,856
Interest income	2	847	1,184	1,416	2,329
Other income	2	11,293	11,089	9,566	10,713
<b>Total revenues</b>		<u>1,424,727</u>	<u>1,186,743</u>	<u>1,001,538</u>	<u>919,898</u>
<b>Expenses</b>					
Cost of construction services	2	1,150,387	1,050,678	778,906	783,376
Administrative expenses		<u>157,484</u>	<u>99,875</u>	<u>113,231</u>	<u>69,674</u>
<b>Total expenses</b>		<u>1,307,871</u>	<u>1,150,553</u>	<u>892,137</u>	<u>853,050</u>
<b>Profit before share loss from investment</b>					
<b>in joint venture, finance cost, and</b>					
<b>income tax expenses</b>		116,856	36,190	109,401	66,848
Share of loss from investments in joint venture	8	<u>(2,298)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Profit before finance cost and</b>					
<b>income tax expenses</b>		114,558	36,190	109,401	66,848
Finance cost	2	<u>(2,444)</u>	<u>(2,220)</u>	<u>(1,151)</u>	<u>(785)</u>
<b>Profit before income tax expenses</b>		<u>112,114</u>	<u>33,970</u>	<u>108,250</u>	<u>66,063</u>
Income tax expenses	16	<u>(26,709)</u>	<u>(14,557)</u>	<u>(24,248)</u>	<u>(12,106)</u>
<b>Profit for the period</b>		<u><u>85,405</u></u>	<u><u>19,413</u></u>	<u><u>84,002</u></u>	<u><u>53,957</u></u>
<b>Profit attributable to:</b>					
Equity holders of the Company		88,678	26,522	<u>84,002</u>	<u>53,957</u>
Non-controlling interests of the subsidiaries		<u>(3,273)</u>	<u>(7,109)</u>		
		<u><u>85,405</u></u>	<u><u>19,413</u></u>		
					(Unit: Baht)
<b>Earnings per share</b>	17				
Basic earnings per share					
Profit attributable to equity holders					
of the Company		0.11	0.03	0.10	0.07

The accompanying notes are an integral part of the financial statements.



(Unaudited but reviewed)

TRC Construction Public Company Limited and its subsidiaries

Statement of comprehensive income

For the six-month period ended 30 June 2014

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Profit for the period	85,405	19,413	84,002	53,957
Other comprehensive income:				
Exchange differences on translation of				
financial statements in foreign currency	(1,651)	1,532	-	-
Loss on revaluation of investment in subsidiary	(2,956)	-	-	-
Other comprehensive income for the period	(4,607)	1,532	-	-
Total comprehensive income for the period	<u>80,798</u>	<u>20,945</u>	<u>84,002</u>	<u>53,957</u>
Total comprehensive income attributable to:				
Equity holders of the Company	83,932	28,070	<u>84,002</u>	<u>53,957</u>
Non-controlling interests of the subsidiaries	(3,134)	(7,125)		
	<u>80,798</u>	<u>20,945</u>		

The accompanying notes are an integral part of the financial statements.



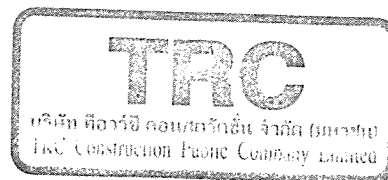
(Unaudited but reviewed)

TRC Construction Public Company Limited and its subsidiaries  
Statement of changes in shareholders' equity  
For the six-month period ended 30 June 2014

(Unit: Thousand Baht)

Consolidated financial statements																	
Equity attributable to the parent's shareholders																	
									Other components of equity								
									Other comprehensive income								
									Exchange differences on translation of financial statements in foreign currency	Deficit on revaluation of investment in subsidiary	Total other components of shareholders' equity	Total equity attributable to shareholders of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity			
									Retained earnings								
									Appropriated	Statutory reserve							
									The Company	Subsidiaries	Unappropriated						
Note	Issued and paid-up share capital	Share premium	Share subscription received in advance from exercise of warrants	Capital reserve for share-based payment transactions													
Balance as at 1 January 2013	336,586	197,037	-	-	34,158	2,214	399,520	5,646	-	-	5,646	975,161	14,406	989,567			
Increase in capital from issuance of stock dividend	18	56,073	-	-	-	-	(56,073)	-	-	-	-	-	-	-			
Increase in capital from right offering		15,634	60,872	-	-	-	-	-	-	-	-	76,506	-	76,506			
Increase in non-controlling interests of the subsidiary in respect of establishing new subsidiary		-	-	-	-	-	-	-	-	-	-	-	100	100			
Total comprehensive income for the period		-	-	-	-	-	26,522	1,548	-	1,548	28,070	(7,125)	20,945				
Dividend paid	18	-	-	-	-	-	(33,886)	-	-	-	(33,886)	-	-	(33,886)			
Balance as at 30 June 2013	408,293	257,909	-	-	34,158	2,214	336,083	7,194	-	-	7,194	1,045,851	7,381	1,053,232			
Balance as at 1 January 2014	408,293	257,909	-	8,240	38,258	2,214	433,553	9,380	-	-	9,380	1,157,847	(3,988)	1,153,859			
Subscription received in advance from exercise of warrants	15	-	-	7,414	-	-	-	-	-	-	-	7,414	-	7,414			
Share-based payment transactions	15	-	-	-	12,491	-	-	-	-	-	-	12,491	-	12,491			
Decrease in non-controlling interests from change in investment in subsidiary		-	-	-	-	-	369	-	-	-	-	369	(369)	-			
Total comprehensive income for the period		-	-	-	-	-	88,678	(1,790)	(2,956)	(4,746)	83,932	(3,134)	80,798				
Appropriated to statutory reserve		-	-	-	-	610	(610)	-	-	-	-	-	-	-			
Dividend paid	18	-	-	-	-	-	(40,815)	-	-	-	(40,815)	-	-	(40,815)			
Balance as at 30 June 2014	408,293	257,909	7,414	20,731	38,258	3,193	480,806	7,590	(2,956)	4,634	1,221,238	(7,491)	1,213,747				

The accompanying notes are an integral part of the financial statements.



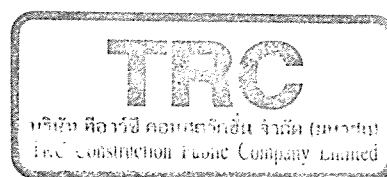
(Unaudited but reviewed)

TRC Construction Public Company Limited and its subsidiaries  
Statement of changes in shareholders' equity (continued)  
For the six-month period ended 30 June 2014

(Unit: Thousand Baht)

Separate financial statements							
Note	Issued and paid-up share capital	Share premium	Share subscription received in advance from exercise of warrants	Capital reserve for share-based payment transactions	Retained earnings		Total shareholders' equity
					Appropriated - Statutory reserve	Unappropriated	
Balance as at 1 January 2013	336,586	197,037	-	-	34,158	303,959	871,740
Increase in capital from issuance of stock dividend	18 56,073	-	-	-	-	(56,073)	-
Increase in capital from right offering	15,634	60,872	-	-	-	-	76,506
Total comprehensive income for the period	-	-	-	-	-	53,957	53,957
Dividend paid	18 -	-	-	-	-	(33,886)	(33,886)
Balance as at 30 June 2013	408,293	257,909	-	-	34,158	267,957	968,317
Balance as at 1 January 2014	408,293	257,909	-	8,240	38,258	292,958	1,005,658
Subscription received in advance from exercise of warrants	15 -	-	7,414	-	-	-	7,414
Share-based payment transactions	15 -	-	-	12,491	-	-	12,491
Total comprehensive income for the period	-	-	-	-	-	84,002	84,002
Dividend paid	18 -	-	-	-	-	(40,815)	(40,815)
Balance as at 30 June 2014	408,293	257,909	7,414	20,731	38,258	336,145	1,068,750

The accompanying notes are an integral part of the financial statements.



(Unaudited but reviewed)

## TRC Construction Public Company Limited and its subsidiaries

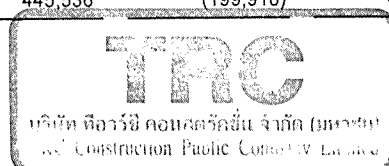
## Cash flow statement

For the six-month period ended 30 June 2014

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<b>Cash flows from operating activities</b>				
Profit before tax	112,114	33,970	108,250	66,063
Adjustments to reconcile profit before tax				
to net cash provided by (paid from) operating activities				
Depreciation and amortisation	24,613	20,743	13,147	9,379
Reversal of allowance for doubtful debt	(564)	-	-	-
Unrealised gain on exchange rate	(2,790)	(78)	(2,760)	(185)
(Gain) loss on disposal of equipments	(112)	35	(112)	(326)
Loss on write-off of equipments and intangible assets	374	7	261	7
Loss on write-off of withholding tax	657	-	657	-
Share of loss from investments in joint venture	2,298	-	-	-
Expense for share - based payment transactions	12,491	-	11,259	-
Reversal of unbilled payables	(7,000)	-	(7,000)	-
Provision for liabilities under construction projects	2,900	-	900	-
Provision for long-term employee benefits	3,230	1,219	2,214	1,944
Interest income	(847)	(1,184)	(1,416)	(2,329)
Interest expenses	1,200	862	413	79
Profit from operating activities before changes in				
operating assets and liabilities	148,564	55,574	125,813	74,632
(Increase) decrease in operating assets				
Trade and other receivables	(228,301)	188,125	(227,667)	127,005
Unbilled receivables	424,157	(10,287)	415,710	32,532
Accounts receivable - retention	39,969	706	46,913	5,286
Advance paid to subcontractors under				
construction contracts	(8,837)	81,776	(3,918)	24,477
Construction in progress	(120,825)	6,634	(115,910)	6,542
Construction supplies	48,692	(142,196)	48,692	(156,160)
Other current assets	1,116	11,953	(817)	8,824
Other non-current assets	1,166	(1,002)	1,243	(854)
Increase (decrease) in operating liabilities				
Trade and other payables	91,308	(165,963)	94,700	(57,670)
Unbilled payables	223,157	(4,237)	215,106	53,036
Unearned construction revenue	(33,488)	(62,918)	(33,488)	-
Accounts payable - retention	4,718	(676)	3,220	(4,169)
Advances received from customers under				
construction contracts	(132,192)	(110,219)	(127,602)	(118,704)
Provision for liabilities under construction projects	(1,955)	(1,625)	(1,644)	1,361
Other current liabilities	26,222	(12,955)	23,647	(8,944)
Cash paid for long-term employee benefits	(955)	(1,952)	-	(1,952)
Cash flows from (use in) operating activities	482,516	(168,703)	463,998	(14,758)
Cash received from withholding tax refund	2,854	-	2,854	-
Cash paid for income tax	(39,834)	(31,215)	(31,102)	(29,339)
<b>Net cash flows from (used) in operating activities</b>	<b>445,536</b>	<b>(199,918)</b>	<b>435,750</b>	<b>(44,097)</b>

The accompanying notes are an integral part of the financial statements.



(Unaudited but reviewed)

## TRC Construction Public Company Limited and its subsidiaries

## Cash flow statement (continued)

For the six-month period ended 30 June 2014

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<b>Cash flows from investing activities</b>				
Decrease in restricted deposits at financial institutions	20,646	11,647	20,457	621
Increase in short-term loans to related parties	-	-	(239)	(59,281)
Cash paid for investments in joint venture	(2,376)	-	(2,376)	-
Interest income	3,453	1,113	333	538
Cash received from disposal of equipments	112	490	112	328
Cash paid for purchase of building and equipments	(112,561)	(46,655)	(108,347)	(46,086)
Cash paid for purchase of intangible assets	(847)	(123)	(847)	(61)
<b>Net cash flows used in investing activities</b>	<b>(91,573)</b>	<b>(33,528)</b>	<b>(90,907)</b>	<b>(103,941)</b>
<b>Cash flows from financing activities</b>				
Increase (decrease) in bank overdrafts and short-term loans from banks	(26,488)	190,405	-	222,962
Cash received from long-term loans	-	50,000	-	50,000
Repayment of long-term loans	(6,500)	-	(6,500)	-
Cash received from short-term loans from related parties	-	-	170,000	20,000
Repayment of short-term loans from related parties	-	-	(170,000)	(64,000)
Subscription received in advance from exercise of warrants	7,414	-	7,414	-
Cash received from increase in capital from right offering	-	76,507	-	76,507
Dividend paid	(40,815)	(33,886)	(40,815)	(33,886)
Interest expenses	(2,629)	(1,664)	(1,842)	(881)
Decrease in liabilities under finance lease agreements	(122)	(211)	-	(89)
Increase (decrease) in non-controlling interest	(369)	100	-	-
<b>Net cash flows from (used in) financing activities</b>	<b>(69,509)</b>	<b>281,251</b>	<b>(41,743)</b>	<b>270,613</b>
<b>Increase (decrease) in translation adjustment</b>	<b>(937)</b>	<b>1,362</b>	<b>-</b>	<b>-</b>
<b>Net increase in cash and cash equivalents</b>	<b>283,517</b>	<b>49,167</b>	<b>303,100</b>	<b>122,575</b>
Cash and cash equivalents at beginning of the period	195,563	149,365	38,166	20,689
<b>Cash and cash equivalents at end of the period (Note 3)</b>	<b>479,080</b>	<b>198,532</b>	<b>341,266</b>	<b>143,264</b>

## Supplemental cash flows information

Non-cash items consist of

Purchase of building, equipment and intangible assets that have

yet to be paid

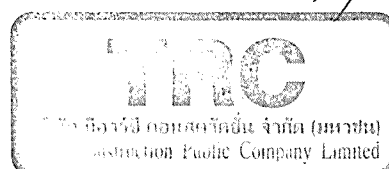
Interest expenses recorded as cost of project and

construction in progress

Issuance of stock dividend

Purchase of investments in subsidiaries offset against advance

The accompanying notes are an integral part of the financial statements.



**TRC Construction Public Company Limited and its subsidiaries**

**Notes to interim financial statements**

**For the three-month and six-month periods ended 30 June 2014**

**1. General information**

**1.1 Corporate information**

TRC Construction Public Company Limited ("the Company") is a public company incorporated and domiciled in Thailand. The Company is principally engaged in construction service and its registered address is No.1, 14th Floor, TP&T Tower, Soi Vibhavadi-Rangsit 19, Vibhavadi-Rangsit Road, Kwang Chatuchak, Keht Chatuchak, Bangkok.

On 16 June 2014, the Company registered with the Ministry of Commerce the change of its address to No. 8, Soi Sukhapiban 5 soi 32, Kwang Tha Raeng, Khet Bang Khen, Bangkok.

**1.2 Basis for the preparation of interim financial statements**

These interim financial statements are prepared in accordance with Thai Accounting Standard 34 (revised 2012) *Interim Financial Reporting*, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, income, comprehensive income, changes in shareholders' equity, and cash flows in the same format as that used for the annual financial statements.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

The interim financial statements in Thai language are the official statutory financial statements of the Company. The interim financial statements in English language have been translated from the Thai language financial statements.



### 1.3 Basis of consolidation

These consolidated interim financial statements are prepared on the same basis as that applied for the preparation of the consolidated financial statements for the year ended 31 December 2013, with there being no significant changes in the structure of shareholding in subsidiaries during the current period, except for an increase in investments in TRC Middle East LLC, as described in Note 7.

### 1.4 New accounting standards

#### (a) Accounting standards that became effective in the current accounting period

The Company disclosed the accounting standards, financial reporting standard, accounting standard interpretations and financial reporting standard interpretations that are effective for fiscal years beginning on or after 1 January 2014, in the notes to financial statements for the year ended 31 December 2013.

The Company's management has assessed the effects of the above accounting standards, financial reporting standard, accounting standard interpretations and financial reporting standard interpretations, and believes that they are not relevant to the business of the Company and its subsidiaries or do not have a significant impact.

#### (b) Accounting standards that will become effective in the future

The Company has disclosed the financial reporting standard that will be effective in the future in the notes to financial statements for the year ended 31 December 2013.

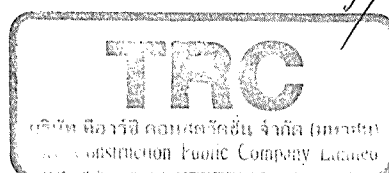
The Company's management has assessed the effect of this financial reporting standard and believes that it is not relevant to the business of the Company and its subsidiaries.

### 1.5 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2013.

## 2. Related party transactions

During the periods, the Company and its subsidiaries had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company, its subsidiaries and those related parties.





(Unaudited but reviewed)

(Unit: Thousand Baht)

For the three-month periods ended 30 June					
Consolidated financial statements		Separate financial statements		Transfer Pricing Policy	
2014	2013	2014	2013		
<u>Transactions with subsidiary companies</u>					
(eliminated from the consolidated financial statements)					
Cost of construction services	-	-	10	67	Cost plus margin
Interest income	-	-	456	1,245	At rate of 3.5 - 7.0% p.a. (2013: At rate of 3.5 - 6.5% p.a.)
Other income	-	-	46	42	Cost plus margin
Interest expense	-	-	119	79	At rate of 3% p.a.

(Unit: Thousand Baht)

For the six-month periods ended 30 June					
Consolidated		Separate		Transfer Pricing Policy	
financial statements		financial statements			
2014	2013	2014	2013		
<u>Transactions with subsidiary companies</u>					
(eliminated from the consolidated financial statements)					
Cost of construction services	-	-	23	118	Cost plus margin
Interest income	-	-	904	1,718	At rate of 3.5 - 7.0% p.a. (2013: At rate of 3.5 - 6.5% p.a.)
Other income	-	-	94	60	Cost plus margin
Interest expense	-	-	413	79	At rate of 3% p.a.

As at 30 June 2014 and 31 December 2013, the balances of the accounts between the Company, its subsidiaries and those related companies are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30	31	30	31
	June	December	June	December
	2014	2013	2014	2013
<u>Trade and other receivables - related parties (Note 4)</u>				
Subsidiary companies	-	-	5,058	2,779
Joint venture	3,444	-	3,444	-
Shareholder of subsidiary	24,094	28,110	-	-
Total	27,538	28,110	8,502	2,779



(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30	31	30	31
	June	December	June	December
	2014	2013	2014	2013
<b>Trade and other payables - related parties (Note 12)</b>				
Subsidiary companies	-	-	4,466	4,722
Total	-	-	4,466	4,722

#### Short-term loans to related parties

As at 30 June 2014 and 31 December 2013, the balance of loans between the Company and related companies and the movements are as follows:

(Unit: Thousand Baht)

		Separate financial statements				
		Balance as at				Balance as at
		31 December			Exchange rate	30 June
Short-term loans	Related by	2013	Increase	Decrease	adjustment	2014
TRC Investment Limited	Subsidiary company	1,429	239	-	(5)	1,663
TRC International Limited	Subsidiary company	34,999	-	-	-	34,999
TRC Engineering LLC	Subsidiary company	63,068	-	-	-	63,068
Total		99,496	239	-	(5)	99,730
Less: Allowance for doubtful debts		(63,068)	-	-	-	(63,068)
Net		36,428	239	-	(5)	36,662

Short-term loans to related parties carried interest at rates of 3.5 - 7.0% per annum (31 December 2013: 3.5 - 7.0% per annum) and due for repayment on demand.

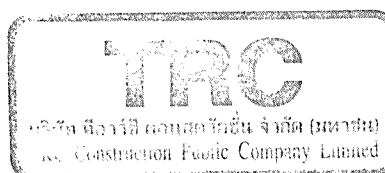
#### Short-term loans from related party

As at 30 June 2014 and 31 December 2013, the balance of loans between the Company and this related company and the movement are as follows:

(Unit: Thousand Baht)

		Separate financial statements			
Short-term loan	Related by	Balance as at		Exchange rate adjustment	Balance as at
		31 December 2013	Increase		30 June 2014
Sahakarn Wisavakorn Company Limited	Subsidiary company	-	170,000	(70,000)	-

Short-term loans from related party carried interests at rate of 3.0% per annum and due for repayment on demand.



(Unaudited but reviewed)

### Directors and management's benefits

During the three-month and six-month periods ended 30 June 2014 and 2013, the Company and its subsidiaries had employee benefit expenses of their directors and management as below.

(Unit: Thousand Baht)

	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Short-term employee benefits	5,534	5,804	5,384	5,068
Post-employment benefits	421	417	421	417
Share - based payment	1,882	-	1,882	-
Total	7,837	6,221	7,687	5,485

(Unit: Thousand Baht)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Short-term employee benefits	11,068	11,385	10,768	9,948
Post-employment benefits	841	835	841	835
Share - based payment	2,273	-	2,273	-
Total	14,182	12,220	13,882	10,783

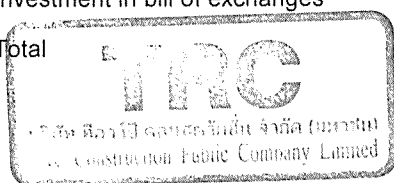
### Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its related parties, as described in Note 21.4.

### 3. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2014	2013	2014	2013
Cash	2,280	3,423	264	310
Deposits at financial institutions	266,800	142,140	191,002	37,856
Investment in bill of exchanges	210,000	50,000	150,000	-
Total	479,080	195,563	341,266	38,166

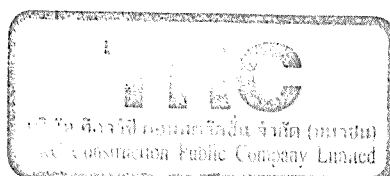


(Unaudited but reviewed)

## 4. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2014	2013	2014	2013
<u>Trade accounts receivable - related parties</u>				
Aged on the basis of due dates				
Past due				
Over 12 months	-	564	-	-
Total	-	564	-	-
Less: Allowance for doubtful debts	-	(564)	-	-
Total trade accounts receivable - related parties, net	-	-	-	-
<u>Trade accounts receivable - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	341,083	143,902	270,013	64,421
Past due				
Up to 3 months	96,082	75,534	40,455	21,103
3 - 6 months	7,813	-	-	-
Over 12 months	16,981	17,120	4,383	4,383
Total trade accounts receivable - unrelated parties	461,959	236,556	314,851	89,907
Less: Allowance for doubtful debts	(16,981)	(16,311)	(4,383)	(4,383)
Translation adjustment	-	(809)	-	-
Total trade accounts receivable - unrelated parties, net	444,978	219,436	310,468	85,524
Total trade accounts receivable - net	444,978	219,436	310,468	85,524
<u>Other receivables</u>				
Advance to related parties	27,538	28,110	10,740	5,919
Interest receivable from related parties	-	-	6,062	5,160
Others	4,045	5,410	3,317	4,785
Total other receivables	31,583	33,520	20,119	15,864
Less: Allowance for doubtful debts	-	-	(8,300)	(8,300)
Total other receivables - net	31,583	33,520	11,819	7,564
Total trade and other receivables - net	476,561	252,956	322,287	93,088



(Unaudited but reviewed)

The Company and the subsidiary transferred rights to receive payment under construction contracts to secure the credit facilities with financial institutions. Pledged trade accounts receivable amounting to Baht 281 million included in the trade accounts receivable balance as at 30 June 2014 (the Company only: Baht 250 million) (31 December 2013: Baht 60 million, the Company only: Baht 55 million).

## 5. Construction supplies

(Unit: Thousand Baht)

	Consolidated / Separate financial statements					
			Reduce cost to net			
	Cost		Realisable value		Construction supplies - net	
	30	31	30	31	30	31
	June	December	June	December	June	December
	2014	2013	2014	2013	2014	2013
Construction supplies	24,401	54,316	(5,748)	(5,748)	18,653	48,568
Goods in transit	-	18,777	-	-	-	18,777
Total	24,401	73,093	(5,748)	(5,748)	18,653	67,345

## 6. Restricted deposits at financial institutions

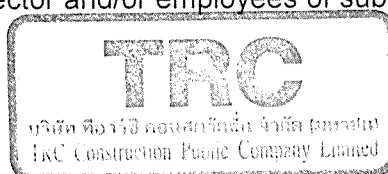
These represent saving deposit and fixed deposits pledged with financial institutions to secure credit facilities and bank guarantee facilities issued by the bank on behalf of the Company and subsidiaries, as described in Note 21.3.

## 7. Investments in subsidiaries

Details of investments in subsidiaries as presented in separate financial statements are as follows:

Company's name	Nature of business	Country of incorporation	Paid-up capital		Shareholding percentage		Cost method	
			30	31	30	31	30	31
			June	December	June	December	June	December
			2014	2013	2014	2013	2014	2013
					(%)	(%)	(Baht)	(Baht)
Sahakarn Wisavakorn Company Limited	Construction services - basic infrastructure	Thailand	200,000,000 Baht	200,000,000 Baht	99.99	99.99	319,348,883	318,116,942
TRC Investment Limited*	Holding company	The Republic of Mauritius	1 USD	1 USD	100.00	100.00	32	32
Total							319,348,915	318,116,974
Less: Allowance for loss on impairment of investment							(145,071,416)	(145,071,416)
Total investments in subsidiaries - net							174,277,499	173,045,558

The change in cost of investments in subsidiaries is from the Company issues warrants to purchase ordinary shares to director and/or employees of subsidiary.



(Unaudited but reviewed)

Details of investments in subsidiaries which are held by the Company's subsidiaries are as follows:

Company's name	Nature of business	Country of incorporation	Paid-up capital		Shareholding percentage		Cost method	
			30	31	30	31	30	31
			June	December	June	December	June	December
			2014	2013	2014	2013	2014	2013
					(%)	(%)	(Baht)	(Baht)
<u>Held by Sahakarn</u>								
<u>Wisavakorn Company Limited</u>								
SKK Joint Venture Company Limited*	Construction services	Thailand	1,000,000 Baht	1,000,000 Baht	89.97	89.97	899,700	899,700
<u>Held by TRC Investment Limited</u>								
TRC International Limited*	Investor	Hong Kong	10 HKD	10 HKD	100.00	100.00	33	33
<u>Held by TRC International Limited</u>								
TRC Middle East LLC	Construction services	Sultanate of Oman	150,000 Omani Rial	150,000 Omani Rial	70.00	60.00	12,322,330	8,099,630
TRC Engineering LLC	Construction services	Sultanate of Oman	250,000 Omani Rial	250,000 Omani Rial	70.00	70.00	13,654,506	13,654,506
Total							26,876,569	22,653,869
Less: Allowance for loss on impairment of investment							(13,654,506)	(13,654,506)
Total investments in subsidiaries which are held by the Company's subsidiaries - net							13,222,063	8,999,363

\* The financial statements of these subsidiaries were prepared by the management of the subsidiaries and not reviewed by other auditors.

On 16 June 2014, TRC International Limited, which is the Company's subsidiary, increased investments in TRC Middle East LLC by purchased 15,000 ordinary shares from its shareholder, a total of 50,000 Omani Rial. Thus, the investment proportion in TRC Middle East LLC increased from 60% to 70%.

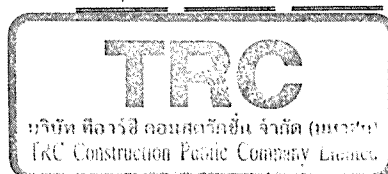
## 8. Investments in joint ventures

Details of investments in joint ventures are as follows:

(Unit: Thousand Baht)

Jointly controlled entity	Nature of business	Consolidated financial statements									
		Shareholding percentage		Cost		Carrying amounts based on equity method		Share of loss from investments in joint venture			
		30	31	30	31	30	31	During the three-month periods ended		During the six-month periods ended	
		June	December	June	December	June	December	30 June		30 June	
		2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
		(%)	(%)								
<u>Held by the Company</u>											
Sinopec-TRC Joint Venture	Construction	30	-	2,376	-	78	-	(527)	-	(2,298)	-
<u>Held by Sahakarn Wisavakorn Company Limited</u>											
The Joint Venture of SSP*	Construction	40	40	1,092	1,092	69	69	-	-	-	-
Total				3,468	1,092	147	69	(527)	-	(2,298)	-
Less: Allowance for loss on impairment of investment				(1,092)	(1,092)	-	-				
Total investment in joint venture - net				2,376	-	147	69				

\* Under liquidation process



(Unaudited but reviewed)

## 9. Other long-term investments

Details of other long-term investments as presented in consolidated financial statements are as follows:

Company's name	Nature of business	Country of incorporation	Paid-up capital		Shareholding percentage		Cost method	
			30 June	31 December	30 June	31 December	30 June	31 December
			2014	2013	2014	2013	2014	2013
					(%)	(%)	(Baht)	(Baht)
Asia Africa Energy Limited *	Holding company	Hong Kong	64 USD	64 USD	5.0	5.0	2,010	2,010
Rainbow Power Integrated Concept Limited *	Development and investment in natural gas sector	Nigeria	6,957 USD	6,957 USD	8.0	8.0	243,518	243,518
ASEAN Potash Mining Public Company Limited **	Mining industries	Thailand	50,000,000 Baht	50,000,000 Baht	3.50	3.50	50,000,000	50,000,000
Total							50,245,528	50,245,528
Less: Allowance for loss on impairment of investment							(245,528)	(245,528)
Total other long-term investments - net							50,000,000	50,000,000

\* Held by TRC Investment Limited

\*\* Held by TRC International Limited

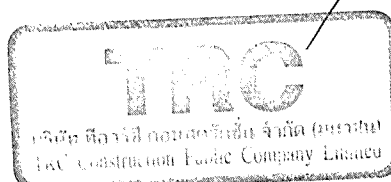
## 10. Property, plant and equipment

Movements of the property, plant and equipment account during the six-month period ended 30 June 2014 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2014	325,382	281,810
Acquisitions during period - at cost	125,242	120,503
Write-off during period - net book value at write - off date	(374)	(261)
Depreciation for the period	(24,133)	(12,687)
Translation adjustment	(153)	-
Net book value as at 30 June 2014	425,964	389,365

As at 30 June 2014 and 31 December 2013, the Company has mortgaged land which has book value amounting to Baht 100 million with banks to be collateral against credit facilities received from the banks.



(Unaudited but reviewed)

#### 11. Bank overdrafts and short-term loans from financial institutions

Bank overdrafts and short-term loans from financial institutions of the Company and its subsidiaries have been secured by the mortgage of the Company's land, as described in Note 10 and the transfer of right to receive from accounts receivable and the pledge of fixed deposits of the Company and the subsidiary.

#### 12. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2014	31 December 2013	30 June 2014	31 December 2013
Trade accounts payable - unrelated parties	341,490	253,296	225,075	136,865
Advances from related parties	-	-	4,466	4,722
Fixed assets payable	12,344	984	11,701	867
Accrued expenses	69,859	67,099	55,825	49,433
Total trade and other payables	423,693	321,379	297,067	191,887

#### 13. Long-term loan

(Unit: Thousand Baht)

	Consolidated/Separate financial statements	
	30 June 2014	31 December 2013
Long-term loan from financial institutions	43,500	50,000
Less: Current portion	(26,000)	(19,500)
Long-term loan, net	17,500	30,500

Long-term credit facilities of the Company are guaranteed by the Company's land, as described in Note 10. The loan was obtained to fund the construction of the new office building of the Company. The loan carried interest at the rate of MLR minus 1.25% per annum. The loan agreement contained covenants as specified in the agreements pertaining to matters such as maintaining certain debt to equity and debt service coverage ratios according to the agreements.

As at 31 December 2013, the long-term credit facilities of the Company which have not yet been drawn down amounted to Baht 50 million (30 June 2014: Nil).



(Unaudited but reviewed)

#### 14. Provision for liabilities under construction projects

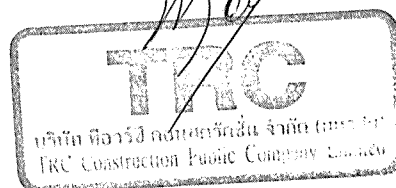
(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
		Loss on			Loss on	
	Warranties	construction	Total	Warranties	construction	Total
As at 1 January 2014	18,159	244	18,403	16,159	-	16,159
Increase during the period	2,900	-	2,900	900	-	900
Decrease from occurrence						
of actual expense	(1,955)	-	(1,955)	(1,644)	-	(1,644)
As at 30 June 2014	19,104	244	19,348	15,415	-	15,415

#### 15. Warrants / Capital reserve for share - based payment transactions

On 1 July 2013, the Company issues and allocates of 31,600,000 No. 2 warrants under the Employee Stock Option Plan (ESOP-W2) to the directors and/or employees of the Company and/or its subsidiary. Details are as follows:

- Type : Named and non-transferable
- Offering price per unit : Baht 0.00
- Maturity of warrants : 3 years from the date of issuance of warrants
- Exercise price : Baht 4.70 per share
- Conversion ratio : 1 ordinary share per 1 warrant. The exercise ratio may be changed following the conditions for adjustment of right.
- Conditions and period of exercise :
- 1) Exercises of the warrants can be made on last day of every quarter, the first exercise date is 30 June 2014 and the final exercise date is 30 June 2016.
  - 2) Each time the warrants are exercised, the warrant holders can exercise not more than 12.5% of their allocated warrants.
  - 3) The unexercised warrants can be accumulated to exercise during the next exercise period, until maturity of the warrants.



Other conditions : If the warrant holders resign or are otherwise no longer directors and/or employees of the Company and/or its subsidiary, the warrant holders have to return the outstanding warrants to the Company, and the Management Committee of the Company can re-allot the warrants to other employees.

The estimated fair value of each share option granted is Baht 0.88. This was calculated using the Black-Scholes-Merton Model. The model inputs were the share price at price determination date of Baht 3.12, exercise price of Baht 4.70, expected volatility of 65.44%, expected dividend yield of 2.72%, life of share options of 3 years, and a risk-free interest rate of 3.01%.

On 24 April 2014, the Annual General Meeting of the Company's shareholders for the year 2014 passed a resolution to change the exercise price of warrants from Baht 4.70 per share to Baht 3.03 per share and the Company allocated 1,948,000 warrants to nineteen employees in place of five resigned employees who had previously held 1,950,000 warrants since July 2013. As a result there are 1,800 remaining warrants.

From the amendment of the exercise price of warrants above, the estimated fair value of each share option granted changed to Baht 1.21. This was calculated using the Black-Scholes-Merton Model. The model inputs were the share price at price amendment date of Baht 3.38, exercise price of Baht 3.03, expected volatility of 63.18%, expected dividend yield of 1.65%, life of share options of 2 years, and a risk-free interest rate of 2.22%.

During the three-month and six-month periods ended 30 June 2014, the Company and its subsidiary recorded expenses of the ESOP amounting to Baht 8 million and Baht 12 million, respectively (the Company only: Baht 7 million and Baht 11 million, respectively) as personnel expenses, together with a corresponding increase in capital reserve for share-based payment transactions in shareholders' equity.

On 30 June 2014, the first exercise date, the warrant holders exercised 2,446,903 warrants to purchase 2,446,903 ordinary shares at Baht 3.03 each. The Company recorded the total of Baht 7.4 million received as a result of the exercise of such warrants under the caption "Subscription received in advance from exercise of warrants", presenting it under shareholders' equity in the statement of financial position. The Company registered the above increase in its paid up share capital with the Ministry of Commerce on 3 July 2014. The Stock Exchange of Thailand approved the additional ordinary shares as a listed securities as from 8 July 2014.

(Unaudited but reviewed)

As at 30 June 2014, there are 29,151,297 warrants outstanding which had not been exercised by the warrant holders.

## 16. Income tax

Interim corporate income tax was calculated on profit before income tax for the period, using the estimated effective tax rate for the year.

Income tax expenses for the three-month and six-month periods ended 30 June 2014 and 2013 are made up as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
<b>Current income tax:</b>				
Interim corporate income tax charge	17,072	5,380	16,978	3,440
<b>Deferred tax:</b>				
Relating to origination and reversal				
of temporary differences	(370)	230	39	252
<b>Income tax expense reported in the statement of income</b>	<b>16,702</b>	<b>5,610</b>	<b>17,017</b>	<b>3,692</b>

(Unit: Thousand Baht)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
<b>Current income tax:</b>				
Interim corporate income tax charge	27,401	14,874	24,542	12,377
<b>Deferred tax:</b>				
Relating to origination and reversal				
of temporary differences	(692)	(317)	(294)	(271)
<b>Income tax expense reported in the statement of income</b>	<b>26,709</b>	<b>14,557</b>	<b>24,248</b>	<b>12,106</b>

## 17. Earnings per share

Basic earnings per share is calculated by dividing profit for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period.

(Unaudited but reviewed)

Diluted earnings per share is calculated by dividing profit for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the period or on the date the potential ordinary shares were issued.

There is no disclosure of diluted earnings per share from the effect of ESOP-W2 warrants in the financial statements for the three-month and six-month period ended 30 June 2014 since the aggregated amounts of exercise price and the fair value of warrants exceeded the average market price of the Company's ordinary shares.

#### 18. Dividends / stock dividends

Dividends	Approved by	Total dividends (Thousand Baht)	Dividend per share (Baht)
Dividend from operations of 2013	Annual General Meeting of the shareholders on 24 April 2014	40,815	0.05
Total dividend paid in 2014		40,815	0.05
Dividend from operations of 2012	Annual General Meeting of the shareholders on 24 April 2013	33,886	0.050358
Stock dividend from operations of 2012	Annual General Meeting of the shareholders on 24 April 2013	56,073	0.083336
Total dividend and stock dividend paid in 2013		89,959	0.133694

#### 19. Contracts in progress

As at 30 June 2014, the aggregate amount of construction cost incurred and recognised profits or losses to date for contracts in progress of the Company and its subsidiaries was approximately Baht 10,523 million (Separate financial statements: Baht 5,982 million), gross amounts due from customers for contracts in progress were approximately Baht 486 million (Separate financial statements: Baht 405 million), and gross amounts due to customers for contracts in progress were approximately Baht 62 million (Separate financial statements: Baht 61 million).

#### 20. Segment information

The Company and its subsidiaries are organised into business units based on its products and services. During the current period, the Company and its subsidiaries have not changed the organization of their reportable segments.

(Unaudited but reviewed)

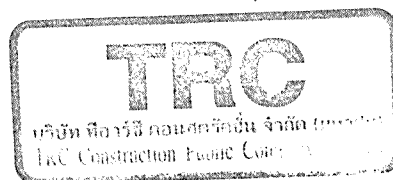
The following tables present revenue and profit information regarding the Company and its subsidiaries' operating segments for the three-month and six-month periods ended 30 June 2014 and 2013, respectively.

(Unit: Million Baht)

For the three-month period ended 30 June 2014							
	Pipeline	Engineering		Sales and		Adjustments	
	system	system	Civil work	other	Total	and	Consolidated
				services	Segments	eliminations	
Revenue							
External customers	571	-	114	1	686	-	686
Total revenue	571	-	114	1	686	-	686
Results							
Segment profit (loss)	63	-	(4)	1	60	-	60
Finance income							1
Finance expense							(1)
Other income							9
Profit before income tax expense							69
Income tax expense							(17)
Profit for the period							52

(Unit: Million Baht)

For the three-month period ended 30 June 2013							
	Pipeline	Engineering		Sales and		Adjustments	
	system	system	Civil work	other	Total	and	
				services	Segments	eliminations	Consolidated
Revenue							
External customers	427	100	7	-	534	-	534
Total revenue	427	100	7	-	534	-	534
Results							
Segment profit	3	6	1	-	10	-	10
Finance income							1
Finance expense							(1)
Other income							9
Profit before income tax expense							19
Income tax expense							(6)
Profit for the period							13



(Unaudited but reviewed)

(Unit: Million Baht)

For the six-month period ended 30 June 2014

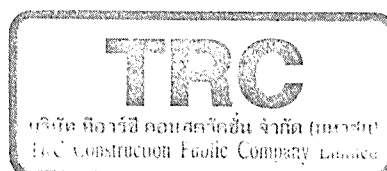
	Pipeline	Engineering		Sales and	Total	Adjustments	
	system	system	Civil work	other	Segments	and	Consolidated
				services		eliminations	
<b>Revenue</b>							
External customers	1,120	7	284	1	1,412	-	1,412
<b>Total revenue</b>	<u>1,120</u>	<u>7</u>	<u>284</u>	<u>1</u>	<u>1,412</u>	<u>-</u>	<u>1,412</u>
<b>Results</b>							
Segment profit	95	-	8	1	104	-	104
Finance income							1
Finance expense							(2)
Other income							11
Share of loss from investments in joint venture							(2)
<b>Profit before income tax expense</b>							112
Income tax expense							(27)
<b>Profit for the period</b>							<u>85</u>

(Unit: Million Baht)

For the six-month period ended 30 June 2013

	Pipeline	Engineering		Sales and	Total	Adjustments	
	system	system	Civil work	other	Segments	and	Consolidated
				services		eliminations	
<b>Revenue</b>							
External customers	1,022	138	14	-	1,174	-	1,174
<b>Total revenue</b>	<u>1,022</u>	<u>138</u>	<u>14</u>	<u>-</u>	<u>1,174</u>	<u>-</u>	<u>1,174</u>
<b>Results</b>							
Segment profit (loss)	29	(4)	-	(1)	24	-	24
Finance income							1
Finance expense							(2)
Other income							11
<b>Profit before income tax expense</b>							34
Income tax expense							(15)
<b>Profit for the period</b>							<u>19</u>

Transfer prices between business segments are as set out in Note 2.



## 21. Commitments and contingent liabilities

### 21.1 Purchase construction materials and subcontracted work commitments

As at 30 June 2014, the Company and the subsidiary have outstanding commitments of Baht 805 million, USD 20 million, Euro 82 million, GBP 2 million and SGD 1 million in respect of purchase construction materials and subcontracted work (the Company only: Baht 723 million, USD 20 million, Euro 82 million, GBP 2 million and SGD 1 million). (31 December 2013: Baht 406 million, USD 1 million and Euro 2 million, the Company only: Baht 336 million, USD 1 million and Euro 2 million).

### 21.2 Operating lease commitments

The Company and its subsidiary have entered into lease agreements in respect of the lease of land, office building space, motor vehicles and equipment. The terms of the agreements are generally between 1 and 5 years.

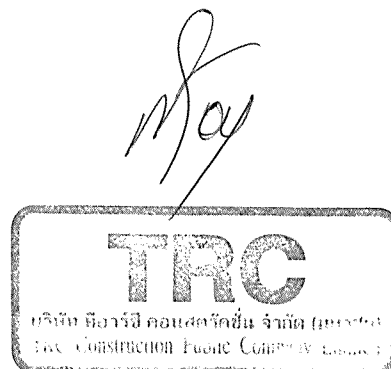
Future minimum lease payments required under these operating lease contracts were as follows.

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2014	31 December 2013	30 June 2014	31 December 2013
Payable:				
In up to 1 year	6	12	5	10
In over 1 and up to 5 years	3	7	2	6

### 21.3 Bank guarantees

The bank guarantees issued by banks on behalf of the Company and its subsidiaries in respect of certain performance bonds as required in the normal course of business were as follows.



(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2014	31 December 2013	30 June 2014	31 December 2013
Guarantee of construction contract	Baht 726 million	Baht 866 million	Baht 623 million	Baht 705 million
and bidding	USD 4 million	USD 6 million	USD 4 million	USD 6 million
Guarantee of advance payment bond	Baht 342 million	Baht 456 million	Baht 236 million	Baht 309 million
and retention	USD 1 million	USD 1 million	USD 1 million	USD 1 million
Guarantee of others	Baht 26 million	Baht 8 million	Baht 8 million	Baht 6 million
Total	Baht 1,094 million	Baht 1,330 million	Baht 867 million	Baht 1,020 million
	USD 5 million	USD 7 million	USD 5 million	USD 7 million

## 21.4 Guarantees

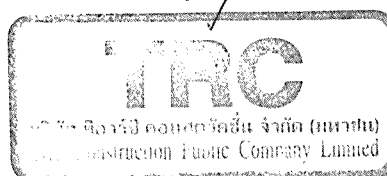
As at 30 June 2014 and 31 December 2013, the Company has commitment from guarantee of credit facilities of the subsidiaries totaling USD 1 million.

## 22. Litigations

22.1 On 6 December 2011, a government agency submitted a letter to a bank to seize the bank guarantee for a tender of Baht 20 million that the Company had placed with that bank, since the government agency considered the Company to have been unable to perform in accordance with the tender.

On 29 December 2011, the Company sued that government agency and its associates (the Party) through the Central Administrative Court, seeking an order to the Party to return the bank guarantee and pay damages amounting to Baht 27.5 million plus interest at a rate of 7.5% per annum and the bank guarantee fees, from the date of the lawsuit until settlement is made. The Company believes that the Company is not to blame for its inability to perform in accordance with the tender since a law prohibited construction in accordance with the tender. In addition, the Company submitted a temporary protection request to the Central Administrative Court, to ask the Court to order protection of the bank guarantee until the Court judges this case.

On 3 February 2012, the Central Administrative Court dismissed the request for protection of the bank guarantee, based on the bank's right to decide whether or not the bank guarantee should be released. However, the Company has the right to submit an appeal of the decision with the Supreme Administrative Court.





The Company's management noted that this litigation is still under consideration by the Central Administrative Court and the case is not final. However, for the prudent reasons, as at 30 June 2014 and 31 December 2013, the Company recorded provision for the related contingent liability amounting to Baht 20 million in the Company's financial statements.

- 22.2 On 24 May 2011, a private company (the Party) lodged a civil lawsuit against a subsidiary for breach of an agreement to manufacture goods, claiming damages amounting to Baht 17.5 million, with interest at a rate of 7.5% per annum from the date of the lawsuit until settlement is completed.

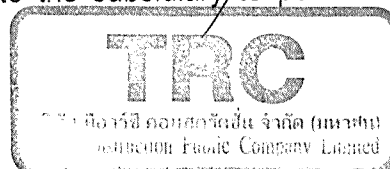
On 21 September 2011, the subsidiary provided testimony to the Civil Court, denying the allegations in the lawsuit of the Party and requesting the Court to dismiss the suit and order the Party to pay the subsidiary's billing for work done under the contract, amounting to Baht 10.9 million.

The case is still being considered by the Civil Court. The subsidiary's management believes that there will be no significant losses to the subsidiary as a result of this litigation and so the Company did not set aside provision for contingent liabilities in its books of account.

- 22.3 On 4 December 2007, a subsidiary lodged a lawsuit with the Central Administrative Court against a government agency (the Party), requesting an order for the Party to settle the Baht 7.7 million that the Party advanced to the subsidiary to perform work under the agreement against damages of Baht 13.4 million, and to pay the subsidiary damages of Baht 6.1 million with interest at a rate of 7.5% per annum, from the date of the lawsuit until settlement is completed. However, the Party submitted its testimony to the Central Administrative Court on 20 August 2008, noting that the damages claimed exceeded actual damage, and that the third claim compensation report, dated 16 July 2008, noted that the board of the Party had approved payment of claims to the subsidiary amounting to Baht 0.8 million, and the subsidiary thus returned an amount of Baht 6.8 million to the Party.

Facts of the case between the subsidiary and the Party have been amended a number of times.

On 20 April 2010, the Party submitted its latest testimony to the Central Administrative Court regarding the bank guarantee fee for the advance payment amounting to Baht 0.1 million, and petitioned the Court to dismiss the lawsuit and order the subsidiary to pay the Baht 7.7 million that the Party advanced to the subsidiary to perform work under the agreement.



(Unaudited but reviewed)

On 24 January 2012, the subsidiary lodged its latest amended lawsuit with the Central Administrative Court, petitioning the Court to order the Party to settle the Baht 7.7 million that the Party advanced to the subsidiary against damages of Baht 19.4 million, and to pay the subsidiary damages of Baht 12.5 million, together with interest at a rate of 7.5% per annum calculated from the date of the lawsuit until settlement is completed. In response, the Party lodged a statement of opposition to the lawsuit brought by the subsidiary and petitioned the Court to dismiss the suit and order the subsidiary to return the advance.

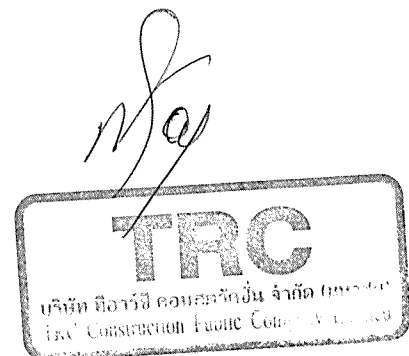
On 31 July 2012, the Central Administrative Court rendered its judgment, whereby the subsidiary is to receive Baht 3.3 million and return an amount of Baht 4.4 million to the Party. The subsidiary appealed the court's decision to the Supreme Administrative Court on 29 August 2012.

Because the case is not yet finalised, the subsidiary has not yet recorded the transactions in the financial statements.

- 22.4 On 24 April 2008, a private company and its associates (the Party) lodged the Administrative Court of Instance against the Company and its associates for its infringed, claiming damages amounting to Baht 6 million, with interest at a rate of 7.5% per annum from the date of the lawsuit until settlement is completed.

On 29 May 2012, the Administrative Court of Instance rendered its judgment to dismiss the suit. But on 20 June 2013, the Party submitted an appeal of the decision with the Supreme Administrative Court. On 9 August 2013, the Company submitted its testimony against the appeal and petitioned the Court to dismiss the suit.

The case is still being considered by the Supreme Administrative Court. The Company's management believes that there will be no significant losses to the Company as a result of this litigation and so the Company did not set aside provision for contingent liabilities in its books of account.



(Unaudited but reviewed)


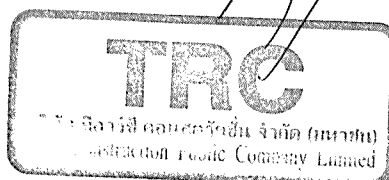
## 23. Foreign currency assets and liabilities

The balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Consolidated financial statements/ Separate financial statements						
Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	30	31	30	31	30	31
	June	December	June	December	June	December
	2014	2013	2014	2013	2014	2013
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	-	3	-	1	32.45500	32.81360

## 24. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 13 August 2014.

  
  
 บริษัท ไทยรับเหมาก่อสร้าง จำกัด (มหาชน)  
 Thai Construction Public Company Limited