

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of NCL International Logistics Public Company Limited

I have audited the accompanying consolidated and separate financial statements of NCL International Logistics Public Company Limited and its subsidiary and of NCL International Logistics Public Company Limited, which comprise the consolidated and separate statements of financial position as at 31 December 2015, and the related consolidated and separate 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 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.

SP Audit Co., Ltd.

Opinion

In my opinion, the consolidated and separate financial statements referred to above present fairly, in all material respects, the consolidated and separate financial positions of NCL International Logistics Public Company Limited and its subsidiary and of NCL International Logistics Public Company Limited as at 31 December 2015, and its consolidated and separate financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Other matter

The consolidated and separate financial statements of NCL International Logistics Public Company Limited and its subsidiary and of NCL International Logistics Public Company Limited for the year ended December 31, 2014 were audited by other auditor in the same firm who expressed an unqualified opinion on these financial statements under her report dated February 26, 2015.

SP Audit Company Limited

(Miss Chuenta Chommern)

Certified Public Accountant (Thailand) No. 7570

Bangkok

29 February 2016

NCL International Logistics Public Company Limited and Subsidiary

Statement of Financial Position

As at 31 December 2015

(Unit : Baht)

	Notes	Consolidated		Separate financial statement	
		2015	2014	2015	2014
<u>Assets</u>					
Current assets					
Cash and cash equivalents		68,555,975.72	84,009,613.63	42,167,613.97	73,032,448.40
Trade and other receivables - related parties	6.1,7	169,316.17	118,989.35	1,682,261.98	118,989.35
Trade and other receivables - third parties	8	166,413,968.71	105,565,546.02	157,846,488.36	105,463,427.95
Short-term loan due from related party	6.1	-	-	17,961,650.00	-
Total current assets		235,139,260.60	189,694,149.00	219,658,014.31	178,614,865.70
Non - current assets					
Fixed deposits pledged as collateral	9	74,747,131.29	71,518,288.79	74,747,131.29	71,518,288.79
Investment in associate	10	-	32,661,104.81	-	32,750,400.00
Investment in subsidiary	11	-	-	12,469,096.50	12,469,096.50
Property, plant and equipment	12	250,905,524.33	214,795,034.61	248,406,454.61	213,681,377.91
Intangible assets	13	4,969,524.10	3,529,558.72	4,042,582.14	3,529,558.72
Prepaid rental		1,121,880.51	1,252,695.51	1,121,880.51	1,252,695.51
Withholding taxed		23,926,466.42	17,733,855.83	23,926,466.42	17,733,855.83
Other non - current assets		3,847,261.65	2,752,556.24	3,556,850.31	2,559,700.31
Total non - current assets		359,517,788.30	344,243,094.51	368,270,461.78	355,494,973.57
Total assets		594,657,048.90	533,937,243.51	587,928,476.09	534,109,839.27

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

NCL International Logistics Public Company Limited and Subsidiary

Statement of Financial Position

As at 31 December 2015

(Unit : Baht)

	Notes	Consolidated		Separate financial statement	
		2015	2014	2015	2014
<u>Liabilities and Shareholders' Equity</u>					
Current Liabilities					
Bank overdraft and short - term loans from financial institutions	14	189,829,967.12	82,710,333.73	189,829,967.12	82,710,333.73
Other payables - related parties	6.1	1,543,414.51	210,000.00	2,837,588.31	210,000.00
Trade and other payables - third parties	15	95,629,756.05	62,307,063.87	90,385,636.67	62,171,216.98
Revenue Department payable		3,667,084.98	3,499,725.83	3,667,084.98	3,499,725.83
Short-term loan due to related party		136,529.06	-	-	-
Current portion					
Obligation under finance leases	16	24,838,175.53	23,568,018.91	24,838,175.53	23,568,018.91
Total current liabilities		315,644,927.25	172,295,142.34	311,558,452.61	172,159,295.45
Non - Current Liabilities					
Obligation under finance leases	16	32,860,951.11	28,164,326.42	32,860,951.11	28,164,326.42
Provision for decommissioning costs		-	130,856.14	-	130,856.14
Employee benefit obligations	17	3,928,667.00	2,885,701.00	3,928,667.00	2,885,701.00
Deferred tax liabilities	18	5,343,254.18	3,692,715.33	5,269,556.98	3,692,715.33
Other non - current liabilities		1,377,644.40	1,559,444.30	1,377,644.40	1,559,444.30
Total non - current Liabilities		43,510,516.69	36,433,043.19	43,436,819.49	36,433,043.19
Total Liabilities		359,155,443.94	208,728,185.53	354,995,272.10	208,592,338.64

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

NCL International Logistics Public Company Limited and Subsidiary

Statement of Financial Position

As at 31 December 2015

(Unit : Baht)

	Notes	Consolidated		Separate financial statement	
		2015	2014	2015	2014
Shareholders' Equity					
Share capital	19				
Authorised share capital					
420,000,000 ordinary shares of Baht 0.25 each		105,000,000.00	105,000,000.00	105,000,000.00	105,000,000.00
Issued and paid up share capital					
420,000,000 ordinary shares of Baht 0.25 each		105,000,000.00	105,000,000.00	105,000,000.00	105,000,000.00
325,000,000 ordinary shares of Baht 0.25 each		-	-	-	-
Premium on ordinary shares	19	190,923,427.26	190,923,427.26	190,923,427.26	190,923,427.26
Retained earnings (deficits)					
Appropriated - legal reserve	20	10,500,000.00	10,500,000.00	10,500,000.00	10,500,000.00
Unappropriated		(71,677,820.99)	18,926,761.96	(73,490,223.27)	19,094,073.37
Other components of Shareholders' Equity		755,998.69	(141,131.24)	-	-
Total shareholders' equity		235,501,604.96	325,209,057.98	232,933,203.99	325,517,500.63
Total Liabilities and Shareholders' Equity		594,657,048.90	533,937,243.51	587,928,476.09	534,109,839.27

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

NCL International Logistics Public Company Limited and Subsidiary

Statement of Comprehensive Income

For the year ended 31 December 2015

(Unit : Baht)

	Notes	Consolidated		Separate financial statement	
		2015	2014	2015	2014
Revenues					
Service income		1,074,623,379.56	915,424,959.65	1,032,396,456.13	915,409,858.54
Other income		6,410,461.82	7,293,705.16	7,443,336.63	7,293,705.16
Total Revenues		1,081,033,841.38	922,718,664.81	1,039,839,792.76	922,703,563.70
Expenses					
Cost of services		919,162,389.99	759,565,469.59	891,222,195.26	759,552,362.59
Selling expenses		40,896,765.15	11,287,282.21	40,547,855.38	11,287,282.21
Administrative expenses		158,216,363.62	115,540,506.49	180,025,935.20	115,460,496.16
Finance cost		9,051,261.91	10,692,719.31	9,051,261.91	10,692,719.31
Total Expenses		1,127,326,780.67	897,085,977.60	1,120,847,247.75	896,992,860.27
Profit (loss) before share of loss from investment in associate		(46,292,939.29)	25,632,687.21	(81,007,454.99)	25,710,703.43
Share of loss from investment in associate		(32,661,104.81)	(89,295.19)	-	-
Profit (loss) before tax expense		(78,954,044.10)	25,543,392.02	(81,007,454.99)	25,710,703.43
Income tax expense	21	(1,650,538.85)	(6,000,750.08)	(1,576,841.65)	(6,000,750.08)
Profit (loss) for the year		(80,604,582.95)	19,542,641.94	(82,584,296.64)	19,709,953.35
Other comprehensive income					
Items must be classified into profit or loss in the future					
Exchange differences on translation		897,129.93	(141,131.24)	-	-
Items must not be classified into profit or loss in the future					
Actuarial gain		-	1,630,584.00	-	1,630,584.00
Other comprehensive income (loss) for the year		897,129.93	1,489,452.76	-	1,630,584.00
Total comprehensive income for the year		(79,707,453.02)	21,032,094.70	(82,584,296.64)	21,340,537.35
Basic earnings (loss) per share					
Basic earnings (loss) per share	22	(0.19)	0.06	(0.20)	0.06
Number of share (Unit : share)		420,000,000	339,575,343	420,000,000	339,575,343

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

NCL International Logistics Public Company Limited and Subsidiary

Consolidated Statements of Changes in Shareholders's Equity

For the year ended 31 December 2015

(Unit : Baht)

	Note	Issued and paid up share capital	Premium on share capital	Retained earnings (deficits)		Exchange differences on translation	Total shareholders' equity
				Appropriated legal reseve	Unappropriated		
Balance as at 1 January 2014		81,250,000.00	48,750,000.00	10,500,000.00	22,753,536.02	-	163,253,536.02
Changes in equity for the year							
Increment of capital	20	23,750,000.00	147,250,000.00	-	-	-	171,000,000.00
Expenses concerning of ordinary shares	20	-	(5,076,572.74)	-	-	-	(5,076,572.74)
Dividend paid	23	-	-	-	(25,000,000.00)	-	(25,000,000.00)
Actuarial gain		-	-	-	1,630,584.00	-	1,630,584.00
Profit (loss) for the year		-	-	-	19,542,641.94	(141,131.24)	19,401,510.70
Balance as at 31 December 2014		105,000,000.00	190,923,427.26	10,500,000.00	18,926,761.96	(141,131.24)	325,209,057.98
Changes in equity for the year							
Dividend paid	23	-	-	-	(10,000,000.00)	-	(10,000,000.00)
Total comprehensive income (loss) for the year		-	-	-	(80,604,582.95)	897,129.93	(79,707,453.02)
Balance as at 31 December 2015		105,000,000.00	190,923,427.26	10,500,000.00	(71,677,820.99)	755,998.69	235,501,604.96

NCL International Logistics Public Company Limited and Subsidiary
 Separate Statements of Changes in Shareholders' Equity
 For the year ended 31 December 2015

(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 2014		81,250,000.00	48,750,000.00	10,500,000.00	22,753,536.02	163,253,536.02
Changes in equity for the year						
Increment of capital	19	23,750,000.00	147,250,000.00	-	-	171,000,000.00
Expenses concerning of ordinary shares		-	(5,076,572.74)	-	-	(5,076,572.74)
Dividend paid	23	-	-	-	(25,000,000.00)	(25,000,000.00)
Actuarial gain		-	-	-	1,630,584.00	1,630,584.00
Profit for the year		-	-	-	19,709,953.35	19,709,953.35
Balance as at 31 December 2014		105,000,000.00	190,923,427.26	10,500,000.00	19,094,073.37	325,517,500.63
Dividend paid	23	-	-	-	(10,000,000.00)	(10,000,000.00)
Total comprehensive loss for the year		-	-	-	(82,584,296.64)	(82,584,296.64)
Balance as at 31 December 2015		105,000,000.00	190,923,427.26	10,500,000.00	(73,490,223.27)	232,933,203.99

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

NCL International Logistics Public Company Limited and Subsidiary

Statements of Cash Flows

For the year ended 31 December 2015

(Unit : Baht)

	Notes	Consolidated		Separate financial statement	
		2015	2014	2015	2014
Cash Flow from Operating Activities					
Profit (loss) before income tax expense		(78,954,044.10)	25,543,392.02	(81,007,454.99)	25,710,703.43
Adjustments to reconcile profit (loss) before income tax expense for cash provided by (used in) operating activities					
Doubtful debt		3,053,087.39	2,183,748.09	3,053,087.39	2,183,748.09
Unrealised gain from exchange rates		(297,847.26)	(337,959.68)	(772,007.67)	(196,709.86)
Loss on disposal of property, plant and equipment		53,964.58	774,728.56	53,964.58	774,728.56
Depreciation and amortisation		20,536,143.29	17,054,720.31	19,917,766.54	17,048,153.88
Impairment loss on investments in associate		-	-	32,750,400.00	-
Loss on write - off assets		551,630.26	297,085.73	551,630.26	297,085.73
Loss on written off deposit		18,494,850.00	-	18,494,850.00	-
Prepaid rental		130,815.00	130,815.00	130,815.00	130,815.00
Employee benefit obligations		1,042,966.00	971,080.00	1,042,966.00	971,080.00
Share of loss from investment in associate		32,661,104.81	89,295.19	-	-
Interest income		(661,409.04)	(970,052.38)	(874,783.60)	(970,052.38)
Interest expenses		9,051,261.91	10,692,719.31	9,051,261.91	10,692,719.31
Profit from operating activities before changes in operating assets and liabilities		5,662,522.84	56,429,572.15	2,392,495.42	56,642,271.76
(Increase) decrease in trade and other receivables - related parties		(47,419.91)	(58,667.96)	(1,453,678.44)	(58,667.96)
(Increase) decrease in trade and other receivables - third parties		(60,150,213.34)	49,768,156.87	(51,688,418.22)	49,870,274.94
(Increase) decrease in other non - current assets		(19,582,818.62)	(561,454.24)	(19,492,000.00)	(368,598.31)
Increase (decrease) in other payables - related parties		1,324,766.91	(1,890,000.00)	2,618,940.71	(1,890,000.00)
Increase (decrease) in trade and other payables - third parties		32,595,335.44	(8,281,133.14)	27,489,227.54	(8,416,980.03)
Increase (decrease) in Revenue Department payable		167,359.15	(614,772.87)	167,359.15	(614,772.87)
Increase (decrease) in other non - current liabilities		(181,799.90)	168,477.01	(181,799.90)	168,477.01
Cash generated from operation		(40,212,267.43)	94,960,177.82	(40,147,873.74)	95,332,004.54
Cash received from interest		625,996.06	1,061,959.54	732,683.34	1,061,959.54
Cash paid for employee benefit		-	(63,457.00)	-	(63,457.00)
Cash paid for income tax		(8,614,663.19)	(9,866,593.37)	(8,614,663.19)	(9,866,593.37)
Net Cash provided by Operating Activities		(48,200,934.56)	86,092,086.99	(48,029,853.59)	86,463,913.71

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

NCL International Logistics Public Company Limited and Subsidiary

Statements of Cash Flows

For the year ended 31 December 2015

(Unit : Baht)

	Notes	Consolidated		Separate financial statement	
		2015	2014	2015	2014
Cash Flow from Investing Activities					
Cash paid for purchase of property, plant and equipment		(24,447,039.91)	(67,999,288.86)	(22,631,278.69)	(66,879,184.31)
Cash received from sales of property, plant and equipment		1,616,822.43	1,993,571.86	1,616,822.43	1,993,571.86
Cash paid for purchase of intangible assets		(1,947,846.99)	(2,660,000.00)	(858,105.31)	(2,660,000.00)
Cash paid for investment in associate		-	(32,750,400.00)	-	(32,750,400.00)
Cash paid for investment in subsidiary		-	-	-	(12,469,096.50)
(Increase) decrease in fixed deposits pledged as collateral		(3,228,842.50)	(12,037,663.84)	(3,228,842.50)	(12,037,663.84)
Cash paid for short-term loan to related party		-	-	(17,967,800.00)	-
Net Cash used in Investing Activities		(28,006,906.97)	(113,453,780.84)	(43,069,204.07)	(124,802,772.79)
Cash Flows from Financing Activities					
Increase (decrease) in bank overdraft and short - term loans from financial institutions		107,119,633.39	(42,656,927.75)	107,119,633.39	(42,656,927.75)
Increase (decrease) in short-term loan due to related party		136,529.06	-	-	-
Cash paid for long - term loans from financial institution		-	(1,169,043.41)	-	(1,169,043.41)
Cash paid for obligation under finance leases		(28,086,957.69)	(30,751,512.26)	(28,086,957.69)	(30,751,512.26)
Cash paid for interest - obligation under finance leases		(4,724,467.25)	(4,746,194.66)	(4,079,134.43)	(4,746,194.66)
Interest paid		(4,079,134.43)	(6,176,104.64)	(4,724,467.25)	(6,176,104.64)
Cash received from increment of capital		-	164,654,284.07	-	164,654,284.07
Dividend paid		(9,994,850.79)	(25,000,000.00)	(9,994,850.79)	(25,000,000.00)
Net Cash provided by Financing Activities		60,370,752.29	54,154,501.35	60,234,223.23	54,154,501.35
Effect of exchange rate changes on					
Cash and Cash Equivalent		383,451.33	-	-	-
Net Increase (Decrease) in Cash and Cash Equivalent		(15,453,637.91)	26,792,807.50	(30,864,834.43)	15,815,642.27
Cash and Cash Equivalent at Beginning of Year		84,009,613.63	57,216,806.13	73,032,448.40	57,216,806.13
Cash and Cash Equivalent at End of Year	24.1	68,555,975.72	84,009,613.63	42,167,613.97	73,032,448.40

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

NCL International Logistics Public Company Limited And Its Subsidiary

Notes to the Financial Statements

As at 31 December 2015

1. General information

NCL International Logistics Public Company Limited is a public limited company and is incorporated in Thailand. The Company is listed on The Market for Alternative Investment (MAI). The address of the Company's registered office is 56/9-10 Soi Taksin 12/1, Taksin Road, Bukkalo, Thonburi, Bangkok.

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

2. Basis of preparation of financial statements

The consolidated and separate 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. 2543 (or 2000), being those Thai Accounting Standards issued under the Accounting Profession Act B.E. 2547 (or 2004), and the financial reporting requirements of the Capital Market Supervisory Board under the Securities and Exchange Act B.E.2535 (or 1992).

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

The preparation of 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 2015.

TFRS No. 2 Share-based Payment (revised 2014)
TFRS No. 3 Business Combinations (revised 2014)
TFRS No. 5 Non-current Assets Held for Sale and Discontinued Operations (revised 2014)
TFRS No. 6 Exploration for and Evaluation of Mineral Resources (revised 2014)
TFRS No. 8 Operating Segments (revised 2014)
TFRS No. 10 Consolidated Financial Statements
TFRS No. 11 Joint Arrangements
TFRS No. 12 Disclosure of Interests in Other Entities
TFRS No. 13 Fair Value Measurement
TAS No. 1 Presentation of Financial Statements (revised 2014)
TAS No. 2 Inventories (revised 2014)
TAS No. 7 Statement of Cash Flows (revised 2014)
TAS No. 8 Accounting Policies, Changes in Accounting Estimates and Errors (revised 2014)
TAS No. 10 Events after the Reporting Period (revised 2014)
TAS No. 11 Construction Contracts (revised 2014)
TAS No. 12 Income Taxes (revised 2014)
TAS No. 16 Property, Plant and Equipment (revised 2014)
TAS No. 17 Leases (revised 2014)
TAS No. 18 Revenue (revised 2014)
TAS No. 19 Employee Benefits (revised 2014)
TAS No. 20 Accounting for Government Grants and Disclosure of Government Assistance (revised 2014)
TAS No. 21 The Effects of Changes in Foreign Exchange Rates (revised 2014)
TAS No. 23 Borrowing Costs (revised 2014)
TAS No. 24 Related Party Disclosures (revised 2014)
TAS No. 26 Accounting and Reporting by Retirement Benefit Plans (revised 2014)
TAS No. 27 Separate Financial Statements (revised 2014)
TAS No. 28 Investments in Associates and Joint Ventures (revised 2014)
TAS No. 29 Financial Reporting in Hyperinflationary Economies (revised 2014)
TAS No. 33 Earnings per Share (revised 2014)
TAS No. 34 Interim Financial Reporting (revised 2014)
TAS No. 36 Impairment of Assets (revised 2014)
TAS No. 37 Provisions, Contingent Liabilities and Contingent Assets (revised 2014)
TAS No. 38 Intangible Assets (revised 2014)
TAS No. 40 Investment Property (revised 2014)
TFRIC No. 1 Changes in Existing Decommissioning, Restoration and Similar Liabilities (revised 2014)

TFRIC No. 4 Determining whether an Arrangement contains a Lease (revised 2014)

TFRIC No. 5 Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds (revised 2014)

TFRIC No. 7 Applying the Restatement Approach under TAS 29 (revised 2014) Financial Reporting in Hyperinflationary Economies (revised 2014)

TFRIC No. 10 Interim Financial Reporting and Impairment (revised 2014)

TFRIC No. 12 Service Concession Arrangements (revised 2014)

TFRIC No. 13 Customer Loyalty Programmes (revised 2014)

TFRIC No. 14 TAS 19 (revised 2014) - The Limit on a Defined Benefit Assets, Minimum Funding Requirements and their Interaction

TFRIC No. 15 Agreements for the Construction of Real Estate (revised 2014)

TFRIC No. 17 Distributions of Non-cash Assets to Owners (revised 2014)

TFRIC No. 18 Transfers of Assets from Customers (revised 2014)

TFRIC No. 20 Stripping Costs in the Production Phase of a Surface Mine

TSIC No. 10 Government Assistance – No Specific Relation to Operating Activities (revised 2014)

TSIC No. 15 Operating Leases - Incentives (revised 2014)

TSIC No. 25 Income Taxes – Changes in the Tax Status of an Entity or its Shareholders (revised 2014)

TSIC No. 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease (revised 2014)

TSIC No. 29 Service Concession Arrangements : Disclosures (revised 2014)

TSIC No. 31 Revenue – Barter Transactions Involving Advertising Services (revised 2014)

TSIC No. 32 Intangible Assets – Web Site Costs (revised 2014)

The Group 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 Group's financial statements for the current period.

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>
The Conceptual Framework for Financial Reporting (revised 2015)	<i>1 January 2016</i>
TFRS No. 2 Share-based Payment (revised 2015)	<i>1 January 2016</i>
TFRS No. 3 Business Combinations (revised 2015)	<i>1 January 2016</i>
TFRS No. 4 Insurance Contracts (revised 2015)	<i>1 January 2016</i>
TFRS No. 5 Non-current Assets Held for Sale and Discontinued Operations (revised 2015)	<i>1 January 2016</i>
TFRS No. 6 Exploration for and Evaluation of Mineral Resources (revised 2015)	<i>1 January 2016</i>
TFRS No. 8 Operating Segments (revised 2015)	<i>1 January 2016</i>
TFRS No. 10 Consolidated Financial Statements (revised 2015)	<i>1 January 2016</i>
TFRS No. 11 Joint Arrangements (revised 2015)	<i>1 January 2016</i>
TFRS No. 12 Disclosure of Interests in Other Entities (revised 2015)	<i>1 January 2016</i>
TFRS No. 13 Fair Value Measurement (revised 2015)	<i>1 January 2016</i>
TAS No. 1 Presentation of Financial Statements (revised 2015)	<i>1 January 2016</i>
TAS No. 2 Inventories (revised 2015)	<i>1 January 2016</i>
TAS No. 7 Statement of Cash Flows (revised 2015)	<i>1 January 2016</i>
TAS No. 8 Accounting Policies, Changes in Accounting Estimates and Errors (revised 2015)	<i>1 January 2016</i>
TAS No. 10 Events after the Reporting Period (revised 2015)	<i>1 January 2016</i>
TAS No. 11 Construction Contracts (revised 2015)	<i>1 January 2016</i>
TAS No. 12 Income Taxes (revised 2015)	<i>1 January 2016</i>
TAS No. 16 Property, Plant and Equipment (revised 2015)	<i>1 January 2016</i>
TAS No. 17 Leases (revised 2015)	<i>1 January 2016</i>
TAS No. 18 Revenue (revised 2015)	<i>1 January 2016</i>
TAS No. 19 Employee Benefits (revised 2015)	<i>1 January 2016</i>
TAS No. 20 Accounting for Government Grants and Disclosure of Government Assistance (revised 2015)	<i>1 January 2016</i>
TAS No. 21 The Effects of Changes in Foreign Exchange Rates (revised 2015)	<i>1 January 2016</i>
TAS No. 23 Borrowing Costs (revised 2015)	<i>1 January 2016</i>
TAS No. 24 Related Party Disclosures (revised 2015)	<i>1 January 2016</i>
TAS No. 26 Accounting and Reporting by Retirement Benefit Plans (revised 2015)	<i>1 January 2016</i>
TAS No. 27 Separate Financial Statements (revised 2015)	<i>1 January 2016</i>
TAS No. 28 Investments in Associates and Joint Ventures (revised 2015)	<i>1 January 2016</i>
TAS No. 29 Financial Reporting in Hyperinflationary Economies (revised 2015)	<i>1 January 2016</i>
TAS No. 33 Earnings per Share (revised 2015)	<i>1 January 2016</i>
TAS No. 34 Interim Financial Reporting (revised 2015)	<i>1 January 2016</i>
TAS No. 36 Impairment of Assets (revised 2015)	<i>1 January 2016</i>
TAS No. 37 Provisions, Contingent Liabilities and Contingent Assets (revised 2015)	<i>1 January 2016</i>

	<u>Effective date</u>
TAS No. 38 Intangible Assets (revised 2015)	<i>1 January 2016</i>
TAS No. 40 Investment Property (revised 2015)	<i>1 January 2016</i>
TAS No. 41 Agriculture	<i>1 January 2016</i>
TFRIC No. 1 Changes in Existing Decommissioning, Restoration and Similar Liabilities (revised 2015)	<i>1 January 2016</i>
TFRIC No. 4 Determining whether an Arrangement contains a Lease (revised 2015)	<i>1 January 2016</i>
TFRIC No. 5 Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds (revised 2015)	<i>1 January 2016</i>
TFRIC No. 7 Applying the Restatement Approach under TAS 29 (revised 2015) Financial Reporting in Hyperinflationary Economies (revised 2015)	<i>1 January 2016</i>
TFRIC No. 10 Interim Financial Reporting and Impairment (revised 2015)	<i>1 January 2016</i>
TFRIC No. 12 Service Concession Arrangements (revised 2015)	<i>1 January 2016</i>
TFRIC No. 13 Customer Loyalty Programmes (revised 2015)	<i>1 January 2016</i>
TFRIC No. 14 TAS 19 (revised 2015) - The Limit on a Defined Benefit Assets, Minimum Funding Requirements and their Interaction (revised 2015)	<i>1 January 2016</i>
TFRIC No. 15 Agreements for the Construction of Real Estate (revised 2015)	<i>1 January 2016</i>
TFRIC No. 17 Distributions of Non-cash Assets to Owners (revised 2015)	<i>1 January 2016</i>
TFRIC No. 18 Transfers of Assets from Customers (revised 2015)	<i>1 January 2016</i>
TFRIC No. 20 Stripping Costs in the Production Phase of a Surface Mine (revised 2015)	<i>1 January 2016</i>
TFRIC No. 21 Levies	<i>1 January 2016</i>
TSIC No. 10 Government Assistance – No Specific Relation to Operating Activities (revised 2015)	<i>1 January 2016</i>
TSIC No. 15 Operating Leases - Incentives (revised 2015)	<i>1 January 2016</i>
TSIC No. 25 Income Taxes - Changes in the Tax Status of an Entity or its Shareholders (revised 2015)	<i>1 January 2016</i>
TSIC No. 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease (revised 2015)	<i>1 January 2016</i>
TSIC No. 29 Service Concession Arrangements : Disclosures (revised 2015)	<i>1 January 2016</i>
TSIC No. 31 Revenue - Barter Transactions Involving Advertising Services (revised 2015)	<i>1 January 2016</i>
TSIC No. 32 Intangible Assets - Web Site Costs (revised 2015)	<i>1 January 2016</i>

The Group 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 Group's financial statements.

3. Principles of consolidation financial statements

The consolidated financial statements comprise the financial statements of the Company and its subsidiary. Subsidiary are those entities under the control by the Group. The Group controls subsidiaries when it is exposed, or has rights, to variable returns from its involvement with subsidiaries. Subsidiary are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases.

The consolidated financial statements consisted of the financial statements of NCL International Logistics Public Company Limited, and subsidiary (together referred to as “the Group”) which there was the structure of the Group as follows :

<u>Name of company</u>	<u>Nature of business</u>	<u>Country of incorporation</u>	<u>Percentage of shareholding</u>	
			<u>2015</u>	<u>2014</u>
NCL International Logistics (S) PTE. LTD.	Logistics Provider	Singapore	100.00	100.00

Balances between the Company and its subsidiary, significant intercompany transactions have been eliminated from the consolidated financial statements.

The financial statements of the subsidiary are prepared using the same significant accounting policies as applied to the Company.

The financial statements of the subsidiary are prepared using the same reporting period as applied to the Company.

The assets and liabilities in the financial statements of overseas subsidiary company is translated to Baht using the exchange rate prevailing at the end of reporting period, and revenues and expenses are translated using monthly average exchange rate. The resulting differences are shown under the caption of “Exchange differences on translation” in the statements of changes in shareholders’ equity.

4. Accounting policies

4.1 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.

4.2 Trade account receivable

Trade accounts receivable are carried in *the* statement of financial position *at* the amount expected to be collectible. Allowance for doubtful receivables are estimated by analysis of payment histories and review of all outstanding amounts at the end of the reporting period. 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.

4.3 Investment in associate

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Investments in associate is accounted for using the cost method of accounting in the separate financial statements less allowance for impairment investment (if any).

Investments in associate is accounted for using the equity method in the consolidated financial statements. Under the equity method, the investment in an associate is initially recognized at cost and the carrying amount is increased or decreased to recognize the Group's share of the profit or loss of the investee after the date of acquisition. The Group's share of the profit or loss of the investee is recognized in the Group's profit or loss. Where necessary, accounting policies of associates have been changed to ensure consistency with the policies adopted by the Group. The financial statements of the associates are prepared for the same reporting period as the Company.

4.4 Investment in subsidiary

Investment in subsidiary is reported by using the cost method of accounting in the separate financial statements less allowance for impairment investment.

4.5 Property, plant and equipment

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 (if any).

The Group'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:

	<u>Year</u>
Office building and factory	5 - 30
Equipment and facility system	3 - 5
Motor vehicles	5 - 20

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 recognized in profit or loss.

4.6 Intangible assets

Intangible assets that are acquired by the Group, which have finite useful lives such as computer software, are stated at cost less accumulated amortization and amortisation is calculated using the straight-line method to allocate the cost over their estimated useful lives (10 years).

4.7 Accounting for leases

Where the Group 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 recognized as an expense in the period in which termination takes place.

Where the Group 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 Group.

4.8 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 recognized in profit or loss in the period in which they are incurred.

4.9 Impairment of assets

The carrying amounts of the Group'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 Group will recognize 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 recognized 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.

4.10 Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable ***that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.***

4.11 Provision for decommissioning cost

The Group recognises provision for the parking lot costs, which are provided at the onset of completion of the project, for the estimate of the eventual cost that relate to the removal of the parking lot. The recognised provision for decommissioning cost 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 management. Those cost are included as part of the parking lot.

4.12 Revenue recognition

Revenue from outward freight forwarding is recognised upon shipment. Revenue from inward freight forwarding is recognised when delivery order (D/O) are delivered. Revenues from transportation are recognised when goods are delivered.

Revenues from 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.

4.13 Retirement benefit costs

Defined contribution plan

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

Defined benefit plan

The Group has the employee benefit obligation in case of retirement or termination under the labor law. The Group 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, current service cost and related interest expense. The current service cost and interest expense are recognized in profit or loss. Actuarial gains and losses arising from re-measurement of the employee benefit obligation are recognized in other comprehensive income and transferred in retained earnings, respectively without reclassification of those amounts to profit or loss in a subsequent period

4.14 Foreign currency transactions

The Group 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 as incurred.*

4.15 Income tax

The Group recognizes 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 recognized as an asset in the statement of financial position.

The Group recognizes 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 Group recognizes 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 Group recognizes a deferred tax liability for all taxable temporary differences associated with investments in subsidiaries and associates, except to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. And the Group recognizes a deferred tax asset for all deductible temporary differences arising from investment in subsidiaries and associates, to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilized.

The Group 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 Group recognizes 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 recognized in the other comprehensive income or directly in the equity will be recognized in the other comprehensive income or directly in the equity.

4.16 Financial instruments

Financial assets and liabilities carried on the statement of financial position include cash and cash equivalents, investment in equity securities, 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.

4.17 Critical accounting estimates, assumption and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Plant equipment and intangible assets

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

Financial lease/ Operation lease

The Group has entered into lease agreements for rental vehicle and equipment. The Group 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.

Employment benefits

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.

5. Change in accounting estimates

For the year ended 31 December 2015, the Company reviews the estimated useful life of vehicle to meet the useful life of assets. The Company adopts the prospective treatment for such change. The change in accounting estimate effects that the depreciation for the year ended 31 December 2015 and 2016, increases in the amount of Baht 0.28 million and Baht 0.28 million in the statement of comprehensive income, respectively.

6. 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.

As at 31 December 2015, Phuathavornskul family is a major shareholder, holding 50.53% (2014 : 59.05%) of the share capital of the NCL International Logistics Public Company Limited. 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 2015 and 2014 and as follows:

6.1 Inter-assets and liabilities

	(Unit: Baht)			
	Consolidated		Separate financial statement	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Trade receivable				
Great&Grammer (Thailand) Co.,Ltd.	169,316.17	118,989.35	169,316.17	118,989.35
NCL Inter Logistics (S) Pte.Ltd.	-	-	432,999.70	-
Total	169,316.17	118,989.35	602,315.87	118,989.35
Other receivable				
NCL Inter Logistics (S) Pte.Ltd.	-	-	1,079,946.11	-
Total trade and other receivable	169,316.17	118,989.35	1,682,261.98	118,989.35

(Unit: Baht)

	Consolidated		Separate financial statement	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Short-term loans due from related party				
Opening balance	-	-	-	-
Increased during the year	-	-	17,961,650.00	-
Collected during the year	-	-	-	-
Ending balance	-	-	17,961,650.00	-
Deposit payment				
Transoffshore Logistics Pte.Ltd.	18,494,850.00	-	18,494,850.00	-
<u>Less</u> Loss on written off	(18,494,850.00)	-	(18,494,850.00)	-
	-	-	-	-
Trade payables				
NCL Inter Logistics (S) Pte.Ltd.	-	-	967,173.80	-
Other payables				
NCL Inter Logistics (S) Pte.Ltd.	-	-	327,000.00	-
Accrued commission				
Director	1,203,414.51	-	1,203,414.51	-
Accrued pension				
Director	340,000.00	210,000.00	340,000.00	210,000.00
Total	1,543,414.51	210,000.00	1,870,414.51	210,000.00
Total trade and other payable	1,543,414.51	210,000.00	2,837,588.31	210,000.00
Short-term loans due from related party				
Opening balance	-	-	-	-
Increased during the year	136,529.06	-	-	-
Collected during the year	-	-	-	-
Ending balance	136,529.06	-	-	-

(Unit: Baht)

	Consolidated		Separate financial statement	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Purchase property, plants and equipment				
Director	15,716,159.00	-	15,716,159.00	-

As at 31 December 2015, the subsidiary in Singapore had loans from the Company in form of loan agreement endure for a period 1 Year, bear interest between 4.00% per annum.

As at 31 December 2015, the subsidiary in Singapore had loans from the related company in Singapore, repayable upon demand and interest-free.

6.2 Inter-revenue and expenses

	Consolidated		Separate financial statement	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
				(Unit : Baht)
Freight forwarder income				
Great&Grammer (Thailand) Co.,Ltd.	292,842.62	249,054.73	292,842.62	249,054.73
Service revenue				
NCL Inter Logistics (S) Pte.Ltd.	-	-	3,914,475.72	-
Transoffshore Logistics Pte.Ltd.	25,710,602.76	-	25,710,602.76	-
	25,710,602.76	-	29,625,078.48	-
Service cost				
NCL Inter Logistics (S) Pte.Ltd.	-	-	13,613,211.76	-
Transoffshore Logistics Pte.Ltd.	44,629,224.74	-	44,629,224.74	-
	44,629,224.74	-	58,242,436.50	-
Rental fee				
Director	720,000.00	1,440,000.00	720,000.00	1,440,000.00
Closed family of director	94,740.00	94,740.00	94,740.00	94,740.00
	814,740.00	1,534,740.00	814,740.00	1,534,740.00

6.3 Management benefit expenses

(Unit: Baht)

	Consolidated		Separate financial statement	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Short-term employee benefits	23,670,410.21	18,202,881.00	23,670,410.21	18,202,881.00
Post-employment benefits	567,674.00	183,379.00	567,674.00	183,379.00
	<u>24,238,084.21</u>	<u>18,386,260.00</u>	<u>24,238,084.21</u>	<u>18,386,260.00</u>

6.4 Nature of relationship

<u>Company</u>	<u>Relationship</u>
NCL Inter Logistics (S) Pte.Ltd.	Held by direct and mutual management
Transoffshore Logistics Pte.Ltd.	Held by direct and executive director
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

6.5 Pricing policies

<u>Trading transactions</u>	<u>Policy of pricing</u>
Purchase - sales of property plant and equipment	Based on appraised value by an independent appraiser
Inter - transportation fee	Price similar to outsider
Service fee	Cost + 10 - 30%
Rental <i>land</i> fee	Based on appraised value by an independent appraiser + 24%
Rental <i>building</i> fee	Contract price

6.6 Obligation

As at 31 December 2014, the Company entered a lease agreement for land and property with a director for a period of three years with option to renew. The Company was committed to pay for such rental in amount of Baht 1.44 million per year.

As at 31 December 2015 and 2014, the Company entered a lease agreement for building with a closed of family of director for a 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.

During **2015**, the Company entered a service agreement with an associate in Singapore. The Company was committed to share the compensation at the rate 50% of the gross margin from shipping revenues to such associate. At the present, the Company has ceased such service.

7. Trade and other receivable – related parties

Consisted of

	Consolidate		Separate financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Trade account receivables				
Within credit term	169,316.17	105,744.15	290,939.89	105,744.15
Overdue less than 3 months	-	13,245.20	311,375.98	13,245.20
Overdue 3 – 6 months	-	-	-	-
Overdue 6 – 12 months	-	-	-	-
Overdue over 12 months	-	-	-	-
Total	169,316.17	118,989.35	602,315.87	118,989.35
Other receivables	-	-	1,079,946.11	-
Total	169,316.17	118,989.35	1,682,261.98	118,989.35

8. Trade and other receivable – third parties

Consisted of

(Unit : Baht)

	Consolidated		Separate financial statement	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Trade receivables				
Post dated cheques	<i>1,406,135.41</i>	<i>970,495.31</i>	<i>1,406,135.41</i>	<i>970,495.31</i>
Trade receivables	<i>152,779,738.29</i>	<i>101,920,172.84</i>	<i>144,994,264.48</i>	<i>101,905,344.44</i>
Total	<i>154,185,873.70</i>	<i>102,890,668.15</i>	<i>146,400,399.89</i>	<i>102,875,839.75</i>
<u>Less</u> Allowance for doubtful debts	<i>(7,729,590.42)</i>	<i>(9,985,845.29)</i>	<i>(7,729,590.42)</i>	<i>(9,985,845.29)</i>
Net	<i>146,456,283.28</i>	<i>92,904,822.86</i>	<i>138,670,809.47</i>	<i>92,889,994.46</i>
Other receivables				
Custom brokerage receivable	<i>10,837,721.37</i>	<i>3,855,706.18</i>	<i>10,837,721.37</i>	<i>3,855,706.18</i>
<u>Less</u> Allowance for doubtful debts	<i>(1,549.41)</i>	<i>(1,549.41)</i>	<i>(1,549.41)</i>	<i>(1,549.41)</i>
Net	<i>10,836,171.96</i>	<i>3,854,156.77</i>	<i>10,836,171.96</i>	<i>3,854,156.77</i>
Other receivables	<i>5,230,288.76</i>	<i>4,654,689.86</i>	<i>4,448,282.22</i>	<i>4,567,400.19</i>
<u>Less</u> Allowance for doubtful debts	<i>(87,418.16)</i>	<i>(87,418.16)</i>	<i>(87,418.16)</i>	<i>(87,418.16)</i>
Net	<i>5,142,870.60</i>	<i>4,567,271.70</i>	<i>4,360,864.06</i>	<i>4,479,982.03</i>
Deposit payment	<i>1,381,819.40</i>	<i>1,599,586.86</i>	<i>1,381,819.40</i>	<i>1,599,586.86</i>
Prepaid insurance	<i>2,596,823.47</i>	<i>2,639,707.83</i>	<i>2,596,823.47</i>	<i>2,639,707.83</i>
Total other receivables	<i>19,957,685.43</i>	<i>12,660,723.16</i>	<i>19,175,678.89</i>	<i>12,573,433.49</i>
Total trade and other receivables	<i>166,413,968.71</i>	<i>105,565,546.02</i>	<i>157,846,488.36</i>	<i>105,463,427.95</i>

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

(Unit : Baht)

	Consolidated		Separate financial statement	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Within credit term	<i>79,860,788.40</i>	<i>52,322,338.54</i>	<i>76,128,364.67</i>	<i>52,307,510.14</i>
Overdue less than 3 months	<i>53,527,779.79</i>	<i>39,109,949.76</i>	<i>49,984,021.37</i>	<i>39,109,949.76</i>
Overdue 3 – 6 months	<i>3,779,940.37</i>	<i>1,282,872.11</i>	<i>3,270,648.71</i>	<i>1,282,872.11</i>
Overdue 6 – 12 months	<i>7,931,846.77</i>	<i>209,644.31</i>	<i>7,931,846.77</i>	<i>209,644.31</i>
Overdue over 12 months	<i>9,085,518.37</i>	<i>9,965,863.43</i>	<i>9,085,518.37</i>	<i>9,965,863.43</i>
Total	<i>154,185,873.70</i>	<i>102,890,668.15</i>	<i>146,400,399.89</i>	<i>102,875,839.75</i>
<u>Less</u> Allowance for doubtful debts	<i>(7,729,590.42)</i>	<i>(9,985,845.29)</i>	<i>(7,729,590.42)</i>	<i>(9,985,845.29)</i>
Net	<i>146,456,283.28</i>	<i>92,904,822.86</i>	<i>138,670,809.47</i>	<i>92,889,994.46</i>

The movement allowance for doubtful debts – trade receivable – third parties for the year ended 31 December 2015 and 2014 are as follow : -

(Unit : Baht)

	Consolidate/Separate financial statements	
	<u>2015</u>	<u>2014</u>
Beginning balance	<i>(9,985,845.29)</i>	<i>(7,770,015.71)</i>
Additions during the year	<i>(631,034.79)</i>	<i>(2,215,829.58)</i>
Collect during the year	2,887,289.66	-
Ending balance	<i>(7,729,590.42)</i>	<i>(9,985,845.29)</i>

Outstanding custom brokerage receivable can be aged as follow:

	(Unit : Baht)	
	Consolidate/Separate financial statements	
	<u>2015</u>	<u>2014</u>
Within credit term	6,066,589.83	2,043,103.22
Overdue less than 3 months	4,755,902.89	1,780,514.40
Overdue 3 – 6 months	9,659.44	30,539.15
Overdue 6 – 12 months	4,019.80	-
Overdue over 12 months	1,549.41	1,549.41
Total	10,837,721.37	3,855,706.18
<u>Less</u> Allowance for doubtful debts	(1,549.41)	(1,549.41)
Net	10,836,171.96	3,854,156.77

The movement allowance for doubtful debts – custom brokerage receivable for the year ended 31 December 2015 and 2014 are as follow : -

	(Unit : Baht)	
	Consolidate/Separate financial statements	
	<u>2015</u>	<u>2014</u>
Beginning balance	(1,549.41)	(33,630.90)
Additions during the year	-	-
Collect during the year	-	32,081.49
Ending balance	(1,549.41)	(1,549.41)

The movement allowance for doubtful debts – other receivables for the year ended 31 December 2015 and 2014 are as follow : -

	(Unit : Baht)	
	Consolidate/Separate financial statements	
	<u>2015</u>	<u>2014</u>
Beginning balance	(87,418.16)	(87,418.16)
Additions during the year	-	-
Collect during the year	-	-
Ending balance	(87,418.16)	(87,418.16)

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).

9. 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.

10. Investment in associate

The nature and carrying value of investment in associate can be summarized as follows:-

Name of <u>company</u>	Nature of <u>business</u>	Country of <u>incorporation</u>	<i>(Unit : Million SGD)</i>		<i>Percentage</i>		<i>(Unit : Million Bath)</i>			
			<i>Paid-up capital</i>		<i>% of holding</i>		<i>Equity Method</i>		<i>Cost Method</i>	
			<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
All individual immaterial associate										
Transoffshore Logistics Pte.Ltd.	Logistics Provider	Singapore	<i>1.00</i>	<i>1.00</i>	<i>22.22%</i>	<i>22.22%</i>	-	32.66	<i>32.75</i>	<i>32.75</i>
<u>Less Allowance for impairment</u>							-	-	(32.75)	-
Net							-	32.66	-	32.75

On 22 December 2014, the Company has purchased 222,222 ordinary shares of Transoffshore Logistics Pte. Ltd. at Baht 147.38 per share, equivalent to 22.22% of the called and paid up share capital. The shares was purchased from the said company's existing shareholders. The Company has assigned representatives to join the said company's board of directors.

In accordance with the minutes of the Company's board of directors' meeting No. 7/2015 held on 12 November 2015, it resolved to approve the selling of the investment of Transoffshore Logistics Pte. Ltd.'s associated company in Singapore.

Financial information of associates that are material can be summarized as follows :-

	(Unit : Baht)	
	Consolidated	
	<u>2015</u>	<u>2014</u>
Current assets	22,760,133.95	63,060,647.87
Non-current assets	7,982,841.23	3,219,951.11
Current liabilities	50,643,374.04	42,802,764.88
Non-current liabilities	-	-
Non-controlling interests	2,091,625.16	

	(Unit : Baht)	
	Consolidated	
	For the year ended	
	31 December 2015	
Revenues		113,572,062.92
Other comprehensive income		-
Total comprehensive loss		(41,286,607.80)
Dividend received from the associate		-

The reconciliation of the above financial information to the carrying amount which is accounted for using the equity method in the consolidated financial statements can be summarized as follows :-

	(Unit : Baht)	
	Consolidated	
	<u>2015</u>	<u>2014</u>
Net assets	(17,808,773.70)	23,477,834.10
Group's interest in the associate	22.22%	22.22%
Group's share in the net assets	(3,957,109.52)	5,216,774.74
Adjustment for using the equity method		
Rental agreement	481,607.88	2,150,802.92
Goodwill	25,910,990.71	25,107,424.80
Allowance for impairment - goodwill	(25,910,990.71)	-
Unrecognized share of losses	2,904,427.47	-
Effects of exchange rate	571,074.16	186,102.35
Carrying amount under the equity method	-	32,661,104.81

11. Investment in subsidiary

The composition of the Group in the consolidated financial statements and the carrying value of investment in subsidiary in the separate financial statement can be summarized as follows :-

<u>Name of subsidiary</u>	<u>Paid-up capital (Million SGD)</u>		<u>Investment portion (%)</u>		<u>Cost method (Million Baht)</u>		<u>Dividends (Million Baht)</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Subsidiary don't having non-controlling interests								
NCL Inter Logistics (S) Pte. Ltd.	0.50	0.50	100.00	100.00	12.47	12.47	-	-

12. Property, plant and equipment

Consisted of

	Consolidate					(Unit : Baht)
	Land and land improvement	Buildings and building improvement	Vehicles	Office equipment and fixture	Assets under construction	Total
Cost :-						
As at 1 January 2015	47,383,001.36	20,086,661.74	169,069,835.65	11,652,485.50	22,888,119.90	271,080,104.15
Additions	10,788,696.00	4,520,663.00	38,592,149.56	3,798,409.35	795,177.25	58,495,095.16
Transfer in	-	795,177.25	-	-	-	795,177.25
Transfer out	-	-	-	-	(795,177.25)	(795,177.25)
Disposal	-	-	(5,051,850.84)	-	-	(5,051,850.84)
Write off	(433,148.45)	(493,190.66)	-	(667,346.53)	-	(1,593,685.64)
Exchange differences on translation	-	-	-	14,148.04	24,979.15	39,127.19
As at 31 December 2015	57,738,548.91	24,909,311.33	202,610,134.37	14,797,696.36	22,913,099.05	322,968,790.02
Accumulated depreciation :-						
As at 1 January 2015	(123,220.17)	(10,138,814.60)	(38,792,279.38)	(7,230,755.39)	-	(56,285,069.54)
Depreciation charges for the year	(299,750.08)	(933,263.58)	(16,464,930.57)	(2,441,609.91)	-	(20,139,554.14)
Disposal	-	-	3,461,525.34	-	-	3,461,525.34
Write off	156,568.23	87,462.49	-	667,168.52	-	911,199.24
Exchange differences on translation	-	-	-	(11,366.59)	-	(11,366.59)
As at 31 December 2015	(266,402.02)	(10,984,615.69)	(51,795,684.61)	(9,016,563.37)	-	(72,063,265.69)
Net book value :-						
As at 31 December 2015	57,472,146.89	13,924,695.64	150,814,449.76	5,781,132.99	22,913,099.05	250,905,524.33
Depreciation for the year ended 31 December 2015						20,139,554.14

	Consolidate					(Unit : Baht)
	Land and land improvement	Buildings and building improvement	Vehicles	Office equipment and fixture	Assets under construction	Total
Cost :-						
As at 1 January 2014	6,847,001.36	18,773,151.34	176,526,648.73	9,696,273.59	-	211,843,075.02
Additions	40,536,000.00	1,115,778.15	446,672.90	2,248,696.91	23,748,119.90	68,095,267.86
Transfer in	-	860,000.00	-	-	-	860,000.00
Transfer out	-	-	-	(185,675.00)	(860,000.00)	(1,045,675.00)
Disposal	-	-	(7,317,005.98)	-	-	(7,317,005.98)
Write off	-	(662,267.75)	(586,480.00)	(106,810.00)	-	(1,355,557.75)
Exchange differences on translation	-	-	-	-	-	-
As at 31 December 2014	47,383,001.36	20,086,661.74	169,069,835.65	11,652,485.50	22,888,119.90	271,080,104.15
Accumulated depreciation :-						
As at 1 January 2014	(72,873.55)	(9,790,642.88)	(26,836,224.59)	(5,722,517.10)	-	(42,422,258.12)
Depreciation charges for the year	(50,346.62)	(836,541.21)	(14,961,509.85)	(1,607,681.49)	-	(17,456,079.17)
Transfer out	-	-	-	5,732.93	-	5,732.93
Disposal	-	-	2,795,344.22	-	-	2,795,344.22
Write off	-	488,250.91	210,110.84	93,710.27	-	792,072.02
Exchange differences on translation	-	118.58	-	-	-	118.58
As at 31 December 2014	(123,220.17)	(10,138,814.60)	(38,792,279.38)	(7,230,755.39)	-	(56,285,069.54)
Net book value :-						
As at 31 December 2014	47,259,781.19	9,947,847.14	130,277,556.27	4,421,730.11	22,888,119.90	214,795,034.61
Depreciation for the year ended 31 December 2014						17,456,079.17

	Separate financial statements					(Unit : Baht)
	Land and land improvement	Buildings and building improvement	Vehicles	Office equipment and fixture	Assets under construction	Total
Cost :-						
As at 1 January 2015	47,383,001.36	19,681,642.09	169,069,835.65	11,652,485.50	22,173,035.00	269,959,999.60
Additions	10,788,696.00	4,520,663.00	38,592,149.56	1,988,331.86	795,177.25	56,685,017.67
Transfer in	-	795,177.25	-	-	-	795,177.25
Transfer out	-	-	-	-	(795,177.25)	(795,177.25)
Disposal	-	-	(5,051,850.84)	-	-	(5,051,850.84)
Write off	(433,148.45)	(493,190.66)	-	(667,346.53)	-	(1,593,685.64)
As at 31 December 2015	57,738,548.91	24,504,291.68	202,5610,134.37	12,973,470.83	22,173,035.00	319,999,480.79
Accumulated depreciation :-						
As at 1 January 2015	(123,220.17)	(10,132,366.75)	(38,792,279.38)	(7,230,755.39)	-	(56,278,621.69)
Depreciation charges for the year	(299,750.08)	(933,263.58)	(16,464,930.57)	(1,989,184.84)	-	(19,687,129.07)
Transfer out	-	-	-	-	-	-
Disposal	-	-	3,461,525.34	-	-	3,461,525.34
Write off	156,568.23	87,462.49	-	667,168.52	-	911,199.24
As at 31 December 2015	(266,402.02)	(10,978,167.84)	(51,795,684.61)	(8,552,771.71)	-	(71,593,026.18)
Net book value :-						
As at 31 December 2015	57,472,16.89	13,526,123.84	150,814,449.76	4,420,699.12	22,173,035.00	248,406,454.61

Depreciation for the year ended 31 December 2015

19,687,129.07

	Separate financial statements					(Unit : Baht)
	Land and land improvement	Buildings and building improvement	Vehicles	Office equipment and fixture	Assets under construction	Total
Cost :-						
As at 1 January 2014	6,847,001.36	18,773,151.34	176,526,648.73	9,696,273.59	-	211,843,075.02
Additions	40,536,000.00	710,758.50	446,672.90	2,248,696.91	23,033,035.00	66,975,163.31
Transfer in	-	860,000.00	-	-	-	860,000.00
Transfer out	-	-	-	(185,675.00)	(860,000.00)	(1,045,675.00)
Disposal	-	-	(7,317,005.98)	-	-	(7,317,005.98)
Write off	-	(662,267.75)	(586,480.00)	(106,810.00)	-	(1,355,557.75)
As at 31 December 2014	47,383,001.36	19,681,642.09	169,069,835.65	11,652,485.50	22,173,035.00	269,959,999.60
Accumulated depreciation :-						
As at 1 January 2014	(72,873.55)	(9,790,642.88)	(26,836,224.59)	(5,722,517.10)	-	(42,422,258.12)
Depreciation charges for the year	(50,346.62)	(829,974.78)	(14,961,509.85)	(1,607,681.49)	-	(17,449,512.74)
Transfer out	-	-	-	5,732.93	-	5,732.93
Disposal	-	-	2,795,344.22	-	-	2,795,344.22
Write off	-	488,250.91	210,110.84	93,710.27	-	792,072.02
As at 31 December 2014	(123,220.17)	(10,132,366.75)	(38,792,279.38)	(7,230,755.39)	-	(56,278,621.69)
Net book value :-						
As at 31 December 2014	47,259,781.19	9,549,275.34	130,277,556.27	4,421,730.11	22,173,035.00	213,681,377.91
Depreciation for the year ended 31 December 2014						17,449,512.74

As at 31 December 2015, the gross carrying amounts of certain property, plant and equipment items of the Group totaling Baht 4.43 million were fully depreciated but these items are still in active use. (2014 : Baht 11.38 million).

As at 31 December 2015, the Group has mortgaged the land plus property with carrying amounts of Baht 83.27 million (2014 : Baht 20.56 million) in order to guarantee against credit facility that the Group receives from several commercial bank in the credit line of Baht 420.00 million (2014 : Baht 80.00 million).

As at 31 December 2015, leased assets included above, where the Group are lessee under finance leases, comprise equipment and motor vehicle with net book value of Baht 123.06 million (2014 : Baht 118.03 million).

13. Intangible assets

Consisted of

	(Unit : Baht)		
	Consolidate		
	Computer software	Computer software during installation	Total
Cost :-			
As at 1 January 2015	2,417,438.00	2,328,000.00	4,745,438.00
Addition	1,345,674.18	602,756.00	1,948,430.18
As at 31 December 2015	3,763,112.18	2,930,756.00	6,693,868.18
Accumulated amortization :-			
As at 1 January 2015	(1,215,879.28)	-	(1,215,879.28)
Amortization charge for the year	(504,538.05)	-	(504,538.05)
Exchange differences on translation	(3,926.75)	-	(3,926.75)
As at 31 December 2015	(1,724,344.08)	-	(1,724,344.08)
Net book value :-			
As at 31 December 2015	2,038,768.10	2,930,756.00	4,969,524.10
Amortization charges for the year ended 31 December 2015			504,538.05

(Unit : Baht)

	Consolidate		
	Computer software	Computer software during installation	Total
Cost :-			
As at 1 January 2014	1,899,763.00	-	1,899,763.00
Addition	332,000.00	2,328,000.00	2,660,000.00
Transfer in	185,675.00	-	185,675.00
As at 31 December 2014	2,417,438.00	2,328,000.00	4,745,438.00
Accumulated amortization :-			
As at 1 January 2014	(924,838.57)	-	(924,838.57)
Amortization charge for the year	(285,307.78)	-	(285,307.78)
Transfer in	(5,732.93)	-	(5,732.93)
As at 31 December 2014	(1,215,879.28)	-	(1,215,879.28)
Net book value :-			
As at 31 December 2014	1,201,558.72	2,328,000.00	3,529,558.72

Amortization charges for the year ended 31 December 2014

285,307.78

(Unit : Baht)

	Separate financial statement		
	Computer software	Computer software during installation	Total
Cost :-			
As at 1 January 2015	2,417,438.00	2,328,000.00	4,745,438.00
Addition	255,349.30	602,756.00	858,105.30
As at 31 December 2015	2,672,787.30	2,930,756.00	5,603,543.30
Accumulated amortization :-			
As at 1 January 2015	(1,215,879.28)	-	(1,215,879.28)
Amortization charge for the year	(345,081.88)	-	(345,081.88)
As at 31 December 2015	(1,560,961.16)	-	(1,560,961.16)
Net book value :-			
As at 31 December 2015	1,111,826.14	2,930,756.00	4,042,582.14
Amortization charges for the year ended 31 December 2015			345,081.88

(Unit : Baht)

	Separate financial statement		
	Computer software	Computer software during installation	Total
Cost :-			
As at 1 January 2014	1,899,763.00	-	1,899,763.00
Addition	332,000.00	2,328,000.00	2,660,000.00
Transfer in	185,675.00	-	185,675.00
As at 31 December 2014	2,417,438.00	2,328,000.00	4,745,438.00
Accumulated amortization :-			
As at 1 January 2014	(924,838.57)	-	(924,838.57)
Amortization charge for the year	(285,307.78)	-	(285,307.78)
Transfer in	(5,732.93)	-	(5,732.93)
As at 31 December 2014	(1,215,879.28)	-	(1,215,879.28)
Net book value :-			
As at 31 December 2014	1,201,558.72	2,328,000.00	3,529,558.72

Amortization charges for the year ended 31 December 2014

285,307.78

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

Consisted of

	(Unit : Baht)	
	Consolidate/Separate financial statements	
	<u>2015</u>	<u>2014</u>
Bank overdrafts	-	5,090,798.63
Short – term loans	189,829,967.12	77,619,535.10
Total	189,829,967.12	82,710,333.73

As at 31 December 2015, the Group held bank overdraft and short – term loans facilities from several commercial banks in the amount of Baht 3 6 0 .0 0 million (2014 : Baht 259.00 million), carried interest rate of 2.87% - 6.30% per annum (2014 : interest rate of 3.43% - 4.00% per annum).

The credit facilities were secured by mortgaged the Group's land plus property and bank deposits.

15. Trade and other payables-third parties

Consisted of

(Unit : Baht)

	Consolidated		Separate financial statement	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Trade payables	73,543,432.31	46,242,962.14	69,341,654.87	46,241,440.17
Accrued expenses	12,411,281.04	9,187,925.77	11,954,151.13	9,167,830.41
Other payables	9,669,893.49	6,876,175.96	9,084,681.46	6,761,946.40
Accrued dividend	5,149.21	-	5,149.21	-
Total	<u>95,629,756.05</u>	<u>62,307,063.87</u>	<u>90,385,636.67</u>	<u>62,171,216.98</u>

16. Obligation under finance lease

Obligation under finance lease - minimum lease payments

(Unit : Baht)

	Consolidate/Separate financial statements		
	As at 31 December 2015		
	<u>Obligation under finance lease</u>	<u>Deferred finance lease charges</u>	<u>Net</u>
Not later than 1 year	27,619,871.07	(2,781,695.54)	24,838,175.53
Later than 1 year but not later than 5 years	35,501,257.91	(2,640,306.80)	32,860,951.11
Total	<u>63,121,128.98</u>	<u>(5,422,002.34)</u>	<u>57,699,126.64</u>

(Unit : Baht)

	Consolidate/Separate financial statements		
	As at 31 December 2014		
	<u>Obligation under finance lease</u>	<u>Deferred finance lease charges</u>	<u>Net</u>
Not later than 1 year	26,262,536.37	(2,694,517.46)	23,568,018.91
Later than 1 year but not later than 5 years	29,753,562.03	(1,589,235.61)	28,164,326.42
Total	<u>56,016,098.40</u>	<u>(4,283,753.07)</u>	<u>51,732,345.33</u>

As at 31 December 2015, the Group performs the contract of long term financial leased with several leasing companies so as to lease equipment and vehicle by number of 83 contracts (2014 : number 117 contracts). The leased contracts determine leased fee repayment as monthly installment from Baht 5,887.85 per month to Baht 443,345.80 per month (2014 : Baht 5,887.85 per month to Baht 140,296.26 per month). The leased period is carried from 3 years to 5 years (2014 : 3 years to 5 years). Such leased contract comprises the Group's directors as guarantors. In addition, ownership of such vehicle and equipment will transfer to ownership of the Group when the Group pays the final installment in accordance with the leased contract.

The Group amortised the interest according to the financial leased contract for the year ended 31 December 2015 and 2014 in the amount of Baht 4.08 million and Baht 4.75 million which was recorded as "Finance cost" in the statement of comprehensive income, respectively.

17. Employee benefit obligation

Changes in the present value of the employee benefit obligation in case of retirement or termination of employment under the labor law for the years ended 31 December 2015 and 2014 are as follows :

	(Unit : Baht)	
	Consolidate/Separate financial statements	
	<u>2015</u>	<u>2014</u>
As at January 1,	2,885,701.00	4,016,308.00
Current service cost	951,210.00	826,895.00
Interest cost	91,756.00	144,185.00
Actuarial gains and losses arising from change in financial assumption	-	(2,275,811.00)
Actuarial gains and losses arising from change in experience adjustment	-	237,581.00
Paid employee benefit	-	(63,457.00)
As at December 31,	3,928,667.00	2,885,701.00

Principal actuarial assumptions as at 31 December 2015 and 2014 are as follows :

	Consolidate/Separate financial statements	
	<u>2015</u>	<u>2014</u>
Discount rate at end of year	3.18%	3.59%
Future salary increase	5%	5%
Proportion of employees opting for early retirement	20%	20%

Changes in the actuarial assumption will affect to the employee benefit obligation as at 31 December 2015 as follows :

- If the discount rate increase 0.5%, the employee benefit obligation will decrease **215,582.00** Baht.
- If the discount rate decrease 0.5%, the employee benefit obligation will increase **231,088.00** Baht.
- If the future salary growth increase 0.5%, the employee benefit obligation will increase **244,959.00** Baht.
- If the future salary growth decrease 0.5%, the employee benefit obligation will decrease **230,045.00** Baht.

Information about the maturity of the employee benefit obligation are as follows :

	<u>2015</u>	<u>2014</u>
Amount of the obligation expected to be paid		
- Not later than 1 year	140,009.00	80,000.00

As at 31 December 2015, the weighted average duration of the liabilities for long-term employee benefit of the Company is 20 years (2014 : 18 years).

18. Deferred tax liabilities

The movements of deferred tax assets and liabilities for the year ended 31 December 2015 and 2014 are as follow:-

	(Unit : Baht)					
	Consolidate					
	1 January 2014	Recognized in profit or loss	Recognized in comprehensive income	31 December 2014	Recognized in profit or loss	31 December 2015
Trade and other receivable	1,051,846.31	-	-	1,051,846.31	-	1,051,846.31
Property, plant and equipment	63,416.90	-	-	63,416.90	(73,697.20)	(10,280.30)
Obligation under finance lease	(3,480,835.76)	(1,904,282.98)	-	(5,385,118.74)	(1,576,841.65)	(6,961,960.39)
Employee benefits obligation	803,261.60	181,524.60	(407,646.00)	577,140.20	-	577,140.20
Deferred tax liabilities	(1,562,310.95)	(1,722,758.38)	(407,646.00)	(3,692,715.33)	(1,650,538.85)	(5,343,254.18)

	(Unit : Baht)					
	Separate financial statements					
	1 January	Recognized in	Recognized in	31 December	Recognized in	31 December

	2014	profit or loss	comprehensive income	2014	profit or loss	2015
Trade and other receivable	1,051,846.31	-	-	1,051,846.31	-	1,051,846.31
Property, plant and equipment	63,416.90	-	-	63,416.90	-	63,416.90
Obligation under finance lease	(3,480,835.76)	(1,904,282.98)	-	(5,385,118.74)	(1,576,841.65)	(6,961,960.39)
Employee benefits obligation	803,261.60	181,524.60	(407,646.00)	577,140.20	-	577,140.20
Deferred tax liabilities	(1,562,310.95)	(1,722,758.38)	(407,646.00)	(3,692,715.33)	(1,576,841.65)	(5,269,556.98)

The deferred tax asset is not recognized in the statement of financial position; consisted of :-

	(Unit : Baht)			
	Consolidate		Separate financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Unused tax losses				
- Expire in next 1 year	-	-	-	-
- Expire in next 2 – 5 years	6,014,958.84	-	6,014,958.84	-
Temporary differences	11,524,348.23	436,749.62	11,524,348.23	436,749.62
Total	17,539,307.07	436,749.62	17,539,307.07	436,749.62

The deferred tax assets and liabilities, which is not recognized in the statement of financial position, arises from undistributed profits associated with investments in subsidiaries, jointly controlled companies and associates; consisted of :-

	(Unit : Baht)			
	Consolidate		Separate financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Deferred tax assets are not recognized :				
- Associates	6,550,080.58	17,859.62	-	-
- Subsidiary	393,686.42	15,602.72	-	-
Total	6,943,767.00	33,462.34	-	-

19. Share capital

The movements of share capital for the year ended 31 December 2015 and 2014 are as follow:

	Number of shares (Unit : share)	Ordinary shares (Unit : Baht)
Share capital		
As at 1 January 2014	420,000,000	105,000,000.00
Issue of share during the year	-	-
As at 31 December 2014	420,000,000	105,000,000.00
Issue of share during the year	-	-
As at 31 December 2015	420,000,000	105,000,000.00

	Number of shares (Unit : share)	Ordinary shares (Unit : Baht)	Premium on ordinary shares (Unit : Baht)	Total (Unit : Baht)
Issued and paid – up share capital				
As at 1 January 2014	325,000,000	81,250,000.00	48,750,000.00	130,000,000.00
Issue of share during the year	95,000,000	23,750,000.00	147,250,000.00	171,000,000.00
Expenses concerning of ordinary shares	-	-	(5,076,572.74)	(5,076,572.74)
As at 31 December 2014	420,000,000	105,000,000.00	190,923,427.26	295,923,427.26
Issue of share during the year	-	-		
As at 31 December 2015	420,000,000	105,000,000.00	190,923,427.26	295,923,427.26

On 3 – 5 November 2014, the Company offers ordinary shares by number of 95.00 million shares to general public as the first time. Such ordinary shares comprises par value of Baht 0.25 per share. Shares are offered in the price of Baht 1.80 per share aggregating to total amount of Baht 171.00 million. The Company recorded expenses in respect of shares distribution net of income tax by amount of Baht 5.08 millions as deducted transactions in the premium or share capital. In addition, the shares increment is registered for paid-up from Baht 81.25 million to Baht 105.00 million equivalent to ordinary shares by number of 420.00 million shares in the par value of Baht 0.25 per share at the Ministry of Commerce on 6 November 2014.

In accordance with the resolution of the Extraordinary General Meeting of Shareholders no.1/2015 on 15 December 2015, it resolves as follows :

- Approval on the issuance and allocation of 1 series of the warrants to purchase the newly issued ordinary shares of the Company (NCL-W1) in the number of up to 140,000,000 units, to be allocated to the existing shareholders of

the Company pro rata to their respective shareholdings (Rights Offering), at no cost, at the allocation ratio of every 3 existing shares for 1 unit of NCL-W1 Warrants. The term of NCL-W1 Warrants will be 2 years from the issuance date and the exercise price will be at Baht 4.00 per share.

- Approval on the increase Baht 35,000,000.00 of the registered capital of the Company from Baht 105,000,000.00 to Baht 140,000,000.00 by issuing 140,000,000 shares, at the par value of Baht 0.25 per share to accommodate the exercise of NCL-W1 Warrants.

- Approval on the allocation of 140,000,000 newly issued ordinary shares at the par value of Baht 0.25 per share, to accommodate the exercise of NCL-W1 Warrants.

The Company had registered the capital with the Department of Business Development, Ministry of Commerce, effective on 23 December 2015 for increment of capital.

Warrant (NCL-W1)

On 20 January 2016, the Company disposed warrants of 139,997,497 units (NCL-W1) at Baht nil per unit so as to purchase ordinary shares offered to the former shareholders at the ratio of 1 warrant to 3 ordinary shares. The above warrants (NCL-W1) offered to purchase to ordinary shares comprise the detail by summation as follows :-

- It is the kind of specifying the names of holders and the holders can be changed.
- The warrants as registered securities in the Securities Exchange of Thailand.
- The age of warrant is 2 years.
- The date the warrants are issued on 20 January 2016.
- The warrants can be exercise on the last business day of every June and December. The first exercise date is on the last business day of 30 June 2016 and the last exercise date will be on the date closure of the 2nd anniversary from the issuance date.
- The rate of warrants right exercise is one unit over one ordinary share. (par value is Baht 0.25 per share)
- The exercised price is Baht 4.00 per share.

The capital management

The Group 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 Group will maintain capital in the level with the least risk.

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

20. Legal reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535 (or 1992), 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.

21. Income tax expenses

The income tax expenses recognised in profit for the year ended 31 December 2015 and 2014 are as follow :-

	(Unit : Baht)			
	Consolidated		Separate financial statement	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Current tax expense	-	4,277,991.70	-	4,277,991.70
Deferred tax expense relating to the origination and reversal of temporary differences	1,650,538.85	1,722,758.38	1,576,841.65	1,722,758.38
Total income tax expense recognized in profit or loss	1,650,538.85	6,000,750.08	1,576,841.65	6,000,750.08

The relationship between tax expense and accounting profit for the year ended 31 December 2015 and 2014 are as follow :-

	(Unit : Baht)			
	Consolidated		Separate financial statement	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Accounting profit (loss)	(78,954,044.10)	25,543,392.02	(81,007,454.99)	25,710,703.43

Tax rate used	20%	20%	20%	20%
Tax at the applicable tax rate	(15,790,808.82)	5,108,678.40	(16,201,491.00)	5,142,140.69
Different for tax rate of the subsidiary company	(58,923.47)	-	-	-
Profit is exempt from taxation	(186,009.83)	-	-	-
Effect of loss that is exempt from taxation	978,803.65	481,601.05	746,305.03	481,601.10
Effect of expenses that are deductible in determining taxation profit	(354,634.57)	(59,741.33)	(47,943.31)	(59,741.33)
Share of loss form investment in associate	6,532,220.96	17,859.62	-	-
Temporary difference not recognized as a deferred tax asset	4,518,180.68	436,749.62	11,068,260.68	436,749.62
Loss from operation	6,011,710.25	15,602.72	6,011,710.25	-
Income tax expense	1,650,538.85	6,000,750.08	1,576,841.65	6,000,750.08

The income tax expenses recognized in shareholders' equity for the year ended 31 December 2015 and 2014 are as follow :-

	(Unit : Baht)			
	Consolidated		Separate financial statement	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Current tax expense				
Expenses concerning of ordinary shares	-	(1,269,143.19)	-	(1,269,143.19)
Total income tax expense recognized in shareholders' equity	-	(1,269,143.19)	-	(1,269,143.19)

22. Earnings (loss) per share

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

Diluted earnings per share is calculated by the sum of the weighted average number of ordinary shares in issue during the period and the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. By supposition that if taking money received from right exercise from such warrants to purchase ordinary shares back in the market price of diluted equivalent ordinary shares; for example, warrants to purchase ordinary shares in the case that prices according to the rights of warrants constitute value lower than market price.

As at 31 December **2015**, the Company did not include ordinary shares derived from warrants to purchase ordinary shares as diluted equivalent ordinary shares in the computation of diluted earnings per share since exercised price obtains the value higher than market price of ordinary shares.

23. Dividend payment

In accordance with Meeting of Shareholders 1/2015 held on 28 April 2015, the meeting has approved to pay the dividend from the Company's operation results of the year 2014 to shareholders at the rate of Baht 0.023809 per share for the total amount of Baht 10.00 million. The Company paid such dividend in May 2015. (2014 : Baht 25.00 million)

24. Supplemental disclosures of cash flow information

24.1 Cash and cash equivalents consisted of

	(Unit : Baht)			
	Consolidated		Separate financial statement	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Cash	845,787.02	860,000.00	845,00.00	860,000.00
Cash deposits-Saving accounts	43,687,895.44	43,186,216.40	17,300,320.71	32,209,051.17
Cash deposits-Current accounts	24,022,293.26	39,963,397.23	24,022,293.26	39,963,397.23
Total	<u>68,555,975.72</u>	<u>84,009,613.63</u>	<u>42,167,613.97</u>	<u>73,032,448.40</u>

24.2 Non - cash items

	(Unit : Baht)			
	Consolidated		Separate financial statement	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Amortisation of gain on sale and leaseback	114,444.44	686,666.64	114,444.44	686,666.64
Purchases fixed assets but not yet paid	-	95,979.00	-	95,979.00
Purchase of assets under lease agreement	34,053,739.00	-	34,053,739.00	-
Transfer property plant and equipment to intangibal assets	-	179,942.07	-	179,942.07

25. Employee benefit

25.1 Provident fund

For the year ended 31 December 2015, the Group recognizes as the employee benefit expense for the payment of contribution into the provident fund at the amount of Baht 2.37 million and Baht 2.37 million in

consolidated and separate financial statement, respectively (2014 : Baht 2.37 million and Baht 2.37 million in consolidated and separate financial statement, respectively).

25.2 Retirement or termination under the labor law employee benefit

For the year ended 31 December 2015 and 2014, the Group recognises the employee benefit expense in case of retirement or termination under the labor law employee benefit, as follows :-

	(Unit : Baht)			
	Consolidated		Separate financial statement	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Amounts recognized in profit or loss				
Current service cost	951,210.00	826,895.00	951,210.00	826,895.00
Interest cost	91,756.00	144,185.00	91,756.00	144,185.00
Total amounts recognized in profit or loss	<u>1,042,966.00</u>	<u>971,080.00</u>	<u>1,042,966.00</u>	<u>971,080.00</u>
Amounts recognized in other comprehensive income				
Actuarial gains and losses arising from change in financial assumption	-	(2,275,811.00)	-	(2,275,811.00)
Actuarial gains and losses arising from change in experience adjustment	-	237,581.00	-	237,581.00
Total amounts recognized in other comprehensive income	<u>-</u>	<u>(2,038,230.00)</u>	<u>-</u>	<u>(2,038,230.00)</u>
Total	<u>1,042,966.00</u>	<u>1,067,150.00</u>	<u>1,042,966.00</u>	<u>1,067,150.00</u>

An item of the employee benefit expense in case of retirement or termination under the labor law for the year ended 31 December 2015 and 2014 is inclusively presented in the line items, as follows :-

	(Unit : Baht)			
	Consolidated		Separate financial statement	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Cost of services	106,209.00	236,795.33	106,209.00	236,795.33
Administrative expenses	369,083.00	550,905.67	369,083.00	550,905.67
Management benefit expenses	567,674.00	183,379.00	567,674.00	183,379.00
Total	<u>1,042,966.00</u>	<u>971,080.00</u>	<u>1,042,966.00</u>	<u>971,080.00</u>

26. Expenses by nature

The following expenditure items of expense have been classified by nature for the year ended 31 December 2015 and 2014 :

	(Unit : Baht)			
	Consolidated		Separate financial statement	

	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Employee benefit expenses	120,853,555.13	82,566,517.99	115,413,415.33	82,566,517.99
Management benefit expenses	24,238,084.21	18,386,260.00	24,238,084.21	18,386,260.00
Depreciation	20,139,553.88	17,456,079.17	19,687,129.09	17,456,079.17
Amortisation	504,537.96	285,307.78	345,081.89	285,307.78
Ocean and air freight expenses	649,797,857.87	524,361,462.64	622,022,716.97	524,361,462.64
Custom clearance expenses	31,469,924.70	38,967,068.17	31,398,845.97	38,967,068.17
Refund freight	59,469,181.21	40,654,279.35	57,406,688.64	40,654,279.35
Transportation expenses	93,458,262.75	66,167,306.57	93,454,193.84	66,167,306.57
Truck Expenses	62,855,690.25	50,372,776.78	62,855,690.25	50,372,776.78
Share of loss from investment in associate	32,750,400.00	-	32,750,400.00	-
Loss on written off deposit	18,494,850.00	-	18,494,850.00	-
Doubtful debt	4,704,648.64	2,183,748.09	4,704,648.64	2,183,748.09
Rental and service	22,573,842.34	19,277,183.20	21,962,258.11	19,277,183.20
Advertising expenses	1,836,912.05	2,073,757.72	1,691,628.79	2,073,757.72
Travel expenses	9,422,014.10	4,771,403.28	9,372,852.45	4,771,403.28
Entertainment expenses	4,293,466.81	3,753,329.20	4,130,962.98	3,753,329.20
Ocean service expenses	6,121,298.90	4,895,592.37	6,121,298.90	4,895,592.37

27. Operating segments

The Group identifies the operating segments on the basis of internal reports that are regularly reviewed by the Group's chief operating decision maker in order to allocate resources to the segment and assess its performance and discloses the amount reported for each operating segment item to be the measure reported to the Group's chief operating decision maker for the purpose of allocating resources to the segment and assessing its performance.

The Group 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 Group 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 Group consisted of land transportation, freight forwarding, and non – vessel operating common carrier (“NVOCC”). The detail of operation segment for the year ended 31 December 2015 and 2014 are as follows:

	Consolidate						(Unit : Million Baht)	
	Land transportation		Freight forwarder		Non – vessel operating common carrier (NVOCC)		Total	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Services income	109.73	125.26	736.35	491.80	228.54	298.36	1,074.62	915.42
Gross margin	11.64	21.43	92.29	71.72	51.53	62.70	155.46	155.86
Other income							6.42	7.29
Selling expenses							(40.90)	(11.29)
Administrative expenses							(158.21)	(115.54)
Finance cost							(9.06)	(10.69)
Share of loss from investment in associate							(32.66)	(0.09)
Profit before income tax							(78.95)	25.54

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

	Financial statement in which the equity method is applied										(Unit : Million Baht)	
	Land transportation		Freight forwarder		Non – vessel operating common carrier (NVOCC)		Central		Total			
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>		
Assets	145.82	121.72	84.79	65.35	50.05	42.20	314.00	304.67	594.66	533.94		
Depreciation	15.18	11.34	0.47	-	-	-	4.50	6.12	20.15	17.46		
Amortisation	-	-	-	-	-	-	0.50	0.29	0.50	0.29		

In 2015, the Group has the service income with 1 major customer earned by freight forwarder segment in the amount of Baht 154.49 million. (2014, the Group has the service income with 1 major customer earned by freight forwarder segment in the amount of Baht 131.46 million).

28. Financial instruments

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

28.1 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 Group anticipates of non material risk from interest rates.

	Amount (Unit : Baht)		Interest rate (% : per annum)	
	Consolidate			
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Cash deposits-Saving accounts	43,687,895.44	43,186,216.40	0.50%	0.50%
Fixed deposit pledged as collateral	74,747,131.29	71,518,288.79	0.50% - 2.50%	0.629% - 2.50%
Bank overdrafts	-	5,090,798.63	2.87% - 6.30%	3.95% - 4.75%
Short – term loans from financial institutions	189,829,967.12	77,619,535.10	3.10% - 3.39%	3.25% - 4.00%
Obligation under financial leases	57,699,126.64	51,732,345.33	2.99% - 5.00%	2.99% - 5.00%

	Amount (Unit : Baht)		Interest rate (% : per annum)	
	Separate financial statements			
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Cash deposits-Saving accounts	17,300,320.71	32,209,051.17	0.50%	0.50%
Fixed deposit pledged as collateral	74,747,131.29	71,518,288.79	0.50% - 2.50%	0.629% -2.50%
Bank overdrafts	-	5,090,798.63	2.87% - 6.30%	3.95% - 4.75%
Short – term loans from financial institutions	189,829,967.12	77,619,535.10	3.10% -3.39%	3.70% -3.95%
Obligation under financial leases	57,699,126.64	51,732,345.33	2.99% - 5.00%	2.99%-5.00%

28.2 Exchange rate risk

The Group constitutes material risk from exchange rates in overseas 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 2015 and 2014, the Group has foreign currency assets and liabilities are as follows:-

<u>Foreign currency</u>	Consolidate			
	<u>2015</u>		<u>2014</u>	
	<u>Assets</u>	<u>Liabilities</u>	<u>Assets</u>	<u>Liabilities</u>
USD	1,223,709.40	746,407.63	731,972.25	459,671.03
GBP	4,597.84	4,447.32	3,031.96	3,783.26
EUR	-	19,478.60	-	1,086.00
SGD	-	8,696.55	-	23,608.55
MYR	-	37,397.60	-	-
NZD	-	184.70	-	-

<u>Foreign currency</u>	Separate financial statements			
	<u>2015</u>		<u>2014</u>	
	<u>Assets</u>	<u>Liabilities</u>	<u>Assets</u>	<u>Liabilities</u>
USD	1,153,856.20	721,997.01	731,403.85	459,656.03
GBP	4,597.84	4,447.32	3,031.96	3,783.26
EUR	-	1,327.69	-	1,086.00
MYR	-	36,447.60	-	-
SGD	-	8,696.55	-	23,608.55

28.3 Credit risk

Credit risk is the risk that counterparties is unable or unwilling to meet a commitment that they have entered into with the Group. 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 Group has no significant concentration of credit risk.

28.4 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.

29. Financial instruments

From 1 January 2015 onward, the Company applied TFRS No.13 “Fair Value Measurement”. The TFRS defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date regardless of whether that price is directly observable or estimated using another valuation technique.

The TFRS requires the Company shall disclose about fair value measurement for financial asset and liability in which the other related TFRSs requires or permit fair value measurement or disclosure about fair value. Moreover, the TFRS requires the prospective treatment without applying to the comparative information.

The TFRS establishes a fair value hierarchy that categorizes into three levels the inputs to valuation techniques used to measure fair value, as follows

Level 1 : The inputs are quoted prices in active markets for identical assets or liabilities that the Company can access at the measurement date.

Level 2 : The inputs are observable inputs for the asset or liability, either directly or indirectly.

Level 3 : The inputs are unobservable inputs for the asset or liability.

Information on certain assets and liabilities of the Company which are not measured at fair value in the statement of financial position as at 31 December 2015 are described in notes to financial statement no.28.4

30. Obligation and contingent liabilities

- 30.1 As at 31 December 2015, the Group 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 **662,685.37** per month (2014 : Baht 373,117.17 per month).
- 30.2 As at 31 December 2015 and 2014 the Group has commitments under letterd of guarantee issued on behalf of domestic banks in amount of Baht **1.53** million.
- 30.3 As at 31 December 2015, the Group Companies has the obligation under the architectural structure design for office building agreement entered into with an outside person with the contractual value of Baht **0.95** million (2014 : Baht 0.95 million).

31. Events after the reporting period

The Board of Directors' Meeting no. 2/2016 with held on 29 February 2016, has the following resolutions

- Approve the transfer of the legal reserve and premium on ordinary shares to offset the Company's deficit and propose to the shareholders for consideration.
- Approve the plan in joint venture with Legend Singapore to incorporate a company; Legend Thailand in April 2016.

32. Litigation

As at 31 December 2015, the Company has the following litigations: -

- The Company has been sued in the Central Intellectual Property and International Trade Court by a company on non-performance for the international freight forwarding agreement. The amount of dispute is Baht 121,289.00. At present, the defense attorney is in the process of preparing the defense for the case. The court has set the appointment for the conciliation, defense the case and witness examination on 29 February 2016.
- The Company and its driver have been sued by the prosecutor in Nonthaburi Municipal Court for vehicle carrying over the legal weight limit. On 8 December 2015, the court has issued a court order to confiscate the said vehicles. The Company has submitted the request to extend the time frame for the appeal until

8 February 2016 and the defense attorney has submitted the appeal to the court order within the said time frame. (The book value is equivalent to Baht 953,074.95.)

33. Reclassification of accounting transactions

Some transactions in Statement of Comprehensive Income for the year ended 31 December 2014 are newly reclassified so as to comply with reflection in Statement of Comprehensive Income the year ended 31 December 2015 which can be summarized as follows:

Statement of Comprehensive Income for the year ended 31 December 2014		
<u>Transactions which formerly reflected</u>	<u>Reclassified</u>	<u>Baht</u>
Management benefit expense	Cost of services	6,253,708.00
Management benefit expense	Administrative expenses	12,132,552.00

34. Approval of financial statements

These consolidated and separated financial statements were authorized for issue by the Company's board of directors on 29 February 2016.
