

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of NCL International Logistics Public Company Limited
(Formerly named NCL International Logistics Company Limited)

I have audited the accompanying financial statements of NCL International Logistics Public Company Limited, which comprise the statements of financial position as at 31 December 2013, and the related 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 notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated and separate 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 consolidated and separate 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 consolidated and separate 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.

SP Audit Co., Ltd.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of NCL International Logistics Public Company Limited as at 31 December 2013, and its results of operations and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Emphasis of matter

As mentioned in Note 2 and 4 to the financial statements, from 1 January 2013, the Company has changed the accounting policy for income tax in accordance with Thai Accounting Standard 12 "Income Tax". Thus, the comparative information has been retroactively adjusted for the change in accounting policy concerning income tax. My opinion is not qualified in respect of this matter.

SP Audit Company Limited

(Miss Susan Eiamvanicha)

Certified Public Accountant (Thailand) No. 4306

Bangkok

26 February 2014

NCL International Logistics Public Company Limited

Statement of Financial Position

As at 31 December 2013

		(Unit : Baht)		
	Notes	31 December 2013	31 December 2012	1 January 2012
			(Restated)	(Restated)
<u>Assets</u>				
Current Assets				
Cash and cash equivalents		57,216,806.13	6,342,475.29	3,291,072.28
Trade and other receivables - related parties	5.1,6	60,321.39	402,595.68	3,145,357.90
Trade and other receivables - third parties	7	157,259,062.45	134,537,496.01	75,347,062.94
Short-term loans to related parties	5.1	-	-	1,514,096.02
Total Current Assets		214,536,189.97	141,282,566.98	83,297,589.14
Non - Current Assets				
Fixed deposit pledged as collateral	8	59,480,624.95	58,668,358.09	55,491,387.27
Property, plant and equipment	9	169,420,816.90	145,982,928.33	79,435,674.09
Intangible assets	10	974,924.43	1,150,678.00	1,204,245.62
Prepaid rental		1,383,510.51	1,514,325.51	2,305,975.00
Deferred tax assets	11	-	-	741,579.64
Withholding taxed at source		12,110,263.00	12,110,263.00	9,371,032.52
Other non - current assets		1,924,702.00	934,741.16	1,720,587.29
Total Non - Current Assets		245,294,841.79	220,361,294.09	150,270,481.43
Total Assets		459,831,031.76	361,643,861.07	233,568,070.57

Notes to financial statements are an integral part of these financial statements.

NCL International Logistics Public Company Limited

Statement of Financial Position

As at 31 December 2013

		(Unit : Baht)		
	Notes	31 December 2013	31 December 2012	1 January 2012
			(Restated)	(Restated)
<u>Liabilities and Shareholders' Equity</u>				
Current Liabilities				
Bank overdraft and short - term loans from financial institutions	12	125,367,261.48	67,797,327.77	85,572,178.60
Other payables - related parties	5.1	2,100,000.00	547,323.67	313,230.72
Trade and other payables - third parties	13	71,133,404.88	75,136,151.04	48,522,835.66
Revenue Department payable		4,114,498.70	1,885,349.04	1,637,554.90
Income tax payable		1,234,152.03	-	3,351,038.88
Current portion of obligation under finance leases	14	31,276,804.11	24,090,832.92	8,795,195.06
Current portion of long - term loans from financial institutions	15	1,169,043.41	3,145,654.96	2,946,050.63
Short-term loans from related parties	5.1	-	-	1,993,820.91
Total current liabilities		236,395,164.61	172,602,639.40	153,131,905.36
Non - Current Liabilities				
Obligation under finance leases	14	52,960,414.82	57,509,371.73	29,978,409.33
Long - term loans from financial institution	15	-	5,271,215.45	8,420,837.92
Provision for decommissioning costs		121,473.93		
Employee benefit obligations	16	4,016,308.00	3,182,491.00	2,465,960.00
Deferred tax liabilities	11	1,562,310.95	101,133.17	-
Other non - current liabilities		1,521,823.43	1,339,827.00	1,004,850.00
Total non - current Liabilities		60,182,331.13	67,404,038.35	41,870,057.25
Total Liabilities		296,577,495.74	240,006,677.75	195,001,962.61

Notes to financial statements are an integral part of these financial statements.

NCL International Logistics Public Company Limited

Statement of Financial Position

As at 31 December 2013

		(Unit : Baht)		
	Notes	31 December 2013	31 December 2012	1 January 2012
			(Restated)	(Restated)
Shareholders' Equity				
Share capital	17			
Authorised share capital				
420,000,000 ordinary shares of Baht 0.25 each		105,000,000.00		
325,000,000 ordinary shares of Baht 0.25 each		-	81,250,000.00	-
200,000,000 ordinary shares of Baht 0.25 each		-	-	50,000,000.00
Issued and paid up share capital				
325,000,000 ordinary shares of Baht 0.25 each		81,250,000.00	81,250,000.00	
200,000,000 ordinary shares of Baht 0.25 each		-	-	50,000,000.00
Premium on ordinary shares		48,750,000.00	48,750,000.00	-
Retained earnings (deficits)				
Appropriated - legal reserve	18	10,500,000.00	-	-
Unappropriated		22,753,536.02	(8,362,816.68)	(11,433,892.04)
Total shareholders' equity		163,253,536.02	121,637,183.32	38,566,107.96
Total Liabilities and Shareholders' Equity		459,831,031.76	361,643,861.07	233,568,070.57

Notes to financial statements are an integral part of these financial statements.

NCL International Logistics Public Company Limited

Statement of comprehensive income

For the year ended 31 December 2013

		(Unit : Baht)	
	Notes	2013	2012
			(Restated)
Revenues			
Service income		929,251,605.95	726,263,785.51
Other income		6,658,183.90	1,591,507.12
Total Revenues		935,909,789.85	727,855,292.63
Expenses			
Cost of services		732,261,114.16	593,142,359.00
Selling expenses		29,097,613.74	36,913,119.33
Administrative expenses		87,606,790.75	64,956,257.43
Management benefit expense	5.3	23,146,297.87	17,359,258.08
Finance cost		10,371,681.74	9,475,776.01
Total Expenses		882,483,498.26	721,846,769.85
Profit before income tax		53,426,291.59	6,008,522.78
Income tax	19	(11,809,938.89)	(2,937,447.42)
Profit for the year		41,616,352.70	3,071,075.36
Other comprehensive income		-	-
Total comprehensive income for the year		41,616,352.70	3,071,075.36
Basic earnings per share	20	0.13	0.01
Number of share		325,000,000	267,608,680

Notes to financial statements are an integral part of these financial statements.

NCL International Logistics Public Company Limited

Statements of Changes in Shareholders's Equity

For the year ended 31 December 2013

(Unit : Baht)

	Notes	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings (deficits)		Total
				Legal reserve	Unappropriated	
Balance as at 1 January 2012		50,000,000.00	-	-	(12,175,471.68)	37,824,528.32
Effect of changes in accounting policies	4	-	-	-	741,579.64	741,579.64
Restated balance		50,000,000.00	-	-	(11,433,892.04)	38,566,107.96
Changes in equity for the year						
Incremental of share capital during the year	17	31,250,000.00	48,750,000.00	-	-	80,000,000.00
Total comprehensive income for the year (restated)		-	-	-	3,071,075.36	3,071,075.36
Balance as at 31 December 2012		81,250,000.00	48,750,000.00	-	(8,362,816.68)	121,637,183.32
Changes in equity for the year						
Legal reserve	18	-	-	10,500,000.00	(10,500,000.00)	-
Total comprehensive income for the year		-	-	-	41,616,352.70	41,616,352.70
Balance as at 31 December 2013		81,250,000.00	48,750,000.00	10,500,000.00	22,753,536.02	163,253,536.02

NCL International Logistics Public Company Limited

Statements of Cash Flows

For the year ended 31 December 2013

	(Unit : Baht)		
	Notes	2013	2012
Cash Flow from Operating Activities			
Profit before income tax		53,426,291.59	6,008,522.78
Adjustments to reconcile profit before income tax for			
cash provided by (used in) operating activities			
Bad debt and doubtful debt		4,843,837.61	1,203,894.26
Loss on impairment of prepaid rental		-	317,084.49
Unrealised (gain) loss from exchange rates		(538,096.45)	140,579.60
(Gain) loss on sales of assets		154,199.99	(19,318.39)
Loss on write - off of assets		219,951.12	-
Gain on insurance claim		-	(128,451.91)
Depreciation and amortisation		13,404,788.11	10,283,631.40
Deferred prepaid rental		130,815.00	187,949.72
Provision for decommissioning costs			
Employee benefit obligations		833,817.00	716,531.00
Interest income		(1,203,954.84)	(1,152,338.12)
Interest expenses		10,371,681.74	9,475,776.01
Profit from operating activities before changes in operating assets			
and liabilities		81,643,330.87	27,033,860.84
(Increase) decrease in trade and other receivables - related parties		342,274.29	2,871,937.90
(Increase) decrease in trade and other receivables - third parties		(26,751,079.96)	(60,621,550.72)
(Increase) decrease in other non - current assets		(989,960.84)	785,846.13
Increase (decrease) in other payables - related parties		1,552,676.33	234,092.95
Increase (decrease) in trade and other payables - third parties		(3,700,112.35)	27,649,297.82
Increase (decrease) in Revenue Department payable		2,229,149.66	247,794.14
Increase (decrease) in other non - current liabilities		60,522.50	334,977.00
Cash generated from operation		54,386,800.50	(1,463,743.94)
Interest received		1,240,413.88	1,115,392.97
Cash paid for income tax		(9,114,609.08)	(8,185,003.97)
Net Cash provided by (used in) Operating Activities		46,512,605.30	(8,533,354.94)

Notes to financial statements are an integral part of these financial statements.

NCL International Logistics Public Company Limited

Statements of Cash Flows

For the year ended 31 December 2013

		(หน่วย : บาท)	
	Notes	2013	2012
Cash Flow from Investing Activities			
(Increase) decrease in short-term loans to related parties		-	1,514,096.02
Cash paid for purchase of property, plant and equipment		(7,297,843.15)	(17,934,927.06)
Cash received from sales of property, plant and equipment		1,292,282.24	549,162.61
Cash paid for purchase of intangible assets		(59,263.00)	(80,000.00)
Cash received from compensation of insurance claim		-	464,030.28
(Increase) decrease in fixed deposit pledged as collateral		(812,266.86)	(3,176,970.82)
Net Cash provided by (used in) Investing Activities		<u>(6,877,090.77)</u>	<u>(18,664,608.97)</u>
Cash Flows from Financing Activities			
Increase (decrease) in bank overdraft and short - term loans from financial institutions		57,569,933.71	(17,774,850.83)
Cash paid for long - term loans from financial institution		(7,247,827.00)	(2,950,018.14)
Increase (decrease) in short-term loans from related parties		-	(1,993,820.91)
Cash paid for obligation under finance leases		(28,888,920.34)	(17,349,884.09)
Cash paid for interest - obligation under finance leases		(6,571,635.50)	(4,929,406.05)
Interest paid		(3,622,734.56)	(4,752,653.06)
Cash received from incremental of share capital		-	80,000,000.00
Net Cash provided by (used in) Financing Activities		<u>11,238,816.31</u>	<u>30,249,366.92</u>
Net Increase (Decrease) in Cash and Cash Equivalent		50,874,330.84	3,051,403.01
Cash and Cash Equivalent at Beginning of Year		6,342,475.29	3,291,072.28
Cash and Cash Equivalent at End of Year	21.1	<u><u>57,216,806.13</u></u>	<u><u>6,342,475.29</u></u>

Notes to financial statements are an integral part of these financial statements.

NCL International Logistics Public Company Limited**Notes to the Financial Statements****As at 31 December 2013**

1. General information

NCL International Logistics Public Company Limited (“the Company”) is a public limited company and is incorporated in Thailand. The address of the Company’s registered office is 56/9–10 Soi Taksin 12/1, Taksin Road, Bukkalo, Thonburi, Bangkok.

On 20 June 2013, the extraordinary shareholders meeting of the Company is resolved that the conversion of the Company into public company limited while the Company conversion has been registered at the Ministry of Commerce on 26 June 2013.

The principal activities of the Company consisted of land transportation, freight forwarding and non vessel operating common carrier (“NVOCC”).

2. Basis of preparation of financial statements

The financial statements are presented in Thai language and Thai Baht, and in conformity with Thai generally accepted accounting principles under the Accounting Act B.E. 2 5 4 3 , being those Thai Accounting Standards issued under the Accounting Profession Act B.E. 2547.

The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of consolidated and separate financial statements in conformity with Thai Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses in the reported periods. Actual results may differ from those estimates. Although the management has most well prepared the figures of estimation from the understanding of events and the things that have been done presently.

The financial statements issued for Thai report purposes are prepared in the Thai language. This English translation of the financial statements has been prepared for the convenience of readers not conversant with the Thai language.

The Federation of Accounting Profession (FAP) has notified to apply the following financial reporting standards to the financial statements having an accounting period beginning on or after 1 January 2013.

TFRS No. 8 Operating Segments

TAS No. 12 Income Taxes

TAS No. 20 Accounting for Government Grants and Disclosure of Government Assistance (revised 2009)

TAS No. 21 The Effects of Changes in Foreign Exchange Rates (revised 2009)

TSI No. 10 Government Assistance - No Specific Relation to Operating Activities

TSI No. 21 Income Taxes - Recovery of Revalued Non-Depreciable Assets

TSI No. 25 Income Taxes - Change in the Tax Status of an Entity or its Shareholders

Guide to Accounting Practice : Transfer and Transferred of Financial Assets

The Company has adopted such financial reporting standards to the financial statements on the current period. The management believes that they don't have any significant impact on the financial statements for the current period except the implementation of TAS No.12 "Income Tax", which have an effect to the financial statement as described in notes to financial statement no.4 and the implementation of TFRS No.8 "Operating Segments", as described in notes to financial statements no.24.

Moreover, the Federation of Accounting Profession has notified to apply the following financial reporting standards to the financial statements in the future periods.

	<u>Effective date</u>
TFRS No. 2 Share-based Payment (revised 2012)	January 1, 2014
TFRS No. 3 Business Combinations (revised 2012)	January 1, 2014
TFRS No. 5 Non-current Assets Held for Sale and Discontinued Operations (revised 2012)	January 1, 2014
TFRS No. 8 Operating Segments (revised 2012)	January 1, 2014
TAS No. 1 Presentation of Financial Statements (revised 2012)	January 1, 2014
TAS No. 7 Statement of Cash Flows (revised 2012)	January 1, 2014
TAS No. 12 Income Taxes (revised 2012)	January 1, 2014
TAS No. 17 Leases (revised 2012)	January 1, 2014
TAS No. 18 Revenue (revised 2012)	January 1, 2014
TAS No. 19 Employee Benefits (revised 2012)	January 1, 2014

	<u>Effective date</u>
TAS No. 21 The Effects of Changes in Foreign Exchange Rates (revised 2012)	January 1, 2014
TAS No. 24 Related Party Disclosures (revised 2012)	January 1, 2014
TAS No. 28 Investments in Associates (revised 2012)	January 1, 2014
TAS No. 31 Interests in Joint Ventures (revised 2012)	January 1, 2014
TAS No. 34 Interim Financial Reporting (revised 2012)	January 1, 2014
TAS No. 36 Impairment of Assets (revised 2012)	January 1, 2014
TAS No. 38 Intangible Assets (revised 2012)	January 1, 2014
TFRI No. 1 Changes in Existing Decommissioning, Restoration and Similar Liabilities	January 1, 2014
TFRI No. 4 Determining whether an Arrangement contains a Lease	January 1, 2014
TFRI No. 5 Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	January 1, 2014
TFRI No. 7 Applying the Restatement Approach under TAS No. 29 Financial Reporting in Hyperinflationary Economies	January 1, 2014
TFRI No. 10 Interim Financial Reporting and Impairment	January 1, 2014
TFRI No. 12 Service Concession Arrangements	January 1, 2014
TFRI No. 13 Customer Loyalty Programmes	January 1, 2014
TFRI No. 17 Distributions of Non-cash Assets to Owners	January 1, 2014
TFRI No. 18 Transfers of Assets from Customers	January 1, 2014
TSI No. 15 Operating Leases-Incentives	January 1, 2014
TSI No. 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease	January 1, 2014
TSI No. 29 Service Concession Arrangements : Disclosures	January 1, 2014
TSI No. 32 Intangible Assets-Web Site Costs	January 1, 2014
TFRS No. 4 Insurance Contracts	January 1, 2016

The Company has not early adopted such financial reporting standards having the effective date to the financial statements on the future periods before the effective dates. The management is currently assessing the first-year impact on the financial statements.

3. Accounting policies

3.1 Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits with banks and other short-term highly liquid investments with original maturities of three months or less and free from restrictions.

3.2 Trade receivable

Trade receivable are carried in the statement of financial position at the amount expected to be collectible. For the allowance for doubtful debt considers from those receivable which are likely to be uncollectible. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debts are written off during the year in which they are identified.

3.3 Property, plant and equipment

The Land and assets under construction held for use in the production or supply of goods or services, or for administrative purposes, are stated in the statement of financial position at their historical cost less accumulated impairment losses (if any).

Buildings and equipment held for use in the production or supply of goods or services, or for administrative purposes, are stated in the statement of financial position at their historical cost less accumulated depreciation and accumulated impairment losses (if any).

The cost of an item of asset comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, and the borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset.

The Company's depreciation is calculated on the straight-line method to write off the cost of each asset, except for land and assets under construction, to their residual values over their estimated useful life as follows:

Building and building improvement	5 - 30 years
Tool and office equipment	3 - 5 years
Motor vehicles	5 - 20 years

The residual value, the useful life and the depreciation method of an asset will be reviewed at least at each financial year-end

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3.4 Intangible assets

Intangible assets that are acquired by the Company, which have finite useful lives, are stated at cost less accumulated amortization and impairment losses (if any). Computer software amortisation is calculated using the straight-line method to allocate the cost over their estimated useful lives 10 years.

3.5 Accounting for leases

Where the Company is the lessee

Long term leases which substantially transferred 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 charges 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 in profit or loss 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 assets acquired under finance leases while depreciation is carried throughout the useful life of leased asset. However, if there is uncertainty in the right of ownership when the contract is terminated, depreciation is carried according to useful life of leased assets or life of leased contract whichever the period is lower.

Long 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 in profit or loss on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

Where the Company is the lesser

Operating leases

Assets leased out under operating leases are included in property, plant and equipment in the statement of financial position. They are depreciated over their expected useful lives on a basis consistent with other similar property, plant and equipment owned by the Company.

3.6 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying assets, which are assets that necessarily takes a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3.7 Impairment of assets

The carrying amounts of the Company's assets and also intangible assets are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount which is the higher of an asset's net selling price and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there is separately identifiable cash flows.

The Company will recognise impairment losses in profit or loss, or reduce the revaluation increment in assets in case that those assets are previously revalued. The reversal of impairment losses will be recognised in profit or loss or as a revaluation increment in assets when there is an indication that the impairment losses are no longer exist or decreased.

3.8 Provisions

Provisions are recognised when the Company have 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. Where the Company expects a provision to be reimbursed; the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

3.9 Provision for decommissioning costs

The Company recognises provision for decommissioning costs, which are provided at the onset of completion of the project, for the estimate of the eventual costs that relate to the removal of yard. The recognised provision for decommissioning costs are based on future removal cost estimates and incorporate many assumptions such as abandonment times and future inflation rate and discounted to present value at the discount rate estimated by the management. Those costs are included as part of the yard.

3.10 Revenue recognition

Revenues from transportation and nationwide distribution, warehouse and distribution management and custom brokerage services are recognised when services have been rendered.

Rental income is recognised as income over the lease period.

Income interest is recognised on an accrual basis unless collectability is in doubt.

3.11 Retirement benefit costs

Defined contribution plan

The Company operates a provident fund which is funded by payments from employees and by the Company. The assets for which are held in a separate trust fund. Contributions to the provident fund are recognised in profit or loss in the period in which they are incurred.

Defined benefit plan

The Company has the employee benefit obligation in case of retirement or termination under the labor law. The Company hires an actuary to calculate on an actuarial technique the said employee benefit obligation. The said employee benefit obligation is discounted using the projected unit credit method by reference to an interest rate of a government bond to determine the present value of the employee benefit obligation, related past service cost and current service cost. All actuarial gains and losses are recognised immediately in profit or loss.

3.12 Foreign currency transactions

The Company translates foreign currency transactions into Baht using the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities at the end of the reporting period denominated in foreign currencies are translated into Baht at the exchange rate prevailing at that date. 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 profit or loss.

3.13 Income tax

The Company recognises the unpaid current tax for current period as a liability in the statement of financial position. In a case where the amount already paid in respect of current period exceeds the amount due for such period, the excess will be recognised as an asset in the statement of financial position.

The Company recognises a deferred tax liability for all taxable temporary difference, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which affects neither accounting profit nor taxable profit at the time of the transaction. The Company recognises a deferred tax asset for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that affects neither accounting profit nor taxable profit.

The Company measures the current tax liabilities and assets for the current period using the tax rate that have been enacted by the end of the reporting period. And the deferred tax assets and liabilities are measured at the tax rate that is expected to apply to the period when the asset is realized or the liability is settled, based on tax rate that have been enacted or substantively enacted by the end of the reporting period.

The Company recognises the current and deferred tax as an income or an expense and includes it in profit or loss for the period, except the current and deferred tax for items that are recognised in the other comprehensive income or directly in the equity will be recognised in the other comprehensive income or directly in the equity.

3.14 Financial instruments

Financial assets and liabilities carried on the statement of financial position include cash and cash equivalents, trade and other receivables, trade and other payables, and loan receivables and payables. The accounting policies on recognition and measurement of these items are disclosed in the respective accounting policies found in this Note.

3.15 The important accounting estimation, supposition and judgment application

The estimation, supposition and judgment application have been continuously reviewed and assessed and they are on the background of the history experience and other factors that include the expectation of the event in the future which believe that there are reasons in that situation.

Property, plant and equipment and intangible assets

Management determines the estimated useful lives and residual values for the Company's property, plant and equipment and intangible assets. Management will revise the depreciation charge where useful lives and residual values are different to previously estimated, or its will write off or write down technically obsolete or assets that have been sold or abandoned.

Financial lease/ Operation lease

The Company has entered into lease agreements for rental vehicle and equipment. The Company has determined, based on an evaluation on terms and conditions of the arrangements, that the lease transfers ownership of these assets to the lessee, and so accounts for the contracts as financial leases.

4. Change in accounting policy

From 1 January 2013 onward, the Company applied TAS No.12 "Income Taxes". The accounting standard requires that the Company is required to recognise the deferred tax liabilities or the deferred tax assets when the temporary difference between the tax base and the carrying amount of the asset or the liability is occurred. Previously, the Company doesn't recognise such transaction. The Company applied the retrospective adjustment to the comparative financial information.

The amount of adjustment, which effects to the financial statements on applying the accounting standard, as follows :-

(Unit : Baht)			
Statements of financial position			
As at			
	<u>31 December 2013</u>	<u>31 December 2012</u>	<u>1 January 2012</u>
Increase in deferred tax assets	-	-	741,579.64
Increase in deferred tax liabilities	1,562,310.95	101,133.17	-
Increase (decrease) in retained earnings	(1,562,310.95)	(101,133.17)	741,579.64

(Unit : Baht)		
Statements of comprehensive income		
For the year ended 31 December		
	<u>2013</u>	<u>2012</u>
Increase in income tax expense	1,461,177.78	842,712.81
Decrease in total comprehensive income	(1,461,177.78)	(842,712.81)
Decrease in basic earnings per share	(0.0045)	(0.0031)

5. Related party transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

Phuathavornskul family is a major shareholder, holding 76.31% (2012 : 76.31%) of the share capital of the Company. Transactions related to companies in which the Phuathavornskul family is the principal shareholders or directors are recognised as related parties to the Company.

The transactions with related parties for the years ended 31 December 2013 and 2012 and as follows:

5.1 Inter-assets and liabilities

	(Unit : Baht)	
	<u>2013</u>	<u>2012</u>
Trade receivable		
Great&Grammer (Thailand) Co.,Ltd.	33,057.63	61,517.46
Other receivable		
Great&Grammer (Thailand) Co.,Ltd.	27,263.76	67,658.22
Advance payment to director	-	273,420.00
Total other receivables	<u>27,263.76</u>	<u>341,078.22</u>
Total trade and other receivables	<u><u>60,321.39</u></u>	<u><u>402,595.68</u></u>
Short – term loans to related parties		
Unitrans Global Co.,Ltd.		
Beginning balance	-	-
Addition during the period	-	4,600,000.00
Repayment during the period	-	(4,600,000.00)
Ending balance	<u>-</u>	<u>-</u>
Director		
Beginning balance	-	1,514,096.02
Addition during the period	-	1,000,000.00
Repayment during the period	-	(2,514,096.02)
Ending balance	<u>-</u>	<u>-</u>
Total short – term loans to related parties	<u><u>-</u></u>	<u><u>-</u></u>
Purchase of assets		
Petchsurat Trading Co.,Ltd.	-	27,780,000.00
Accrued bonus		
Director	2,100,000.00	547,323.67

	(Unit : Baht)	
	<u>2013</u>	<u>2013</u>
Short – term loans from related parties		
VP International Logistics (Thailand) Co.,Ltd.		
Beginning balance	-	1,993,820.91
Addition during the period	-	-
Repayment during the period	-	(1,993,820.91)
Ending balance	-	-

As at 31 December 2012, the Company constitutes short-term loans to and loans from director and related parties without contract and no interest charge. Currently, the Company has already received and paid the full amount.

5.2 Inter-revenue and expenses

	(Unit : Baht)	
	<u>2013</u>	<u>2012</u>
Management income		
Petchsurat Trading Co.,Ltd.	-	17,239.91
Rental income		
Unitrans Global Co.,Ltd.	-	6,000.00
VP International Logistics (Thailand) Co.,Ltd.	-	6,000.00
	-	12,000.00
Transportation income		
Petchsurat Trading Co.,Ltd.	-	11,033,285.80
Freight forwarder income		
Great&Grammer (Thailand) Co.,Ltd.	559,916.63	736,087.73
Management fee		
Petchsurat Trading Co.,Ltd.	-	261,116.53
Transportation expense		
Petchsurat Trading Co.,Ltd.	-	2,120,967.02

	(Unit : Baht)	
	<u>2013</u>	<u>2013</u>
Rental fee		
Director	1,440,000.00	120,000.00
Closed of family of director	94,740.00	94,740.00
Petchsurat Trading Co.,Ltd.	-	804,558.00
	<u>1,534,740.00</u>	<u>1,019,298.00</u>

5.3 Management benefit expenses

	(Unit : Baht)	
	<u>2013</u>	<u>2012</u>
Short-term employee benefits	22,991,494.87	17,232,474.08
Post-employment benefits	154,803.00	126,784.00
	<u>23,146,297.87</u>	<u>17,359,258.08</u>

5.4 Nature of relationship

<u>Company</u>	<u>Relationship</u>
Unitrans Global Co.,Ltd.	Mutual management.
VP International Logistics (Thailand) Co.,Ltd.	Shareholding and common directors
Petchsurat Trading Co.,Ltd.	Mutual management.
Sevenday Dialysis Co.,Ltd.	Held by closed family of director
Great&Grammer (Thailand) Co.,Ltd.	Mutual shareholders

5.5 Pricing policies

<u>Trading transactions</u>	<u>Policy of pricing</u>
Purchase - sales of prime remover and trailer	Based on finance leases and financial leases minus 10%.
Inter - management fee	2% of transport income
Inter - transportation fee	Price similar to outsider
Inter – freight forwarder	Cost + 10 - 27%
Inter - rental fee	Based on appraised value by an independent appraiser + 24%
Inter - rental fee	Contract price

5.6 Obligation

As at 31 December 2013 and 31 December 2012, the Company entered a lease agreement for land with structures with a director in 1 contract for a period of three years with option to renew. The Company is committed to pay for such rental in amount of Baht 1.44 million per year.

As at 31 December 2013 and 31 December 2012, the Company entered a lease agreement for land with structures with a closed of family of director in 1 for 1 period of three years with option to renew. The Company was committed to pay for such rental in amount of Baht 0.09 million per year.

6. Trade and other receivable – related parties

Consisted of	(Unit : Baht)	
	<u>2013</u>	<u>2012</u>
Trade receivable	33,057.63	61,517.46
Other receivables	27,263.76	341,078.22
Total	60,321.39	402,595.68

Outstanding trade receivable – related parties can be aged as follow:

	(Unit : Baht)	
	<u>2013</u>	<u>2012</u>
Within credit term	33,057.63	57,323.06
Overdue less than 3 months	-	4,194.40
Overdue 3 – 6 months	-	-
Overdue 6 – 12 months	-	-
Overdue over 12 months	-	-
Total	33,057.63	61,517.46

7. Trade and other receivable – related parties

Consisted of		(Unit : Baht)	
		<u>2013</u>	<u>2012</u>
Trade receivables			
Post dated cheques		2,721,960.43	87,572.84
Trade receivables		142,337,944.00	126,569,332.14
Total		145,059,904.43	126,656,904.98
<u>Less</u> Allowance for doubtful debts		(7,770,015.71)	(2,538,913.63)
Net		137,289,888.72	124,117,991.35
Other receivables			
Custom brokerage receivable		12,239,607.75	3,670,942.92
<u>Less</u> Allowance for doubtful debts		(33,630.90)	(33,630.90)
Net		12,205,976.85	3,637,312.02
Other receivables		5,044,148.05	4,015,533.83
<u>Less</u> Allowance for doubtful debts		(87,418.16)	(87,418.16)
Net		4,956,729.89	3,928,115.67
Deposit payment		14,607.54	384,304.97
Prepaid insurance		2,791,859.45	2,469,772.00
Total other receivables		19,969,173.73	10,419,504.66
Total trade and other receivables		157,259,062.45	134,537,496.01

Outstanding trade receivable – third parties can be aged as follow:

		(Unit : Baht)	
		<u>2013</u>	<u>2012</u>
Within credit term		66,278,467.72	58,337,013.94
Overdue less than 3 months		67,107,035.68	54,155,025.45
Overdue 3 – 6 months		346,982.65	8,325,961.00
Overdue 6 – 12 months		5,583,878.02	1,797,331.73
Overdue over 12 months		5,743,540.36	4,041,572.86
Total		145,059,904.43	126,656,904.98
<u>Less</u> Allowance for doubtful debts		(7,770,015.71)	(2,538,913.63)
Net		137,289,888.72	124,117,991.35

The movement allowance for doubtful debts – trade receivable – third parties for the year ended 31 December 2013 and 2012 are as follow : -

	(Unit : Baht)	
	<u>2013</u>	<u>2012</u>
Beginning balance	(2,538,913.63)	(1,529,558.39)
Additions during the year	(5,572,114.87)	(1,183,532.71)
Collect during the year	341,012.79	174,177.47
Ending balance	<u>(7,770,015.71)</u>	<u>(2,538,913.63)</u>

Outstanding trade receivable – custom brokerage receivable can be aged as follow:

	(Unit : Baht)	
	<u>2013</u>	<u>2012</u>
Within credit term	5,284,541.37	2,488,986.05
Overdue less than 3 months	6,889,141.97	1,142,168.17
Overdue 3 – 6 months	56,375.00	6,157.80
Overdue 6 – 12 months	8,000.00	819.50
Overdue over 12 months	1,549.41	32,811.40
Total	<u>12,239,607.75</u>	<u>3,670,942.92</u>
<u>Less</u> Allowance for doubtful debts	<u>(33,630.90)</u>	<u>(33,630.90)</u>
Net	<u>12,205,976.85</u>	<u>3,637,312.02</u>

The movement allowance for doubtful debts – custom brokerage receivable for the year ended 31 December 2013 and 2012 are as follow : -

	(Unit : Baht)	
	<u>2013</u>	<u>2012</u>
Beginning balance	(33,630.90)	(32,158.90)
Additions during the year	-	(1,898.00)
Collect during the year	-	426.00
Ending balance	<u>(33,630.90)</u>	<u>(33,630.90)</u>

The movement allowance for doubtful debts – other receivables for the year ended 31 December 2013 and 2012 are as follow : -

	(Unit : Baht)	
	<u>2013</u>	<u>2012</u>
Beginning balance	(87,418.16)	(87,418.16)
Additions during the year	-	-
Collect during the year	-	-
Ending balance	<u>(87,418.16)</u>	<u>(87,418.16)</u>

The Company provides credit term to its customers for a period not exceeding 60 days.

The Company has a policy of allowance for doubtful accounts receivable at 100% of the debtor which no contact with the Company anymore and overdue more than 181 days. (If the same customer has the outstanding both debtor and creditor. The Company will recorded the allowance for doubtful by the amount of debtor deducted by amount of creditor).

8. Fixed deposit pledged as collateral

The whole amount is the fixed deposits which are pledged as collateral so as to guarantee against credit facility that the Company received from several commercial banks.

9. Property, plant and equipment

Consisted of

(Unit : Baht)

	Land and land improvement	Buildings and building improvement	Vehicles	Office equipment and fixture	Assets under construction	Total
Cost :-						
As at 1 January 2013	6,725,527.43	18,106,867.95	142,783,207.74	11,348,876.35	22,631.97	178,987,111.44
Additions	-	643,651.42	36,074,228.96	2,105,897.39	-	38,823,777.77
Transfer in	121,473.93	22,631.97	-	-	-	144,105.90
Disposal	-	-	(2,330,787.97)	(134,982.34)	-	(2,465,770.31)
Transfer out	-	-	-	-	(22,631.97)	(22,631.97)
Write off	-	-	-	(3,623,517.81)	-	(3,623,517.81)
As at 31 December 2013	6,847,001.36	18,773,151.34	176,526,648.73	9,696,273.59	-	211,843,075.02
Accumulated depreciation:-						
As at 1 January 2013	(27,903.35)	(8,984,417.06)	(16,825,723.07)	(7,166,139.63)	-	(33,004,183.11)
Depreciation charges for the period	(44,970.20)	(806,225.82)	(11,009,138.33)	(1,996,103.84)	-	(13,856,438.19)
Disposal	-	-	998,636.81	36,159.68	-	1,034,796.49
Write off	-	-	-	3,403,566.69	-	3,403,566.69
As at 31 December 2013	(72,873.55)	(9,790,642.88)	(26,836,224.59)	(5,722,517.10)	-	(42,422,258.12)
Net book value						
As at 31 December 2013	6,774,127.81	8,982,508.46	149,690,424.14	3,973,756.49	-	169,420,816.90
Depreciation for the year ended 31 December 2013						13,856,438.19

(Unit : Baht)

	Land and land improvement	Buildings and building improvement	Vehicles	Office equipment and fixture	Assets under construction	Total
Cost :-						
As at 1 January 2012	6,562,649.40	17,205,798.45	69,906,885.00	9,399,207.70	-	103,074,540.55
Additions	162,878.03	901,069.50	79,084,540.77	1,949,668.65	22,631.97	82,120,788.92
Transfer in	-	-	-	-	-	-
Disposal	-	-	(4,972,218.03)	-	-	(4,972,218.03)
Transfer out	-	-	(1,236,000.00)	-	-	(1,236,000.00)
As at 31 December 2012	6,725,527.43	18,106,867.95	142,783,207.74	11,348,876.35	22,631.97	178,987,111.44
Accumulated depreciation:-						
As at 1 January 2012	(9,605.38)	(8,230,837.11)	(10,079,108.21)	(5,319,315.76)	-	(23,638,866.46)
Depreciation charges for the period	(18,297.97)	(753,579.95)	(8,103,584.19)	(1,846,823.87)	-	(10,722,285.98)
Transfer in	-	-	-	-	-	-
Disposal	-	-	1,115,978.21	-	-	1,115,978.21
Transfer out	-	-	240,991.12	-	-	240,991.12
As at 31 December 2012	(27,903.35)	(8,984,417.06)	(16,825,723.07)	(7,166,139.63)	-	(33,004,183.11)
Net book value						
As at 31 December 2012	6,697,624.08	9,122,450.89	125,957,484.67	4,182,736.72	22,631.97	145,982,928.33
Depreciation for the year ended 31 December 2012						10,722,285.98

As at 31 December 2013, the gross carrying amounts of certain property, plant and equipment items of the Company totaling Baht 8.27 million were fully depreciated but these items are still in active use. (2012 : Baht 2.59 million).

As at 31 December 2013, the Company has mortgaged the land plus property with carrying amounts of Baht 20.56 million (2012 : Baht 20.56 million) in order to guarantee against credit facility that the Company receives from one commercial bank in the credit line of Baht 20.00 million.

As at 31 December 2013, leased assets included above, where the Company are lessee under finance leases, comprise equipment and motor vehicle with net book value of Baht 140.54 million (2012 : Baht 115.90 million).

10. Intangible assets

Consisted of	(Unit : Baht)	
	<u>2013</u>	<u>2012</u>
	Computer software	
Cost:-		
As at 1 January	1,840,500.00	1,760,500.00
Addition	59,263.00	80,000.00
As at 31 December	1,899,763.00	1,840,500.00
Accumulated amortization :-		
As at 1 January	(689,822.00)	(556,254.38)
Amortization charge	(235,016.57)	(133,567.62)
As at 31 December	(924,838.57)	(689,822.00)
Net book value		
As at 31 December	974,924.43	1,150,678.00
Amortization charges for the year ended 31 December	235,016.57	133,567.62

11. Deferred tax assets / liabilities

The movements of deferred tax assets for the year ended December 31, 2013 and 2012 are as follow:-

(Unit : Baht)

	Statement of financial position				
	1 January	Recognized in	31 December	Recognized in	31 December
	2012	profit or loss	2012	profit or loss	2013
Trade and other receivable	279,396.10	252,596.44	531,992.54	519,853.77	1,051,846.31
Property, plant and equipment	(9,512.53)	72,929.43	63,416.90	-	63,416.90
Obligation under finance lease	-	(1,333,040.81)	(1,333,040.81)	(2,147,794.95)	(3,480,835.76)
Employee benefits obligation	471,696.07	164,802.13	636,498.20	166,763.40	803,261.60
Deferred tax assets (liabilities)	741,579.64	(842,712.81)	(101,133.17)	(1,461,177.78)	(1,562,310.95)

12. Bank overdraft and short – term loans from financial institutions

Consisted of

(Unit : Baht)

	<u>2013</u>	<u>2012</u>
	Bank overdrafts	13,367,261.48
Short – term loans	112,000,000.00	50,000,000.00
Total	125,367,261.48	67,797,327.77

As at 31 December 2013, the Company held bank overdraft and short – term loans facilities from several commercial banks in the amount of Baht 149.00 million (2012 : Baht 129 million), carried interest rate of 3.70% - 4.75% per annum (2012 : 4.00% - 4.75% per annum).

The credit facilities were secured by the Company's fixed deposits and bills of exchange and also guaranteed by one director.

13. Trade and other payables

Consisted of		(Unit : Baht)	
		<u>2013</u>	<u>2012</u>
Trade payables		49,062,790.51	54,836,874.16
Accrued expenses		13,317,248.42	13,204,110.54
Other payables		8,753,365.95	7,095,166.34
Total		<u>71,133,404.88</u>	<u>75,136,151.04</u>

14. Obligation under finance lease

Obligation under finance lease - minimum lease payments		(Unit : Baht)	
As at 31 December 2013			
	<u>Obligation under</u>	<u>Deferred finance</u>	
	<u>finance lease</u>	<u>lease charges</u>	<u>Net</u>
Not later than 1 year	36,117,344.13	(4,840,540.02)	31,276,804.11
Later than 1 year but not later than 5 years	57,334,405.34	(4,373,990.52)	52,960,414.82
Total	<u>93,451,749.47</u>	<u>(9,214,530.54)</u>	<u>84,237,218.93</u>
(Unit : Baht)			
As at 31 December 2012			
	<u>Obligation under</u>	<u>Deferred finance</u>	
	<u>finance lease</u>	<u>lease charges</u>	<u>Net</u>
Not later than 1 year	29,282,501.28	(5,191,668.36)	24,090,832.92
Later than 1 year but not later than 5 years	63,079,010.73	(5,569,639.00)	57,509,371.73
Total	<u>92,361,512.01</u>	<u>(10,761,307.36)</u>	<u>81,600,204.65</u>

As at 31 December 2013, the Company performs the contract of long term financial leased with several leasing companies so as to lease equipment and vehicle by number of 131 contracts (2012 : 110 contracts). The leased contracts determine leased fee repayment as monthly installment from Baht 7,257.94 per month to Baht 130,604.76 per month (2012 : Baht 7,257.94 - 121,121.50 per month). The leased period is carried from 3 years to 5 years. Such leased contract comprises the Company's directors as guarantors. In addition, ownership of such vehicle and equipment will transfer to ownership of the Company when the Company pays the final installment in accordance with the leased contract.

The Company amortised the interest according to the financial leased contract for the year ended 31 December 2013 and 2012 in the amount of Baht 6.57 million and Baht 4.34 million which was recorded as "Finance cost" in the statement of comprehensive income, respectively.

15. Long – term loans from financial institutions

Consisted of

	(Unit : Baht)	
	<u>2013</u>	<u>2012</u>
Long – term loans from financial institutions	1,169,043.41	8,416,870.41
<u>Less</u> Current portion	(1,169,043.41)	(3,145,654.96)
Net	-	5,271,215.45

As at 31 December 2013, the Company comprises long term loan with one financial institution in the credit line of Baht 20.00 million (2012 : Baht 20.00 million), carried interest rate of 6.50% per annum (2012 : 6.50% per annum). The loan principal is repayable not less than Baht 300,000.00. As at 31 December 2013, the outstanding balance of such loan is Baht 1.17 million.

The credit facility is secured by the Company's land and property and also guaranteed by one director of the Company.

Long-term loans – minimum loan payments:

	(Unit : Baht)	
	<u>2013</u>	<u>2012</u>
Not later than 1 year	1,169,043.41	3,145,654.96
2 - 5 years	-	5,271,215.45
Total	1,169,043.41	8,416,870.41

16. Employee benefit obligation

As at 31 December 2013 and 2012 the Company has the employee benefit obligation in case of retirement or termination of employment under the labor law. The Company hires an actuary to calculate on an actuarial technique the said employee benefit obligation. The said employee benefit obligation is discounted using the projected unit credit method by reference to an interest rate of a government bond to determine the present value of the employee benefit obligation, related past service cost and current service cost.

As at 31 December 2013, the Company recognises the employee benefit obligation in case of retirement or termination of employment under the labor law as the liability in amount of Baht 4.02 million (2012 : Baht 3.18 million).

Changes in the present value of the employee benefit obligation for the years ended 31 December 2013 and 2012 are as follows :

	(Unit : Baht)	
	<u>2013</u>	<u>2012</u>
Beginning balance	3,182,491.00	2,465,960.00
Current service cost	722,489.00	628,111.00
Interest cost	111,328.00	88,420.00
Ending balance	4,016,308.00	3,182,491.00

Principal actuarial assumptions as at 31 December 2013 and 2012 are as follows :

	<u>2013</u>	<u>2012</u>
Discount rate at end of period	3.59%	3.59%
Future salary increase	5%	5%
Proportion of employees opting for early retirement	20%	20%

17. Share capital

The movements of share capital for the year ended 31 December 2013 and 2012 are as follow:

	Number of shares <u>(Unit : share)</u>	Ordinary shares <u>(Unit : Baht)</u>
Share capital		
As at 1 January 2012	500,000	50,000,000.00
Issue of share during the year	100,000	10,000,000.00
As at 11 April 2012	600,000	60,000,000.00
Convert former par value of Baht 100.00 per share to par value of Baht 10.00 per share on April 11, 2012	6,000,000	60,000,000.00
Issue of share during the year	2,125,000	21,250,000.00
As at 31 December 2012	8,125,000	81,250,000.00
Convert former par value of Baht 10.00 per share to par value of Baht 0.25 per share on 26 June 2013	325,000,000	81,250,000.00
Issue of share during the year	95,000,000	23,750,000.00
As at 31 December 2013	420,000,000	105,000,000.00

	Number of shares <u>(Unit : share)</u>	Ordinary shares <u>(Unit : Baht)</u>	Premium on ordinary shares <u>(Unit : Baht)</u>	Total <u>(Unit : Baht)</u>
Issued and paid – up share capital				
As at 1 January 2012	500,000	50,000,000.00	-	50,000,000.00
Issue of share during the year	100,000	10,000,000.00	-	10,000,000.00
As at 11 April 2012	600,000	60,000,000.00	-	60,000,000.00
Convert former par value of Baht 100.00 per share to par value of Baht 10.00 per share on 11 April 2012				
11 April 2012	6,000,000	60,000,000.00	-	60,000,000.00
Issue of share during the year	2,125,000	21,250,000.00	48,750,000.00	70,000,000.00
As at 31 December 2012	8,125,000	81,250,000.00	48,750,000.00	130,000,000.00
Convert former par value of Baht 10.00 per share to par value of Baht 0.25 per share on 26 June 2013				
26 June 2013	325,000,000	81,250,000.00	48,750,000.00	130,000,000.00
As at 31 December 2013	325,000,000	81,250,000.00	48,750,000.00	130,000,000.00

Regarding to the resolution of extra ordinary shareholders meeting no. 2/2012 held on 9 April 2012, the meeting has approved to increase registered share capital from Baht 50.00 million to Baht 60.00 million by allotment 100,000 new shares which has par value equal to Baht 100.00 per share and correct par value of the Company's shares from the formerly value of Baht 100.00 per shares to be value of Baht 10.00 per share . The Company had registered the capital with the Ministry of Commerce on 11 April 2012.

Regarding to the resolution of extra ordinary shareholders meeting no. 3/2012 held on 29 May 2012, the meeting has approved to increase registered share capital from Baht 60.00 million to Baht 66.25 million by allotment 500,000 new shares to the former shareholders which has value equal to Baht 10.00 per share and 125,000 new shares to the new shareholder which has value equal to Baht 40.00 per share. The Company had registered the capital with the Ministry of Commerce on 12 June 2012.

Regarding to the resolution of extra ordinary shareholders meeting no. 5/2012 held on 27 September 2012, the meeting has approved to increase registered share capital from Baht 66.25 million to Baht 81.25 million by allotment 1,500,000 new shares to new shareholder which has value equal to Baht 40.00 per share. The Company had registered the capital with the Ministry of Commerce on 2 October 2012.

In accordance with the resolution of the ordinary shareholders meeting no.2/2013 on 20 June 2012, it resolves as follows :

- Correction of par value of the Company's shares from the formerly value of Baht 10.00 per shares to be value of Baht 0.25 per share. As the results, the number of shares of the Company increased from 8,125,000 shares to 325,000,000 shares. The Company had registered such resolution with the Ministry of Commerce on 26 June 2013.

- Approval to increase of the Company's share capital from Baht 81.25 million to Baht 105.00 million by issuing ordinary shares of 95,000,000 shares at par value of Baht 0.25 per share The Company had registered such resolution with the Ministry of Commerce on 26 June 2013.

- Approval the allotment of new ordinary shares of the Company in number of 95,000,000 shares at par value of Baht 0.25 per share as follows.

1. The amount does not exceed 89,100,000 shares for offer general public.
2. The amount does not exceed 5,900,000 shares for the exercise of warrants to purchase ordinary shares to management and employees.

- Approval to issue Employee Stock Option Plan: ESOP in the amount of 5,900,000 warrants to the management and employees. The details of warrants are described below:

1. It is the type of specific warrant's holder and not transferable and no secondary market of warrant
2. To offer to management and employees that their working age more than 5 years at the price of Baht 0.00 per unit.
3. The date the warrants are issued on the initial offering general public date.
4. The age of warrant is 5 years since the initial offering general public date.
5. The rate of warrants right exercise is one unit over one ordinary share.
6. The exercised price is Baht 0.25 per share.
7. The warrant can be exercise is every year since the initial offering general public date.

The capital management

The Company constitutes purpose with respect to capital management in order to remain for ability in the continued operation and ability to appropriately provide remuneration to various group of participating interest while the Company will maintain capital in the level with the least risk.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt obligations.

18. Legal 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 income, after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of its registered share capital. The statutory reserve is not available for dividend distribution.

For the year ended 31 December 2013 the Company has appropriated net income amounting to Baht 10.50 Million.

19. Income tax expenses

The income tax expenses recognised in profit or loss for the year ended 31 December 2013 and 2012 are as follow :-

	(Unit : Baht)	
	<u>2013</u>	<u>2012</u>
Current tax expense	10,348,761.11	2,094,734.61
Deferred tax expenses relating to the origination and reversal and reversal of temporary difference	1,461,177.78	842,712.81
Income tax expense	<u>11,809,938.89</u>	<u>2,937,447.42</u>

The relationship between tax expense and accounting profit for the year ended December 31, 2013 and 2012 are as follow :-

	(Unit : Baht)	
	<u>2013</u>	<u>2012</u>
Accounting profit	<u>53,426,291.59</u>	<u>6,008,522.78</u>
Tax rate used	20%	23%
Tax at the applicable tax rate	10,685,258.32	1,381,960.24
Effect of expenses that are not deductible in determining taxation profit	1,124,680.57	1,555,487.18
Income tax expense	<u>11,809,938.89</u>	<u>2,937,447.42</u>

20. Basic earnings per share

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

On 26 June 2013, the Company changed the par value of its shares from Baht 10.00 par value to Baht 0.25 par value. This resulted in a change in the weighted average number of ordinary shares outstanding and paid up in during period to comparative for the year ended 31 December 2012 from 6,690,217 shares to 267,608,680 shares.

21. Supplemental disclosures of cash flow information

21.1 Cash and cash equivalents consisted of

	(Unit : Baht)	
	<u>2013</u>	<u>2012</u>
Cash	990,110.75	773,841.22
Cash deposits-Saving accounts	24,631,452.97	1,063,288.49
Cash deposits-Current accounts	31,595,242.41	4,505,345.58
Total	57,216,806.13	6,342,475.29

21.2 Non - cash items

	(Unit : Baht)	
	<u>2013</u>	<u>2012</u>
Amortisation of gain on sale and leaseback	686,666.65	572,222.65
Purchase of assets under lease agreement	31,525,934.62	60,835,914.86
Reversal other receivable due to sale of assets	15,508.41	-
Transfer withholding tax at source to non – current assets	1,796,983.48	-
Sale of leasehold but not receive	-	286,615.28
Provision for commissioning cost	121,473.93	-

22. Employee benefit

22.1 Provident fund

The Company established a registered provident fund, in accordance with the Provident Fund Act B.E.2530. The Company appointed and authorised fund manager to manage the fund on 27 September 2013. Under the plan, employees must contribute 5% of their basic salary and the Company is required to make monthly contributions to the fund at the same rate of employees. In 2013, the Company contributes to the provident fund in the amount of Baht 0.57 million.

22.2 Retirement or termination under the labor law employee benefit

For the year ended 31 December 2013 and 2012, the Company recognises the employee benefit expense in case of retirement or termination under the labor law employee benefit, as follows :-

	(Unit : Baht)	
	Statements of comprehensive income	
	<u>2013</u>	<u>2012</u>
Current service cost	722,489.00	628,111.00
Interest cost	111,328.00	88,420.00
Total	<u>833,817.00</u>	<u>716,531.00</u>

An item of the employee benefit expense in case of retirement or termination under the labor law for the year ended 31 December 2013 and 2012 is inclusively presented in the line items, as follows :-

	(Unit : Baht)	
	Statements of comprehensive income	
	<u>2013</u>	<u>2012</u>
Cost of services	190,776.00	168,895.26
Administrative expenses	488,238.00	420,851.74
Management benefit expenses	154,803.00	126,784.00
Total	<u>833,817.00</u>	<u>716,531.00</u>

23. Expenses by nature

The following expenditure items of expense have been classified by nature for the year ended 31 December 2013 and 2012 :

	(Unit : Baht)	
	Statements of comprehensive income	
	<u>2013</u>	<u>2012</u>
Employee benefit expenses	52,793,088.08	48,600,167.51
Management benefit expenses	23,146,297.87	17,359,258.08
Depreciation	13,856,438.19	10,722,285.98
Amortisation	235,016.57	133,567.62
Ocean and air freight expenses	532,843,488.72	440,226,141.49
Custom clearance expenses	30,639,723.40	25,199,228.51
Refund freight	69,517,173.49	74,052,046.14
Transportation expenses	42,678,909.88	19,383,328.94
Ocean and air service expenses	6,362,484.60	6,544,141.73

24. Operating segments

From 1 January 2013 onward, the Company applied TFRS No.8 “Operating Segments”. The financial reporting standard requires the Company shall identifies the operating segments on the basis of internal reports that are regularly reviewed by the Company’s chief operating decision maker in order to allocate resources to the segment and assess its performance and shall discloses the amount reported for each operating segment item to be the measure reported to the Company’s chief operating decision maker for the purpose of allocating resources to the segment and assessing its performance. The previous accounting standard requires the Company to disclose the operating segments based on related products and services and on geographical areas.

The Company discloses the operating segments based on type of service. It’s operating segment consists of three segments, land transportation, freight forwarding, and non – vessel operating common carrier (“NVOCC”).

The Company measures the profit or loss for each segment from the gross margin excluding the items of other income, interest revenue, gain on exchange rate, other central expenses and finance cost.

The principal activities of the Company consisted of land transportation, freight forwarding, and non – vessel operating common carrier (“NVOCC”). The detail of operation segment for the year ended 31 December 2013 and 2012 are as follows:

(Unit : Million Baht)

	Land transportation		Freight forwarder		Non – vessel operating common carrier (NVOCC)		Total	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
	Services income	117.87	61.44	528.30	395.83	283.08	268.99	929.25
Gross margin	28.62	6.01	103.17	69.53	65.20	57.58	196.99	133.12
Other income							6.66	1.59
Selling expenses							(29.10)	(36.91)
Administrative expenses							(87.61)	(64.96)
Management benefit expense							(23.15)	(17.36)
Finance cost							(10.37)	(9.48)
Profit before income tax							53.42	6.00

The reconciliations of each segment total assets to the Company’s assets and other material items.

(Unit : Million Baht)

	Land transportation		Freight forwarder		Non – vessel operating common carrier (NVOCC)		Central		Total	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
	Assets	147.61	119.48	97.71	67.90	30.22	43.07	184.29	131.19	459.83
Depreciation	7.44	4.14	-	-	-	-	6.42	6.14	13.86	10.72
Amortisation	-	-	-	-	-	-	0.24	0.13	0.24	0.13

In 2013, the Company has the service income with 1 major customer earned by freight forwarder segment in the amount of Baht 183.22 million. In 2012, the Company did not earn service income with each customer to 10% or more of total revenue segment.

25. Financial instruments

The principle financial risks faced by the Company are interest rate risk, foreign exchange rate risk and credit risk. However, the Company did not speculate in or engage in trading of any derivative financial instruments.

25.1 Interest rate risk

Risk from interest rates is derived from fluctuation of market interest rate in the future which affect upon operating result and cash flow. Risk from interest rates remains due to bank deposit, credit facilities owing to the commercial bank, short – term loan from related parties and obligation under financial leases. Due to the fact that such financial assets and liabilities constitute interest rates which are always closed to market interest rate; as a result, the Company anticipates of non material risk from interest rates.

	Amount (Unit : Baht)		Interest rate (% : per annum)	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Cash deposits-Saving accounts	24,631,452.97	1,063,288.49	0.50%	0.625%
Fixed deposit pledged as collateral	59,480,624.95	58,668,358.09	0.629%-2.50%	1.75%-2.625%
Bank overdrafts	13,367,261.48	17,797,327.77	3.95% - 4.75%	4.00% - 4.75%
Short – term loans from financial institutions	112,000,000.00	50,000,000.00	3.70%-3.95%	4.00% - 4.50%
Long – term loans from financial institutions	1,169,043.41	8,416,870.41	6.50%	6.50%
Obligation under financial leases	84,237,218.93	81,600,204.65	2.99%-5.00%	3.20% - 5.00%

25.2 Exchange rate risk

The Company constitutes material risk from exchange rates in oversea currencies which has been trade accounts receivable and payable those are foreign currency. The management has managed risk from exchange rates by performing the forward foreign currencies contract dependent on each case.

As at 31 December 2013 and 2012, the Company has foreign currency assets and liabilities are as follows:-

<u>Foreign currency</u>	2013		2012	
	<u>Assets</u>	<u>Liabilities</u>	<u>Assets</u>	<u>Liabilities</u>
USD	603,136.31	325,548.52	1,569,697.24	639,106.71
GBP	-	15,329.86	12,644.98	16,461.54
EUR	8,956.91	1,193.92	520.00	1,224.00
NZD	-	739.00	-	-
SGD	165.45	10,802.45	-	7,460.41

25.3 Credit risk

Credit risk is the risk that counterparties is unable or unwilling to meet a commitment that they have entered into with the Company. This risk is controlled by analyzing the financial position of its counterparty and limited to credit approval. The maximum exposure to credit risk is the carrying amount of those assets net of allowance for doubtful debts, as shown in the statement of financial position. In addition, the Company has no significant concentration of credit risk.

25.4 Fair value

The carrying amounts of cash and cash equivalent, trade and other receivable, trade and other payable, bank overdraft and short-term loan from financial institutions close to their fair value due to these financial assets and liabilities are short term. Obligations under finance lease and long-term loans carry interest at rate close to current market rate so that the carrying value of such obligations under finance lease and long-term loan close to their fair value.

26. Obligation and contingent liabilities

26.1 As at 31 December 2013, the Company has performed the lease and service agreement with many third parties while there are the period 1 – 3 years with option to renew. The Company has obligation to repay lease and service fee in amount of Baht 270,940.00 per month (2012 : Baht 103,540.00 per month).

26.2 As at 31 December 2013 and 2012, the Company has commitments under lettered of guarantee issued on behalf of domestic banks in amount of Baht 2.83 million and Baht 2.82 million, respectively.

26.3 As at 31 December 2013, the Company has performed the service agreement with a financial advisor. The Company has obligation to pay in amount of Baht 2.00 million.

27. Reclassification of accounting transactions

Some transaction in the statement of financial position as at 31 December 2012 is newly reclassified so as to comply with reflection in the statement of financial position as at 31 December 2013 which can be summarized

		(Unit : Baht)
<u>Transactions which formerly reflected</u>	<u>Reclassified</u>	<u>Statement of financial position as at 31 December 2012</u>
Other receivable	Other non – current asset	2,793,230.48

28. Events after the reporting period

In accordance with Board of Directors meeting 1/2014 held on 26 February 2014, the meeting has approved as follows:

- Approval of presentation to the Annual General meeting of shareholder of the year 2014 to consider and approve to pay the dividend from the Company's operation results of the year 2013 to shareholders at the rate of Baht 0.046154 per share for the total amount of Baht 15.00 million . The Company will pay such dividend on 25 April 2014.
- Approval of cancellation the ESOP plan to issue and offer warrants to its management and employees.

29. Approval of financial statements

The financial statements were authorised for issue by the Company's board of directors on 26 February 2014
