

รายงานประจำปี 2555

ANNUAL REPORT 2012



บริษัท ชลประทานซีเมนต์ จำกัด (มหาชน)
Jalapraphan Cement
Public Company Limited



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ANNUAL REPORT 2012



บริษัท ชลประทานซีเมนต์ จำกัด (มหาชน)
Jalapraphan Cement
Public Company Limited

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2012 Financial Statements



Message from the Chairman

Jalaprathan Cement Co., Ltd.



Because of an acceleration in the restoration of buildings and construction in the government and private sector in 2012, the demand for cement on the domestic market was approximately 31.3 million tons in total, an increase of 11.6% when compared with demand in 2011.

In 2012, the Jalaprathan Cement Public Company Limited had an income of 2,053 million Baht in total, an increase of 10.4 % on the previous year. Its net loss was 21 million Baht, which was an increase from the previous year due to the increase in the electricity costs. However, the Company has adjusted its production plan and streamlined its management efficiency so that its production costs can compete in the market.

In 2012, the Cha-am Plant in Petchburi Province was presented with the “Green Industry” certificate from the Ministry of Industry, attesting the Company’s progress and meticulous care in management as well as its sense social responsibility. In addition, the Takli Plant and the Cha-am Plant continued to organize activities that would benefit society, for example, the granting “Golden Naga” scholarships, lunch support funds and providing sporting equipment to schools in neighbouring areas to the plant and further away in Nong Plub Sub-district in Prachuap Khirikhan Province. They also launched the “Mobile Medical Unit” providing free medical services to people in the vicinity of the plants. The athletic fields at Ban Phon Thong School near the Takli Plant were repaired and the Company invited its shareholders to visit the Cha-am Plant. All these activities were prompted by the Company’s sensitivity to the quality way of life of the nearby communities and the need to maintain a natural environment so that the Company and the communities are able to co-exist in a sustainable manner in line with the Company’s sustainable development policy.

In conclusion, on behalf of the Board of Directors of the Jalaprathan Cement Public Company, I would like to express my appreciation to our benefactors, shareholders, administrators and employees for their full support of the Company.

A handwritten signature in blue ink, reading "Gen. A. Karnasuta". The signature is fluid and cursive.

(General Ayupoon Karnasuta)
Chairman of the Board

Board of Directors

Jalaprathan Cement Co., Ltd.

Board of Directors

As of 31 December 2012

Chairman

General Ayupoon Karnasuta

Directors

Mr. Giovanni Maggiora

Pol. Gen. Suthep Dhamaraks

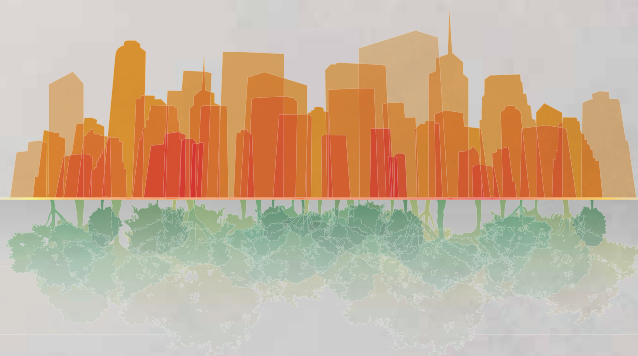
Mr. Goran Leopold Seifert

Mr. Roberto Callieri

Mr. Nopadol Ramyarupa

Director and Secretary to the Board of Directors

Mr. Rapee Sukhyanga



1. Basic Information of the Company

Company:	Jalaprathan Cement Public Company Limited
Establishment:	September 12, 1956
Head Office:	23/124-128 Soi Soonvijai, Rama 9 Road, Kwaeng Bangkapi, Khet Huaykwang, Bangkok
Plant:	Jalaprathan Cement Takli 1 Jalaprathan Cement Road, Tambon Takli, Amphur Takli, Nakonsawan Province Jalaprathan Cement Cha-am 1 Jalaprathan Cement Road, Tambon Cha-am, Amphur Cha-am, Petchburi Province
Type of Business:	Cement Production and Sale
Registration No.:	0107537001676 (Previous No. PLC 414)
Registered Capital in the Beginning:	
Registered Capital	Baht 60,000,000
Paid up Capital	Baht 60,000,000
Par Value	Common Share, Baht 1,000 per share
Registered Capital in Current Year:	
Registered Capital	Baht 1,200,000,000
Paid up Capital	Baht 1,200,000,000 comprising common share of 120,000,000 shares
Par Value	Common Share, Baht 10 per share

2. Information of Subsidiaries (The Company holds shares for more than 50 %.)

2.1 Jalaprathan Concrete Company Limited: Common Shares amount 2,799,810 shares which equals to 99.99%.

Head Office Location: 23/124 Soi Soonvijai, Rama 9 Road, Kwaeng Bangkapi, Khet Huaykwang, Bangkok

Type of Business: Ready-mixed Concrete Production and Sale

2.2 Naga Property Company Limited: Common Shares amount 999,994 shares which equals to 99.99%.

Head Office Location: 23/124-128 Soi Soonvijai, Rama 9 Road, Kwaeng Bangkapi, Khet Huaykwang, Bangkok

Type of Business: Real Estate Lease

3. The Company nowadays does not hold shares of other companies or private enterprises for more than 10%.

4. The Company's Board of Directors does not have interests in any contracts that the Company has made during the accounting period.

5. The list of all Board of Directors of the Company and the holding of Directors in the Company and subsidiaries in current accounting period and past accounting period is increasing or decreasing as follows:

5.1 The holding of Board of Directors in Jalapathan Cement Public Company Limited:

Name of Director	Number of Holding		Increasing/Decreasing
	Current Accounting Period	Past Accounting Period	
1. General Ayupoon Karnasuta	No	No	No
2. Mr. Rapee Sukhyanga	No	No	No
3. Mr. Giovanni Maggiora	No	No	No
4. Police General Suthep Dhamaraks	No	No	No
5. Mr. Goran Leopold Seifert	No	No	No
6. Mr. Roberto Callieri	No	No	No
7. Mr. Nopadol Ramyarupa	No	No	No

5.2 The holding of Board of Directors in Jalapathan Concrete Company Limited

Name of Director	Number of Holding		Increasing/Decreasing
	Current Accounting Period	Past Accounting Period	
1. Mr. Rapee Sukhyanga	No	No	No
2. Mr. Roberto Callieri	No	No	No
3. Mr. Nopadol Ramyarupa	No	No	No

5.3 The holding of Board of Directors in Naga Property Company Limited

Name of Director	Number of Holding		Increasing/Decreasing
	Current Accounting Period	Past Accounting Period	
1. Mr. Rapee Sukhyanga	No	No	No
2. Mr. Rotober Callieri	No	No	No
3. Mr. Nopadol Ramyarupa	No	No	No

6. The remuneration of Board of Directors paid in 2012

Name of Director	Remuneration (Baht)
1. General Ayupoon Karnasuta	1,448,000
2. Mr. Rapee Sukhyanga	188,000
3. Mr. Giovanni Maggiora	180,000
4. Police General Suthep Dhamaraks	188,000
5. Mr. Goran Leopold Seifert	180,000
6. Mr. Roberto Callieri	180,000
7. Mr. Nopadol Ramyarupa	188,000
Total (Baht)	2,552,000

Independent Auditor's Report

To the Shareholders of Jalapraphan Cement Public Company Limited

I have audited the accompanying consolidated financial statements of Jalapraphan Cement Public Company Limited and its subsidiaries, which comprise the consolidated statement of financial position as at 31 December 2012, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statements of Jalapraphan Cement Public Company Limited for the same period.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Jalapraphan Cement Public Company Limited and its subsidiaries and of Jalapraphan Cement Public Company Limited as at 31 December 2012, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.



Termphong Opanaphan

Certified Public Accountant (Thailand) No. 4501

Ernst & Young Office Limited

Bangkok: 22 February 2013

Jalaprathan Cement Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2012

(Unit: Baht)

	<u>Note</u>	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Assets					
Current assets					
Cash and cash equivalents	6	80,067,029	75,326,542	62,107,373	48,191,321
Trade and other receivables	8	539,387,006	425,810,063	395,192,410	339,059,263
Inventories	9	499,580,723	520,503,807	496,154,377	515,860,480
Input tax refundable		7,737,197	9,031,635	6,000,599	7,682,176
Other current assets		7,052,795	8,500,837	1,496,650	2,337,376
Total current assets		1,133,824,750	1,039,172,884	960,951,409	913,130,616
Non-current assets					
Investments in subsidiaries	10	-	-	286,241,767	286,241,767
Other long-term investments	11	-	-	-	-
Property, plant and equipment	12	2,484,793,554	2,351,510,043	2,452,949,087	2,314,300,901
Deferred tax assets	14	27,874,232	44,297,623	24,583,050	25,625,993
Other non-current assets		2,496,081	2,507,455	382,521	347,895
Total non-current assets		2,515,163,867	2,398,315,121	2,764,156,425	2,626,516,556
Total assets		3,648,988,617	3,437,488,005	3,725,107,834	3,539,647,172

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

Jalaprathan Cement Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2012

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institution	7,13	250,000,000	180,000,000	250,000,000	180,000,000
Trade and other payables	15	776,247,537	642,636,940	568,616,107	516,140,147
Current portion of long-term loans from related parties	7	414,653,781	415,998,975	434,653,781	435,998,975
Short-term provisions		2,043,000	700,000	2,043,000	700,000
Income tax payable		1,608,049	-	-	-
Other current liabilities		14,093,608	6,442,691	8,132,666	3,592,651
Total current liabilities		1,458,645,975	1,245,778,606	1,263,445,554	1,136,431,773
Non-current liabilities					
Long-term loans from related parties - net					
of current portion	7	386,000,000	654,000,000	641,000,000	784,000,000
Provision for long-term employee benefits	16	33,306,795	29,320,285	19,913,639	18,282,602
Long-term provisions		2,832,946	2,944,008	2,832,946	2,944,008
Deferred tax liabilities	14	266,357,174	221,929,263	266,357,174	221,929,263
Total non-current liabilities		688,496,915	908,193,556	930,103,759	1,027,155,873
Total liabilities		2,147,142,890	2,153,972,162	2,193,549,313	2,163,587,646

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

Jalaprathan Cement Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2012

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
Shareholders' equity					
Share capital					
Registered					
120,000,000 ordinary shares of Baht 10 each		<u>1,200,000,000</u>	<u>1,200,000,000</u>	<u>1,200,000,000</u>	<u>1,200,000,000</u>
Issued and fully paid					
120,000,000 ordinary shares of Baht 10 each		1,200,000,000	1,200,000,000	1,200,000,000	1,200,000,000
Share premium		973,768,690	973,768,690	973,768,690	973,768,690
Retained earnings					
Appropriated					
Statutory reserve	17	54,026,280	54,026,280	54,026,280	54,026,280
Other reserve	18	122,000,000	122,000,000	122,000,000	122,000,000
Unappropriated (deficit)		(1,909,842,888)	(1,951,886,476)	(1,880,113,110)	(1,859,330,074)
Other components of shareholders' equity	19	<u>1,061,876,661</u>	<u>885,594,630</u>	<u>1,061,876,661</u>	<u>885,594,630</u>
Equity attributable to owners of the Company		1,501,828,743	1,283,503,124	1,531,558,521	1,376,059,526
Non-controlling interests of the subsidiaries		<u>16,984</u>	<u>12,719</u>	-	-
Total shareholders' equity		<u>1,501,845,727</u>	<u>1,283,515,843</u>	<u>1,531,558,521</u>	<u>1,376,059,526</u>
Total liabilities and shareholders' equity		<u>3,648,988,617</u>	<u>3,437,488,005</u>	<u>3,725,107,834</u>	<u>3,539,647,172</u>

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

Jalaprathan Cement Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2012

(Unit: Baht)

		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>Note</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Profit or loss:					
Revenues					
Sales		2,556,331,539	2,267,581,880	2,030,758,912	1,832,948,153
Rental income		-	575,000	-	-
Interest income		2,559,127	2,811,823	1,153,021	13,364,486
Compensation for flood damage	20	16,613,769	-	11,670,505	-
Other income		11,688,716	13,874,298	9,820,170	13,489,032
Total revenues		2,587,193,151	2,284,843,001	2,053,402,608	1,859,801,671
Expenses					
Cost of sales and rental		2,347,486,545	2,039,885,045	1,882,070,924	1,641,631,835
Selling expenses		8,068,045	20,252,571	8,059,892	20,251,766
Administrative expenses		125,710,361	158,712,333	103,755,304	114,098,374
Reversal of allowance for doubtful accounts		(28,759,315)	-	-	-
Reversal of impairment loss on unused assets	12	-	(263,493,023)	-	(263,493,023)
Other expenses	10	-	10,305,099	-	93,739,233
Total expenses		2,452,505,636	1,965,662,025	1,993,886,120	1,606,228,185
Profit before finance cost and income tax expenses		134,687,515	319,180,976	59,516,488	253,573,486
Finance cost		(74,051,483)	(83,017,647)	(78,899,177)	(83,037,836)
Profit (loss) before income tax expenses		60,636,032	236,163,329	(19,382,689)	170,535,650
Income tax expenses	14	(18,588,179)	(21,559,926)	(1,400,347)	(13,703,275)
Profit (loss) for the year		42,047,853	214,603,403	(20,783,036)	156,832,375
Other comprehensive income:					
Effect of change in the applicable tax rate for revaluation of land	14	-	110,699,328	-	110,699,328
Gains on revaluation of land	12	176,282,031	-	176,282,031	-
Other comprehensive income for the year		176,282,031	110,699,328	176,282,031	110,699,328
Total comprehensive income for the year		218,329,884	325,302,731	155,498,995	267,531,703
Profit (loss) attributable to:					
Equity holders of the Company		42,043,588	214,602,329	(20,783,036)	156,832,375
Non-controlling interests of the subsidiaries		4,265	1,074		
		<u>42,047,853</u>	<u>214,603,403</u>		
Total comprehensive income attributable to:					
Equity holders of the Company		218,325,619	325,301,657	155,498,995	267,531,703
Non-controlling interests of the subsidiaries		4,265	1,074		
		<u>218,329,884</u>	<u>325,302,731</u>		
Basic earnings per share					
Profit (loss) attributable to equity holders of the Company	22	0.35	1.79	(0.17)	1.31

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

Jalaprathan Cement Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2012

(Unit: Baht)

Consolidated financial statements											
Equity attributable to owners of the Company											
Issued and paid-up share capital	Share premium	Appropriated - statutory reserve	Retained earnings	Other components of equity			Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity		
				Appropriated - other reserve	Unappropriated (deficit)	Unappropriated Surplus on revaluation of land					
1,200,000,000	973,768,690	54,026,280	122,000,000	(2,166,488,805)	774,895,302	958,201,467	11,645	958,213,112			
-	-	-	-	214,602,329	110,699,328	325,301,657	1,074	325,302,731			
1,200,000,000	973,768,690	54,026,280	122,000,000	(1,951,886,476)	885,594,630	1,283,503,124	12,719	1,283,515,843			
1,200,000,000	973,768,690	54,026,280	122,000,000	(1,951,886,476)	885,594,630	1,283,503,124	12,719	1,283,515,843			
-	-	-	-	42,043,588	176,282,031	218,325,619	4,265	218,329,884			
1,200,000,000	973,768,690	54,026,280	122,000,000	(1,909,842,888)	1,061,876,661	1,501,828,743	16,984	1,501,845,727			

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

Jalaprathan Cement Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2012

		Separate financial statements						(Unit: Baht)
	Issued and paid-up share capital	Share premium	Retained earnings		Unappropriated (deficit)	Other components of equity		Total shareholders' equity
			Appropriated - statutory reserve	Appropriated - other reserve		Other comprehensive income	Surplus on revaluation of land	
Balance as at 1 January 2011	1,200,000,000	973,768,690	54,026,280	122,000,000	(2,016,162,449)	774,895,302	1,108,527,823	
Total comprehensive income for the year	-	-	-	-	156,832,375	110,699,328	267,531,703	
Balance as at 31 December 2011	<u>1,200,000,000</u>	<u>973,768,690</u>	<u>54,026,280</u>	<u>122,000,000</u>	<u>(1,859,330,074)</u>	<u>885,594,630</u>	<u>1,376,059,526</u>	
Balance as at 1 January 2012	1,200,000,000	973,768,690	54,026,280	122,000,000	(1,859,330,074)	885,594,630	1,376,059,526	
Total comprehensive income for the year	-	-	-	-	(20,783,036)	176,282,031	155,498,995	
Balance as at 31 December 2012	<u>1,200,000,000</u>	<u>973,768,690</u>	<u>54,026,280</u>	<u>122,000,000</u>	<u>(1,880,113,110)</u>	<u>1,061,876,661</u>	<u>1,531,558,521</u>	

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

Jalaprathan Cement Public Company Limited and its subsidiaries

Cash flow statement

For the year ended 31 December 2012

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Cash flows from operating activities				
Profit (loss) before tax	60,636,032	236,163,329	(19,382,689)	170,535,650
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities				
Depreciation	147,129,046	110,285,483	136,800,579	98,950,571
Reversal of allowance for doubtful accounts	(33,664,545)	(8,747,756)	(370,588)	(5,606,716)
Reversal decrease of inventory to net realisable value	(5,778,630)	(6,556,314)	(5,778,630)	(6,556,314)
Reversal of impairment loss on unused assets	-	(263,493,023)	-	(263,493,023)
Allowance for impairment loss of investment in subsidiary (reversal)	(10,399,440)	-	-	93,739,233
Provision for long-term employee benefits	5,289,630	3,261,959	2,227,037	1,506,853
Long-term provisions	50,000	120,000	50,000	120,000
Written off bad debts	4,905,230	8,747,756	370,588	5,606,716
Written off assets	717,479	1	-	-
Loss on sales of investment properties	-	11,526,666	-	-
(Gains) losses on sales of plant and equipment	241,340	(1,221,567)	370,690	(1,220,291)
Loss on dissolution of subsidiary	10,285,705	-	-	-
Unrealised (gains) losses on exchange rate	(1,351,856)	3,179,636	(1,351,856)	3,179,636
Interest income	(659,452)	(1,124,263)	(31,644)	(12,562,752)
Interest expenses	62,636,971	73,862,449	69,776,377	75,610,581
Income from operating activities before changes in operating assets and liabilities	240,037,510	166,004,356	182,679,864	159,810,144
Operating assets (increase) decrease				
Trade and other receivables	(84,817,628)	(33,010,632)	(56,133,147)	(44,386,109)
Inventories	16,400,757	(48,576,455)	15,183,776	(48,032,594)
Other current assets	2,817,567	24,915,332	2,597,390	23,471,136
Other non-current assets	11,374	(189,495)	(34,626)	(129,495)
Operating liabilities increase (decrease)				
Trade and other payables	105,937,056	(90,206,243)	25,971,568	(115,754,789)
Short-term provisions	1,343,000	241,000	1,343,000	241,000
Other current liabilities	7,650,917	1,101,459	4,540,015	1,019,967
Provision for long-term employee benefits	(1,303,120)	(1,248,000)	(596,000)	(487,000)
Long-term provisions	(161,062)	(185,293)	(161,062)	(185,293)
Other non-current liabilities	-	(1,500,000)	-	-
Cash from (used in) operating activities	287,916,371	17,346,029	175,390,778	(24,433,033)
Cash receipt from previous year income tax	234,742	287,873	234,742	287,873
Cash paid for income tax	(509,164)	(4,692,754)	(309,829)	(678,509)
Net cash from (used in) operating activities	287,641,949	12,941,148	175,315,691	(24,823,669)

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

Jalaprathan Cement Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the year ended 31 December 2012

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Cash flows from investing activities				
Cash receipt from repayment of short-term loan to related party	-	-	-	300,000,000
Proceeds from sales of investment properties	-	380,000,000	-	-
Acquisition of plant and equipment	(23,823,911)	(35,256,013)	(19,722,589)	(34,604,942)
Proceeds from sales of plant and equipment	2,104,338	1,221,751	1,924,562	1,220,451
Cash receipt from dissolution of subsidiary	113,735	-	-	-
Interest income	659,452	1,127,688	31,644	46,320,528
Net cash from (used in) investing activities	(20,946,386)	347,093,426	(17,766,383)	312,936,037
Cash flows from financing activities				
Increase (decrease) in short-term loans from financial institution	70,000,000	(100,000,000)	70,000,000	(100,000,000)
Cash receipt from long-term loans from related parties	32,000,000	-	157,000,000	130,000,000
Repayment of long-term loans from related parties	(300,000,000)	(230,000,000)	(300,000,000)	(250,000,000)
Interest expenses	(63,955,076)	(72,287,181)	(70,633,256)	(73,995,491)
Net cash used in financing activities	(261,955,076)	(402,287,181)	(143,633,256)	(293,995,491)
Net increase (decrease) in cash and cash equivalents	4,740,487	(42,252,607)	13,916,052	(5,883,123)
Cash and cash equivalents at beginning of year	75,326,542	117,579,149	48,191,321	54,074,444
Cash and cash equivalents at end of year	80,067,029	75,326,542	62,107,373	48,191,321
Supplemental cash flows information				
Non-cash transactions				
Purchases of equipment for which no cash has been paid	28,998,308	32,880,750	27,367,933	32,395,410
Transferred cement and spare parts to construction in progress during the year	10,300,957	607,046	10,300,957	607,046

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

Jalaprathan Cement Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2012

1. General information

Jalaprathan Cement Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the manufacture and distribution of cement. The registered office of the Company are as follows:

Head office: 23/124-128 Soi Soonvijai Rama 9 Road, Bangkapi, Huaykwang, Bangkok.

Takli plant: 1 Jalaprathan Cement Road, Tambol Takli, Amphur Takli, Nakornsawan.

Cha-Am plant: 1 Jalaprathan Cement Road, Tambol Cha-Am, Amphur Cha-Am, Petchaburi.

In January 2009, Board of Directors’ Meeting no. 1/2009 of the Company passed a resolution to suspend clinker production. Consequently in 2010, the Company operated clinker production at partial capacity at Cha-Am plant, and its production volume has increased in 2011. The Company’s management therefore decided to reverse part of the impairment loss recorded in 2009 for buildings, machines and equipment related to clinker production at Cha-Am plant, but maintain the impairment loss on spare parts related to clinker production, as described in Note 9 and Note 12 to the financial statements.

During 2012, the Company’s production volume of clinker remains at the same level as in 2011. Therefore, the management set aside provision for impairment for buildings, machines and equipment that is related to the production of clinker as recorded in 2011.

As at 31 December 2012, the Company’s current liabilities exceeded its current assets by Baht 302 million (2011: Baht 223 million), and it had deficit of Baht 1,880 million in year 2012 (2011: Baht 1,859 million). However, the Company continues to receive financial support from its related parties and expect to be able to resume production at its normal capacity at both plants. In addition, the Company’s management had reoriented the company and change the production plan in order to obtain the production costs which can be compete in the market.

2. Basis of preparation

2.1 The financial statements have been prepared in accordance with accounting standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 28 September 2011, issued under the Accounting Act B.E. 2543.

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

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of consolidation

a) The consolidated financial statements include the financial statements of Jalaprathan Cement Public Company Limited (“the Company”) and two subsidiaries (“the subsidiaries”) which are incorporated in Thailand. These are detailed below.

Company's name	Nature of business	Percentage of shareholding	
		<u>2012</u>	<u>2011</u>
		%	%
Jalaprathan Concrete Co., Ltd.	Manufacturing of ready-mixed concrete	99.99	99.99
Naga Property Co., Ltd.	Office building rental	100.00	100.00

b) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.

c) The consolidated financial statements exclude the financial statements of Jalaprathan Transport Co., Ltd., a subsidiary of Jalaprathan Concrete Co., Ltd. as that company has ceased its operation, and filed the dissolution and liquidation with the Ministry of Commerce on 12 October 2012 and 1 November 2012, respectively. There is no material effect on the consolidated financial statements as a result of such exclusion.

d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.

e) Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.

f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

2.3 The separate financial statements, which present investments in subsidiaries under the cost method, have been prepared solely for the benefit of the public.

3. New accounting standards issued during the years not yet effective

The Federation of Accounting Professions issued the following new/revised accounting standards that are effective for fiscal years beginning on or after 1 January 2013.

Accounting standards:

TAS 12	Income Taxes
TAS 20 (revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates

Financial reporting standards:

TFRS 8	Operating Segments
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Accounting Standard Interpretations:

SIC 10	Government Assistance - No Specific Relation to Operating Activities
SIC 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
SIC 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

The Company's management believes that these accounting standards will not have any significant impact on the financial statements for the year when they are initially applied.

4.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

4.3 Trade accounts receivable

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experiences and analysis of debt aging.

4.4 Inventories

Finished goods and work in process are valued at the lower of cost (weighted average method) and net realisable value. Cost includes all production costs and attributable factory overheads.

Raw materials are valued at the lower of cost (weighted average method) and net realisable value and are charged to production costs whenever consumed.

Spare parts and supplies are valued at the lower of average cost and net realisable value and are charged to production costs whenever consumed.

4.5 Investments

- a) Investments in non-marketable equity securities, which the Company classifies as other investments, are stated at cost net of allowance for impairment loss (if any).
- b) Investments in subsidiaries are accounted for in the separate financial statements using the cost method.

The weighted average method is used for computation of the cost of investments.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

4.6 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value. Any gains or losses arising from changes in the value of investment properties are recognised in profit or loss when incurred.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

4.7 Property, plant and equipment/Depreciation

Land is stated at revalued amount less allowance for loss on impairment of assets (if any).

Quarries cost is stated at cost less accumulated depletion and allowance for loss on impairment of assets (if any).

Building and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Land is initially recorded at cost on the acquisition date, and subsequently revalued by an independent professional appraiser to their fair values, by using Market Approach. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from fair value at the end of reporting period.

Differences arising from the revaluation are dealt with in the financial statements as follows:

- When an asset's carrying amount is increased as a result of a revaluation of the Company's assets, the increase is credited directly to the other comprehensive income and the cumulative increase is recognised equity under the heading of "Surplus on revaluation of land". However, a revaluation increase is recognised as income to the extent that it reverses a revaluation decrease in respect of the same asset previously recognised as an expense.
- When an asset's carrying amount is decreased as a result of a revaluation of the Company's assets, the decrease is recognised in profit or loss. However, the revaluation decrease is charged to the other comprehensive income to the extent that it does not exceed an amount already held in "Surplus on revaluation of land" in respect of the same asset.

Depreciation of plant and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Buildings and structures	-	5 - 30 years
Machinery, tools and equipment	-	5 - 30 years
Furniture, fixtures and office equipment	-	3 - 10 years
Motor vehicles	-	5 - 10 years

Depreciation is included in determining income.

No depreciation is provided on land and construction in progress.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

In certain cases the Company owns quarries from which it extracts its raw materials. In these cases the stated value includes the purchase price of the land and any improvement costs. When not owned, the quarries costs represent the improvement costs, survey and replantation costs.

The depletion rate for the year is determined by the ratio between the actual units of resources extracted for the year and total number of units extractable from the quarries.

4.8 Related party transactions

Related parties comprise enterprises and individuals that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies and individuals which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors and officers with authority in the planning and direction of the Company's operations.

4.9 Long-term leases

Leases of property, plant or equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

4.10 Foreign currencies

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

4.11 Impairment of assets

At each reporting date, the Company performs impairment reviews in respect of the property, plant and equipment whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss. However in cases where land was previously revalued and the revaluation was taken to equity, a part of such impairment is recognised in equity up to the amount of the previous revaluation.

In the assessment of asset impairment if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Company estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case the reversal, which exceeds the carrying amount that would have been determined, is treated as a revaluation increase.

4.12 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits

Defined contribution plans

The Company and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company. The fund's assets are held in a separate trust fund and the Company's contributions are recognised as expenses when incurred.

Defined benefit plans

The Company has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Past service costs are recognised on a straight-line basis over the average period until the amended benefits become vested. Gains or losses on the curtailment or settlement of pension benefits are recognised when the curtailment or settlement occurs.

Actuarial gains and losses are recognised as income or expense when the net cumulative unrecognised actuarial gains and losses for each individual plan at the end of the previous reporting period exceeded 10 percent of the defined benefit obligation at that date. These gains or losses are recognised over the expected average remaining working lives of the employees participating in the plans.

The defined benefits liability comprises the present value of the defined benefit obligation less unrecognised past service cost and unrecognised actuarial gains or losses.

4.13 Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.14 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred Tax

Deferred income tax is provided on temporary differences between their carrying amounts and the tax bases of assets and liabilities, by using the enacted tax rate at the end of reporting period.

The Company recognises deferred tax liabilities for all taxable temporary differences while recognises deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each end of reporting period, the Company reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company records deferred tax directly to equity if the tax relates to items that are recorded directly to equity.

5. Significant accounting judgments and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgments and estimates are as follows:

Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgment regarding whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgment and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

Allowance for diminution in value of inventory

In determining an allowance for diminution in value of inventory, the management makes judgment and estimates net realisable value of inventory based on the amount the inventories are expected to realise. These estimates take into consideration fluctuations of price or cost directly relating to events occurring after the end of the period. Also, the management makes judgment and estimates expected loss from stock obsolescence based upon aging profile of inventories and the prevailing economic condition.

Fair value of financial instruments

In determining the fair value of financial instruments that are not actively traded and for which quoted market prices are not readily available, the management exercise judgment, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of liquidity, correlation and longer-term volatility of financial instruments.

Impairment of equity investments

The Company treats other investments as impaired when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires judgement of the management.

Property plant and equipment/Depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the Company’s plant and equipment and to review estimate useful lives and residual values when there are any changes.

The Company measures land at revalued amounts. Such amounts are determined by the independent valuer using the market approach. The valuation involves certain assumptions and estimates.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses in the period when it is determined that their recoverable amount is lower than the carrying amount. This requires judgments regarding forecast of future revenues and expenses relating to the assets subject to the review.

Deferred tax assets

Deferred tax assets are recognised in respect of temporary differences only to the extent that it is probable that taxable profit will be available against which these differences can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

6. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Bank deposits	80,067	75,327	62,107	48,191
Total	<u>80,067</u>	<u>75,327</u>	<u>62,107</u>	<u>48,191</u>

As at 31 December 2012, bank deposits in saving accounts carried interests at the rate 0.63 percent per annum (2011: between 0.20 and 2.38 percent per annum)

7. Related party transactions

During the years, 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.

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
<u>Transactions with subsidiaries</u>				
(eliminated from the consolidated financial statements)				
Sales of goods	-	-	30	33
Interest income	-	-	-	13
Interest expenses	-	-	7	2

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
<u>Transactions with related companies</u>				
Sales of goods and raw materials	13	17	2	2
Trademark license fee income	2	2	2	2
Purchases of goods	847	737	715	633
Technical fee	3	1	3	1
Trademark license fee	2	2	2	2
Management fee	110	116	92	101
Penalty due to failure to buy goods in the amount specified in the agreement	8	11	8	11
Interest expenses	63	74	63	74

The balances of accounts as at 31 December 2012 and 2011 between the Company, its subsidiaries and those related parties are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
<u>Bank deposits - related party</u>				
Related financial institution (related by common shareholders)	7,900	10,099	4,283	7,237
Total bank deposits with related party	<u>7,900</u>	<u>10,099</u>	<u>4,283</u>	<u>7,237</u>
<u>Trade and other receivables - related parties (Note 8)</u>				
Subsidiary	-	-	10,669	3,531
Related companies (related by common shareholders)	21,130	14,659	20,488	13,807
Total trade and other receivables - related parties	<u>21,130</u>	<u>14,659</u>	<u>31,157</u>	<u>17,338</u>
<u>Short-term loans from related party (Note 13)</u>				
Related financial institution (related by common shareholders)	250,000	180,000	250,000	180,000
Total short-term loans from related party	<u>250,000</u>	<u>180,000</u>	<u>250,000</u>	<u>180,000</u>
<u>Trade and other payables - related parties (Note 15)</u>				
Subsidiary	-	-	8,264	4,707
Related companies (related by common shareholders)	493,065	380,866	334,826	294,281
Total trade and other payables - related parties	<u>493,065</u>	<u>380,866</u>	<u>343,090</u>	<u>298,988</u>

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
<u>Long-term loans from - related parties</u>				
Subsidiary	-	-	275,000	150,000
Related companies (related by common shareholders)	800,654	1,069,999	800,654	1,069,999
Total	800,654	1,069,999	1,075,654	1,219,999
Less: current portion	(414,654)	(415,999)	(434,654)	(435,999)
Total long-term loans from related parties - net of current portion	<u>386,000</u>	<u>654,000</u>	<u>641,000</u>	<u>784,000</u>

Long-term loan from Jalapathan Concrete Co., Ltd. (subsidiary)

The outstanding balance as at 31 December 2012 represented three loans. The first loan is an unsecured loan amounting to Baht 20 million (2011: Baht 20 million) first drawn down on 12 November 2009 and due within December 2013. The second loan is an unsecured promissory note dated 29 December 2011 amounting to Baht 130 million, maturing on 29 December 2015. The third loan is an unsecured promissory note dated 25 December 2012 amounting to Baht 125 million, maturing on 29 December 2015. Interest on these loans is payable on a quarterly basis at a rate equal to the average three-month fixed deposit of three local banks plus 2.50 percent per annum.

Long-term loans from related companies

The outstanding balances as at 31 December 2012 consisted of unsecured loans of Euro 2.8 million and Baht 386 million (2011: Euro 2.8 million and Baht 354 million).

The Euro 2.8 million loan was acquired to settle the unpaid technical fee with CTG S.p.A., Italy, a fellow subsidiary. The loan bears interest at the EURIBOR three months rate plus 0.5 percent per annum. Interest is repayable on a quarterly basis while the loan principal matures on 15 December 2011 or as agreed by the parties. Both parties may agree to extend the repayment schedule for another one year from the original maturity date.

The second loan of Baht 386 million (2011: Baht 354 million) was acquired to pay for management and technical services from Ciments Francais S.A., France. The loan bears interest at a floating rate following the average three-month fixed deposit rate of three local banks plus 2.5 percent per annum and due on 31 October 2014.

Long-term loans from Asia Cement Plc. (related company)

The outstanding balances as at 31 December 2012 secured by Ciments Francais S.A., France, represented an outstanding loan of Baht 300 million (2011: Baht 600 million) carrying interest at a floating rate equal to the average MLR of three local banks minus 1.0 percent per annum. Interest is repayable on a quarterly basis and the loan was to be repayable annually within 2013.

Directors and management's benefits

During the year ended 31 December 2012 and 2011, the Company and its subsidiaries had employee benefit expenses to their directors and management as below.

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Short-term employee benefits	2.6	2.5	2.6	2.5

8. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	2,183	1,017	10,540	3,694
Past due				
Up to 3 months	-	698	133	698
Total trade receivables related parties	2,183	1,715	10,673	4,392
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	422,079	315,479	296,821	243,785
Past due				
Up to 3 months	89,098	93,880	62,797	71,747
3 - 6 months	2,754	2,657	1,522	18
6 - 12 months	1,325	3,866	946	1,234
Over 12 months	7,185	32,153	4,441	6,540
Total	522,441	448,035	366,527	323,324
Less: Allowance for doubtful accounts	(8,246)	(41,910)	(5,183)	(5,554)
Total trade receivables - unrelated parties, net	514,195	406,125	361,344	317,770
Total trade receivables - net	516,378	407,840	372,017	322,162

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
<u>Other receivables</u>				
Other receivables - related parties	18,947	12,944	20,484	12,946
Other receivables - unrelated parties	4,062	5,026	2,691	3,951
Total other receivables	23,009	17,970	23,175	16,897
Trade and other receivables - net	539,387	425,810	395,192	339,059

9. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories-net	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Finished goods	43,572	39,477	-	-	43,572	39,477
Work in process	30,668	23,573	-	-	30,668	23,573
Clinker	65,424	81,039	(2,000)	(2,000)	63,424	79,039
Raw materials	273,519	273,354	(4,005)	(4,005)	269,514	269,349
Spare parts and supplies	251,636	274,078	(159,233)	(165,012)	92,403	109,066
Total	664,819	691,521	(165,238)	(171,017)	499,581	520,504

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories-net	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Finished goods	43,572	39,477	-	-	43,572	39,477
Work in process	30,668	23,573	-	-	30,668	23,573
Clinker	65,424	81,039	(2,000)	(2,000)	63,424	79,039
Raw materials	270,092	270,214	(4,005)	(4,005)	266,087	266,209
Spare parts and supplies	251,636	272,574	(159,233)	(165,012)	92,403	107,562
Total	661,392	686,877	(165,238)	(171,017)	496,154	515,860

As described in Note 1 to the financial statements, although the Company expect to be able to resume production at its normal capacity in the near future. The management continued to record the impairment of spare parts of machines which are related to the clinker production as at 31 December 2012 amounting to Baht 75 million (2011: Baht 80 million) in the statements of financial position.

10. Investments in subsidiaries

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

(Unit: Thousand Baht)

Company's name	Paid-up capital		Shareholding percentage		Cost	
	2012	2011	2012	2011	2012	2011
			(%)	(%)		
Jalaprathan Concrete Co., Ltd.	280,000	280,000	99.99	99.99	279,981	279,981
Naga Property Co., Ltd.	100,000	100,000	100.00	100.00	100,000	100,000
Total					379,981	379,981
Less: Allowance for impairment loss of investments					(93,739)	(93,739)
Investments in subsidiaries - net					<u>286,242</u>	<u>286,242</u>

During 2011, the management determined to record allowance for impairment loss of investment in Naga Property Co., Ltd. amounting to Baht 94 million in profit or loss on the separate financial statements for the year 2011.

The Company had no dividend received from its subsidiaries during 2012 and 2011.

11. Other long-term investments

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Bangkok Bank of Commerce Public Co., Ltd.	-	5,724	-	5,724
Jalaprathan Transport Co., Ltd.	-	10,399	-	-
Other company	-	116	-	116
Total	-	16,239	-	5,840
Less: Allowance for impairment loss of investments	-	(16,239)	-	(5,840)
Other long-term investments - net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

On 12 October 2012, an extraordinary general meeting of the shareholders of Jalaprathan Transport Co., Ltd., a subsidiary of Jalaprathan Concrete Co., Ltd. passed a special resolution to dissolve that company. On 1 November 2012, an extraordinary general meeting of the shareholders of Jalaprathan Transport Co., Ltd. passed a special resolution to liquidate the company, and subsequently filed the dissolution and liquidation with the Ministry of Commerce on 12 October 2012 and 1 November 2012, respectively.

During 2012, the Company wrote-off investment in Bangkok Bank of Commerce Public Co., Ltd. in full as the court ruled that such company was insolvent and had no asset for repayment to the shareholders. In addition, the Company wrote-off investment in other company as the court ruled that such company was insolvent and ordered for rehabilitation plan. After the completion of the rehabilitation, such company had no asset for repayment to the shareholders.

12. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements												
	Assets used in the operations					Unused assets but not classified as held for sale							
	Revaluation basis	Cost basis				Revaluation basis	Cost basis						
Land	Quarries cost	Buildings, leasehold improvement and structures	Machinery, tools and equipment	Furniture, fixtures and office equipment	Motor vehicles	Construction in progress	Land	Buildings, leasehold improvement and structures	Machinery, tools and equipment	Motor vehicles	Construction in progress	Total	
Cost/revalued amount:													
As at 1 January 2011	1,169,121	45,445	577,967	1,733,429	26,639	28,462	115,292	-	549,941	2,995,387	254,772	116,222	7,612,677
Transfer between used and unused asset	(126,465)	-	274,472	1,733,852	-	135,286	39,782	126,465	(274,472)	(1,733,852)	(135,286)	(39,782)	-
Additions	-	-	-	2,291	54	-	66,399	-	-	-	-	-	68,744
Disposals/write-off	-	-	(207)	(2,305)	(1,082)	(5,035)	-	-	-	-	(3,855)	-	(12,484)
Transfer between accounts	-	-	7,024	54,671	108	967	(62,770)	-	-	-	-	-	-
As at 31 December 2011	1,042,656	45,445	859,256	3,521,938	25,719	159,660	158,703	126,465	275,469	1,261,535	115,631	76,440	7,668,937
Additions	-	-	-	1,636	374	-	61,113	-	-	-	-	-	63,123
Disposals/write-off	-	-	(529)	(3,745)	(1,098)	(933)	(2,295)	-	-	-	-	-	(8,600)
Transfer between accounts	(175)	175	527	12,448	15	2,210	(15,200)	-	-	-	-	-	-
Revaluations	208,353	-	-	-	-	-	-	12,000	-	-	-	-	220,353
As at 31 December 2012	1,250,834	45,620	859,254	3,532,277	25,010	160,957	202,321	138,465	275,469	1,261,535	115,631	76,440	7,943,813
Accumulated depreciation:													
As at 1 January 2011	-	5,262	457,484	1,047,748	24,518	22,752	-	-	339,040	2,153,078	246,212	-	4,296,094
Transfer between used and unused asset	-	-	187,331	1,509,857	-	133,066	-	-	(187,331)	(1,509,857)	(133,066)	-	-
Depreciation for the year	-	1,221	15,745	91,567	920	832	-	-	-	-	-	-	110,285
Depreciation on disposals/write-off	-	-	(207)	(2,305)	(1,082)	(5,035)	-	-	-	-	(3,855)	-	(12,484)
As at 31 December 2011	-	6,483	660,353	2,646,867	24,356	151,615	-	-	151,709	643,221	109,291	-	4,393,895
Depreciation for the year	-	-	21,976	123,287	657	1,209	-	-	-	-	-	-	147,129
Depreciation on disposals/write-off	-	-	(413)	(3,094)	(1,097)	(933)	-	-	-	-	-	-	(5,537)
As at 31 December 2012	-	6,483	681,916	2,767,060	23,916	151,891	-	-	151,709	643,221	109,291	-	4,535,487

(Unit: Thousand Baht)

Consolidated financial statements (continued)													
Assets used in the operations						Unused assets but not classified as held for sale							
Revaluation basis	Cost basis					Revaluation basis					Cost basis		
	Land	Quarries cost	Buildings, leaseholds improvement and structures	Machinery, tools and equipment	Furniture, fixtures and office equipment	Motor vehicles	Construction in progress	Land	Buildings, leaseholds improvement and structures	Machinery, tools and equipment	Motor vehicles	Construction in progress	Total
As at 1 January 2011	5,340	-	-	-	-	-	3,693	-	210,901	842,309	8,560	116,222	1,187,025
Transfer between used and unused assets	-	-	87,141	223,995	-	2,220	39,782	-	(87,141)	(223,995)	(2,220)	(39,782)	-
Decrease during the year	-	-	(64,993)	(158,647)	-	(71)	(39,782)	-	-	-	-	-	(263,493)
As at 31 December 2011	5,340	-	22,148	65,348	-	2,149	3,693	-	123,760	618,314	6,340	76,440	923,532
As at 31 December 2012	5,340	-	22,148	65,348	-	2,149	3,693	-	123,760	618,314	6,340	76,440	923,532
Net book value:													
As at 31 December 2011	1,037,316	38,962	176,755	809,723	1,363	5,916	155,010	126,465	-	-	-	-	2,351,510
As at 31 December 2012	1,245,494	39,137	155,190	699,869	1,094	6,917	198,628	138,465	-	-	-	-	2,484,794
Depreciation for the year													
2011 (Baht 110 million included in manufacturing cost and the balance in administrative expenses)													110,285
2012 (Baht 147 million included in manufacturing cost and the balance in administrative expenses)													147,129

Allowance for impairment loss:

As at 1 January 2011
 Transfer between used and unused assets

Decrease during the year

As at 31 December 2011

As at 31 December 2012

Net book value:

As at 31 December 2011

As at 31 December 2012

Depreciation for the year

2011 (Baht 110 million included in manufacturing cost and the balance in administrative expenses)

2012 (Baht 147 million included in manufacturing cost and the balance in administrative expenses)

(Unit: Thousand Baht)

Separate financial statements												
Assets used in the operations						Unused assets but not classified as held for sale						
Revaluation basis	Cost basis					Revaluation basis					Total	
	Quarries cost	Buildings, leaseholds improvement and structures	Machinery, tools and equipment	Furniture, fixtures and office equipment	Motor vehicles	Construction in progress	Land	Buildings, leaseholds improvement and structures	Machinery, tools and equipment	Motor vehicles		Construction in progress
Cost/revalued amount:												
As at 1 January 2011	45,445	544,196	1,556,925	23,657	25,511	114,984	-	549,941	2,995,387	254,772	116,222	7,396,161
Transfer between used and unused assets	-	274,472	1,733,852	-	135,286	39,782	126,465	(274,472)	(1,733,852)	(135,286)	(39,782)	-
Additions	-	-	2,291	54	-	65,262	-	-	-	-	-	67,607
Disposals/write-off	-	-	(572)	(1,053)	(5,035)	-	-	-	-	(3,855)	-	(10,515)
Transfer between accounts	-	6,390	54,320	63	967	(61,740)	-	-	-	-	-	-
As at 31 December 2011	45,445	825,058	3,346,816	22,721	156,729	158,288	126,465	275,469	1,261,535	115,631	76,440	7,453,253
Additions	-	-	1,636	374	-	55,381	-	-	-	-	-	57,391
Disposals/write-off	-	-	-	-	(933)	(2,295)	-	-	-	-	-	(3,228)
Transfer between accounts	175	-	11,027	-	2,210	(13,237)	-	-	-	-	-	-
Revaluations	-	-	-	-	-	-	12,000	-	-	-	-	220,353
As at 31 December 2012	45,620	825,058	3,359,479	23,095	158,006	198,137	138,465	275,469	1,261,535	115,631	76,440	7,727,769
Accumulated depreciation:												
As at 1 January 2011	5,262	437,717	904,172	21,703	19,801	-	-	339,040	2,153,078	246,212	-	4,126,985
Transfer between used and unused assets	-	187,331	1,509,857	-	133,066	-	-	(187,331)	(1,509,857)	(133,066)	-	-
Depreciation for the year	1,221	12,149	83,899	849	832	-	-	-	-	-	-	98,950
Depreciation on disposals /write-off	-	-	(572)	(1,053)	(5,035)	-	-	-	-	(3,855)	-	(10,515)
As at 31 December 2011	6,483	637,197	2,497,356	21,499	148,664	-	-	151,709	643,221	109,291	-	4,215,420
Depreciation for the year	-	18,563	116,423	606	1,209	-	-	-	-	-	-	136,801
Depreciation on disposals /write-off	-	-	-	-	(933)	-	-	-	-	-	-	(933)
As at 31 December 2012	6,483	655,760	2,613,779	22,105	148,940	-	-	151,709	643,221	109,291	-	4,351,288

(Unit: Thousand Baht)

Separate financial statements (continued)

Revaluation basis	Assets used in the operations						Unused assets but not classified as held for sale					
	Cost basis			Revaluation basis			Cost basis			Revaluation basis		
	Quarries cost	Buildings, leaseholds improvement and structures	Machinery, tools and equipment	Furniture, fixtures and office equipment	Motor vehicles	Construction in progress	Land	Buildings, leaseholds improvement and structures	Machinery, tools and equipment	Motor vehicles	Construction in progress	Total
As at 1 January 2011	5,340	-	-	-	-	3,693	-	210,901	842,309	8,560	116,222	1,187,025
Transfer between used and unused assets	-	-	87,141	-	2,220	39,782	-	(87,141)	(223,995)	(2,220)	(39,782)	-
Decrease during the year	-	-	(64,993)	-	(71)	(39,782)	-	-	-	-	-	(263,493)
As at 31 December 2011	5,340	-	22,148	65,348	2,149	3,693	-	123,760	618,314	6,340	76,440	923,532
As at 31 December 2012	5,340	-	22,148	65,348	2,149	3,693	-	123,760	618,314	6,340	76,440	923,532
Net book value:												
As at 31 December 2011	1,037,316	38,962	165,713	784,112	5,916	154,595	126,465	-	-	-	-	2,314,301
As at 31 December 2012	1,245,494	39,137	147,150	680,352	6,917	194,444	138,465	-	-	-	-	2,452,949
Depreciation for the year												
2011 (Baht 98 million included in manufacturing cost and the balance in administrative expenses)												98,950
2012 (Baht 136 million included in manufacturing cost, and the balance in administrative expenses)												136,801

As described in Note 1 to the financial statements, the Company expects to be able to resume production of Cha-Am plant at its normal capacity in the near future. In 2011, the management considered to transfer assets related to the clinker production at Cha-Am plant from unused assets to assets used in the operations and reversed the impairment of those assets which are related to the clinker production amounting to Baht 263 million.

As at 31 December 2012, the allowance for impairment loss of the assets related to the clinker production amounted to Baht 914 million (2011: Baht 914 million).

Breakdown of land carried on the revaluation basis is as follows:

	(Unit: Thousand Baht)	
	Consolidated / separate financial statements	
	<u>2012</u>	<u>2011</u>
Original cost	61,953	62,128
Surplus from revaluation	1,327,346	1,106,993
Revalued amount	1,389,299	1,169,121
Allowance for impairment loss	(5,340)	(5,340)
Net book value	<u>1,383,959</u>	<u>1,163,781</u>

During 2012, the Company engaged an independent professional valuer to reappraise the value of land, using the Market Approach. As the result of the appraisal, the Company recorded the revaluation increase in the consolidated statement of comprehensive income and separate statement of comprehensive income for the year ended 31 December 2012 as follows.

	(Unit: Thousand Baht)
Other comprehensive income:	
Gains on revaluations of land	220,353
Less: Effect of deferred tax	(44,071)
Gains on revaluations of land - net	<u>176,282</u>

As at 31 December 2012, certain plant and equipment items of the Company and its subsidiaries have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation and allowance for impairment loss of those assets amounted to approximately Baht 2,479 million (2011: Baht 2,443 million) (The Company only: Baht 2,390 million, 2011: Baht 2,366 million).

13. Short-term loans from financial institution

As at 31 December 2012, the Company has unsecured loan from a local commercial bank, related financial institution, amounting to Baht 250 million (2011: Baht 180 million), bearing interest at a rate of 3.70 percent per annum (2011: 3.93 percent per annum).

14. Income tax

14.1 In October 2011, the cabinet passed a resolution to reduce the corporate income tax rate from 30 percent to 23 percent in 2012, and then to 20 percent from 2013. In addition, in order to comply with the resolution of the cabinet, in December 2011, the decreases in tax rates for 2012 - 2014 were enacted through a royal decree. The Company had already reflected the changes in tax rates in its deferred tax calculation of 2012 and 2011.

14.2 Income tax expenses of the Company and its subsidiaries for the years ended 31 December 2012 and 2011 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Current income tax:				
Current income tax charge	1,800	-	-	-
Write-off of non-refundable withholding tax deducted at source/overpaid tax/(overpaid tax received)	7	(146)	-	(288)
Total	<u>1,807</u>	<u>(146)</u>	<u>-</u>	<u>(288)</u>
Deferred tax:				
Relating to origination and reversal of temporary differences	18,231	1,214	1,610	1,443
Effect of changes in the applicable tax rates	(1,450)	20,492	(210)	12,548
Total	<u>16,781</u>	<u>21,706</u>	<u>1,400</u>	<u>13,991</u>
Income tax expenses as included in profit or loss	<u>18,588</u>	<u>21,560</u>	<u>1,400</u>	<u>13,703</u>

14.3 The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2012 and 2011 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Surplus revaluation of land				
Deferred tax relating to gain on revaluation of land	44,071	-	44,071	-
Effects of changes in the applicable tax rates	-	110,699	-	110,699
	<u>44,071</u>	<u>110,699</u>	<u>44,071</u>	<u>110,699</u>

14.4 Reconciliation between income tax expense and the product of accounting profit (loss) multiplied by the applicable tax rate for the years ended 31 December 2012 and 2011 is as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Accounting profit (loss) before tax	60,636	236,163	(19,383)	170,536
Applicable tax rate	23%	30%	23%	30%
Accounting profit (loss) before tax multiply with applicable tax rate	13,946	70,849	(4,458)	51,160
Deferred taxes assets which were not recognised during the year				
- Tax losses	27,130	58,907	27,126	44,514
- Allowance for impairment loss of investment	-	-	-	28,122
Utilisation of previously unrecognised deferred tax assets				
- Allowance for diminution in value of inventories	(1,209)	(2,531)	(1,209)	(2,531)
- Allowance for impairment of assets	(18,977)	(116,647)	(18,977)	(116,647)
- Employee benefits obligation from cancelled pension plan	-	(4,188)	-	(4,188)
Previous year tax losses which were recognised as deferred tax assets during the year	-	(7,393)	-	-
Effect of elimination entries on the consolidated financial statements	-	984	-	-
Tax effect of non-deductible expenses	(859)	1,233	(872)	1,013
Write-off of non-refundable withholding tax deducted at source/overpaid tax/ (overpaid tax received)	7	(146)	-	(288)
Effect of changes in the applicable tax rates	(1,450)	20,492	(210)	12,548
Income tax expense reported in profit or loss	<u>18,588</u>	<u>21,560</u>	<u>1,400</u>	<u>13,703</u>

14.5 As at 31 December 2012 and 2011, the components of deferred tax assets and deferred tax liabilities are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Deferred tax assets				
Allowance for doubtful accounts	8,246	41,910	5,183	5,554
Allowance for diminution in value of inventories	90,731	91,255	90,731	91,255
Allowance for impairment loss of other long-term investments	-	16,240	-	5,840
Allowance for impairment loss of assets	4,255	4,255	4,255	4,255
Provision for quarry restoration costs	2,833	2,944	2,833	2,944
Provision for long-term employee benefits	33,306	29,320	19,913	18,282
Tax losses	-	30,924	-	-
	<u>139,371</u>	<u>216,848</u>	<u>122,915</u>	<u>128,130</u>
Application tax rates	20%	20% - 23%	20%	20% - 23%
Deferred tax assets	<u>27,874</u>	<u>44,298</u>	<u>24,583</u>	<u>25,626</u>
Deferred tax liabilities				
Depreciation from changing useful lives of assets	(4,440)	(2,653)	(4,440)	(2,653)
Surplus from revaluation of land	(1,327,346)	(1,106,993)	(1,327,346)	(1,106,993)
	<u>(1,331,786)</u>	<u>(1,109,646)</u>	<u>(1,331,786)</u>	<u>(1,109,646)</u>
Applicable tax rates	20%	20% - 23%	20%	20% - 23%
Deferred tax liabilities	<u>(266,357)</u>	<u>(221,929)</u>	<u>(266,357)</u>	<u>(221,929)</u>

14.6 As at 31 December 2012, the Company and its subsidiaries have deductible temporary differences and unused tax losses of approximately Baht 1,670 million (2011: Baht 1,643 million), on which deferred tax assets have not been recognised as the Company and its subsidiaries believe that future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

15. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Trade payables - related parties	417,549	294,960	282,337	227,954
Trade payables - unrelated parties	171,002	171,588	124,301	135,529
Other payables - related parties	75,516	85,906	60,753	71,034
Other payables - unrelated parties	78,491	64,969	75,306	62,608
Accrued expenses	33,690	25,214	25,919	19,015
Total trade and other payables	776,248	642,637	568,616	516,140

16. Provision for long-term employee benefits

Provision for long-term employee benefits as at 31 December 2012 and 2011 was as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Balance at beginning of year	29,320	27,306	18,283	17,263
Current service cost	2,136	1,648	975	817
Interest cost	1,771	1,318	873	690
Actuarial losses	1,383	296	379	-
Long-term employee benefits expense for the year	5,290	3,262	2,227	1,507
Benefits paid during the year	(1,303)	(1,248)	(596)	(487)
Balance at end of year	33,307	29,320	19,914	18,283

Reconciliation of the present value of the defined benefit obligation to the liabilities recognised in the statements of financial position as at 31 December 2012 and 2011 was as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Defined benefits obligation at beginning of year	50,592	32,958	24,949	17,263
Current service cost	2,136	1,648	975	817
Interest cost	1,771	1,318	873	690
Benefits paid during the year	(1,303)	(1,248)	(596)	(487)
Actuarial losses	(10,628)	15,916	(4,312)	6,666
Defined benefits obligation at end of year	42,568	50,592	21,889	24,949
Unrecognised actuarial losses	(9,261)	(21,272)	(1,975)	(6,666)
Provisions for long-term employee benefits at end of year	<u>33,307</u>	<u>29,320</u>	<u>19,914</u>	<u>18,283</u>

Principal actuarial assumptions at the valuation date were as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
	(% per annum)	(% per annum)	(% per annum)	(% per annum)
Discount rate	3.5	3.5	3.5	3.5
Future salary increase rate	5.0	5.0	5.0	5.0
Staff turnover rate	2.0	2.0 - 2.7	2.0	2.0
Inflation rate	2.5	2.5	2.5	2.5

Amounts of defined benefits obligation and experience adjustments for the current and previous four periods are as follows:

(Unit: Thousand Baht)

Year	Consolidated financial statements		Separate financial statements	
	Defined benefits obligation	Experience adjustments	Defined benefits obligation	Experience adjustments
2012	42,568	(9,363)	21,889	(3,704)
2011	50,592	12,438	24,949	4,556
2010	32,958	2,155	17,263	-
2009	58,512	(3,766)	46,294	(3,766)
2008	179,800	(1,642)	168,073	(2,123)

17. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

18. Other reserve

The outstanding balance of other reserve is a general reserve of the Company for future special expenditures and represents the allocation of 5 percent of annual net profit and was accumulated until 1994, when the allocation was discontinued.

19. Other components of shareholders' equity

The revaluation surplus on land as included in other components of shareholders' equity can neither be offset against deficit nor used for dividend payment.

20. Compensation for flood damage

During 2012, the Company and its subsidiaries received compensation claims from an insurer for the business interruption caused by the floods from October to November 2011 amounting to Baht 17 million (The Company only: Baht 12 million).

21. Expenses by nature

Significant expenses by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Salary and wages and other employee benefits	107,216	96,442	82,336	73,824
Depreciation	147,129	110,285	136,801	98,951
Reversal allowance for doubtful accounts	(28,759)	-	-	-
Reversal of impairment loss on unused assets	-	(263,493)	-	(263,493)
Rental expenses from operating lease				
agreements	22,450	21,997	2,641	2,468
Transportation expenses	71,041	75,636	-	-
Management fee	109,744	116,471	92,237	100,998
Repair and maintenance expenses	93,667	75,611	93,655	75,610
Raw materials and consumables used	1,258,197	1,125,567	946,373	872,755
Changes in inventories of finished goods, work in process and clinker	631,469	618,113	631,469	618,113

22. Basic earnings per share

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

23. Segment information

The Company and its subsidiaries' business operations involve three principal segments: (1) Manufacturing of cement (2) Manufacturing of ready-mixed concrete and (3) Office building rental. These operations are mainly carried on in Thailand. Below is the consolidated financial information for the years ended 31 December 2012 and 2011 of the Company and its subsidiaries by segment.

(Unit: Million Baht)

Consolidated financial statements										
	Cement segment		Ready-mixed concrete segment		Office building rental segment		Elimination of inter-segment revenues		Total	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Revenue from external customers	2,000	1,800	545	468	-	-	-	-	2,545	2,268
Inter-segment revenues	30	33	11	-	-	-	(30)	(33)	11	-
Total revenues	2,030	1,833	556	468	-	-	(30)	(33)	2,556	2,268
Segment operating income (loss)	37	57	38	20	-	(28)	-	-	75	49
Unallocated income and expenses:										
Interest income									2	3
Compensation for flood damage									17	-
Other income									12	14
Reversal allowance for doubtful accounts									29	-
Reversal of impairment loss on unused assets									-	263
Other expenses									-	(10)
Finance cost									(74)	(83)
Income tax expenses									(19)	(21)
Non-controlling interests of the subsidiaries									-	-
Profit for the year									42	215
Consolidated financial statements										
	Cement segment		Ready-mixed concrete segment		Office building rental segment		Elimination of inter-segment revenues		Total	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Property, plant and equipment	2,453	2,314	32	37	-	-	-	-	2,485	2,351
Other assets	1,272	1,225	466	299	6	6	(580)	(444)	1,164	1,086
Total assets	3,725	3,539	498	336	6	6	(580)	(444)	3,649	3,437

Transfer prices between business segments for sales and purchases of goods made with reference to the term and prices offered to manufacturing customers.

24. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both the Company and employees contributed to the fund monthly at the rate of 3 - 5 percent of basic salaries. The fund, which is managed by UOB Asset Management (Thai) Company Limited, will be paid to employees upon termination in accordance with the fund rules. During the year 2012, the Company contributed Baht 2 million (2011: Baht 2 million) to the fund.

25. Commitments and contingent liabilities

25.1 Operating lease commitments

The Company and its subsidiaries have entered into several lease agreements in respect of the lease of land and motor vehicle. The terms of the agreements are generally between 1 and 5 years.

As at 31 December 2012 and 2011, future minimum lease payments required under these non-cancellable operating leases contracts were as follows.

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Payable:				
In up to 1 year	12	12	3	3
In over 1 and up to 5 year	9	11	4	2

25.2 Long-term service agreements commitments

a) The Company and its subsidiaries have entered into agreements relation to the concrete transportation, packing cement and other related services. The Company and its subsidiaries are committed to pay service fees calculated from quantities and distance multiplied by the rate specified in the agreements.

b) The Company and its subsidiaries have entered into others services agreements, mostly relating to the provision of repair and maintenance of machines and equipments. As at 31 December 2012 and 2011, there were commitments to be payable under those agreements as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Payable:				
In up to 1 year	16	14	9	9
In over 1 and up to 5 year	3	1	3	1

25.3 Purchase of raw material commitment

As at 31 December 2012, the Company has entered into an agreement amounting to Baht 15 million regarding to purchase of raw material in the future. In addition, the Company and its subsidiaries have commitment regarding to purchase of raw material in the future which commitment value will be based on the purchase volume specified in the agreement multiplied by price in the future.

25.4 Bank guarantees

As at 31 December 2012, there were outstanding bank guarantees of Baht 49 million (2011: Baht 49 million) (The Company only: Baht 47 million, 2011: Baht 47 million) 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. These included letters of guarantee amounting to Baht 46 million (2011: Baht 46 million) (The Company only: Baht 44 million, 2011: Baht 44 million) to guarantee electricity use and Baht 3 million (2011: Baht 3 million) (The Company only: Baht 3 million, 2011: Baht 3 million) for other guarantee.

26. Financial instruments

26.1 Financial risk management policies

The Company and its subsidiaries' financial instruments, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade and other receivables, borrowing, investments, trade and other payables and loans. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company and its subsidiaries exposed to credit risk primarily with respect to trade and other receivables and borrowing. The Company and its subsidiaries manage the risk by adopting appropriate credit control policies and procedures and therefore do not expect to incur material financial losses. In addition, the Company and its subsidiaries do not have high concentrations of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of trade and other receivables and borrowing as stated in the statement of financial position.

Interest rate risk

The Company and its subsidiaries exposure to interest rate risk relates primarily to its cash at banks, borrowing and loans. Most of the Company and its subsidiaries' financial assets and liabilities bear no interest or floating interest rates or fixed interest rates which are close to the market rate.

Significant financial assets and liabilities as at 31 December 2012 and 2011 classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

As at 31 December 2012					
Consolidated financial statements					
	Fixed interest rates within 1 year	Floating interest rate	Non- interest bearing	Total	Effective interest rate (% p.a.)
Financial assets					
Cash and cash equivalent	-	63	17	80	0.63
Trade and other receivables	1	-	538	539	2.00
	<u>1</u>	<u>63</u>	<u>555</u>	<u>619</u>	
Financial liabilities					
Short-term loans from financial institution					
	250	-	-	250	3.70
Trade and other payables	-	-	776	776	-
Long-term loans from related parties	-	801	-	801	0.68 - 6.13
	<u>250</u>	<u>801</u>	<u>776</u>	<u>1,827</u>	

(Unit: Million Baht)

As at 31 December 2011					
Consolidated financial statements					
	Fixed interest rates within 1 year	Floating interest rate	Non- interest bearing	Total	Effective interest rate (% p.a.)
Financial assets					
Cash and cash equivalent	-	64	11	75	0.20 - 0.75
Trade and other receivables	-	-	426	426	-
	<u>-</u>	<u>64</u>	<u>437</u>	<u>501</u>	
Financial liabilities					
Short-term loans from financial institution					
	180	-	-	180	3.93
Trade and other payables	-	-	643	643	-
Long-term loans from related parties	-	1,070	-	1,070	1.93 - 6.38
	<u>180</u>	<u>1,070</u>	<u>643</u>	<u>1,893</u>	

(Unit: Million Baht)

As at 31 December 2012

Separate financial statements					
	Fixed		Non-		Effective
	interest rates	Floating	interest	Total	interest rate
	within 1 year	interest rate	bearing		(% p.a.)
Financial assets					
Cash and cash equivalent	-	45	17	62	0.63
Trade and other receivables	-	-	395	395	-
Investments in subsidiaries	-	-	286	286	-
	-	45	698	743	

Financial liabilities

Short-term loans from financial institution					
	250	-	-	250	3.70
Trade and other payables	-	-	569	569	-
Long-term loans from related parties					
	-	1,076	-	1,076	0.68 - 6.13
	250	1,076	569	1,895	

(Unit: Million Baht)

As at 31 December 2011

Separate financial statements					
	Fixed		Non-		Effective
	interest rates	Floating	interest	Total	interest rate
	within 1 year	interest rate	bearing		(% p.a.)
Financial assets					
Cash and cash equivalent	-	37	11	48	0.20 - 0.75
Trade and other receivables	-	-	339	339	-
Investments in subsidiaries	-	-	286	286	-
	-	37	636	673	

Financial liabilities

Short-term loans from financial institution					
	180	-	-	180	3.93
Trade and other payables	-	-	516	516	-
Long-term loans from related parties					
	-	1,220	-	1,220	1.93 - 6.38
	180	1,220	516	1,916	

Foreign currency risk

The Company and its subsidiaries' exposure to foreign currency risk arises mainly from purchasing transactions and loans that are denominated in foreign currencies.

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

Foreign currency	Financial liabilities as at 31 December		Selling exchange rate as at 31 December	
	<u>2012</u> (Million)	<u>2011</u> (Million)	<u>2012</u> (Baht per 1 foreign currency unit)	<u>2011</u>
Euro	3	3	40.8603	41.3397

26.2 Fair value of financial instruments

Since the majority of the Company and its subsidiaries' financial instruments are short-term in nature or bear interest rates close to the market rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable and willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instrument or by using an appropriate valuation technique, depending on the nature of the instrument.

27. Capital management

The primary objective of the Company's capital management is to ensure that it has an appropriate capital structure in order to support its business and maximise shareholders value. As at 31 December 2012, the Group's debt-to-equity ratio was 1.43:1 (2011: 1.68:1) and the Company's was 1.43:1 (2011: 1.57:1).

28. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 22 February 2013.



ปูนดอกบัว



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