

Punj Lloyd (Thailand) Co., Ltd

Annual financial statements
and
Audit report of Certified Public Accountant

For the year ended
31 March 2017



Nathee Audit Company Limited
28th Floor, State Tower Tel: 66 2 630 7944
1055/524 Silom Road Fax: 66 2 6307943
Bangkok 10500, Thailand www.auditthai.com

Report of Independent Auditor

To the Board of Directors and Shareholder Punj Lloyd (Thailand) Co., Ltd

Opinion

We have audited the financial statements of **Punj Lloyd (Thailand) Co., Ltd** which comprise the statement of financial position as at **31 March 2017** and the statement of income and statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at **31 March 2017** and its financial performance for the year then ended in accordance with Thai Financial Reporting Standards for Non-Publicly Accountable Entities.

Basis for Opinion

We conducted our audit in accordance with Thai Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Federation of Accounting Professions under the Royal Patronage of his Majesty the King's Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards for Non-Publicly Accountable Entities, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered


material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The engagement partner responsible for the audit resulting in this independent auditor's report is :



(Nathee Hongratana-uthai)

Certified Public Accountant

Registration No. 2897

Address of office;-

1055/524 State tower building 28th floor,
Silom Road, Bangruk, Bangkok, Thailand.

12 May 2017

Punj Lloyd (Thailand) Co., Ltd
Statements of Financial Position
As at 31 March 2017

	Notes	(Unit:Baht)	
		2017	2016
Assets			
Current Assets			
Cash and cash equivalents	4	1,878,960	2,410,522
Other current assets	5	2,795,731	2,795,731
Total Current Assets		4,674,691	5,206,253
Non-Current Assets			
Restricted bank deposits	6	44,947,405	45,896,325
Total Non-Current Assets		44,947,405	45,896,325
Total Assets		49,622,096	51,102,578



 Director

Punj Lloyd (Thailand) Co., Ltd

Statements of Financial Position (continued)

As at 31 March 2017

		(Unit:Baht)	
	Notes	2017	2016
Liabilities and Shareholders' equity			
Current Liabilities			
Trade and other payables	7	45,457,344	47,877,981
Total Current Liabilities		45,457,344	47,877,981
Total Liabilities		45,457,344	47,877,981
Shareholders' Equity			
Share capital			
Authorized share capital			
100,000 ordinary shares of par Bath 100 each		10,000,000	10,000,000
Issued and paid-up share capital			
100,000 ordinary shares of par Bath 100 each		10,000,000	10,000,000
Unappropriated retained earnings (Deficit)		(5,835,248)	(6,775,403)
Total Shareholders' Equity		4,164,752	3,224,597
Total Liabilities and Shareholders' Equity		49,622,096	51,102,578



Director

Punj Lloyd (Thailand) Co., Ltd

Income statement

For the year ended 31 March 2017

	(Unit:Baht)	
	2017	2016
Revenues		
Other income	2,344,520	45,316
Total Revenues	2,344,520	45,316
Expenses		
Administrative expenses	992,820	1,432,447
Total Expenses	992,820	1,432,447
Profit (loss) before finance cost and corporate income tax	1,351,700	(1,387,131)
Finance cost	(411,545)	-
Profit (loss) before corporate income tax	940,155	(1,387,131)
Corporate income tax	-	-
Net profit (loss) for the period	940,155	(1,387,131)



Director

Punj Lloyd (Thailand) Co., Ltd

Statement of Changes in Shareholders' Equity

For the year ended 31 March 2017

	(Unit:Baht)		
	Issued and Paid-up share capital	Unappropriated retained earnings (Deficit)	Total
Balance as at 1 April 2015	10,000,000.00	(5,388,272.00)	4,611,728.00
Net loss for the period	-	(1,387,131.00)	(1,387,131.00)
Balance as at 31 March 2016	<u>10,000,000.00</u>	<u>(6,775,403.00)</u>	<u>3,224,597.00</u>
Balance as at 1 April 2016	10,000,000.00	(6,775,403.00)	3,224,597.00
Net loss for the period	-	940,155.00	940,155.00
Balance as at 31 March 2017	<u>10,000,000.00</u>	<u>(5,835,248.00)</u>	<u>4,164,752.00</u>



Director

1 General Information

Punj Lloyd (Thailand) Co., Ltd ("the Company") is a limited company, incorporated and resident in Thailand on June 6, 2011. The address of the Company's registered office is as follows :

No. 79, Bangna Villa, Bangna-Trad Soi 16, Bangna District, Bangkok

The principle business activity of the Company is to engage in the business of being a contractor for Engineering, Procurement, and Construction services.

2 Basis of preparation of the financial statements

These financial statements are prepared in accordance with accounting standards under the Act BE 2547 and have been made financial statement presentation to comply with the requirements of the Department of Business Development dated issue September 28, 2011 regarding the condensed form should be included in the financial statements B.E. 2554 that issued under the Accounting Act BE 2543.

The financial statements are in conformity with Thai Financial Reporting Standard for Non-publicly Accountable Entities (TFRS for NPAEs) promulgated by the Federation of Accounting Professions (FAP) during 2015.

The adoption of these TFRS for NPAEs has resulted in changes in the Company's accounting policies.

The effects of those changes that have not a significant impact on the Company's financial statements.

The preparation of financial statements in conformity with TFRS for NPAEs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from estimates.

3 Significant accounting policies

The principle accounting policies adopted in the preparation of these financial statements are set out below :

3.1 Cash and cash equivalents

Cash comprise cash on hand, deposit held at call with banks but exclude deposits with banks which are held to maturity, certificates of deposit issued by commercial banks and financial institutions, and restricted deposits. Cash equivalent comprise short - term highly liquid investments with maturities of three months or less from the date of acquisition.

Director

3.2 Accounts receivable - trade and others

Trade accounts receivable are carried at anticipated realizable value. The company records an allowance for doubtful accounts which is equivalent to the estimated collection losses that may be incurred in the collection of all accounts receivables. The estimated losses are based on historical collection experience combined with a review of the current status of the existing accounts receivable at the balance sheet date.

3.3 Foreign currency transactions

At the end of each reporting period, foreign currency monetary balances are translated by using the exchange rate at the closing rate. Monetary assets denominated in foreign currency are translated to Thai Baht by using a bank's buying rate and monetary liabilities denominated in foreign currency are translated to Thai Baht by using a bank's selling rate. Non - monetary balances denominated in a foreign currency are carried at cost using the exchange rate at the date of transaction.

Gains and losses resulting from the settlement of foreign currency transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the incomestatement.

3.4 Revenue and cost recognition

Revenue from construction services are recognized on a percentage of completion basis. The percentage of completion is measured based on comparison of actual construction costs incurred up to the end of the period and total anticipated construction costs to be incurred to completion.

Revenue from rendering of service is recognized in the statement of income on the accrual basis.

The cost of construction services provided under construction contracts are recognized in the statement of income on an accrual basis.

Interest income is recognized in the statement of income on the accrual basis.

Director

3.5 Leases - where a Company is the lessee

Leases of property, plant or equipment which substantially transfer all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated to the principal and to the finance charged so as to achieve a constant rate on the finance balance outstanding. The outstanding rental obligations, net of finance charges, are included in other long - term payables. The interest element of the finance cost is charged to the income statement over the lease period so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant or equipment acquired under finance leases is depreciated over the shorter period of the useful life of the asset or the lease term.

Leases not transferring a significant portion of the risks and rewards of ownership to the lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight - line basis over the period of the lease.

3.6 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, It is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

3.7 Income tax

Corporate Income Tax is calculated in accordance with the Thai's Revenue Code.

Director

	(Unit:Baht)	
	2017	2016
4 Cash and cash equivalents		
Bank deposit as current accounts	1,878,960	2,410,522
Total	1,878,960	2,410,522
5 Other current assests		
Refundable input tax	1,620,023	1,620,023
Withholding tax deducted at source	1,175,708	1,175,708
Total	2,795,731	2,795,731

6 Restricted bank deposits

As at 31 March 2017, fixed deposit at a financial institution of Bath 44.95 million were pledged with bank to secure the issuance of bank guarantees on behalf of the Company in respect of certain contract compliances and insurance of advance payment as required in the normal course of businesses.

	(Unit:Baht)	
	2017	2016
7 Trade and other payables		
Trade payables - unrelated parties	-	3,164,314
Trade payables - related parties	45,455,502	44,712,153
Other payables - unrelated parties	1,842	1,514
Total	45,457,344	47,877,981

8 Contingent liabilities

As at 31 March 2017, the Company is contingently liable to a local financial institution for letter of guarantee issued by the financial institution in favor of a state enterprise amounting to approximately Baht 43.7 million.

9 Approval of financial statements

These financial statements have been approved for issuance by the Company's Authorised Directors on

Director