



Annual Report 2015



www.acc-plc.co

Contents

	Pages
Message from the Chairman of the Board and the Managing Director	2-3
The Details of Directors and Managements	4-9
Part 1 Business Operation	
1. Policy and Overall of Business Operation	10-14
2. Nature of Business	15-20
3. Risk Factors	21
4. General Information and Other Reference Information	22-23
Part 2 Management and Corporate Governance	
5. Securities Information and Shareholders	24
6. Management Structure	25-38
7. Corporate Governance Report	39-42
8. Social Responsibilities	43-44
9. Internal Control and Risk Management	45-46
10. Related-Party Transactions	47-48
Part 3 Financial Position and Operating Results	
11. Management Analysis and Explanation	49-58
12. The Board of Directors' Responsibilities for Financial Reporting	59-60
13. Audit Committee Report	61-62
14. Independent Auditor's Report	63-64
15. Consolidated and Company Financial Statements and Notes to Consolidated and Company Financial Statements	65-130
Part 4 Other Information	
16. Details of Directors of Subsidiaries and Related Companies	131

Message from the Chairman of the Board and the Managing Director

Dear Shareholders,

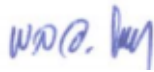
During the past year of 2015, Thailand economy was negatively affected from both external factors such as economic conditions of the region. Especially Chinese economy that is likely slow down due to adjustment in economic policy to emphasize dependence on domestic products and reduce imports. And also effects from internal factors such as drought and price of agricultural decline. As a result, the purchasing power of farmers shrink, household debt ratio high, resulting in decrease in purchasing power and so on.

Moreover, there are major changes in the Company during this past year such as changes in management team and business operating policy for example cancellation of ceiling fan and ceiling light distribution via distributors. The Company has reviewed all business processes, from ordering parts, inventory management, including marketing management. On November 11, 2015, the Company officially opened new showroom located on Soi Srinakarin 40 opposite to Seacon Square Shopping Center. Although such change resulted significantly decrease in sales of ceiling fan and ceiling light, but the company is confident that under the new business operating policy, the company will be able to make sustainable growth. And return to be leading of ceiling fan and ceiling light product in the coming years certainly.

Investment in other businesses of the Company in order to increase stability in future income are progressing successively. The Company expanded investment in renewable energy business through joint venture with Wyncoast Industrial Park Public Company Limited in produce of electricity from solar on the roof (Solar Roof Top) business of 3 projects total capacity of 2.35 megawatt. And also investment in Saraburi Project Group of Comapies which are produce of electricity from solar on the land (Solar Farm) with total capacity of 5.5 megawatt.

In Real Estate Development business, the Company invest through its subsidiary to operate in real estate development business, the first project is “Townline Sattahip” which is townline project in Sattahip district, Chonburi Province. Up-to-date sales trend is well. The Company expects to begin revenue recognize from such project within the third quarter of this year 2016.

We thank our shareholders, customers and business partners for trusting and supporting the operations of the company as well. Including executives and employees of the Company for cooperation to overcome various obstacles and dedicated to work at full capacity. The Board of Directors and Executive Committee reaffirm the commitment to make the Company growing and increasing its profit, administrate with professionally and good image of the organization. To create sustainable success for the organization further.



(General Kasemsak Plooksawat)

Chairman of the Board



(Mr. Yuttana Taepangthong)

Managing Director

The Details of Directors and Managements



General Kasemsak Plooksawat

Age 69 years Thai nationality

Position

Independent Director / Chairman of the Board of Directors

Appointed Date March 31, 2015

Shareholding None

Education

Bachelor's Degree in Science, Chulachomklao Royal
Military Academy

Work Experience

2012 - 2014 : Member of the Senate

2008 - 2011 : Member of the Senate

2005 - 2006 : Deputy Permanent Secretary, Ministry of
Defence

Remark : Former Deputy Chief of Staff, Royal Thai Army
Former Superintendent, National Defence College

Relationship with Directors and Management None



Suvit Thaniyavarn, Ph.D.

Age 61 years Thai nationality

Position

Director / Vice Chairman of the Board of Directors /
Chairman of Nomination and Remuneration Committee

Appointed Date April 25, 2015

Shareholding None

Education

Ph.D. in Economics, University of Illinois, USA
Master's Degree in Economics, University of Illinois, USA
Bachelor's Degree in Economics (Finance), Thammasat
University

Governance Training of IOD/Others

Directors Certification Program (DCP) Class 24/2002

Positions in Listed Companies in SET

2014 - Present : Chairman of Audit Committee
Big Camera Corporation Pcl. (BIG)

Position in Other Companies/Organizations

2008 - Present : Member of Working Committees for
Economic-service Sector
The Office of the National Economic Social
Advisory Council

Relationship with Directors and Management None



Mr. Yuttana Taepangthong

Age 42 years Thai nationality

Position

Director / Risk Management Director / Executive Director /
Managing Director

Appointed Date December 19, 2014

Shareholding None

Education

Bachelor's Degree in Accounting, Bangkok University

Governance Training of IOD/Others

Directors Accreditation Program (DAP) Class 120/2558

Positions in Listed Companies in SET

2014 - Present: Director

Sanko Diecasting Pcl. (SANKO)

2014 - Present: Advisor to CEO

Jubilee Enterprise Pcl. (JUBILE)

Position in Other Companies/Organizations

2015 - Present: Director

ACC Electric Co., Ltd.

ACC Landmark Co., Ltd.

ACC Green Energy Co., Ltd.

W.Solar Co., Ltd.

Bangpakong Solar Power Co., Ltd.

2014 - Present: Director

C.E.I. (Chiangmai) Co., Ltd.

Work Experience

2013 – 2014 : Audit Committee

Electronics Industry Pcl. (EIC)

1994 – 2014 : Vice President, Accounting and Finance

Department

Jubilee Enterprise Pcl. (JUBILE)

Relationship with Directors and Management None



Mr. Sarin Ruangsorn

Age 35 years Thai nationality

Position

Director / Executive Director / Deputy Managing Director

Appointed Date December 19, 2014

Shareholding None

Education

Master's Degree in Business Administration, Sasin Graduate
Institute of Business Administration of Chulalongkorn
University

Bachelor's Degree in Business Administration & Information
Technology, London Metropolitan University, UK

Governance Training of IOD/Others

Directors Accreditation Program (DAP) Class 120/2558

Position in Other Companies/Organizations

2015 - Present: Director

ACC Electric Co., Ltd.

ACC Green Energy Co., Ltd.

C.E.I. (Chiangmai) Co., Ltd.

Work Experience

2010 - 2015 : Director

Prime Mansion Co., Ltd.

2010 - 2015 : Executive Advisor

Jintana Intertrade Co., Ltd.

2010 - 2015 : Executive Advisor

Inner Wear Co., Ltd.

Relationship with Directors and Management None



Mr. Pavint Ruangvoraboon

Age 35 years Thai nationality

Position

Director / Executive Director / Deputy Managing Director

Appointed Date December 19, 2014

Shareholding None

Education

Master Degree, Business and

Managerial Economics, Chulalongkorn University

Bachelor's Degree, Engineering, Chulalongkorn University

Governance Training of IOD/Others

Directors Accreditation Program (DAP) Class 120/2558

Position in Other Companies/Organizations

Feb. 2016 - Present: Director

W.Solar Co., Ltd.

Bangpakong Solar Power Co., Ltd.

2015 - Present: Director

ACC Electric Co., Ltd.

ACC Green Energy Co., Ltd.

Work Experience

2550 - 2557 : Manager, Portfolio Management Department

Intouch Holdings Pcl. (INTUCH)

Relationship with Directors and Management None



Arichai Ractham, Ph.D.

Age 47 years Thai nationality

Position

Independent Director / Chairman of Audit Committee /

Chairman of Risk Management Committee

Appointed Date March 31, 2015

Shareholding None

Education

Ph.D., Claremont Graduate School, USA

Master Degree, Finance, Claremont Graduate School, USA

Bachelor's Degree, Economics and Business Administration,
Eastern Washington University, USA

Governance Training of IOD/Others

Audit Committee Program (ACP) Class 15/2549

Role of the Chairman Program (RCP) Class 14/2549

Directors Certification Program (DCP) Class 67/2548

Directors Accreditation Program (DAP) Class 30/2547

Positions in Listed Companies in SET

2010 - Present: Audit Committee

Ferrum Pcl. (FER)

2007 - Present: Audit Committee

Syntec Construction Pcl. (SYNTEC)

Position in Other Companies/Organizations

2009 - Present: Lecturer

The Thai Institute of Directors Association

1998 - Present: General Manager

Chulalongkorn University

Kasetsart University

Mahidol University

Relationship with Directors and Management None



Doctor Charnsiri Suetrong

Age 55 years Thai nationality

Position

Independent Director / Audit Committee / Risk Management Committee

Appointed Date November 22, 2013

Shareholding None

Education

Doctor of Medicine's Degree, Medicine Graduate CEBU Institute of Medicine, Philippines

Bachelor's Degree, Science (Biology), University of San Carlos, Philippines

Governance Training of IOD/Others

Directors Accreditation Program (DAP) Class 120/2558

Position in Other Companies/Organizations

2008 - Present: Assistant Honorary Consul
Consulate General of the Korea, Chiangmai Province

Work Experience

1997 - 2008 : Doctor, Medical Clinic

1994 - 1995 : Director
APM Travel Co., Ltd.

1990 - 1996 : Assistant Managing Director
Heart Oil Siam Import Export Co., Ltd.

1990 - 1996 : Assistant Managing Director
United Hi-Tech Electronic Equipment Co., Ltd.

Relationship with Directors and Management None



Mr. Pasu Sukhumvart

Age 51 years Thai nationality

Position

Independent Director / Audit Committee / Nomination and Remuneration Committee

Appointed Date July 24, 2015

Shareholding None

Education

Bachelor's Degree, Political Science (Governance Major), Humanities and Social Sciences, Prince of Songkla University

Governance Training of IOD/Others

Directors Accreditation Program (DAP) Class 120/2558

Position in Other Companies/Organizations

2013 - Present: Director
Right Livelihood Foundation

2010 - Present: Advisor
Subdistrict Administration Organization
Association of Thailand

2009 - Present: Director
Ingattee Resort Co., Ltd., Pathumthani

2009 - Present: Special Project Manager
Suk Charoen Kij Limited Partnership

Relationship with Directors and Management None



Mr. Ekawat Swetarat

Age 33 years Thai nationality

Position

Executive Director / Nomination and Remuneration
Committee / Deputy Managing Director

Appointed Date December 19, 2014

Shareholding None

Education

Master's Degree, Business Administration,
Sasin Graduate Institute of Business Administration of
Chulalongkorn University
Master's Degree, M.I.M.S (Information Management System),
Monash University, Australia
Bachelor's Degree, Science (Computer),
University of New South Wales, Australia

Governance Training of IOD/Others

Directors Accreditation Program (DAP) Class 120/2558

Position in Other Companies/Organizations

2015 - Present: Director
C.E.I. (Chiangmai) Co., Ltd.

Work Experience

2013 - 2014 : Director
KhumKhanToke (Chiangmai)
2011 - 2013 : Business Development Department Manager
General Electronic Commerce Services Co.,
Ltd.
2011 : International Business Department Manager
Thai Reinsurance Pcl. (THRE)
2010 : International Business Department Manager
EMCS Thai Co., Ltd.

Relationship with Directors and Management None



Mr. Kitti Kanokudomsap

Age 49 years Thai nationality

Position

Executive Director / Assistant Managing Director

Appointed Date December 19, 2014

Shareholding None

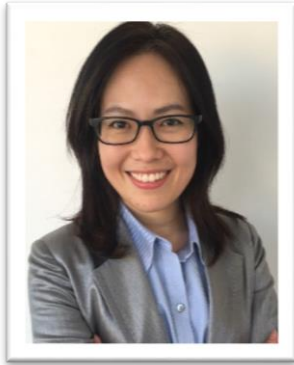
Education

Master's Degree, Finance, Ramkhamhaeng University
Bachelor's Degree, Accounting, Ramkhamhaeng University

Work Experience

2010 - 2014 : Freelance Consultant in Financial
Accounting and Tax
2006 - 2013 : Vice President Finance and Accounting
Department
International Research Corporation Pcl.
(IRCP)
1997 - 2006 : Accounting Manager
Advanced Connection Corporation Pcl.

Relationship with Directors and Management None



Ms. Natthakarn Santayanont

Age 36 years Thai nationality

Position

Company Secretary

Appointed Date	February 4, 2016
-----------------------	------------------

Shareholding	None
---------------------	------

Education

Master's Degree, Science (Accounting), Thammasat University

Bachelor's Degree, Science (Accounting), Thammasat University

Work Experience

2011 - 2014 : Accounting and Human Resource Manager
Real Motosports Co., Ltd.

2006 - 2010 : Accounting Manager
Panachai Konlakan Krungthep Co., Ltd.

2001 - 2005 : Assistant to Audit Manager
Deloitte Touche Tohmatsu Jaiyos Co., Ltd.

Relationship with Directors and Management	None
---	------

Business Operation

Policy and Overall of Business Operation

Advanced Connection Corporation Public Company Limited (“The Company”) is during the process of business restructuring. The core business of the company is currently divided into three parts i.e. distributor of ceiling fan/lights, alternative energy business and real estate. The company decided to enter into the businesses because consider that are business with a steady income, have potential for high growth and can generate good returns in the future. However the Company remains focused on sales of ceiling fans/lights. It may be extended to other products e.g. the fans with the light bulb or lamp which such goods became popular in the market and good growth prospects.

Policies to support the business after restructuring, the company has more purpose in doing business of the Company to cover the businesses to increase the flexibility in investment. By registered with the Ministry of Commerce completely in early of 2015, as detailed below.

- 1) Operates on all types of renewable energy power systems, solar energy, wind energy by burning waste materials from agriculture, energy from waste and energy from water and so on.
- 2) Engage in real estate development, condominium units and land, commercial land, including various permits related to real estate developments such as the construction permit, modified demolition, allowing the connection, approval of an aqueduct, allowing the building approval of environmental impact study to the Office of Natural Resources and Environmental Policy and Planning. Apply for a certificate of land use. Condominium Management as well as other relevant permits as required by law.
- 3) Engage in broadcasting, broadcasting telecommunications transmission, broadcasting or reception of signals, signs, letters, figures, images, sound, card or any other means. This can be understood by the system cabling, wireless systems, radio frequency or other electromagnetic systems, lighting systems, one system. Or a combination of systems including shuttle service radio, television, radio broadcasting and cable television, radio, cable TV systems, satellite communications systems and other communications.
- 4) Transactions via the Internet trade on the Internet or E-Commerce and other types of electronic transactions, both domestic and foreign.

Distribution ceiling fan/light Business

The Company is in consumer products sector and still has a ceiling fan/light distribution business as its core business. In recent years, the company has opened a new showroom was officially on November 11, 2015

located at Srinakarin Soi 40 opposite Seacon Square Shopping Center, Srinakarin Road. The company aims to expand its fan through various channels such as modern trade, dealers across the country, real estate projects including increase relates product lines.

Apart from the opening of the new showroom, in recent years, the company succeeded in creating a team of marketing and orders new product models to sell due to cancellation of the only one dealer. And will start directly sell to the retail business (Modern Trade), such as store HomePro, HomeWorks and ThaiWatsadu, which is expected to see substantial results in the next year.

Alternative Energy Business

The company grew into an alternative energy business in the coming years. And has invested in the production of electricity from solar roof (Solar Rooftop) totaled approximately 2.35 MW operating under associated company, W. Solar Company Limited ("associated company"), capacity about 1megawatt, Bangpakong Solar Power Company Limited ("subsidiary company"), capacity of 0.75 megawatt and 105 Solar Power Company Limited (the "subsidiary"), capacity of 0.60 megawatt. And the Extraordinary General Meeting of Shareholder on March 11, 2016 approved to invest in the Saraburi Project Group of Companies, operates in solar power on the ground (Solar farm) with a capacity of 5.5 megawatt. And the Company established ACC Green Energy Company Limited to develop other renewable energy projects that will be studied to expand investment in the future.

Real Estate Business

In the real estate business, the company establish ACC Landmark Company Limited to initiative to develop real estate projects. In collaboration with business partners through the sale shares of ACC Landmark Company Limited to Prime Mansion Company Limited (after sale of shares, the Company holds 75 percent of the capital and Prime Mansion Company Limited holds 25 percent of the registered share capital) to has experienced investors to participate. The first project was developed under the name "Town Line Sattahip" in Sattahip, Chonburi province. The sales trend is well.

In April 2015, the company decided to bring the business of Lanna food and show cultural center, (Khum KhanToke) rent out to minimize the risk of the global economy and the number of Chinese tourists drop affect the operations. But rent out, the Company received steady cash in flows.

For existing properties, the Company has started to develop by improving factory space for rent at Bang Poo Industrial Estate. Some of the assets still be rent. The remaining are in consideration of the administration's plans to auction off in the future.

The assets of 2 condominium i.e. Country Complex Building B and P. S. Tower is now a tenant has not reached 50 percent, the Board of Directors has approved the distribution of total assets. Now, some assets can be sold out and the remaining assets are in the process of auction of further.

Changes and Key Developments

1987	<ul style="list-style-type: none"> The Company has been formed by family Tai- group from Taiwan to sale ceiling fan/light.
1993	<ul style="list-style-type: none"> The Company registered to change form to public company limited on May 31, 1993 and is listed on the Stock Exchange of Thailand.
2002	<ul style="list-style-type: none"> The Company joint-venture with Hunter Fan Company Limited, the biggest fan manufacturer in U.S.A. and made ceiling fans/lights trading contract, but had been canceled since March 2005.
2004	<ul style="list-style-type: none"> The Company invested in Air Breeze Company Limited in the People's Republic of China through Van Guard Corporation Company Limited in Cayman Island, by holding 100% of total shares equally to USD 3,000,000.
2009	<ul style="list-style-type: none"> The Company decided to sell out Subsidiary in the People's Republic of China due to the global economic crisis. The Company made loaned agreement to Thanya Rung Rueang Chai Rice Mill (Thailand) Company Limited ("TRC") in the amount of 70 million baht. Currently, the principle has not been paid. The Company already set allowance for doubtful account in full amount and is during legal process with TRC. The Company invested in Siam Water Company Limited, which later changed to Siam Water Resources Public Company Limited ("SWR"). The Company has 45 million shares in the amount of 49.95 million baht or 8.93% of registered capital. The Company already recorded impairment loss from investment in full amount, and is on the legal process with SWR.
2010	<ul style="list-style-type: none"> The Company sold land and factory located at 290 Moo 4, Sukhumvit Road, Prakkasa, Muang, Samutprakarn to Murakami Ampass (Thailand) Company Limited.
2013	<ul style="list-style-type: none"> The Company set up and registered the Subsidiary, C.E.I. (Chiangmai) Company Limited as subsidiary company for investment in land and plant included other assets use in Lanna food and show cultural center (Khum KhanToke) which is food and Lanna cutural show business.
2015	<ul style="list-style-type: none"> The Company change its name and its seal to "Advanced Connection Corporation Public Company Limited" and also change securities abbreviate name to "ACC" to comply with business operation policy in the future. The Company acquired shares of W.Solar Company Limited ("W.SOLAR") from Wyncoast Industrial Park Public Company Limited ("WIN") in proportion of 49% of registered capital amount of 39.20 million baht. The Company acquired shares of companies as follows from Wyncoast Industrial Park Public Company Limited ("WIN") to generate power from solar on rooftop project <ul style="list-style-type: none"> W.Solar Company Limited in proportion of 49% total amount of 39.20 million baht Bangpakong Solar Power Company Limited in proportion of 51% total amount of 24.99 million baht 105 Solar Power Company Limited in proportion of 51% total amount of 19.89 million baht The Company established subsidiary companies to operate in businesses under policies as follows: <ul style="list-style-type: none"> ACC Green Energy Company Limited, Energy business, to develop renewable energy project. ACC Electric Company Limited, trading business, to expand investment in trading business. ACC Landmark Company Limited, Real Estate business, to develop and support real estate project.

Shareholding structure of the Group

The Company invested in form of holding company with major investments in subsidiaries which engaged in trading business, restaurant business - Lanna food and cultural show center (Khum KhanToke), renewable energy business, and real estate business. And also invest in associated company which in renewable energy business. Details are as follows.

Company Name	Type of Business	Sharehold (%)
Restaurant and Show Business		
• C.E.I. (Chaingmai) Company Limited (“subsidiary”)	Lanna food and cultural show center (Khum KhanToke)	99.99
Renewable Energy Business		
• W.Solar Company Limited (“associate”)	Solar Rooftop	49
• Bangpakong Solar Power Company Limited (“subsidiary”)	Solar Rooftop	51
• 105 Solar Power Company Limited (“subsidiary”)	Solar Rooftop	51
• ACC Green Energy Company Limited (“subsidiary”)	Energy (has not start operate)	99.99
Real Estate Business		
• ACC Landmark Company Limited (“subsidiary”)	Develop Real Estate	75
Trading Business		
• ACC Electric Company Limited (“subsidiary”)	Trading (has not start operate)	99.99

Nature of Business

History

Advanced Connection Corporation Public Company Limited was incorporated as a company limited under the Civil and Commercial Code and operated as a Limited Company in August 1987 with a starting registered capital of 45 million baht and continued building its first factory at Bangpoo Industrial Estate and has been promoted by the Board of Investment on October 16, 1987.

The Company has operated the business and increased its registered capital all along until it currently has registered capital of 300 million Baht. It was incorporated as a public Company on May 31, 1993 and made its ordinary shares listed in the Stock Exchange of Thailand.

In the past, the Company was a manufacturer of ceiling fan/light for both domestic and foreign exports. Currently it is an importer of fan components for assembly and distribution in the country. The fans that the Company distributes have a unique focus on aesthetic quality in order for them to be used as ornaments and decorations for housing, hotels, as well as office buildings.

Nature of Business

- 1) Sale of ceiling fan/light. The Company had been the biggest ceiling fan/light manufacturer but change to importer of fan components from abroad for assembly and distribution in the country. The fans are distributed under trademarks of Sunlight and Compass East which have been well known among general users for over 10 years. The Company has recently added another trademark named "Air-le-gance" to capture the customers on the market with high purchasing power.
- 2) Rent out factory buildings to utilize empty space and generate benefits as a return for the Company.

Revenue Structure

Revenues of the company proceeds from the sale of ceiling fan/light and its components, rental income and interest income. Subsidiary companies' revenue come from food and beverages.

Unit : million baht

Type	Dec 31, 2015		Jul 31, 2015		Jul 31, 2014	
	Revenue	%	Revenue	%	Revenue	%
1. Revenue from sale	4.17	12.69	7.66	6.75	25.78	18.11
2. Revenue from service	-	-	50.43	44.46	69.79	49.03
3. Rental revenue	26.06	79.31	49.30	43.47	27.70	19.46
4. Other revenue	2.63	8.00	6.04	5.32	19.06	13.40
Total	32.86	100.00	113.43	100.00	142.33	100.00

Unit : thousand baht

Financial position at ended of year	Consolidated F/S Dec 31, 2015	Consolidated F/S Jul 31, 2015	Consolidated F/S 2014
Assets and Shareholders' Equity			
Current assets	251,833	229,304	75,861
Total assets	1,066,762	828,850	746,330
Shareholders' Equity	811,985	807,609	708,723
Par value (baht)	0.25	0.25	1.00
Book value (baht)	0.76	1.51	3.87
No. of shares (shares)	1,200,000	1,200,000	188,300
Earning Abilities			
Sales	30,228	107,388	123,273
Other incomes	2,634	6,046	19,056
Total revenues	32,862	113,435	142,238
Net Incomes (Loss)	(15,283)	(137,851)	8,453
Cash Dividends	-	-	-
Earnings per share (baht)	(0.0118)	(0.1559)	0.0461
Financial Ratio			
Current ratio (times)	1.17	21.91	3.01
Total debt to equity ratio (times)	0.3138	0.0263	0.0531
Return on equity (%)	(1.75)	(18.18)	1.20
Return on sales (%)	(50.56)	(128.37)	7.35
Return on total revenue (%)	(46.51)	(126.52)	5.94
Return on assets (%)	(1.61)	(17.50)	1.15

Note: Calculated from the Company's Financial Statement

Products and Services

- **Manufacturing**

The Company has discontinued the manufacturing of ceiling light fans and turned into the line of importing fan components for assembly and distribution to reduce manufacturing costs. The focus is on design and quality of products ordered from both inside and outside of the country. There are product inspection and product specification determination processes to ensure all the products meet the Company's standard which will benefit in maintaining the quality and reputation of the products.

- **Product Characteristics**

Currently, the products that the Company produces are semi-finished products packed in boxes which the customers can assemble and install themselves. Most of the Company's products are sold directly to the dealers under its own brands such as Sunlight, Compass East, and the new brand name "Air-le-gance".

Its Subsidiaries operate a cultural center, food & restaurant, and Lanna show called "Khun Khantoke" in Chiangmai province which offers the following.

- Lanna cultural shows and buffet Khan Toke cuisine.
- "Plub Pla" Thai restaurant opens for Thai cuisine and buffet by daytime and Thai cuisine only from evening to night.
- "Khum Kham" International Convention Center

Marketing and Competition

As a result of the Company's change from one dealer to direct sale, the Company is now in the process of trade negotiation with various major shopping center groups and preparing to build a sales representatives team that offer direct sale service to its dealers nationwide.

- **Marketing Strategy**

- 1) Product Strategy

The Company has been continuously developing its product variety by designing new models of fan with modern design and offered in diverse models of fan which meet the customer's need. Moreover, it also develops the product quality to ensure that its products are beautiful and high quality. Besides, the Company also considers products that use high technologies to keep up with market demand such as LED light, DC Motor to help save energy and quieter sounds.

Its Subsidiaries, adds more services as an alternative source of its income by providing international convention center service which causes a broader customer base and brings the Company into a service field that is in a more international level. And have continuously developed the food's tastes to meet customer's needs by carefully selecting high quality ingredients that are fresh daily. In term of the show, there is a quality control in selection of performers who are skilled dancing art graduates.

2) Pricing Strategy

The Company have been adjusting by supplying light ceiling fans to compete with competitors in terms of both pricing and styles to compete for customers in various market levels in order to expand our customer base which continues to bring more benefits as sales volume increases. Meanwhile, we are downsizing the organization to reduce sales costs and management expenses in Subsidiaries Company. Thanks to the restaurant serving a buffet, the price set is a price can that compete with its rivals.

3) Distribution and Distribution Channel Strategy

The Company sells directly to customers who are stores that sell home accessories that are well known among buyers such as Home Pro, Home Work, Thai Watsadu, House & Home, wholesale customers in all regions, and general home decorators. This allows the Company to penetrate the market in all levels including the market in the real estate, hotel, and resort categories.

Its Subsidiary sales channel is via tour Companies by adding the service provided in the tour companies' programs and selling on the internet as well as promoting via Tourism Authority of Thailand. In addition, Marketing Department will directly contact new customers to introduce the services with both Thai and foreigner tourists. The marketing plans include selling online in 2015.

- **Sale Promotion Strategy**

The Company has already started marketing planning and is advertising in decoration guide books and construction and materials magazines. It also participates in home decorating exhibition and joins with department stores in launching new products in order to directly introduce it to consumers.

Moreover, it has started to enter new market and introduce its products to border provinces to expand the customer base by joining fairs and sales activities at the launch of a special economic development zone in Nakorn Phanom during 27 July and 2 August 2015 at the R12 Warehouse, Nakorn Phanom Province in which the Company was greatly welcomed.

The Subsidiary Company has implemented sale promotion regularly during festivals such as graduation ceremony, Father's Day, Mother's Day, Teacher's Day and other occasions by promoting with various tour Companies who will include the Khan Toke activity in their tour programs.

- **Nature of Customer**

The Company's customers are traders who have been in light ceiling fan market for over 10 years and are very knowledgeable and specializing in the products. Major customer base is Project group such as hotels and resorts who order in bulk quantities. These customers have been ordering from the Company before and have confidence in our product quality.

The Subsidiary Company's customer more than 70% were foreign tourist travel with tour agency, most of them were foreign. The rest were walk-in customer most of them were foreign too.

- **Competition**

Industry condition and competition condition of domestic ceiling fan market has been increasing. Customers in shopping center category have started to import products for sale by imitating similar packages, placing the product next to ours, and selling in cheaper prices. Sometimes, buyers choose such products without carefully looking to confirm they are buying the Company's products.

Those competitive products, however, do not have service center and parts available for users. This is what make those products different from the Company's products which come with after sale service. Therefore, the Company can still compete in this market. Currently, the Company is designing a totally new design of its products in order to achieve a distinguished unique product image and added value to the product at the time. In term of sale promotion, the Company is looking into encouraging its dealers to look for new distribution channels by reducing dependence on large department stores.

Most of the Subsidiaries' customers are tourists and foreigners. The Company has a potential in competition due to its location, shows, and food altogether give the Lanna cultural experience to the visitors "Khum KhanToke".

Supply of Products and Services

- **The Company's Capacity and Actual Volume of Production**

In this year the Company ordering materials from Taiwan or China, the Company relies on a direct order deal with the manufacturers to avoid increasing cost and get the reasonable agreed prices.

Subsidiaries' Ability to Service

- Cultural and Show center is capable of opening twice a day and service more than 1,000 customers per day.
- "Phlab Phla" Thai restaurant's buffet line during day time can handle more than 300 customers.
- Khum Kham International Convention Center can receive about 2,000 people.

- **Production Process And Technology**

The Company import fan components for assembly and distribution with Research and Development Department and Quality Control Department inspecting and assembling the fans in order to control quality and specify the product specification as well as making manuals for new models.

- **Research And Development And Quality Control**

When ordering fan components for production, the Research and Development and Quality Control Department is responsible for quality control inspection of such imported fan components. The Research and Development and Quality Control Department will report the inspection results to Procurement Department in terms of product quality and inform the Assembly Department about the assemble of the various fan models as well as providing fan assemble instructions in the manual for Procurement Department for publishing.

After that, all the components will be sent to Assemble Department to pack the motor, shaft, propeller, screw set, lamp, glass lamp shade, hanging pipe, and manual in to the box that has pictures, colors, and designs according to the customer's requirements.

- **Environmental Impact**

In the production process, the Company has provided a control system to reduce the impact on the environment according to requirements under supervision of the Industrial Estate Authority of Thailand.

- 1) Wastewater for production lines with the use of chemicals such as plating plant to reduce water pollution before effluent discharge.
- 2) Crater hob to reduce air pollution
- 3) Recycling system helps reduce the amount of waste water

Risk Factors

The Company is at risk from business operation as usual due to changes in interest rates and foreign exchange rates as well as from non-performance of contractual obligations by the parties. The Company does not hold or issue derivative financial instruments for speculative or trading purposes. The Company's financial assets comprise of cash and cash equivalents, temporary investments, trade receivables, and inventories which are considerably liquid and can be changed in to fair value of money quickly.

Interest Rate Risk

Interest rate risk arises from fluctuations in the market interest rates in the future. This will affect the operating results and cash flows of the Company. The Company is a risk by interest rates due to deposits and bills of exchange it has with financial institutions. Because most of these assets are considered short-term, the Company does not use derivative financial instrument to hedge against such risk.

Exchange Rate Risk

The Company has foreign currency exchange rate risk due to its assets and liabilities denominated in foreign currencies which are not protected by any exchange rate risk protection agreements.

Unit : thousand baht

Type	Dec 31, 2015		Jul 31, 2015	
	Assets	Liabilities	Assets	Liabilities
1. US Dollar	2.53	-	0.10	-
2. China Yuan	0.01	-	-	-

Credit Risk

The Company has a risk of significant concentration of credit because there are few accounts. However, the Company's Management believes that there is no exposure to credit risk in trade receivables more than the amount reserved for the cases of collecting of accounts failure.

Risk of Low Number of Customers

The Company has only one customer and the customer is relevant. There is a chance of the customer cancelling the purchase from the Company by importing the product itself or buying from other suppliers; or in the event of the customer experiencing financial difficulties, it may not be able to pay off debts to the Company. This may cause damage to the Company. As a result, present management cancelled one dealer system and marketing by own team i.e. open showroom at Soi Srinakarin 40 Srinakarin Road, forming marketing and sale team which believes that will reduce risk from low number of customer.

General Information and Other Reference Information

Information of the Company

Company Name	Advanced Connection Corporation Public Company Limited
Stock Abbreviation	“ACC”
Registration Number	0107537001919 (Previously BorMorJor. 438)
Business Type	Manufacturer and Exporter of Ceiling Fans/Lights
Head Office Address	32 Srinagarindra Road (The Corner of Soi Srinagarindra 40) Nongbon, Praves, Bangkok 10250 Telephone : 0 2748 2400 Fax : 0 2748 2402
Branch 001 Address	291 Moo 4, Bangpoo Industrial Estate, Soi 5B, Sukhumvit Road Prakkasa, Muang, Samutprakarn 10280 Telephone : 0 2324 0524, 0 2324 0526-7 Fax : 0 2324 0587
Website	www.acc-plc.com
Registered Capital	300,000,000 baht divided to ordinary shares of 1,200,000,000 shares (as at December 31, 2015)
Par Valur	0.25 baht
Industry	Consumer Products
Sector	Household and office

Other Reference Information

Registrar : Thailand Securities Depository Company Limited
The Stock Exchange of Thailand Building No. 93
Rachadapisek Road, Dindeang District, Bangkok 10400
Telephone : 0 2009 9000
Fax : 0 2009 9991

Auditor : PV Audit Company Limited
No. 100/19 14th Floor Vongvanij Complex Building B, Rama IX Road
Huay Kwang, Huay Kwang, Bangkok 10310
Telephone : 0 2645 0080
Fax : 0 2645 0020

Auditor of : Thai Audit Company Limited

Subsidiary Company : No. 162/400 Taling Chan-Suphanburi, Bangbuathong, Nontaburi 11110

& Internal Audit : Telephone : 0 2920 1920-1, 0 2920 1821

Fax : 0 2920 3572

Legal Advisory : Dherakupt Internationl Law Office Limited

No. 900 Tonson Tower 12th Floor Ploenchit Road

Lumpini, Pathumwan, Bangkok 10330

Telephone : 0 2252 1588

Fax : 0 2257 0440

Independent : JVS Financial Advisory Company Limited

Financial Advisor : No. 121/82 RS Tower 28th Floor Rachadapisek Road

Dindang, Dindang, Bangkok 10400

Telephone : 0 2641 2045

Fax : 0 2642 2919

Financial Advisor : Absolute Advisory Company Limited

No. 98 Sathorn Square Office Tower 27th Floor Unit 2703-2704

North Sathorn Road, Silom, Bangrak, Bangkok 10500

Telephone : 0 2108 1233

Fax : 0 2108 1255

Banks :

Bangkok Bank PCL.	Bangkapi Branch
Bangkok Bank PCL.	Bangna Branch
Krungthai Bank PCL.	Sunphawut Branch
ICBC (Thai) PCL.	Srinagarindra Branch

Securities Information and Major Shareholders

The Number of Registered Capital and Paid-up Capital

Registered Capital amount	375,000,000	baht	(Three hundred million baht)
Divided to	1,200,000,000	share	(One thousand two hundred million shares)
Par Value per share	0.25	baht	(Twenty-five satang)

Divided to

Ordinary share	1,200,000,000	share	(One thousand two hundred million shares)
Preferred share	-	share	

And paid-up capital amount 300,000,000 baht (Three hundred million baht)

Shareholder Structure

Shareholder structure as of the latest book closing date on January 27, 2016 prepared by Thailand Securities Depository (Thailand) Company Limited are as follows:

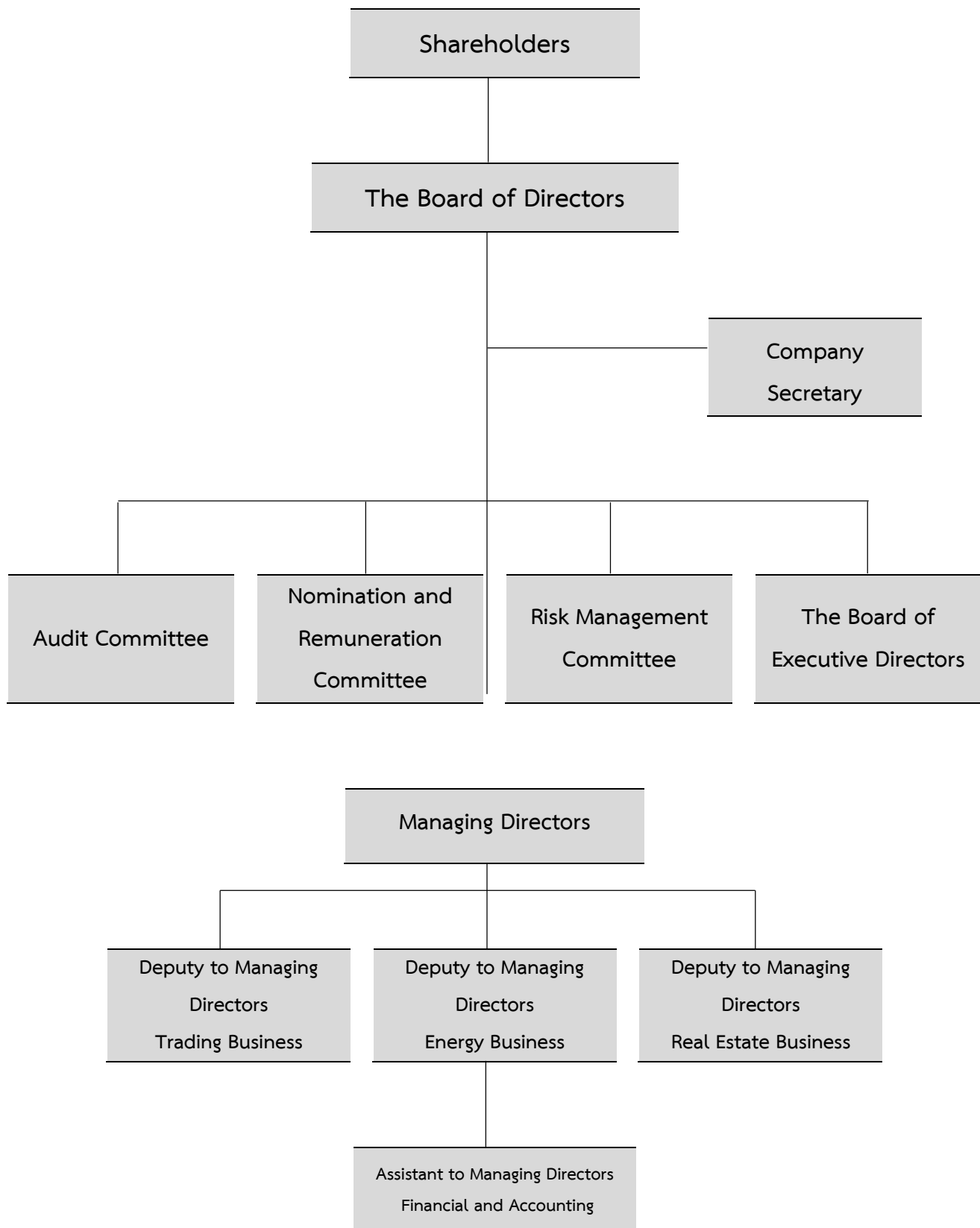
Shareholders by nationality	No. of shareholders	No. of ordinary share	Share proportion (%)
Thai	3,021	1,097,141,055	91.43
Foreign	21	102,858,945	8.57

The First 10 Major Shareholders

Shareholders Name	No. of ordinary share	Share proportion (%)
1. Mr. Piemsak Limpatakmongkol	223,145,973	18.60
2. Mr. Visit Dachavittayathorn	103,196,693	8.60
3. Mr. Tanakit Utchariyasombat	50,429,600	4.20
4. ABN AMRO NOMINEES SINGAPORE PTE LTD	48,968,000	4.08
5. Mr. Nanthanat Piboolnant	38,000,000	3.17
6. Mr. Tawee Kullerdprasert	35,000,000	2.92
7. Mr. Pakorn Teerathamrong	31,220,400	2.60
8. Mrs. Yuhua Yan	30,190,368	2.52
9. Mr. Veera Vinitjaras	24,666,666	2.06
10. Mrs. Pornphan Tanyasiri	20,620,000	1.72

Management and Corporate Governance

Corporate Governance Structure



The diagram above shows the structure of corporate governance of the Company currently held by a detailed duties and responsibilities of the Board and Board Committees. Disclosed in the report on corporate governance.

Management Structure

The Board of Directors

- 1) Board of Directors
- 2) Audit Committee
- 3) Nomination and Remuneration Committee : NRC
- 4) Risk Management Committee : RMC
- 5) Executive Committee

Board of Directors

Scope of Role, Duties, and Responsibilities of the Board of Directors

- 1) The Board of Directors has duties in accordance with the Company's Articles including to monitor and manage the Company according to laws, objectives, articles, and resolutions of the Shareholders' Meeting.
- 2) Approve and review vision, mission, code of business conduct of the Company by leading and building up values in the long term for shareholders
- 3) Approve and review direction of strategies, business plans, and annual budget along with following up the results of strategies to practice and proceed accordingly.
- 4) Approve relevant transactions i.e. investment project of new business, asset acquisition, agreement of relevant transactions.
- 5) Approve and/ or agree to related-party transactions of the Company and Subsidiary in accordance with the notifications, regulations, and related guideline of the Stock Exchange of Thailand.
- 6) Approve organization structure and appoint the Chief Executive Officer and Executive Committee.
- 7) Evaluate performance of Chief Executive Officer and Executive Directors regularly and determine the remuneration.
- 8) Approve size of investment transaction, credit facilities and loans, or normal business transaction with size exceeding to 200 million baht.
- 9) Implement accounting system and prepare financial report, and reliable audit including appropriate procedure of evaluation for internal control and internal audit effectively and efficiently, risk management, financial report, and follow-up.
- 10) Monitor not to allow problems of any conflicts of interests with stakeholders.
- 11) Manage communication channel of shareholders in each group and stakeholders properly.
- 12) Implement corporate governance to enforce with ethical operation.

- 13) Review policy of corporate governance of the Company and evaluate operational procedure according to such policy at least 1 time per year.
- 14) Report the Board of Directors' responsibilities and comments according to the preparation of financial report, to be shown together with auditor report in the Annual Report, covering with significant matters in accordance with policy regarding to code of best practices for directors of listed companies in the Stock Exchange of Thailand.
- 15) Monitor information disclosure with accuracy, clearness, transparency, credibility, and standard.
- 16) Be a leader and example for good operational practice.

Scope of Role, Duties, and Responsibilities of Managing Director/ or the Chief Executive Officer

- 1) Be responsible, oversee, manage, and operate and/ or monitor daily work of the Company including to governance overall operation to comply with policy, business strategy, goal, working plan, financial plan, and budget of the Company as approved by the Board of Directors and/ or resolution of the Shareholders' Meeting.
- 2) Prepare business plan and determine the scope of management including to budget preparation, annual expenses report in order to propose to the Board of Directors for approval as well as to report all progress of business plan and budget by the Board of Directors through the Board of Directors.
- 3) Identify organization structure, management methods including to selection, training, recruitment, termination for employees and fix wage, salary, remuneration, bonus, and other welfares for the employees.
- 4) Follow up and report condition and financial status of the Company and provide recommendation and strategy in accordance with policy and market condition.
- 5) Oversee and monitor other operational areas i.e. finance, risk management, internal control, operational task, and supportive task, and human resource.
- 6) Be representatives on behalf of the Company and to delegate any person to contact with official organization and other authority offices.
- 7) Contact with public, shareholders, clients, and staffs to increase reputation and good image of the Company.
- 8) Maintain good corporate of governance.
- 9) Have authority to issue, add, amend any regulation, order, and obligation in relation to operation of the Company i.e. confirmation, appointment, demotion, and punishment for staffs and employees; and to fix salary and other payments including contribution and other welfares.
- 10) Negotiate and approve to engage any agreement and/ or procedure regarding to operation and/ or management of daily works of the Company upon the approved credit limit by Board of Directors according to Line of Authority Limit.
- 11) Be entitled to any duties and responsibilities according to assignment or policy stated by the Board of Directors and have authority to delegate and/ or assign other persons to proceed on behalf of the Managing Director or Chief Executive Officer in specific tasks upon the scope of proxy letter stated

and/ or to comply with rules, regulation or order as specified by the Board of Directors. The assignment and proxy of the Managing Director or Chief Executive Officer must not be the type of proxy or delegation that effect to themselves or the proxy from them to be able to approve transaction that they or the proxy may have a conflict (according to the notification of Securities and Exchange Commission or the notification of Capital Market Supervisory Board), conflicts of interest or gain any other benefits or have other conflicts of interest with the Company or subsidiary unless it is the type of approval to comply with policy and procedure as approved by the Shareholders' Meeting or Board of Directors' Meeting.

Authorized Director with Signatory to the Company

Authorized Director with Signatory to the Company are “Any two directors to sign together by Mr. Yuttana Taepangthong or Mr. Sarin Ruangsorn or Mr. Pavint Ruangvoraboon signing together with Company's seal”

Element of Board of Directors

Name List of the Board of Directors, attendance in General Shareholder Meeting and Board of Director Meeting for the 5 months ended December 31, 2015 are as follows:

Name	Nationality	Position	General Shareholder Meeting No. 1/2015	Time attended
1. General Kasemsak Plooksawat	Thai	Chairman of the Board of Director/ Independent Director	Attend	5/5
2. Suvit Thaniyavarn, Ph.D.	Thai	Vice Chairman of the Board of Director	Attend	5/5
3. Mr. Yuttana Taepangthong	Thai	Director	Attend	5/5
4. Mr. Sarin Ruangsorn	Thai	Director	Attend	5/5
5. Mr. Pavint Ruangvoraboon	Thai	Director	Attend	3/5
6. Arichai Ractham, Ph.D.	Thai	Chairman of the Audit Committee/ Independent Director	Attend	4/5
7. Dr. Charnsiri Suetrong	Thai	Audit Committee/ Independent Director	Attend	5/5
8. Mr. Pasu Sukhumvart	Thai	Audit Committee/ Independent Director	Attend	5/5

Audit Committee

Scope of Role, Duties, and Responsibilities of the Audit Committee

- 1) Review the Company's financial report to ensure that it is accurate and adequate.
- 2) Review business plan and authority of operation and management including with budget for conducting business and annual budget.
- 3) Review the Company's internal control system and internal audit system to ensure that they are suitable and efficient, to determine an internal audit unit's independence, as well as to approve the appointment, transfer and dismissal of the chief of an internal audit unit.
- 4) Review the Company's compliance with the law on securities and exchange, the Exchange's regulations, and the laws relating to the Company's business.
- 5) Consider, select and nominate an independent person to be the Company's auditor, and propose such person's remuneration, as well as to attend a non-management meeting with an auditor at least once a year.
- 6) Consider transactions with related parties, or the transactions that may lead to conflicts of interests, to ensure that they are in compliance with the laws and the Exchange's regulations, and are reasonable and for the highest benefit of the Company.
- 7) Audit Committee has an authority to audit and inspect the matters and related persons within scope of duties. Audit Committee also has the authority to hire or bring any expert in specific area to assist the audit and inspection tasks according to consideration of the Audit Committee that expenditure is appropriate for the Company.
- 8) Audit Committee or Board of Directors is to nominate the member of Audit Committee for 1 person to be designated as the Chairman of Audit Committee by having a tenure of the Chairman for 1 year per term according to the accounting period and appoint the Manager of Internal Audit Department.
- 9) Audit Committee must hold a meeting at least 4 times per year at the venue of head office, branch, factory or any place that Audit Committee require.
- 10) Prepare and disclose in the Company's annual report, an audit committee's report which must be signed by the Chairman of Audit Committee and consist of at least the information as follows:
 - The opinion regarding correctness and completion as rational of financial report of the Company
 - The opinion of sufficiency of internal control of the Company
 - The opinion regarding practice according to the laws for Securities and Stock Exchange Specification of the Stock Exchange or laws relating to the business of the Company
 - The opinion regarding suitability of auditor
 - The opinion regarding transaction might be a conflict of interest
 - The number of Audit Committee' meeting and the number of attendance for each audit committee

- The overall opinion or notice that the Audit Committee obtains from the responsibility pursuant to the Charter
 - Other transactions which are viewed that the shareholders and general investors should acknowledge under the scope of duties and responsibilities which have been assigned by the Board of Directors.
- 11) To perform any other matters as assigned by the Company's Board of Directors, with the approval of the Audit Committee.

Element of Audit Committee

Name List of Audit Committee, attendance in Meeting for the 5 months ended December 31, 2015 are as follows:

Name	Position	Time attended
1. Arichai Ractham, Ph.D.	Chairman of the Audit Committee	2/2
2. Dr. Charnsiri Suetrong	Audit Committee	2/2
3. Mr. Pasu Sukhumvart	Audit Committee	2/2

Nomination and Remuneration Committee: NRC

Objective

Nomination and Remuneration Committee (NRC) was established for the first time by the Board of Directors' Meeting No.11/2015 dated on September 29, 2015 to support the good corporate governance of the Company. The Committee is responsible for setting the Company's policy and criteria in the selection and directors and determination of remuneration of the Board of directors and Board Committees, including to recruit, select, and propose the right person to be designated as a director as well as to set the remuneration for the director. Furthermore, it shall be included with the operation of other tasks as assigned and to be proposed to the Board of Directors and/ or Shareholders' Meeting on case-by-case basis.

Tenure in Position

- 1) The NRC has a tenure of 2 years per time.
- 2) The NRC may be re-appointed which the Board of Directors views as appropriate.
- 3) Apart from vacating as stated in item 1. The NRC shall be vacated from the designation as following conditions:
 - Resign
 - The Board of Director resolves to dismiss from the designation.
- 4) The Board of Directors has an authority to appoint the additional NRC members to be benefits for the operation in accordance with objectives or to substitute according to item 1 or 3 by the person

who is appointed as the NRC member to be substituted according to item 3, which shall obtain the remaining office terms of the NRC member who is replaced.

Scope of Roles, Duties and Responsibilities

The NRC performs the duties according to the assignment from Board of Directors. The roles, duties and responsibilities of the NRC are as follows

- 1) Determine the criteria and policy in selection of directors and Board Committees by considering suitability of number, structure, and composition of committee members as well as to determine the qualification of member in order to propose to the Board of Directors and/ or propose to seek the approval for Shareholders' Meeting on case-by-case basis.
- 2) Consider, select, choose and propose the right person to be designated as a director of the Company to be replaced the director who is ended the term and/ or the vacancy of directorship and/ or to be appointed for new director.
- 3) Execute other matters regarding to the selection as assigned by the Board of Directors.
- 4) Evaluate the performance of top management of the Company to propose to the Board of Directors' Meeting for acknowledgement, consideration and approval.
- 5) Prepare the guidelines and policies in determination of the remuneration of Board of Directors and Board Committees to propose to the Board of Directors and/ or propose to seek the approval for Shareholders' Meeting on case-by-case basis.
- 6) Each individual, the Company shall specify the remuneration of Board of Directors by considering on appropriation with duties, responsibilities, performance, and comparison with others companies in the similar business, as well as the benefits expected in return from each director in order to propose to the Board of Directors for consideration and propose to the Shareholders' Meeting for approval.
- 7) Report the policies, principles/ reasons of remuneration of directors and managements in accordance with the Stock Exchange of Thailand by disclosing to the Company's Annual Information Disclosure Form (56-1) and Annual Report.
- 8) Execute other matters regarding to remuneration as assigned by the Board of Directors that managements and other departments shall report or propose information and related document to the NRC to support performing of the NRC to achieve duties assigned.

Report

The NRC must report to the Board of Directors.

Meeting

- 1) The NRC holds or calls a meeting according to consideration and appropriation at least 1 year and has an authority to call additional meeting if necessary. The quorum must comprise of not less than one-half of the total existing NRC members.

- 2) All NRC members should attend every meeting unless they have any necessary matter for apology. In this case, they shall notify their absence to the chairman of the NRC in advance.
- 3) The Chairman of the NRC must be the Chairman of the Meeting. In case that the Chairman of the NRC is absent or not be able to perform the duties, therefore other members who attend the meeting shall select one member to be a substitute chairman of the Meeting.
- 4) The resolution of the NRC can be voted by majority. Nevertheless, any NRC members who have any conflicts of interest in such consideration, they shall not vote or provide any comments in such matters.
- 5) The meeting invitation must be issued to the NRC in advance prior to the meeting date except for the necessary case or emergency case that it shall be notified to call a meeting in other methods or be scheduled for the meeting date earlier, which the secretary of the NRC shall record the minutes of the Meeting.
- 6) The NRC members can invite the related person to attend the meeting in order to provide relevant information to the NRC for acknowledgement.

Element of Nomination and Remuneration Committee

Nomination and Remuneration Committee were appointed by the Board of Directors Directors and to comprise of managements and directors not less than 3 persons. Being as the committee member, it must be at least one member that has to be an independent director.

Name List of Nomination and Remuneration Committee, attendance in Meeting for the 5 months ended December 31, 2015 are as follows:

Name	Position	Time attended
1. Suvit Thaniyavarn, Ph.D.	Chairman of Nomination and Remuneration Committee	-
2. Mr. Pasu Sukhumvart	Nomination and Remuneration Committee	-
3. Mr. Ekawat Swetarat	Nomination and Remuneration Committee	-

Risk Management Committee: RMC

Objective

Risk Management Committee (RMC) was established by the resolution of Board of Directors' Meeting No. 11/2015 dated on September 29, 2015, which the Meeting viewed the composition of committees included with the roles, duties and responsibilities to be more appropriate and propose to the Board of Director for consideration and approval. The Company group realizes the significance of development for setting up risk management system in the Company. This shall be considered as one of the key tools in administration and management of the Company group. The RMC shall support and operate on behalf of the Board of Directors. It shall use the principle and standard of good corporate governance by linking with the vision, mission, and goal of the Company and set the COSO Enterprise Risk Management Framework (COSO ERM), including to stimulate and support for implementation of risk management toward all the Company and to raise this issue as a part of

the Company group's culture. Furthermore, the stakeholders of the Company can be sure with suitable reasons that the strategic planning of the Company can achieve to the objectives and goals of the Company efficiently and effectively.

Tenure

- 1) The committee member has the tenure of 2 year per term.
- 2) The committee member may re-appoint for another term if the Board of Directors views as appropriate.
- 3) Apart from vacating as stated in item 1, the committee member shall vacate as following conditions:
 - Resign
 - The Board of Directors resolves to dismiss from the designation.
- 4) The Board of Directors has an authority to appoint the additional RMC members to be benefits for the operation in accordance with objectives or to substitute according to item 1 or 3 by the person who is appointed as the RMC member to be substituted according to item 3, which shall obtain the remaining office terms of the RMC member who is replaced.

Scope of Roles, Duties, and Responsibilities

Risk Management Committee has duties as assigned by the Board of Directors. The scope of duties and responsibilities as follows.

- 1) Review and propose policies and risk management framework to the Board of Directors for consideration and approval.
- 2) Review and agree for risk Appetite (Acceptable risk level), and propose to the Board of Directors for acknowledgement.
- 3) Implement corporate governance of development and procedure of policy and risk management framework continually in order that the Company and Subsidiary shall have a risk management system effectively to cover with organization and to be practice continually.
- 4) Review risk management in order to monitor the material risk and proceed to ensure that the organization shall have enough and suitable risk management system.
- 5) Coordinate with audit committees according to the relevant risk and set internal audit department as a reviewer to ensure that the Company shall have the right internal control system for risk management, including with implementation of risk management to be adapted appropriately and to be practice towards all organization.
- 6) Report to Board of Directors regarding to the relevant risk and risk management regularly.
- 7) Appoint sub-committee and/ or new member or substitute person in the sub-committees of risk management and/ or department and/ or working committees pursuant to risk management as appropriate, including to determine the roles, duties, and responsibilities in order to be beneficial for operation in accordance with the objectives.
- 8) Execute to other matters according to risk management as assigned by the Board of Directors. Management and/ or sub-committees of risk management and/ or department and/ or working

committees pursuant to risk management and/ or internal auditor and/ or auditor shall report or propose information and document pursuant to the RMC in order to support the performing of the RMC to achieve duties as assigned.

Report

The RMC must report to the Board of Directors

Meeting

- 1) The RMC holds or calls a meeting according to consideration and appropriation at least 1 year and has an authority to call additional meeting if necessary. The quorum must comprise of not less than one-half of the total existing RMC members.
- 2) All RMC members should attend every meeting unless they have any necessary matter for apology. In this case, they shall notify their absence to the chairman of the RMC in advance.
- 3) The Chairman of the RMC must be the Chairman of the Meeting. In case that the Chairman of the RMC is absent or not be able to perform the duties, therefore other members who attend the meeting shall select one member to be a substitute chairman of the Meeting.
- 4) Arranging a specific meeting with Audit Committees and/ or management and/ or sub-committees of risk management and/ or departments and/ or working committees pursuant to risk management and/ or internal auditor and/ or auditor regularly at least 1 time per year.
- 5) The resolution of the RMC can be voted by majority. Nevertheless, any RMC members who have any conflicts of interest in such consideration, they shall not vote or provide any comments in such matters.
- 6) The meeting invitation must be issued to the RMC in advance prior to the meeting date in order that the RMC shall have time to consider for every matter or require other additional information for consideration. The meeting invitation letter shall be included with details of agendas and the meeting materials which each agenda must be covered with all matters as assigned by the Board of Directors, except for the necessary case or emergency case that it shall be notified to call a meeting in other methods or be scheduled for the meeting date earlier, which the secretary of the RMC shall record the minutes of the Meeting.
- 7) The RMC members can invite the related person to attend the meeting in order to provide relevant information to the RMC for acknowledgement.

Element of Risk Management Committee

Risk Management Committee was appointed by the Board of Directors comprise of managements and directors not less than 3 persons. Name List of Risk Management Committee and attendance in Meeting for the 5 months ended December 31, 2015 are as follows:

Name	Position	Time attended
1. Arichai Ractham, Ph.D.	Chairman of Risk Management Committee	-
2. Dr. Charnsiri Suetrong	Risk Management Committee	-
3. Mr. Yuttana Taepangthong	Risk Management Committee	-

Executive Committees

Scope of Roles, Duties, and Responsibilities

- 1) Provide advice regarding to structure of management, criteria and guideline of business direction, and strategic plan of business conduct including with annual budget to the Board of Directors in accordance with policy to comply with objectives and articles of the Company.
- 2) Manage and conduct business to achieve the objectives and target goals.
- 3) Follow up and monitor to business conduct and report business performance and financial status both parent company and subsidiary continually to the Board of Directors for regular acknowledgement continually.
- 4) Find and evaluate investment opportunity in new business.
- 5) Propose portfolio investment of the Company to the Board of Directors for the highest benefits of shareholders and the Company by maintaining liquidity of the Company continually.
- 6) Set and oversee criteria of investment plan in other businesses upon the scope of assignment from the Board of Directors.
- 7) Supervise, monitor, and manage investment for each business of the Company in order to gain highest return including to set procedure to consider significantly in each business sector according to each director's responsibility.
- 8) Proceed and execute all transactions of every type of bank account with all commercial banks and/ or financial institutions. All normal transactions with those commercial banks and/ or financial institutions must have a credit limit not exceeding to 200 million baht.
- 9) Any procurement or preparation of asset list and approval of disposal properties in each time or each matter can be able to proceed within credit limit not exceeding to 100 million baht upon the total approval limit of each year.
- 10) Rental or leasing of properties for each area can proceed within rental limit not exceeding to 50 million baht per building or room.
- 11) Donation for charity can proceed with limit not exceeding to 10 million baht per time upon the total of approval and budget limit each year.
- 12) Open and close any branch of the Company.
- 13) Review internal control and risk management system in order to support business effectively and efficiently including to achieve the target goal of the Company.

- 14) Selection, appointment, demotion, Promotion or/ and degradation of any designation of employee in the Company, including to wage cuts, consideration of good indeed, punishment, reward, bonus to compensate for working or those achievements as well as the termination of management level.
- 15) Executive Committee may assign the authority or delegate any matters to managements or any person according to their appropriate consideration. The approval to any transaction of Executive Committee or/ and to delegate anyone must not be the approval of related-party transaction or conflicts of interest's transaction or transaction of Executive Committee' conflicts of interest in specification of the Company's Articles or Notification of the Capital Market Supervisory Board. The approval of any transaction must comply with the policy and procedure in regulation with Board of Directors and Compliance Department.
- 16) Perform other duties as assigned by the Board of Directors. Such assignment to the Executive Committee must be under the procedure and articles of the Company to comply with related laws.

Element of Executive Committee

Name List of Executive Committee and attendance in Meeting for the 5 months ended December 31, 2015 are as follows:

Name	Position	Time attended
1. Mr. Yuttana Taepangthong	Managing Director Take care of all businesses	3/3
2. Mr. Sarin Ruangsorn	Deputy Managing Director Take care of real estate business	3/3
3. Mr. Pavint Ruangvoraboon	Deputy Managing Director Take care of energy business	3/3
4. Mr. Ekawat Swetarat	Deputy Managing Director Take care of trading business	3/3
5. Mr. Kittu Kanokudomsap	Assistant to Managing Director Take care of financial and accounting department	3/3
6. Ms. Natthakarn Santayanont	Company Secretary	3/3

Company Secretary

Scope of Roles, Duties, and Responsibilities

- 1) Organize and facilitate the Board of Directors and Board Committees
- 2) Organize the Annual General Meeting for Shareholders and record the related minutes.
- 3) File all documents and related records.
- 4) Monitor and ensure that the Board of Directors is in compliance with all related laws and regulations.
- 5) Handle corporate governance issues and provide advice those matters to the Board of Directors.

- 6) Assist shareholders, directors, and managements with any Board-related matters.
- 7) Follow up and execute on all resolutions of the Board of Directors' Meeting and Shareholders' Meeting.
- 8) Perform any other actions specified in the Securities and Exchange Act or related laws and regulations including to notifications from the Capital Market Supervisory Board.

Remunerations for Directors and Management

Directors Remunerations

The Company has policy to set director remuneration as comparable to the market. As well as compliance with the responsibilities and performance of each director. To attract and retain quality directors with the Company.

The remuneration is approved by the shareholders at the Annual General Meeting. The directors who have served more as an Audit Committee and/or other committees will receive additional compensation according to their duties.

	Monthly compensation	Attendance fee
Board of Director		
Chairman	-	15,000
Director	-	10,000
Audit Committee		
Chairman	-	15,000
Director	-	10,000
Other committees		
Chairman	-	5,000
Director	-	3,000

For the period of 5 months ended December 31, 2015 the Company paid remuneration to Directors and other Committees total of 415,000 baht. Detail by person are as follows:

Name	Position	Remuneration (baht)
1. General Kasemsak Plooksawat	Chairman of the Board of Director	75,000
2. Suvit Thaniyavarn, Ph.D.	Director Chairman of the Nomination and Remuneration Committee	50,000
3. Mr. Yuttana Taepangthong	Director Risk Management Committee	50,000
4. Mr. Sarin Ruangsorn	Director	50,000
5. Mr. Pavint Ruangvoraboon	Director	30,000
6. Arichai Ractham, Ph.D.	Director Chairman of Audit Committee Chairman of Risk Management Committee	60,000
7. Dr. Charnsiri Suetrong	Director Audit Committee Risk Management Committee	50,000
8. Mr. Pasu Sukhumvart	Director Audit Committee Nomination and Remuneration Committee	50,000
9. Mr. Ekawat Swetarat	Nomination and Remuneration Committee	-

Management Remunerations

The Board has delegated to the Nomination and Remuneration Committee serves to review and approve the remuneration of executives annually to maintain in a level that can compete to attract and retain key executives. And in line with the performance of the Company. Both in the short and long term. With the following elements:

	Format	Purpose
Fixed Remuneration	Salary and other benefits e.g. Provident Fund	To attract and retain talent executive.
Short-term Incentive Remuneration	Annual Bonus	To motivate and reward the success of our operations have targeted each year. Both financial and non-financial

For the period of 5 months ended December 31, 2015, the Company paid in cash to management, as defined by the Capital Market Commission, including 5 persons totaling 3,882,000 baht, which includes salary, bonus and provident fund.

Corporate Governance Report

Policy on Corporate Governance

The Board of Directors recognizes the importance of good corporate governance. In order to increase clarity, ability of corporate competition, shareholders, investors and all parties' confidence, the Company has established policies of corporate governance, which are included main principles as follows.

- 1) Rights and equitable treatments shareholders and various groups of stakeholders.
- 2) The Board of Directors is determined to increase significant value-added to the company in long term. The board will manage the Company with sufficient efficiency in order to increase maximum benefit to the shareholders. The board is responsible to prevent conflict of interest and take full responsibility in all actions and its decisions made.
- 3) Manage the business with clarity and is always ready to go through audit check. The Board of Directors must have information disclosure and transparency.
- 4) Manage the business with risk management in mind as well as controlling system.

Shareholders: Rights and Equitable Treatment

In 2015, the Company arranged an Annual General Shareholders' Meeting on November 16, 2015 at the Chatrium Riverside Bangkok Hotel. The Company sent out a meeting notice as well as the agenda attached for the meeting. For each meeting, the shareholders must acknowledge the meeting 7 working days prior to each meeting, which there is an attachment of the Board of Director's opinion as well as the meeting's minutes. The Company has prepared a Power of Attorney letter as per the Department of Business Development and the Ministry of Commerce for the shareholders who would like to assign replacements to attend the meeting in their regards in case the shareholders are unable to attend the meeting.

At the meeting, Chairman of the Board, committees, managing director, administrators and auditors are in attendance. To provide information and answer questions on agenda. Before start of the meeting, the moderator of the Company inform shareholders about their right according to the Articles of Association, how to conduct meetings, how to use the right to vote and comment including question at the meeting. The Chairman of the Meeting has allocated adequate time and equally encourage shareholders to express their opinions and ask questions at the meeting. And not added agenda without notifying shareholders in advance.

The Company is required to prepare a complete and accurate minutes of the meeting within 14 days to allow shareholders who attend the meeting and did not attend the meeting can review it.

Right of Various Groups of Stakeholders

In its pursuit for sustainable growth and financial returns for its shareholders, the company strives to become a role model corporate citizen. It respects the rights of all its stakeholders and conducts its operations fairly and strictly in compliance with all laws, rules and regulations.

Leadership and Vision

The Board of Directors oversees the business affairs of the Company by reviewing and approving the Company's strategic plans, key operation initiatives, major investments, funding decisions and financial performance. These functions are carried directly and indirectly through management and Board of Directors as well as by means of a system of delegation of authority to senior management. The Board of Directors has set up an internal control policy including the area of finance, operation, compliance and risk management control are effectively and efficiently incorporated in the Company's operations. The Internal Audit Department shall monitor, review and check that such policies will be applied to and reported its audit report and recommendations directly to the Board of Audit Committees and later such matters will be proposed to the Board of Directors' meeting for discussion.

Conflict of Interests

The Boards of Directors prevents conflict of interests by establishing policies that object the management and people concerned to take the Company's information to be used for their personal interests as follows.

1) List of possible conflict of interests

The board acknowledges the possible conflict of interests and all related possibilities and has considered appropriate way to prevent it by following the rules and regulations of the Securities and Exchange Commission, with conditions and prices similar to outsiders' transactions and has exhibited the information and the value of the contract in the Annual Report and the Form 56-1

2) Supervision of the use of internal information

- The management has to report any change of stock ownership to the Office of the Securities and Exchange Commission as per to clause 59 of SEC Act B.E 2535.
- The management and people concerned who receive insider information are forbidden to expose information to outsiders prior to the public release of the financial statement

Business Ethics

The company maintains the company's rules according the management and employee's corporate code of conduct so that all people involved maintain this code as direction in performing their duties with loyalty, honestly, fairness, to the company and to the stakeholders, community and the society. All people concerned

acknowledge and agree to follow this code. The company keeps regularly communication with the employees and follows up there actions towards this direction, including establishing disciplinary actions.

Balance of Power for Non-Executive Directors

The Board of Director of the Company has 8 persons, including with 3-Non-Executive Director, 3-Executive Director and 3-Independent Director. A number of independent directors sitting in the board accounts for one-third of the board and thus strikes a fair balance in the board's composition. Names and number of directors empowered to sign on behalf of the Company are "Any two Directors either Mr. Yuttana Taepanngthong or Mr. Sarin Ruangsorn or Mr. Pavint Ruangvoraboon to sign together with the Company's seal affixed.

Board of Directors' Meeting

The Board of Directors' meeting is held at least 4 times annually and additional meetings are called as and when necessary. Notices for meetings are sent well in advance along with the agenda and necessary information to give directors ample time to prepare themselves for productive discussions. A typical meeting lasts one to two hours. Minutes of all meetings are meticulously documented and are given to all directors for their approval. All minutes are systematically filed by the company secretary and can be easily retrieved whenever required.

Sub committees

The Board of Directors sets top priority to good governance to meet the international standard and compliance with the policy of the Stock Exchange of Thailand by establishing Audit Committees, which is an important component of good corporate governance policy comprising of 3 independent directors who meet the qualifications of the Stock Exchange of Thailand. The duty of the Audit Committees to perform according to the Audit Committees regulations and to the direction of the Board of Directors, including audited financial statement for their accuracy and transparency.

Control System and Internal Audit

- The Company has setup an audit to monitor the Company's operation to comply with the laws and related regulation.
- The Management holds regular and frequent meetings to review the Company's business performance and other problems, which arise and need corrective action.

Report by the Board of Directors

The Board of Directors is responsible for the Company's financial statements and other information as shown in the annual report. Such financial statements are prepared in accordance with generally – accepted

accounting standards and other reporting requirements, and also significant information to support the financial statements which are adequately provided.

The Audit Committees have been assigned to comment on the quality of financial reports and effectiveness of the control system in the Audit Committees' reports which also goes into the Company's annual report. The Board of Director views that control and internal audit systems of the Company has proven satisfactory and hence the Company's financial statement as at December 31, 2015 presented accurate and reliable information.

Relations with Investors

The Board of Directors recognizes that the Company's information, financial or non-financial, both have effect to the Company's investors and stakeholders' decision-making. The Board of Directors should ensure that the Company discloses important information correctly, timely and transparently, which the management has always considered important.

On the subject of relations with the investors, the Company has not yet provided a special investor relations unit, as the activities in this department are still not sufficient to create a new division. However, the Company has appointed the financial controller to act as the coordinator in communicating relevant information to individual investor, shareholders, stock analysts and state agencies. For more information, please click www.acc-plc.com.

Social Responsibility

Throughout its business operation, the Company has put priority to good governance coupled with adherence to ethical principles consistently. This results in the principles and policies within the organization are clearly consistent with the responsibility of society and community in terms of organization's internal management process, knowledge creation, and personnel development. The organization believes that it can only grow sustainably under a peaceful society and still aims to increase the social responsibility dimension continuously.

Operation of Fairness

To ensure transparency in business operation, the Company has designated the groundwork for a policy to treat all partners equally and fairly. In other words, any benefit return must be in regard to equality and fairness to its partners and all related parties; maintaining the reliability and punctuality are keys to business operation; and shall there be any benefit occurs in dishonesty, the Company is willing to disclose to partners in order for both parties to participate in the decision making to achieve a justice and quick solution to the problem. Moreover, the Company also has policies to treat its competitors under the good rules of competition by not breaching confidentiality or revealing trade secrets of its partners by deceptive means, not seeking confidential information of competitors in a dishonest or inappropriate way, and not damaging the reputation of competitors by the accusation.

Actions on Anti-Corruption

Nowadays, corruption issue still deteriorates greater and roots deeper in all sectors of Thai society resulting in the process of economic development and social disruptions and damage. Consequently, in order to solve such problem successfully, leaders in both public and private sectors agree to cooperate seriously and aim at continuously operating. This policy of cooperation was extended to the business sector as well. The role of the Company as a company listed on the Stock Exchange of Thailand is to act as an important role model and set a good example of the anti-corruption functions to the private sector. In addition, the Company is committed to conducting business with integrity by adhering to good corporate governance with a transparent, verifiable and non-corruption in all forms to achieve concrete anti-corruption solution.

Respect for Human Rights

The Company's has adopted the main principle and promotion of respect for human rights and takes this as the main idea to drive the organization. The Company focuses on the family model where there is a unity and a common goal. Therefore, it gives precedence to employees of all levels equally - no feudal class discrimination. Moreover, the Company will not take the differences in race, nationality, domicile, color, sex, and religion to measure human values because it believes in all men's equal honor and dignity, rights and freedom. In addition to such differences mentioned above, the Company is also confident in the potential of people with disabilities

who have the potential to work. In the future, the Company will allow such individuals to work as a part of the organization by allocating them to perform duties and responsibilities to the extent that can be done. The Company expects to create a better quality of life for these individuals in the future.

Treating Workers Fairly

The Company recognizes that employees are the valuable factors of success of achieving the Company's goal. Therefore, it is the Company's policy to treat them fairly in terms of compensation opportunity, appointment and transfer, and potential development based on the following principles.

- 1) Treat all employees with civility and respect the individuality and dignity of the person.
- 2) Provide a return that is fair to the employees.
- 3) Always maintain the working environment to ensure safety condition of life and property of the employees.
- 4) Appointment and transfer as well as rewarding and punishment of the employees must be done in good faith and on the basis of ability and suitability of the employees.
- 5) Give priority to developing the skills of employees by giving a thorough opportunity regularly.
- 6) Listen to comments and suggestions which are based on professional knowledge of employees.
- 7) Strictly comply with laws and regulations related to employees.
- 8) Avoid any action that is unfair which could affect in stability of the employees' career or threaten and pressure the employees' state of mind. Moreover, the Company has established a provident fund and promoted the 5S training activities to maintain the hygienic and sanitation of working environment.

Responsibility to Consumer

All of the Company's products passed quality control according to relevant standards and are come with warranty according to strict terms and conditions made with the customers. Moreover, all of the products are eligible of after sale care throughout the lifetime of the products. The Company has consistently improved manufacturing processes to develop new production methods to produce quality products.

Environmental Care

Caring for environment is considered by the Company the very important duty in order to preserve and maintain the ecology and environment of the communities in which the Company operates such as:

- 1) Controlling the environmental impact in compliance with industry standards, international standards, and strictly complying with all related laws and regulations
- 2) Encouraging employees to use available resources efficiently and to maximum benefit such as using recycled paper, using water efficiently, and waste sorting, etc.

Internal Control and Risk Management

Internal Control

The Company has developed an internal control system for many years with the objectives to improve the efficiency of the operations along with to defense and find faults and errors that may occur. Although the internal control system of the Company is satisfactory to a degree, the Internal Control Commission, Board of Directors, and Management still seeks to improve the system even further. The Company's internal control system is divided into three levels below.

- 1) Audit Committee. It consists of three directors namely Arichai Ractham, Ph.D., Dr. Charnsiri Suetrong, and Mr. Pasu Sukhumvart. All of them are independent directors from outside who represent the public. The responsibility covers overseeing the operations of the Company and its subsidiaries through the Company's internal audit department particularly the transactions between the Company and other related companies.
- 2) Control Department. The Company has established its Internal Control Department in the year 1999 to work with the Audit Committee and set up an audit and reporting system for a good control which consists of assessment of risk from both internal and external factors which may affect the Company in respects of growth, ability to make profit, and financial condition of the present and future of the Company. Assessment of risk from environment of the Company's internal audit includes various internal systems both in line of production and management. The management control point will include accounts receivables, trade payables, product storage, raw materials procurement, import and export, accounting, assets listing, cost analysis, production, and employees. Currently, the Company has used internal auditors from outside the Company to ensure the truly independent carrying out of the internal audit.
- 3) Management of the Company has a policy to allow the internal audit department conduct the internal control system audit of all department of the Company to find if there are some points that need to be improved efficiently and consistent with current practices. This will be presented in Internal Audit Report which will also include any recommendations submitted to senior executives and related agencies to meet for a conclusion and continuous improvement. In the period of year 2015, the Audit Committee has met to consider and present to the Company's Board of Directors on the matters below:
 - The financial statement review. The review of quarterly and annual financial statements in 2015 and its consolidated financial statements.
 - Supervision and development of internal control system by planning the audit plan to include appropriate reviews for the Internal Audit Department and related Management in order to improve the internal control system to be more effective.
 - A review of the risk management system and other factors that may have a significant impact on the operation of the Company such as the laws relating to the practice of good corporate

governance to discuss and exchanges views on the results of monitoring of quality assessment in various fields and the adequacy of the internal control system.

- The appointment of Auditor for the year 2015 by providing feedback and names of auditors as well as reviewing their qualifications to be in compliance with the announcement of the Securities and Exchange Commission and the Stock Exchange of Thailand then proposing to the Board of Directors for presentation at the meeting of shareholders to consider appointment of the Auditor later.

Risk Management

The Company recognizes the importance of risk management. The Board of Directors' Meeting No. 11/2015 held on September 29, 2015 resolved the authorization of the Risk Management Committee (RMC) consists of three committee members with two-year office term.

Related-Party Transaction

Unit: Thousand Baht

Company/ Related person	Transaction Value		Description Related-party transaction	Nature of Relationship	Necessary and Appropriation of Transaction
	31/12/2015	31/07/2014			
C.E.I. (Chiangmai) Co., Ltd. ("Subsidiary")	1,571	14,272	Interest income	ACC holds 100%	Provided loan to Subsidiaries for acquisition of land, building, and any construction; and to support business of Cultural Center and Show of Khum Khantoke.
	25,175	27,105	Accrued loan interest income Borrowing at Interest 3.5 % per year from 1 May 2015 2558 reduced interest to 0.75 % per year		
	37,500	36,260	Doubtful account (Subsidiary lost over the capital.)		
	501,279	511,525	Loan for Subsidiary		
	1,000	1,000	Investment in Subsidiary		
	999	999	Impairment of Investment (Subsidiary lost over the capital.)		
ACC Green Energy Co., Ltd. ("Subsidiary")	999	999	Investment in Subsidiary	ACC holds 100%	Not operating business yet
ACC Landmark Co., Ltd. ("Subsidiary")	37,500	999	Investment in Subsidiary	ACC holds 75.00%	Not operating business yet
ACC Electric Co., Ltd. ("Subsidiary")	999	999	Investment in Subsidiary	ACC holds 100%	Not operating business yet
Bangpakong Solar Power Co., Ltd. ("Subsidiary")	24,999	-	Investment in Subsidiary	ACC holds 51%	To expand investment in Solar Rooftop Business.

Related-Party Transaction (continue)

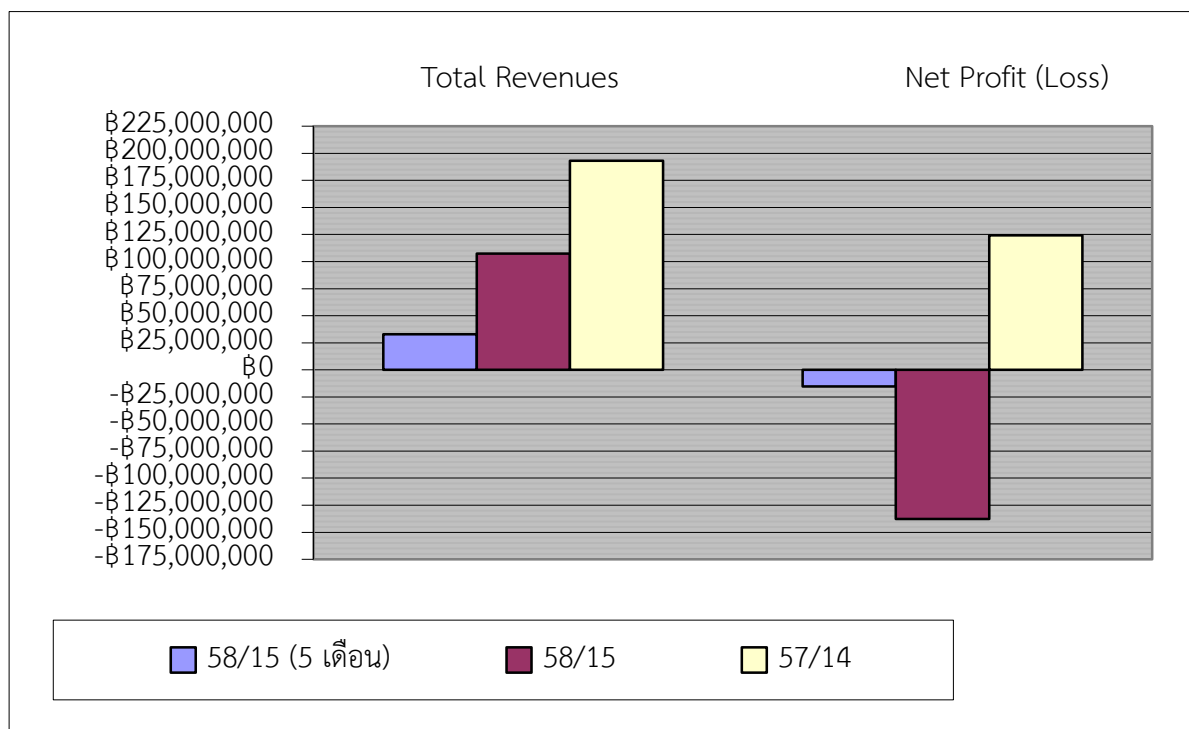
Unit: thousand baht

Company/ Related person	Transaction Value		Description Related-party transaction	Nature of Relationship	Necessary and Appropriation of Transaction
	31/12/2015	31/07/2014			
Culminate Airy Co., Ltd. ("CUL") (Related Company)	-	4,719	Selling products (Being distributor in domestic)	Having one of our director (Previous management team) to be part of coordination in CUL marketing (only buying products from our Company) and having our staff to be the General Manager in CUL (Appointed by previous management team)	The Company appointed CUL to be the fan distributor in domestic by normal trading condition as dealing with outside people (Market price)
	-	300	Rental Income and utility expense		The Company rented warehouse for convenience for saving transport fee
	32,712	32,955	Trade Receivable		Trade Receivable from being fan distributor of our Company
	32,712	32,955	Doubtful Accounts		Doubtful Accounts from being fan distributor of our Company
Compass East Land & Development Co., Ltd. ("CEL") (Related Company)	-	360	Rental expense for office space	Having our director (Previous management team) to be a director in CEL	The Company provided office space for rental because of convenience to contact by normal trading condition as dealing with outside people (Market price)
	-	185	Rental expense for Condominium of Staff Accommodation		The Company rented the Condominium for employee benefits by normal trading condition as dealing with outside people (Market price)

Analysis and Management Report

❖ Operation Result

ปี	2015 (5 months)	2015 (Aug 2014-Jul 2015)	2014
Total Revenues	32,861,599	107,388,152	123,272,650
Net Profit (Loss)	(15,282,667)	(137,850,947)	8,452,868



Income Structure:

Unit: million baht

	Consolidated F/S					
	2015 (5 mths)		2015 (Aug 14 – Jul 15)		2014	
	baht	%	baht	%	baht	%
Revenue from sales	4.17	12.69	7.66	6.75	25.78	18.11
Revenue from services (subsidiary)	-	-	50.43	44.46	69.79	49.03
Rental income	26.06	79.31	49.30	43.47	27.70	19.46
Other income	2.63	8.00	6.04	5.32	19.06	13.40
Total	32.86	100.00	113.43	100.00	142.33	100.00

Due to Advanced Connection Corporation Public Company Limited (the Company) changed its accounting period from August 1 to July 31, financial statements certified by auditor presents in August 1, 2015 to December 31, 2015 (present year financial statements) compare with August 1, 2014 to July 31, 2015 (prior year financial statements) which is comparing of 5 months and 12 months. The figures of operating results for the same period of prior year are not available. Thus, the Company would like to clarify as following.

Performance for the period from August 1, 2015 to December 31, 2015 (5 months), it appears that the operating loss of 15.28 million baht compared to the period from August 1, 2014 to July 31, 2015 (12 months) it turns out that a operations loss of 137.85 million baht detailed are below.

1. The company's total revenue of 32.86 million baht average five months was 6.57 million baht compared to the period ended December 31, 2015 of 108.72 million baht, 12-month average of 9.45 billion baht, decrease 30.47%, cause by followings:

Items	For period of 5 months ended December 31, 2015 (average)	For period of 12 months ended December 31, 2015 (average)	% Increase - Decrease	Cause
Revenue from sales - Net	834	638	30.67%	During the introduction of new products into distribution.
Revenue from services KhanToke	-	4,202	-100.00%	The company changed its business by let the assets of a subsidiary rent out.
Rental income	5,212	4,109	26.84%	
Other income	527	504	4.56%	Company increase utilities rate charged to renter to compensate for the electricity expense.
Total	6,572	9,453	-30.47%	

2. Cost of goods sold, the amount of 17.94 million baht average 5 months was 3.59 million baht compared to the period ended December 31, 2015 of 78.69 million baht or an average of 12 months was 6.56 million baht, decrease average of 45.59% with a cause as follows:

Items	For period of 5 months ended December 31, 2015 (average)	For period of 12 months ended December 31, 2015 (average)	% Increase - Decrease	Cause
Cost of goods sold	505	701	-27.91%	The sales volume decline
Cost of services Khum KhanToke	-	3,736	-100.00%	The company changed its business by let the assets of a subsidiary rent out.
Cost of investment property	3,083	2,121	45.33%	
Total	3,588	6,557	-45.29%	

3. Selling and administrative expense, Financial costs totaling 30.36 million baht average 5 months was 6.07 million baht compared to the period ended December 31, 2015 of 170.18 million baht or an average of 12 months was 14.18 million baht, decrease an average of 57.19% by the following.

Items	For period of 5 months ended December 31, 2015 (average)	For period of 12 months ended December 31, 2015 (average)	% Increase - Decrease	Cause
Selling and services costs.	480	532	-9.74%	Less than the sales volume decline because the Company Has taken the market by themselves, not through a distributor.
Administrative expenses	5,009	13,649	-63.30%	The 12-month period ended July 31, 2015 the company record allowance for doubtful receivables, long-term loans and accrued interest to other parties 59.26 million baht, the company recorded impaired long-term investments of 49.95 million baht and other impairment in inventory value of 0.92 million baht.
Financial costs	582	-	100	The Company began operations with loans from financial institutions.
Total	6,071	14,181	-57.19%	

Liquidity and Financial Ratios

Cash flow

As at December 31, 2015 the company and its subsidiaries have cash from operating activities decreased by 46.95 million baht, cash acquired from investments decreased by 195.072 million baht and no Cash flows from financing increased to 233.98 million baht, resulting in net cash and cash equivalents decrease 18.04 million baht due to the company taking money from a loan of 216 million baht to operate and investing in businesses that provide good returns with stability.

Current assets to current liabilities Ratio

As at December 31, 2015 the company had liquidity of current assets, after deduct less liquidity assets, 1.17 times of current liabilities, decreased by 20.74 times from July 31, 2015 due to the Company starts to funding from loan to expanded business and investment in projects.

Debt to shareholders' equity Ratio

As at December 31, 2015 the company had debt to shareholders' equity ratio 0.31 times from July 31, 2015 increase 0.28 times. The Company's debt to equity ratio is very low provides the ability to leverage it. It is expected that companies seeking loans to invest in various projects.

Gross margin Ratio

Gross margin in 2015 (five months), the Company's gross profit ratio of 40.66% but in the period August 31, 2014 – July 31, 2015 the companies has gross margin ratio of 26.73%, gross profit percentage increases 13.93% since the company introduced new products to sell which provide better margins. The gross margin on average of about 30 percent which in the past year, the company achieved more than the average business. Because the company sells products directly to dealers in the country and directly to consumers.

Net Income on Total Assets Ratio

Net Income on Total Assets Ratio in 2015 (5 months) of -1.61% but in the period August 2014 to July 2015 Net Income on Total Assets Ratio was -17.49% increase in Net Income on Total Assets Ratio 15.88% due to the loss decreased. The company has fixed assets that provide low yields when compared to the value of the assets. The Company is currently implementing a fixed asset sales. To finance the expansion of the higher return.

The company has set allowance for doubtful debts in the amount of 32.17 million baht or 100%, which the company considered enough.

Inventories as of December 31, 2015 the Company had an allowance for goods impairment of 6.32 million baht company considered is enough and that inventories can be improve before sold further.

Net Income to Shareholders' equity Ratio

The company has a return on investment of shareholders in the period ended December 31, 2015 (5 months) of -1.18% but in the period ended July 31, 2015 of -15.59% net profit to the shareholders' equity ratio increased 14.41% due to the reduction in losses.

❖ Financial Position in the Past

Total Assets

The Company and subsidiaries have total assets at December 31, 2015 of 1,066.76 million baht increase 238 million baht or increase 28.87% comparing with total assets of 828.85 million baht at July 31, 2015 by the following reason as follows.

1. Cash and cash at bank decrease 18.04 million baht due to period of December 31, 2015 the Company use cash as collateral of loans from bank.
2. Temporary investment decrease 13.84 million baht due to the Company invest in subsidiaries.
3. Trade and other receivables decrease 10.41 million baht due to at December 31, 2015 the Company dispose investment of 3.49 million baht and collect trade receivables of 7.31 million baht.
4. Inventory increase 9.80 million baht due to July 31, 2015 the Company increase inventory imported.
5. Project development cost increase 52.51 million baht due to subsidiary starting to construction real estate.
6. Non-current assets increase 215.38 million baht due to
 - 6.1 Cash at bank under obligation increase 1.20 million baht due to bank request for collateral to pledge for loan.
 - 6.2 Advance payment for investment increase 169 million baht due to the Company paid investment money to invest in renewable energy project.
 - 6.3 Land plant and equipment increase 42.75 million baht due to Construction in progress increase from subsidiary.

Total Liabilities

The company has total Liabilities at ended December 31, 2015 of 254.78 million baht increase of 233.54 million baht, increase more than 100% compared to total liabilities of 21.24 million baht at ended July 31, 2015 is mainly due.

- The subsidiary loan to do real estate project 26 million baht.
- The Company issue Bill of Exchange (B/E) 188.37 million baht to invest in renewable energy project.
- The subsidiary record employee benefit obligation increase 1.04 million baht.

Shareholders' Equity

The Company and subsidiaries has shareholders' equity of parent company at December 31, 2015 of 792.95 million baht decrease 14.66 million baht or decrease 1.82% compare to shareholders's equity of 807.61 million baht at July 31, 2015 due to operating result of 5 months has loss.

Statement of financial position

Unit : Thousand baht

Description	Consolidated F/S					
	Dec 31, 2015 (5 mths)	% of total	Jul 31, 2015	% of total	Jul 31, 2014	% of total
Total current assets	251,833	23.61%	229,304	27.67%	75,861	10.16%
Bank deposits with obligation	1,200	0.11%				
Investment in associated company	39,464	3.70%	39,200	4.73%		0.00%
Other long-term investment					49,950	6.69%
Advance payment for investment	189,000	17.72%				
Long-term loans to other party – net					52,700	7.06%
Investment property – net	491,830	46.10%	492,379	59.41%	31,679	4.24%
Property, plant and equipment – net	79,883	7.49%	37,133	4.48%	525,632	70.43%
Goodwill	175	0.01%				
Deferred tax assets	6,779	0.64%	6,894	0.83%	9,317	1.25%
Other non-current assets – net	6,598	0.62%	23,940	2.89%	1,191	0.16%
Total assets	1,066,762	100.00%	828,850	100.00%	746,330	100.00%
Total current liabilities	214,591	20.12%	10,467	1.26%	25,218	3.38%
Long-term loan from financial institution	26,000	2.44%				
Long-term liabilities under finance leases	2,196	0.21%	2,210	0.27%		0.00%
Employee benefit obligations	1,687	0.15%	650	0.08%	8,820	1.18%
Rental deposit	10,303	0.96%	7,914	0.95%	3,569	0.48%
Total liabilities	254,777	23.88%	21,241	2.56%	37,607	5.04%
shareholders' equity	811,985	76.12%	807,609	97.44%	708,723	94.96%
Total liabilities and shareholders' equity	1,066,762	100.00%	828,850	100.00%	746,330	100.00%

Statement of comprehensive income

Description	Consolidated F/S					
	Dec 31, 2015 (5 mths)	% of total	Jul 31, 2015	% of total	Jul 31, 2014	% of total
Revenue from sales and services	30,228	100.00%	107,388	100.00%	123,273	100.00%
Cost of sale and services	(17,937)	-59.34%	(78,686)	-73.27%	(78,761)	-63.89%
Gross profit	12,290	40.66%	28,702	26.73%	44,512	36.11%
Other revenue	2,634	8.71%	(6,046)	5.63%	19,056	15.46%
Sales and service expenses	(2,402)	-7.95%	(6,387)	-5.95%	(5,135)	-4.17%
Administrative expenses	(25,046)	-82.86%	(163,789)	152.52%	(45,322)	-36.76%
Financial cost	(2,908)	-9.62%		-		
Share of profit from investments in associates.	264	0.87%				
Profit (loss) before income tax	(15,168)	-50.18%	(135,428)	126.11%	13,111	10.64%
Income tax	(115)	-0.38%	(2,423)	-2.26%	(4,658)	-3.78%
Profit (loss)	(15,283)	-50.56%	(137,851)	128.37%	8,453	6.86%
Loss sharing of the period						
Attributable to parent company	(14,186)	-90.04%				
Attributable to the non-controlling interests.	(1,096)	-9.96%				

Comparison Consolidated Statements of Cash Flow

Unit : thousand baht

Descriptions	Consolidated F/S		
	Dec 31, 2015	Jul 31, 2015	Jul 31, 2014
Cash flow from operating activities	(46,948)	-43,263	29,490
Cash flow from investing activities	(195,070)	-173,917	-502,388
Cash flow from financing activities	223,977	236,737	
Cash and bank deposits (decrease) increase.	(18,041)	19,557	-472,898
Effect of exchange rates on cash and cash equivalents.		157	-395
Cash and bank deposits - beginning of the year	66,989	47,275	520,173
Cash and bank deposits - end of the year.	48,948	66,989	47,275

Significant Financial Ratio

Significant Financial Ratio	Unit	2015 (31/12/2015)	2015 (31/07/2015)	2014 (31/07/2014)	2013 (31/07/2013)
Liquidity Ratio					
Current Ratio	Time	1.17	21.91	3.01	25.70
Quick Ratio or Acid Test Ratio	Time	1.13	20.89	2.71	25.04
Liquidity Cash Ratio	Time	(0.42)	(2.42)	1.24	1.11
Account Receivable Turnover	Time	0.74	2.64	2.90	1.65
Average Collection Period	Day	206.18	136.20	124.04	217.87
Inventory Turnover	Time	3.66	20.96	6.48	2.08
Average Sale Period	Day	41.81	17.42	56.33	172.70
Account Payable Turnover	Time	96.40	133.91	76.02	1.75
Average Payable	Day	1.59	2.73	4.80	205.36
Cash Cycle	Day	246.40	150.89	175.57	185.21
Profitability Ratio					
Gross Profit Margin	%	40.66	26.73	36.95	37.53
Operating Profit Margin	%	(50.18)	(126.11)	11.40	81.14
Operation Cash Margin	%	(309.52)	(31.95)	224.93	73.52
Net Profit Margin	%	(46.51)	(121.52)	5.94	73.52
Return On Equity (ROE)	%	(1.18)	(15.59)	4.61	7.12
Efficiency Ratio					
Return On Asset (ROA)	%	(1.61)	(17.49)	1.15	6.72
Return On Fixed Asset (ROFA)	%	(0.03)	(0.25)	0.03	0.76
Fixed Asset Turnover	Time	0.03	0.14	0.19	0.09
Financial Policy Ratio					
Debt/Equity Ratio	Time	0.31	0.03	0.05	0.04
Interest Coverage	Time	17.14	-	-	-
Debt Service Coverage (Cash Basis)	Time	(0.22)	(12.45)	0.02	-0.13
Dividend Yield	%	NA	NA	NA	NA

The Board of Directors' Responsibility for Financial Reporting

The Board of Directors recognizes the importance and responsibility of governance in accordance with the principles of corporate governance. The Board of Directors is responsible for the financial statements of the Company and the consolidated financial statements of the Company and its subsidiary companies as well as the financial information presented in the Annual Report. The financial statements for the period of 5 months ended December 31, 2015 have been prepared in accordance with international financial reporting standards. The Company has selected the appropriate accounting policies and practices regularly with prudent judgment and estimates carefully and includes reasonableness of the preparation. In addition, there is a disclosure of important information about the accounting policies and basis of preparation of financial statements in Notes to the financial statements. Therefore, these financial statements reflect the financial condition and overall operation of the Company in a true and transparent manner which is beneficial to shareholders and investors. The financial statements have been audited by an independent certified public accountant.

The Board of Directors has appointed the Audit Committee to review the accounting policies and the quality of financial report; review the internal control system, internal audit, risk management system; and consider the disclosure of transaction put together. The opinions of the Audit Committee on the subject appears in the year 2015 (5 months ended December 31, 2015) Report of the Audit Committee which is presented in the Annual Report.

The financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries have been reviewed by the auditor of the Company namely Mr. Banjong Pichayaprasat, Auditor License No. 7147 affiliated with PV AUDIT CO., LTD. In regard to the audit, the Board of Directors had supported information and documents that allowed that Auditor to review and comment according to accounting standards. The opinions of the Auditor appear in the Auditor's Report, which is presented in this Annual Report.

The Board of Director has an opinion that the Company's internal control system as a whole is satisfactory and can create a reasonable assurance that the financial statements of the Company and its subsidiaries for the period of 5 months ended December 31, 2015 is reliable and in accordance with financial reporting standards and compliance with legislation and regulations related.

(General Kasemsak Plooksawat)
Chairman of the Board of Director

(Mr. Yuttana Taepangthong)
Managing Director

Audit Committee Report

Audit Committee of Advanced Connection Corporation Public Company Limited (“the Company”) had appointed Audit Committee to control and supervise financial statement of the company in order to comply to the accounting standard suitably to the business operation and to review to the Company to report financial statement correctly and sufficiently with suitable internal control and efficiency to perform according to the law of securities as well as other related law. The information has been disclosed sufficiently, risk management, selection consideration and to propose to appoint the auditor of the Company as well as giving importance to the performance to the principle of good governance, ethics, transparency and able to be inspected.

The Audit Committee consists of 3 independent directors of 1.) Mr. Arichai Ractham, Ph.D., as “the chairman of audit committee”, 2.) Dr. Charnsiri Suetrong, a “secretary of audit committee”, and 3.) Mr. Pasu Sukhumvart as “audit committee”, each person is not the administration directors or the employee of the company. The Audit Committee has their performance and duties and responsibilities according to the charter of Audit Committee approved by the Board of Directors’ Meeting according to the requirements of the Stock Exchange of Thailand and to report to the Board of Directors of the Company.

The Audit Committee acts as administer the business according to the scope of responsibilities assigned by the Board of Directors of the Company with 2 times of meeting’s holding and also the Audit Committee attended to the meeting at 100%, the important matters of performance could be summarized as follows:

- 1.) Review the Financial Statement by reviewing quarter financial statement and for the period of 5 months ended December 31, 2015 of Advanced Connection Corporation Public Company Limited and the consolidated financial statements of the Company.
- 2.) Supervise and to develop internal control system by planning audit plan to has the appropriate audit review with internal audit department and related administration department in order to improve efficiency of internal control.
- 3.) Review risk management and factors that occurred which might have materiality effect to operation of the Company such as compliance with related laws, compliance with corporate good governance in order to communicate and exchange opinion about audit conclusion in any aspect of quality evaluation and adequacy of internal control.
- 4.) To consider and appoint auditor of the year 2015 (for the period from August 1, 2015 – December 31, 2015). Give recommendation of auditor’s name including review auditor’s qualification to comply with the notification of the Securities and Exchange Commission and the Stock Exchange of Thailand, and

also determinate audit fee for year 2015 (for the period from August 1, 2015 – December 31, 2015) for the period from August 1, 2015 – December 31, 2015).

The Audit Committee had performed duties independently from the Board of Directors of the Company and Management Department with the report of meeting and report of performance to the Board of Directors of the Company already, for and on behalf of the Audit Committee.



(Arichai Ractham, Ph.D.)

Chairman of Audit Committee

AUDITOR'S REPORT**To the Board of Directors and Shareholders of Advanced Connection Corporation Public Company Limited****(Formerly: Compass East Industry (Thailand) Public Company Limited)**

- 1) I have audited the accompanying consolidated financial statements of Advanced Connection Corporation Public Company Limited and its subsidiaries, which comprise the consolidated statement of financial position as at December 31, 2015, and the consolidated statement of comprehensive income, statement of changes in shareholders' equity and statement of cash flows for the five-month period then ended, and a summary of significant accounting policies and other explanatory information. I have also audited the accompanying separate financial statements of Advanced Connection Corporation Public Company Limited which comprise the separate statement of financial position as at December 31, 2015, and the separate statement of comprehensive income, statement of changes in shareholders' equity and statement of cash flows for the five-month period then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

- 2) 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

- 3) 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.
- 4) 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.
- 5) I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion

Basis for Qualified Opinion

- 6) As explained in the Note 4 to the financial statements, the Company sold goods to Culminate Airy Company Limited "Culminate", which is a related party for the year ended July 31, 2015 in the amount of Baht 4.72 million to be sold to the modern trade which is the substantial sales of the Company and the substantial purchases of Culminate as stipulated in the agreement. The Company's status as a major payable of Culminate and the Company do not ask Culminate to pay for goods in the normal course of business which caused late payments significantly. The Company's director has participated in the

management in marketing under the former management policy which indicates that the Company can control the management of operations and finance of Culminate by indirect, subsequently, the new management has stopped selling goods to Culminate since February 1, 2015 and recalled the inventories in the amount of Baht 1.67 million for off-set with the arrears of trade receivable and conduct a collection which is the former related party and the director has resigned and stopped getting involved in the management with Culminate since September 29, 2014, under the new management policy which has no relationship with Culminate. I did not obtain sufficient and appropriate evidence related to financial statements of Culminate because the new management cannot provide or coordinate with Culminate for preparing the financial information to prepare consolidated financial statements. Therefore, I was unable to determine whether any adjustment might have been found necessary and impact on the consolidated financial statements for the year ended July 31, 2015. My opinion on the financial statements for the prior year is qualified on the sufficient evidence related to prepare consolidated financial statements. However, the Company has no relationship with Culminate as mentioned above, other than normal transaction. As a result, the Company does not have to bring the Culminate's financial statement to prepare consolidated financial statements for the five-month period ended December 31, 2015. Therefore, my opinion on the financial statements for the current period is also qualified because the preparation of prior year's consolidated financial statements affect the comparability of the current period's figures and corresponding figures.

Qualified Opinion

- 7) In my opinion, except for the possible effects of the corresponding figures of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the consolidated financial position of Advanced Connection Corporation Public Company Limited and its subsidiaries as at December 31, 2015, and their financial performance and cash flows for the five-month period then ended, and the separate financial position of Advanced Connection Corporation Public Company Limited as at December 31, 2015, and its financial performance and cash flows for the five-month period then ended in accordance with Thai Financial Reporting Standards.

Other Matters

- 8) I draw attention to Note 2 to the financial statements, the Company changed its financial year end from July 31 to December 31. Consequently, the statements of comprehensive income, statement of changes in shareholders' equity and statement of cash flows for the accounting period ended December 31, 2015 comprises only five months whereas the comparative information presented for the year ended July 31, 2015 comprises twelve months, which periods presented are not comparable. Therefore, supplementary information in Note 35 has been prepared as additional information in the form of unaudited statements of comprehensive income for the twelve months periods ended December 31, 2015 and 2014. I have not audited the supplementary information and do not express any audit opinion on such information.



Bunjong Pichayaprasat
Certified Public Accountant
Registration Number 7147

PV Audit Co., Ltd.
Bangkok, February 29, 2016

Consolidated and Company Financial Statements and Notes to Consolidated and Company Financial Statements

ADVANCED CONNECTION CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

(FORMERLY: COMPASS EAST INDUSTRY (THAILAND) PUBLIC COMPANY LIMITED)

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2015

	Note	Baht			
		Consolidated financial statements		Separate financial statements	
		December 31, 2015	July 31, 2015	December 31, 2015	July 31, 2015
Assets	3				
Current assets					
Cash and cash equivalents	5	48,948,104.30	66,989,395.09	22,709,901.29	57,590,315.18
Current investments	6	120,000,000.00	133,840,947.91	120,000,000.00	133,840,947.91
Trade and other receivables	7	7,433,110.98	17,838,881.54	5,032,556.20	7,185,155.38
Short-term loan and accrued interest income					
to related party	4	-	-	488,953,688.64	502,369,761.22
Inventories	9	9,802,703.29	-	9,802,703.29	-
Cost of project development	10	52,510,574.65	-	-	-
Other current assets		13,138,254.41	10,635,185.14	7,229,308.14	6,386,201.87
Total current assets		251,832,747.63	229,304,409.68	653,728,157.56	707,372,381.56
Non-current assets					
Restricted bank deposits		1,200,000.00	-	-	-
Investment in associated company	11	39,463,980.00	39,199,980.00	39,199,980.00	39,199,980.00
Investments in subsidiaries	12	-	-	66,739,910.00	2,999,910.00
Advance payment for investments	13	189,000,000.00	20,000,000.00	189,000,000.00	20,000,000.00
Investment property	15	491,829,932.70	492,378,775.84	30,517,997.35	30,888,820.79
Property, plant and equipment	16	79,883,416.34	37,132,417.92	17,819,942.99	14,076,675.40
Goodwill	12	174,993.68	-	-	-
Deferred tax assets	17	6,778,888.80	6,893,916.95	6,778,888.80	6,893,916.95
Other non-current assets		6,598,509.46	3,940,326.33	3,968,574.00	2,636,205.00
Total non-current assets		814,929,720.98	599,545,417.04	354,025,293.14	116,695,508.14
Total assets		1,066,762,468.61	828,849,826.72	1,007,753,450.70	824,067,889.70

ADVANCED CONNECTION CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

(FORMERLY: COMPASS EAST INDUSTRY (THAILAND) PUBLIC COMPANY LIMITED)

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2015

	Note	Baht			
		Consolidated financial statements		Separate financial statements	
		December 31, 2015	July 31, 2015	December 31, 2015	July 31, 2015
Liabilities and shareholders' equity	3				
Current liabilities					
Trade and other payables	18	22,679,478.38	9,272,236.70	12,015,722.01	8,597,978.11
Current portion of debts	21	748,405.64	618,332.68	748,405.64	618,332.68
Short-term loan from related party	4	225,833.52	-	-	-
Short-term loan from other parties	19	188,365,339.95	-	188,365,339.95	-
Other current liabilities		2,572,414.18	576,164.50	283,244.40	334,320.33
Total current liabilities		214,591,471.67	10,466,733.88	201,412,712.00	9,550,631.12
Non-current liabilities					
Long-term loan from financial institutions	20	26,000,000.00	-	-	-
Long-term liabilities under finance leases	21	2,196,119.03	2,209,618.85	2,196,119.03	2,209,618.85
Employee benefit obligations	2, 22	1,687,398.39	650,483.05	1,267,422.80	650,483.05
Deposit		10,302,582.86	7,914,326.54	6,302,582.86	3,914,326.54
Total non-current liabilities		40,186,100.28	10,774,428.44	9,766,124.69	6,774,428.44
Total liabilities		254,777,571.95	21,241,162.32	211,178,836.69	16,325,059.56
Shareholders' equity					
Share capital	23				
Authorized share capital					
1,200,000,000 ordinary shares, Baht 0.25 par value		300,000,000.00	300,000,000.00	300,000,000.00	300,000,000.00
Issued and paid-up share capital					
1,200,000,000 ordinary shares, fully paid-up		300,000,000.00	300,000,000.00	300,000,000.00	300,000,000.00
Premium on ordinary shares	24	535,386,997.86	535,386,997.86	535,386,997.86	535,386,997.86
Retained earnings (deficit)					
Appropriated - legal reserve	25	24,000,000.00	24,000,000.00	24,000,000.00	24,000,000.00
Unappropriated		(66,437,574.76)	(51,778,333.46)	(62,812,383.85)	(51,644,167.72)
Total equity of the Company		792,949,423.10	807,608,664.40	796,574,614.01	807,742,830.14
Non-controlling interests	12	19,035,473.56	-	-	-
Total shareholders' equity		811,984,896.66	807,608,664.40	796,574,614.01	807,742,830.14
Total liabilities and shareholders' equity		1,066,762,468.61	828,849,826.72	1,007,753,450.70	824,067,889.70

ADVANCED CONNECTION CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

(FORMERLY: COMPASS EAST INDUSTRY (THAILAND) PUBLIC COMPANY LIMITED)

STATEMENTS OF COMPREHENSIVE INCOME

	Note	Baht			
		Consolidated financial statements		Separate financial statements	
		For the five-month period ended	For the year ended	For the five-month period ended	For the year ended
		December 31, 2015	July 31, 2015	December 31, 2015	July 31, 2015
	3				
Revenue from sales and services	4	30,227,587.60	107,388,152.16	17,727,587.60	41,084,116.40
Cost of sales and services	2, 26	(17,937,234.80)	(78,686,320.48)	(5,450,230.97)	(17,769,532.16)
Gross profit		12,290,352.80	28,701,831.68	12,277,356.63	23,314,584.24
Other income	2, 4	2,634,011.01	6,046,404.32	3,556,062.36	15,464,487.22
Selling and service expenses	2, 26	(2,401,903.94)	(6,386,735.37)	(2,049,298.48)	(2,943,586.83)
Administrative expenses	2, 4, 26	(25,045,877.85)	(163,789,598.65)	(21,890,618.87)	(180,873,272.91)
Finance costs		(2,908,220.86)	-	(2,473,700.32)	-
Share of profit of associated company	4	264,000.00	-	-	-
Loss before income tax		(15,167,638.84)	(135,428,098.02)	(10,580,198.68)	(145,037,788.28)
Tax expense	2, 27	(115,028.15)	(2,422,849.32)	(115,028.15)	(1,465,827.37)
Loss for the period		(15,282,666.99)	(137,850,947.34)	(10,695,226.83)	(146,503,615.65)
Other comprehensive loss	2				
Items that will never be reclassified to profit or loss					
Defined benefit plan actuarial losses		(472,989.30)	-	(472,989.30)	-
Other comprehensive loss		(472,989.30)	-	(472,989.30)	-
Total comprehensive loss		(15,755,656.29)	(137,850,947.34)	(11,168,216.13)	(146,503,615.65)
Loss for the period attributable to					
Equity holders of the Company		(14,186,252.00)	(137,850,947.34)	(10,695,226.83)	(146,503,615.65)
Non-controlling interests		(1,096,414.99)	-	-	-
		(15,282,666.99)	(137,850,947.34)	(10,695,226.83)	(146,503,615.65)
Total comprehensive loss attributable to					
Equity holders of the Company		(14,659,241.30)	(137,850,947.34)	(11,168,216.13)	(146,503,615.65)
Non-controlling interests		(1,096,414.99)	-	-	-
		(15,755,656.29)	(137,850,947.34)	(11,168,216.13)	(146,503,615.65)

ADVANCED CONNECTION CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

(FORMERLY: COMPASS EAST INDUSTRY (THAILAND) PUBLIC COMPANY LIMITED)

STATEMENTS OF COMPREHENSIVE INCOME

		Baht			
		Consolidated financial statements		Separate financial statements	
		For the five-month period ended	For the year ended	For the five-month period ended	For the year ended
Note		December 31, 2015	July 31, 2015	December 31, 2015	July 31, 2015
	3				
Basic loss per share					
Loss attributable to equity holders of the Company	2, 3	(0.0118)	(0.1559)	(0.0089)	(0.1656)
Weighted average number of ordinary shares (shares)	3	1,200,000,000	884,509,828	1,200,000,000	884,509,828

ADVANCED CONNECTION CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
(FORMERLY: COMPASS EAST INDUSTRY (THAILAND) PUBLIC COMPANY LIMITED)
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE FIVE-MONTH PERIOD ENDED DECEMBER 31, 2015 AND YEAR ENDED JULY 31, 2015

	Note	Bath						
		Consolidated financial statements						
		Equity attributable to holders of the Company						Non-controlling interests
		Issued and paid-up share capital	Premium on ordinary shares	Appropriated	Retained earnings (deficit)	Unappropriated	Total	
Beginning balance as at August 1, 2014		188,300,000.00	410,350,000.00	24,000,000.00	86,072,613.88		708,722,613.88	-
Changes in shareholders' equity								
Increase in ordinary shares	23	111,700,000.00	125,036,997.86	-	-	-	236,736,997.86	-
Loss for the year		-	-	-	(137,850,947.34)		(137,850,947.34)	-
Ending balance as at July 31, 2015		300,000,000.00	535,386,997.86	24,000,000.00	(51,778,333.46)		807,608,664.40	-
Changes in shareholders' equity								
The subsidiary increase its ordinary shares		-	-	-	-	-	-	12,500,000.00
Purchase a subsidiary		-	-	-	-	-	-	7,631,888.55
Loss for the period		-	-	-	(14,186,252.00)	(14,186,252.00)	(14,186,252.00)	(1,096,414.99)
Other comprehensive loss	2	-	-	-	(472,989.30)	(472,989.30)	(472,989.30)	-
Ending balance as at December 31, 2015		300,000,000.00	535,386,997.86	24,000,000.00	(66,437,574.76)		792,949,423.10	19,035,473.56
								811,984,896.66

ADVANCED CONNECTION CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

(FORMERLY: COMPASS EAST INDUSTRY (THAILAND) PUBLIC COMPANY LIMITED)

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE FIVE-MONTH PERIOD ENDED DECEMBER 31, 2015 AND YEAR ENDED JULY 31, 2015

		Baht				
		Separate financial statements				
		Issued and paid-up	Premium on	Retained earnings (deficit)		
	Note	share capital	ordinary shares	Appropriated	Unappropriated	Total
Beginning balance as at August 1, 2014		188,300,000.00	410,350,000.00	24,000,000.00	94,859,447.93	717,509,447.93
Changes in shareholders' equity						
Increase in ordinary shares	23	111,700,000.00	125,036,997.86	-	-	236,736,997.86
Loss for the year		-	-	-	(146,503,615.65)	(146,503,615.65)
Ending balance as at July 31, 2015		300,000,000.00	535,386,997.86	24,000,000.00	(51,644,167.72)	807,742,830.14
Changes in shareholders' equity						
Loss for the period		-	-	-	(10,695,226.83)	(10,695,226.83)
Other comprehensive loss	2	-	-	-	(472,989.30)	(472,989.30)
Ending balance as at December 31, 2015		300,000,000.00	535,386,997.86	24,000,000.00	(62,812,383.85)	796,574,614.01

ADVANCED CONNECTION CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

(FORMERLY: COMPASS EAST INDUSTRY (THAILAND) PUBLIC COMPANY LIMITED)

STATEMENTS OF CASH FLOWS

	Baht			
	Consolidated financial statements		Separate financial statements	
	For the five-month period ended	For the year ended	For the five-month period ended	For the year ended
	December 31, 2015	July 31, 2015	December 31, 2015	July 31, 2015
Cash flows from operating activities				
Loss before income tax	(15,167,638.84)	(135,428,098.02)	(10,580,198.68)	(145,037,788.28)
Adjustments to reconcile loss before income tax to cash provided by (used in) operating activities				
Depreciation and amortization	14,921,550.13	31,384,376.96	1,180,438.30	1,103,907.73
Doubtful accounts (reversal)	(864,674.50)	59,258,337.50	997,335.00	94,896,328.00
Loss from revaluation of current investments	-	4,938,457.57	-	4,938,457.57
Unrealized gain on exchange rate	-	(157,804.75)	-	(157,804.75)
(Gain) loss from sales of assets	1,512,171.08	(2,223,255.44)	1,512,171.08	(2,193,885.64)
Loss from impairment of assets (reversal)	(1,059,389.00)	60,319,389.00	-	50,949,970.00
Loss from devaluation of inventories (reversal)	(546,982.77)	920,353.66	(546,982.77)	902,043.66
Employee benefit obligations	563,926.04	(4,647,113.71)	143,950.45	137,996.04
Interest income	(2,337,681.65)	(497,763.02)	(2,337,681.65)	(14,769,625.64)
Finance costs	2,908,220.86	-	2,473,700.32	-
Share of profit of associated company	(264,000.00)	-	-	-
Profit (loss) from operating activities before change in operating assets and liabilities	(334,498.65)	13,866,879.75	(7,157,267.95)	(9,230,401.31)
Change in operating assets (increase) decrease				
Trade and other receivables	11,270,445.06	(24,291,694.63)	2,395,264.18	(2,914,116.10)
Inventories	(9,255,720.52)	6,589,017.66	(9,255,720.52)	6,078,738.95
Cost of project development	(52,510,574.65)	-	-	-
Other current assets	(1,597,931.07)	(1,606,384.66)	(843,106.27)	(6,087,224.18)
Restricted bank deposits	(1,200,000.00)	-	-	-
Other non-current assets	(16,266.62)	(21,247,418.74)	83,780.00	(20,580,780.00)
Change in operating liabilities increase (decrease)				
Trade and other payables	4,269,698.99	(11,355,717.55)	3,417,743.90	2,937,439.13
Other current liabilities	1,573,120.13	(1,824,582.33)	(51,075.93)	(13,235.92)
Payment for employee benefit obligations	-	(3,523,022.74)	-	(3,523,022.74)
Deposit	2,388,256.32	4,345,695.54	2,388,256.32	345,695.54
Cash paid from operations	(45,413,471.01)	(39,047,227.70)	(9,022,126.27)	(32,986,906.63)
Income tax paid	(1,534,741.99)	(4,216,230.71)	(534,741.99)	(3,610,925.00)
Net cash used in operating activities	(46,948,213.00)	(43,263,458.41)	(9,556,868.26)	(36,597,831.63)

ADVANCED CONNECTION CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

(FORMERLY: COMPASS EAST INDUSTRY (THAILAND) PUBLIC COMPANY LIMITED)

STATEMENTS OF CASH FLOWS

	Baht			
	Consolidated financial statements		Separate financial statements	
	For the five-month period ended	For the year ended	For the five-month period ended	For the year ended
	December 31, 2015	July 31, 2015	December 31, 2015	July 31, 2015
Cash flows from investing activities				
Purchases of current investments	(127,991,184.35)	(187,948,753.77)	(127,991,184.35)	(187,948,753.77)
Sales of current investments	140,319,961.18	51,084,050.16	140,319,961.18	51,084,050.16
Increase in short-term loans to related party	-	-	(11,800,000.00)	(17,500,000.00)
Proceeds from short-term loans to related party	-	-	22,045,951.05	9,601,160.90
Purchases of investment in associated company	-	(39,199,980.00)	-	(39,199,980.00)
Purchases of investments in subsidiary	(24,952,436.47)	-	(63,990,000.00)	(2,999,910.00)
Sales of investments in subsidiary	-	-	250,000.00	-
Increase in advance payment for investments	(169,000,000.00)	-	(169,000,000.00)	-
Purchases of property, plant and equipment	(4,650,020.48)	(11,068,390.43)	(4,187,937.13)	(4,711,593.24)
Purchases of investment property	(9,926,702.74)	-	-	-
Purchases of intangible assets	(1,207,472.43)	-	(923,922.43)	-
Sales of assets	-	775,902.33	-	282,752.33
Interest received	2,337,681.65	12,441,203.46	4,267,803.18	3,047,271.22
Net cash used in investing activities	(195,070,173.64)	(173,915,968.25)	(211,009,328.50)	(188,345,002.40)
Cash flows from financing activities				
Proceeds from short-term loan from related party	225,833.52	-	-	-
Proceeds from short-term loans from other parties	240,000,000.00	-	240,000,000.00	-
Repayment for short-term loans from other parties	(50,000,000.00)	-	(50,000,000.00)	-
Proceeds from loan from financial institutions	26,000,000.00	-	-	-
Repayment for liabilities under finance leases	(205,856.76)	-	(205,856.76)	-
Proceeds from increase in ordinary shares	-	236,736,997.86	-	236,736,997.86
The subsidiary increase its ordinary shares	12,500,000.00	-	-	-
Interest paid	(4,542,880.91)	-	(4,108,360.37)	-
Net cash provided by financing activities	223,977,095.85	236,736,997.86	185,685,782.87	236,736,997.86
Net increase (decrease) in cash and cash equivalents	(18,041,290.79)	19,557,571.20	(34,880,413.89)	11,794,163.83
Effect from exchange rate in cash and cash equivalents	-	157,804.75	-	157,804.75
Cash and cash equivalents at the beginning of the period	66,989,395.09	47,274,019.14	57,590,315.18	45,638,346.60
Cash and cash equivalents at the end of the period	48,948,104.30	66,989,395.09	22,709,901.29	57,590,315.18

Additional details of non-cash items

For the year ended July 31, 2015

1. The Company purchased vehicles at cost in the amount of Baht 4.44 million by cash payment in the amount of Baht 1.62 million and by entering into finance lease agreements for the remainder.
2. The Company had transferred land and buildings to investment property at book value in the amount of Baht 467.65 million in the consolidated financial statements.

**ADVANCED CONNECTION CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
(FORMERLY: COMPASS EAST INDUSTRY (THAILAND) PUBLIC COMPANY LIMITED)**

NOTES TO FINANCIAL STATEMENTS

FOR THE FIVE-MONTH PERIOD ENDED DECEMBER 31, 2015 AND YEAR ENDED JULY 31, 2015

1. GENERAL INFORMATION

On November 18, 2015, the Company changed its name to be “Advanced Connection Corporation Public Company Limited” conforming to the Company’s business policies in the future.

Advanced Connection Corporation Public Company Limited (“the Company”) was incorporated in Thailand under the Civil and Commercial Code on August 17, 1987 and became a public company limited on May 31, 1994 and was listed on the Stock Exchange of Thailand on March 23, 1993. Presently, the Company’s principal activities in manufacturing and distributing ceiling fan, renting property, property development and investment in alternative energy.

On September 8, 2015, the Company registered the change in the location of its office from 225/324 Country Complex, B Building, 16th Floor, Sanpawuth, Bangna, Bangkok to 32 Srinakarin 40 Road, Nhongbon, Prawet, Bangkok. The factory is at 291 Moo 4, Bangpoo Industrial Estate Soi 5, Sukhumvit Road, Prakkasa, Muang, Samutprakarn.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The accompanying financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”) including related interpretations and guidelines promulgated by the Federation of Accounting Professions (“FAP”) in conformity with generally accepted accounting principles in Thailand.

The presentation of the financial statements has been made in compliance with the stipulations of the Notification of the Department of Business Development dated September 28, 2011, issued under the Accounting Act B.E. 2543.

The accompanying financial statements have been prepared in the Thai language and expressed in Thai Baht. Such financial statements have been prepared for domestic reporting purposes. For the convenience of the readers not conversant with the Thai language, an English version of the financial statements has been provided by translating from the Thai version of the financial statements.

The Company changed the Company’s accounting period from the period starting from August 1 to July 31 of the following year to the period starting from January 1 to December 31 of each year. As a result, the statements of comprehensive income, statements of changes in shareholders’ equity and statements of cash flows for the period ended December 31, 2015 comprises only five months whereas the comparative information presented for the year ended July 31, 2015 comprises twelve months, which periods presented are not comparable. Therefore, supplementary information in Note 35 has been prepared as additional information in the form of unaudited statements of comprehensive income for the twelve months periods ended December 31, 2015 and 2014.

The preparation of financial statements in conformity with Thai Financial Reporting Standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying amounts of assets and liabilities that are not readily apparent from other sources. Subsequent actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, and in the period of the revision and future periods, if the revision affects both current and future periods.

BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements consisted of the financial statements of Advanced Connection Corporation Public Company Limited, and subsidiaries (together referred to as “the Group”) and the Group’s interest in associated company as follows:

Name	Located in	Business type	Holding	
			Percentage (%)	
			December 31, 2015	July 31, 2015
Subsidiaries				
C.E.I. (Chiangmai) Co., Ltd.	Thailand	Renting property	100	100
ACC Electric Co., Ltd.	Thailand	Electrical appliances sales	100	100
ACC Landmark Co., Ltd.	Thailand	Property development	75	100
ACC Green Energy Co., Ltd.	Thailand	Production and distribution of electricity	100	100
Bangpakong Solar Power Co., Ltd.	Thailand	Production and distribution of electricity	51	-
Associated company				
W. Solar Co., Ltd.	Thailand	Solar roof power plant	49	49

All significant intercompany transactions and accounts are eliminated in preparing the consolidated financial statements.

The preparations of the consolidated financial statements have been based on the same accounting policies for the same or similar accounting transactions or accounting events.

Subsidiaries are an entity controlled by the Company. The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that significantly affect the amount of its returns. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Associate

Associate is that entity in which the Group has significant influence, but not control, or joint control over the financial and operating policies. The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income (loss) of associate on an equity method, from the date that significant influence commences until the date that significant influence ceases. When the Group's share of loss exceeds its investment in associate, the investment is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of associate.

Adoption of New Thai Financial Reporting Standards

FAP has issued Notifications, mandating the use of new and revised Conceptual Framework for Financial Reporting (revised 2015), Thai Accounting Standards ("TAS"), TFRS, Thai Standard Interpretations ("TSIC") and Thai Financial Reporting Interpretations ("TFRIC") as follows:

- a) Conceptual Framework for Financial Reporting (revised 2015) which is immediately effective for the year 2015.
- b) TAS, TFRS, TSIC and TFRIC which are effective for the financial statements for the period beginning on or after January 1, 2015 as follows:

TAS/TFRS/TSIC/TFRIC	Topic
TAS 1 (revised 2014)	Presentation of Financial Statements
TAS 2 (revised 2014)	Inventories
TAS 7 (revised 2014)	Statement of Cash Flows
TAS 8 (revised 2014)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2014)	Events after the Reporting Period
TAS 11 (revised 2014)	Construction Contracts
TAS 12 (revised 2014)	Income Taxes
TAS 16 (revised 2014)	Property, Plant and Equipment
TAS 17 (revised 2014)	Leases
TAS 18 (revised 2014)	Revenue
TAS 19 (revised 2014)	Employee Benefits
TAS 20 (revised 2014)	Accounting for Government Grants and Disclosure of Government Assistance

TAS/TFRS/TSIC/IFRIC	Topic
TAS 21 (revised 2014)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2014)	Borrowing Costs
TAS 24 (revised 2014)	Related Party Disclosures
TAS 26 (revised 2014)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2014)	Separate Financial Statements
TAS 28 (revised 2014)	Investments in Associates and Joint Ventures
TAS 29 (revised 2014)	Financial Reporting in Hyperinflationary Economies
TAS 33 (revised 2014)	Earnings per Share
TAS 34 (revised 2014)	Interim Financial Reporting
TAS 36 (revised 2014)	Impairment of Assets
TAS 37 (revised 2014)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2014)	Intangible Assets
TAS 40 (revised 2014)	Investment Property
TFRS 2 (revised 2014)	Share-based Payment
TFRS 3 (revised 2014)	Business Combinations
TFRS 5 (revised 2014)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (revised 2014)	Exploration for and Evaluation of Mineral Resources
TFRS 8 (revised 2014)	Operating Segments
TFRS 10	Consolidated Financial Statements
TFRS 11	Joint Arrangements
TFRS 12	Disclosure of Interests in Other Entities
TFRS 13	Fair Value Measurement
TSIC 10 (revised 2014)	Government Assistance - No specific Relation to Operating Activities
TSIC 15 (revised 2014)	Operating Leases - Incentives

TAS/TFRS/TSIC/TFRIC	Topic
TSIC 25 (revised 2014)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
TSIC 27 (revised 2014)	Evaluating the Substance of Transactions Involving the
TSIC 29 (revised 2014)	Service Concession Arrangements: Disclosures
TSIC 31 (revised 2014)	Revenue - Barter Transactions Involving Advertising
TSIC 32 (revised 2014)	Intangible Assets - Web Site Costs
TFRIC 1 (revised 2014)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2014)	Determining whether an Arrangement contains a Lease
TFRIC 5 (revised 2014)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2014)	Applying the Restatement Approach under TAS 29 (revised 2014) Financial Reporting in Hyperinflationary Economies
TFRIC 10 (revised 2014)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2014)	Service Concession Arrangements
TFRIC 13 (revised 2014)	Customer Loyalty Programmes
TFRIC 14	TAS 19 (revised 2014) - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 15 (revised 2014)	Agreements for the Construction of Real Estate
TFRIC 17 (revised 2014)	Distributions of Non - cash Assets to Owners
TFRIC 18 (revised 2014)	Transfers of Assets from Customers
TFRIC 20	Stripping Costs in the Production Phase of a Surface Mine

During the year 2015, the Group has adopted Conceptual Framework for Financial Reporting (revised 2015), new and revised TFRS which are effective for the accounting period beginning on or after January 1, 2015. These Conceptual Framework for Financial Reporting (revised 2015) and TFRS were aimed at alignment with the corresponding International Financial

Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these Conceptual Framework for Financial Reporting (revised 2015) and TFRS does not have any significant impact on the financial statements of the Group, except TFRS as follows:

TAS 1 (revised 2014) Presentation of financial statements

The key change is that the Group is required to group items presented in “Other Comprehensive Income” on the basis of whether they are potentially reclassifiable to profit or loss subsequently. This standard will only impact the Group presentation of other comprehensive income items in the statement of comprehensive income of the Group.

TAS 19 (revised 2014) Employee benefits

This revised standard requires that the Group recognizes actuarial gains and losses immediately in other comprehensive income while the existing standard allows the Group to recognize such gains and losses immediately in either profit or loss or other comprehensive income, or to recognize them gradually in profit or loss.

The Group’s management has assessed the effects of such changes in the consolidated and separate financial statements and presented in the statements of comprehensive income for the five-month period ended December 31, 2015 as follows:

	Baht
Statements of comprehensive income	
Decrease in cost of sales and services	346,776.25
Decrease in selling and service expenses	13,019.90
Decrease in administrative expenses	113,193.15
Decrease in loss for the period	472,989.30
Decrease in basic loss per share (Bath per shares)	0.0004
Other comprehensive loss	
Items that will never be reclassified to profit or loss	
Defined benefit plan actuarial losses	(472,989.30)
Other comprehensive loss	(472,989.30)

TFRS 13 Fair value measurement

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurement. The Group is to apply the guidance under this standard if it is required by other TFRS to measure its assets or liabilities at fair value. The effects of the adoption of this standard are to be recognized prospectively.

The Group disclosed information in accordance with this standard as described in Note 30.

New and revised Thai Financial Reporting Standards not yet effective

During the year 2015, FAP has issued Notifications, mandating the use of new and revised TAS, TFRS, TSIC, TFRIC and accounting guidance (“AG”) as follows:

TAS, TFRS, TSIC, TFRIC and AG which are effective for the financial statements for the period beginning on or after January 1, 2016 as follows:

TAS/TFRS/TSIC/TFRIC/AG	Topic
TAS 1 (revised 2015)	Presentation of Financial Statements
TAS 2 (revised 2015)	Inventories
TAS 7 (revised 2015)	Statement of Cash Flows
TAS 8 (revised 2015)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2015)	Events after the Reporting Period
TAS 11 (revised 2015)	Construction Contracts
TAS 12 (revised 2015)	Income Taxes
TAS 16 (revised 2015)	Property, Plant and Equipment
TAS 17 (revised 2015)	Leases
TAS 18 (revised 2015)	Revenue
TAS 19 (revised 2015)	Employee Benefits
TAS 20 (revised 2015)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2015)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2015)	Borrowing Costs
TAS 24 (revised 2015)	Related Party Disclosures
TAS 26 (revised 2015)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2015)	Separate Financial Statements
TAS 28 (revised 2015)	Investments in Associates and Joint Ventures
TAS 29 (revised 2015)	Financial Reporting in Hyperinflationary Economies
TAS 33 (revised 2015)	Earnings per Share

TAS/TFRS/TSIC/TFRIC/AG	Topic
TAS 34 (revised 2015)	Interim Financial Reporting
TAS 36 (revised 2015)	Impairment of Asset
TAS 37 (revised 2015)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2015)	Intangible Assets
TAS 40 (revised 2015)	Investment Property
TAS 41	Agriculture
TFRS 2 (revised 2015)	Share - based Payment
TFRS 3 (revised 2015)	Business Combinations
TFRS 4 (revised 2015)	Insurance Contracts
TFRS 5 (revised 2015)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (revised 2015)	Exploration for and Evaluation of Mineral Resources
TFRS 8 (revised 2015)	Operating Segments
TFRS 10 (revised 2015)	Consolidated Financial Statements
TFRS 11 (revised 2015)	Joint Arrangements
TFRS 12 (revised 2015)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2015)	Fair Value Measurement
TSIC 10 (revised 2015)	Government Assistance - No specific Relation to Operating Activities
TSIC 15 (revised 2015)	Operating Leases - Incentives
TSIC 25 (revised 2015)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
TSIC 27 (revised 2015)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29 (revised 2015)	Service Concession Arrangements : Disclosures
TSIC 31 (revised 2015)	Revenue - Barter Transactions Involving Advertising Services
TSIC 32 (revised 2015)	Intangible Assets-Web Site Costs
TFRIC 1 (revised 2015)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2015)	Determining whether an Arrangement contains a Lease

TAS/TFRS/TSIC/TFRIC/AG	Topic
TFRIC 5 (revised 2015)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2015)	Applying the Restatement Approach under TAS 29 (revised 2015) Financial Reporting in Hyperinflationary Economies
TFRIC 10 (revised 2015)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2015)	Service Concession Arrangements
TFRIC 13 (revised 2015)	Customer Loyalty Programmes
TFRIC 14 (revised 2015)	TAS 19 (revised 2015) - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 15 (revised 2015)	Agreements for the Construction of Real Estate
TFRIC 17 (revised 2015)	Distributions of Non-cash Assets to Owners
TFRIC 18 (revised 2015)	Transfers of Assets from Customers
TFRIC 20 (revised 2015)	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21	Levies
Accounting guidance for the measurement and recognition of bearer plants	

The management of the Group is assessing the impacts of these TFRS on the financial statements for the year in which they are initially applied.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The measurement bases used in preparing the financial statements

Other than those disclosed elsewhere in the summary of significant accounting policies and other notes to the financial statements, the financial statements are prepared on the historical cost basis.

Revenues

Revenue excludes value added taxes or other sales taxes and is arrived at after deduction of trade discounts.

Revenue is recognized in the statement of comprehensive income when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognized if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods.

Revenue from service

Revenues from services are recognized when services are rendered.

Revenue from rental

Revenue from rental is recognized to the statement of comprehensive income by the straight-line method over the term of the agreement.

Interest income

Interest income is recognized as interest accrues, based on the effective rate method.

Other income

Other income is recognized on an accrual basis.

Expenses

Operating leases

Payments made under operating leases are recognized in the statement of comprehensive income on a straight-line basis over the term of the lease. Lease incentives received are recognized in the statement of comprehensive income as an integral part of the total lease payments made. Contingent rentals are charged to the statement of comprehensive income in the accounting period in which they are incurred.

Finance costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

The interest component of finance lease payments is recognized in the statement of comprehensive income using the effective interest rate method.

Expenses are recognized on an accrual basis.

Employee benefits

Short-term benefits

The Group recognizes salaries, wages, bonus and social security contribution as expenses when incurred.

Post-employment benefits – defined contribution plan

The Group operates a provident fund that is a defined contribution plan. The assets of which are held in a separate trust fund. The provident fund is funded by payments from employees and the relevant companies. Contributions to the provident fund are charged to the statement of comprehensive income in the period to which they relate.

Post-employment benefits - defined benefit plan

The employee benefits liabilities for severance payment as the labor law is recognized as a charge to results of operations over the employee's service period. It is calculated by estimating the amount of future benefit earned by employees in return for service provided to the Group in the current and future periods, with such benefit being discounted to determine the present value. The reference point for setting the discount rate is the yield rate of government bonds as at the reporting date. The calculation is performed by actuarial technique using the Projected Unit Credit Method.

When the employee benefits are improved, the portion of the increased benefit relating to past service by employees is recognized in the statement of comprehensive income on a straight-line basis over the average year until the benefits become vested.

When the actuarial assumptions are changed, the Group recognizes all actuarial gains (losses) immediately in other comprehensive income.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group applied a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measured fair value using valuation techniques that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

- Level 1 Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2 Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Group determined whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

Cash and cash equivalents

Cash and cash equivalents are cash on hand, current deposits and savings deposits, cash at bank with an original maturity of 3 months and short-term investments with high liquidity excluded deposits at bank on obligation.

Trade and other receivables

Trade and other receivables are stated at their invoice value less allowance for doubtful accounts.

The Group records allowance for doubtful accounts that is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experiences and analysis of debtor aging.

In determining an allowance for doubtful accounts, the management needs to make judgment for estimated losses for each outstanding debtor. The allowances for doubtful accounts are determined through a combination of analysis of debt aging, collection experience, and taking into account change in the current economic conditions. However, the use of different estimates and assumptions could affect the amounts of allowances for receivable losses and adjustments to the allowances may therefore be required in the future.

Inventories

Restaurant and cultural center

Inventories are valued at the lower of the first-in, first-out cost method or net realizable value.

Manufacture and distribution of ceiling fan

Finished goods and work in process are valued at the lower of cost calculated by moving average or net realizable value. The costs of inventories comprise of the raw materials, direct labor, other direct costs and related production overheads, the latter being allocated on the basis of normal operating activities.

Raw materials are valued at the lower of cost calculated by moving average or net realizable value and are charged to production costs whenever consumed. The costs of raw materials comprise of the purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realizable value is the estimated selling price in the normal course of business less the costs to make the sale.

The Group records allowance for devaluation of inventories for all deteriorated, damaged, obsolete and slow-moving inventories.

Cost of project development

Cost of project development are stated at the lower of cost or net realizable value. Cost of project development is netted of cost of sales. Project costs consisting of acquisition cost of land, development expenses, design fees and construction costs, utilities and direct expenses of the project including interest expense of borrowing for the acquisition of project development before the project is completed.

The details of cost calculation

- | | | |
|--------------|---|--|
| Land | - | Cost of land and development using the average method, calculating based on salable area for each project. |
| Construction | - | Construction cost consists of the cost of construction, public utility costs, calculating based on salable area. The costs of construction of houses and condominiums and borrowing cost capitalised to the project are allocated based on the actual cost incurred. |

Net realisable value represents the estimated normal selling price less estimated costs to sell.

Direct selling expenses such as specific business tax and transfer fee are recognized when sale incurs.

The Group recognizes loss on diminution in value of projects and loss on impairment (if any) in profit or loss.

In determining the cost of sales of property development, the anticipated total development costs (taking into account actual costs incurred to date) are attributed based on the basis of the salable area.

Cost of project sold estimates these costs based on their business experience and revisit the estimations on a periodical basis.

Investments

Current investments in marketable securities are stated at fair value as at the end of reporting period. Any changes in value are recognized in the statement of comprehensive income.

The fair value of investment units is determined from their net asset values.

Gains and losses on disposals of investments are recorded upon disposals. The cost of securities on disposal is average cost method.

Investments in subsidiaries and associated company in the separate financial statements are accounted for using the cost method less allowance for impairment loss (if any).

Investment in associated company in the consolidated financial statements is accounted for using the equity method.

Other long-term investment is accounted for using the cost method less allowance for impairment (if any).

Goodwill

Goodwill in a business combination

Goodwill in a business combination represents the excess of the cost of acquisition over the Company's interest in the fair value of the identifiable net assets acquired as at the date of acquisition.

The Company recognizes goodwill in a business combination as an asset in consolidated financial statements as of the acquisition date.

Goodwill is stated at cost less allowance for impairment (if any).

Investment property

Investment property are land and buildings which are held to earn rental income, for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Land is stated at cost. Buildings are stated at cost less accumulated depreciation and allowance for impairment (if any).

Depreciation

Depreciation is computed by the straight-line method based on the estimated useful lives of assets as follows:

Type of assets	Years
Land improvements	10
Buildings	5 - 40
Utility systems	10
Condominium	20

Depreciation is included in determining income and no depreciation is provided on land and construction in progress.

The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits will be more than one period. Major renovations are depreciated over the remaining useful life of the related asset.

Property, plant and equipment

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for impairment (if any).

Depreciation

Depreciation is computed by the straight-line method based on the estimated useful lives of assets as follows:

Type of assets	Years
Buildings	5 - 40
Utility systems	10
Machinery and factory equipment	5 - 10
Office equipment	5
Vehicles	5
Leasehold improvements and equipment	1

Depreciation is included in determining income and no depreciation is provided on land and construction in progress.

Repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits to be used during more than one period. Major renovations are depreciated over the remaining useful life of the related asset.

Gains and losses on disposals are determined by comparing the proceeds with carrying amount and are included in the statement of comprehensive income.

The direct expenses concerned with the assets include interest paid from the borrowing for the acquisitions of the above assets before completion of the assets are recognized as cost of the assets.

Finance lease

Leases of equipment which substantially transfer all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized 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 costs so as to achieve a constant rate on the finance balance outstanding. The outstanding rental obligations, net of finance costs, are included in other long-term payables. The interest element of the finance cost is charged to the statement of comprehensive income over the lease period. The property, plant or equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset or the lease term.

Impairment of assets

The carrying amounts of the Group's assets are reviewed at each in the statement of financial position date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognized in the statement of comprehensive income unless it reverses a previous revaluation credited to shareholders' equity, in which case it is charged to shareholders' equity.

Calculation of recoverable amount

The recoverable amount is the greater of the assets' fair value less cost of sell and value in use. In assessing value in use, the estimated from future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated into the functional currencies using the exchange rate at the date of transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of reporting period date are translated into the functional currency using the exchange rate at the end of reporting period date. Forward exchange contracts at the transaction date are converted to Thai Baht by using the contract rates.

Outstanding forward exchange contracts are marked to market by comparing contract rates to forward rates established by the contracting Bank with the same maturity. At end of reporting period, the unrealized gains or losses on outstanding forward exchange contracts, calculated as described above, are included within other receivables or other payables from forward exchange contracts in the statement of financial position.

Gain or loss on conversion is included in the statement of comprehensive income.

Dividends

Dividend and interim dividend payment are recorded in the financial statements in the period in which they are approved by Shareholders' meeting and Board of Directors' meeting.

Provisions

A provision is recognized in the statement of financial position when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Significant judgments and estimates are as follows:

Commercial disputes and litigation

The Group has contingent liabilities as a result of commercial disputes and litigation. The management has used judgment to assess of the results of the commercial disputes and litigation and believes that no loss will result. Therefore no provision is recorded as at the statement of financial position date. However, actual results could differ from the estimates.

Income tax

Income tax expense for the period comprises current and deferred tax. Current and deferred tax are recognized in profit or loss except to the extent that they relate to items recognized directly in shareholders' equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the end of reporting period date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the end of reporting period date.

Determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change their judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Deferred tax assets are reviewed at the end of reporting period date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Basic loss per share

Basic loss per share for the five-month period ended December 31, 2015 and for the year ended July 31, 2015 is calculated by dividing loss for the periods attributable to ordinary shareholders by the weighted average number of ordinary shares issued during the periods, after adjusting the number of ordinary shares to reflect the impact of the changing the par value as disclosed in the Note 23 to the financial statements.

For the five-month period ended December 31, 2015 and year ended July 31, 2015 were as follows:

	Consolidated financial statements		Separate financial statements	
	For the five-month period ended December 31, 2015	For the year ended July 31, 2015	For the five-month period ended December 31, 2015	For the year ended July 31, 2015
Loss for the periods attributable to equity holders of the Company (Baht)	(14,186,252.00)	(137,850,947.43)	(10,695,226.83)	(146,503,615.65)
Issued ordinary shares at beginning balance (Shares)	1,200,000,000	188,300,000	1,200,000,000	188,300,000
Effect of the changing in the par value (Shares)	-	564,900,000	-	564,900,000
Effect of shares issued (Shares)	-	131,309,828	-	131,309,828
Weighted average number of ordinary shares for the periods (Shares)	1,200,000,000	884,509,828	1,200,000,000	884,509,828
Basic loss per share (Baht per share)	(0.0118)	(0.1559)	(0.0089)	(0.1656)

4. TRANSACTIONS WITH RELATED PARTIES

The Company had transactions with related parties. These parties were related through common shareholders and/or directorships. The significant transactions with related parties as included in the financial statements are determined at the prices in line occurring in the normal course of business based on the market price in general or the price as stipulated in the agreement if no market price exists.

The significant balances of assets, liabilities and other transactions occurred with those related parties were as follows:

Significant transactions with related parties were as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	For the five-month period ended	For the year ended	For the five-month period ended	For the year ended
	December 31, 2015	July 31, 2015	December 31, 2015	July 31, 2015
Subsidiary				
C.E.I. (Chiangmai) Co., Ltd.				
Interest income	-	-	1,570,817.84	14,271,862.62
Doubtful accounts	-	-	1,240,000.00	36,260,000.00
Loss from impairment of investment	-	-	-	999,970.00
Related companies				
Culminate Airy Co., Ltd.				
Sale of goods	-	4,719,008.04	-	4,719,008.04
Rental income	-	300,000.00	-	300,000.00
Doubtful accounts	-	5,936,328.00	-	5,936,328.00
Compass East Land & Development Co., Ltd.				
Rental expense	-	545,000.00	-	545,000.00
Prime Mansion Co., Ltd.				
Sales of investments in subsidiary (see Note 12)	250,000.00	-	250,000.00	-
W. Solar Co., Ltd.				
Share of profit of associated company (see Note 11)	264,000.00	-	-	-

Key management personnel compensation

Key management personnel compensation consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	For the five-month period ended	For the year ended	For the five-month period ended	For the year ended
	December 31, 2015	July 31, 2015	December 31, 2015	July 31, 2015
Short-term benefits	4,339,000.00	6,222,200.00	4,339,000.00	6,222,200.00
Post-employment benefits	108,000.00	86,400.00	108,000.00	86,400.00
Total	4,447,000.00	6,308,600.00	4,447,000.00	6,308,600.00

The significant balances of assets and liabilities with related parties as at December 31, 2015 and July 31, 2015 were as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	December 31, 2015	July 31, 2015	December 31, 2015	July 31, 2015
Subsidiary				
Investments in subsidiaries (see Note 12)	-	-	67,739,880.00	3,999,880.00
Less Allowance for impairment of investments	-	-	(999,970.00)	(999,970.00)
Investment in subsidiaries - net	-	-	66,739,910.00	2,999,910.00
Related companies				
Culminate Airy Co., Ltd.				
Trade receivable	32,712,163.00	32,954,828.00	32,712,163.00	32,954,828.00
Less Allowance for doubtful accounts	(32,712,163.00)	(32,954,828.00)	(32,712,163.00)	(32,954,828.00)
Trade receivable - net	-	-	-	-
Associated company				
Investment in associated company (see Note 11)	39,463,980.00	39,199,980.00	39,199,980.00	39,199,980.00

Short-term loan and accrued interest income to related party

Short-term loan and accrued interest income to related party as at December 31, 2015 and July 31, 2015 consisted of:

	Baht	
	Separate financial statements	
	December 31, 2015	July 31, 2015
Subsidiary		
C.E.I. (Chiangmai) Co., Ltd.		
Principal	501,278,719.01	511,524,670.06
Accrued interest income	25,174,969.63	27,105,091.16
Total	526,453,688.64	538,629,761.22
Less Allowance for doubtful accounts	(37,500,000.00)	(36,260,000.00)
Short-term loan and accrued interest income to related party - net	488,953,688.64	502,369,761.22

Movements of short-term loan to related party were as follows:

	Baht	
	Separate financial statements	
	For the five-month period ended	For the year ended
	December 31, 2015	July 31, 2015
Beginning balance	511,524,670.06	503,625,830.96
Increase	11,800,000.00	17,500,000.00
Decrease	(22,045,951.05)	(9,601,160.90)
Ending balance	501,278,719.01	511,524,670.06

The Company had short-term loan to C.E.I. (Chiangmai) Co., Ltd., by issuing promissory notes, due at call with the interest charged at 0.75% per annum and unsecured.

Short-term loan from related party

Short-term loan from related party in the consolidated financial statements as at December 31, 2015 consisted of:

	Baht
ACC Landmark Co., Ltd.	
Director	225,833.52

Movements of short-term loan from related party for the five-month period ended December 31, 2015 were as follows:

	Baht
Beginning balance	-
Increase	225,833.52
Decrease	-
Ending balance	225,833.52

The Company had short-term loan from related person without agreement, interest charged and unsecured.

Co-guarantee for liabilities with related parties

As at December 31, 2015, related parties had co-guarantee liabilities as follows:

Subsidiary

Prime Mansion Co., Ltd. and shareholders of Prime Mansion Co., Ltd. had co-guarantee for loans from financial institutions of the ACC Landmark Co., Ltd. without compensation (see Note 20).

Nature of relationship

Name	Country	Relation	Type of relation
C.E.I. (Chiangmai) Co., Ltd.	Thailand	Subsidiary	Direct holding
W. Solar Co., Ltd.	Thailand	Associated company	Direct holding
Prime Mansion Co., Ltd.	Thailand	Related company	The Company's director is the close members of the same family with Prime Mansion Co., Ltd.'s shareholder and management.
Culminate Airy Co., Ltd.	Thailand	Related company	The Company's director has participated in the marketing Coordination team with such company, to resign and stop participate since September 29, 2014.
Compass East Land & Development Co., Ltd.	Thailand	Related company	Common directors and shareholders to resign since December 19, 2014

Bases of measurement for intercompany revenues and expenses

	Pricing policies
Sales of goods	Normal goods: cost plus margin 5% - 18% Slow - moving goods: cost deduct discount 40% - 50%
Rental income and expense	Stipulate in the agreement
Interest income	Referred to the bank's interest rate
Sales of investment	Stipulate in the agreement

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at December 31, 2015 and July 31, 2015 consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	December 31, 2015	July 31, 2015	December 31, 2015	July 31, 2015
Cash	149,314.79	90,648.55	123,236.04	45,000.00
Cash at banks	48,798,789.51	66,898,746.54	22,586,665.25	57,545,315.18
Total	48,948,104.30	66,989,395.09	22,709,901.29	57,590,315.18

6. CURRENT INVESTMENTS

Current investments as at December 31, 2015 and July 31, 2015 consisted of:

	Baht					
	Consolidated and separate financial statements					
	December 31, 2015			July 31, 2015		
	Cost	Fair value	Unrealized gain (loss)	Cost	Fair value	Unrealized gain (loss)
Equity securities	-	-	-	88,779,405.32	83,792,003.00	(4,987,402.32)
Fixed income fund	120,000,000.00	120,000,000.00	-	50,000,000.00	50,048,944.91	48,944.91
Total	120,000,000.00	120,000,000.00	-	138,779,405.32	133,840,947.91	(4,938,457.41)

Movements of current investments were as follows:

	Baht	
	Consolidated and separate financial statements	
	For the five-month period ended	For the year ended
	December 31, 2015	July 31, 2015
Current investments as at beginning of the period	133,840,947.91	-
Purchases during the period	127,991,184.35	187,948,753.77
Disposal during the period	(141,832,132.26)	(49,169,348.45)
Changes in fair value of current investments	-	(4,938,457.41)
Current investments as at end of the period	120,000,000.00	133,840,947.91

7. TRADE AND OTHER RECEIVABLES

Trade and other receivables as at December 31, 2015 and July 31, 2015 consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	December 31, 2015	July 31, 2015	December 31, 2015	July 31, 2015
Trade receivables	36,647,628.37	44,822,531.55	34,502,278.00	33,950,630.29
Less Allowance for doubtful accounts	(32,712,163.00)	(33,576,837.50)	(32,712,163.00)	(32,954,828.00)
Trade receivables - net	3,935,465.37	11,245,694.05	1,790,115.00	995,802.29
Other receivables				
Rental and service receivables	3,284,371.54	2,736,900.93	3,284,371.54	2,736,900.93
Receivables from sales of investments	-	3,494,382.50	-	3,494,382.50
Others	255,204.41	403,834.40	-	-
Total	3,539,575.95	6,635,117.83	3,284,371.54	6,231,283.43
Less Allowance for doubtful accounts	(41,930.34)	(41,930.34)	(41,930.34)	(41,930.34)
Other receivables - net	3,497,645.61	6,593,187.49	3,242,441.20	6,189,353.09
Trade and other receivables - net	7,433,110.98	17,838,881.54	5,032,556.20	7,185,155.38

As at December 31, 2015 and July 31, 2015, the Group had outstanding balances of trade receivables aged by number of months as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	December 31, 2015	July 31, 2015	December 31, 2015	July 31, 2015
Current	2,827,770.87	258,130.00	1,303,470.00	258,130.00
Overdue				
Not over 3 months	479,315.00	9,178,536.85	479,315.00	3,428,645.09
Over 3 months up to 6 months	1,480.00	8,487,523.70	1,480.00	3,684,121.20
Over 6 months up to 12 months	8,912,888.60	13,381,384.30	8,521,738.60	13,202,544.80
Over 12 months	24,426,173.90	13,516,956.70	24,196,274.40	13,377,189.20
Total	36,647,628.37	44,822,531.55	34,502,278.00	33,950,630.29

Movements of allowance for doubtful accounts were as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	For the five-month period ended	For the year ended	For the five-month period ended	For the year ended
	December 31, 2015	July 31, 2015	December 31, 2015	July 31, 2015
Beginning balance	33,618,767.84	27,060,430.34	32,996,758.34	27,060,430.34
Add (less) Doubtful accounts (reversal)	(864,674.50)	6,558,337.50	(242,665.00)	5,936,328.00
Ending balance	32,754,093.34	33,618,767.84	32,754,093.34	32,996,758.34

8. SHORT-TERM LOAN AND ACCRUED INTEREST INCOME TO OTHER PARTY

Short-term loan and accrued interest income to other party as at December 31, 2015 and July 31, 2015 consisted of:

	Baht	
	Consolidated and separate financial statements	
	December 31, 2015	July 31, 2015
Principal	76,680,908.22	76,680,908.22
Accrued interest income	9,150,753.44	9,150,753.44
Total	85,831,661.66	85,831,661.66
Less Allowance for doubtful accounts	(85,831,661.66)	(85,831,661.66)
Long-term loans and accrued interest income to other party - net	-	-

In year 2009, the Company entered into a loan agreement with Tanyarungroengchai Rice Mill (Thailand) Co., Ltd. ("TRC") in the amount of Baht 70 million. Later, in year 2010 The Company and TRC agreed to transfer accrued interest amounted of Baht 6.68 million to be a part of principal. However, TRC has defaulted on debt payments and negotiating to extend several times.

The long-term loan was guaranteed by ordinary shares of TRC of one shareholder in amount of 800,000 shares, at the par value of Baht 100 each and one of TRC's management was joint guarantor.

In year 2015 the Company's management pressed for the payment of the debt, which is not likely to be repaid. As a result, The Company's management recorded allowance for doubtful account for the whole amount in the statement of comprehensive income for the year end July 31, 2015.

Movements of allowance for doubtful accounts for the year ended July 31, 2015 were as follows:

	Baht
	Consolidated and separate financial statements
Beginning balance	33,131,661.66
Add Doubtful accounts	52,700,000.00
Ending balance	85,831,661.66

9. INVENTORIES

Inventories as at December 31, 2015 and July 31, 2015 consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	December 31, 2015	July 31, 2015	December 31, 2015	July 31, 2015
Restaurant and cultural center				
Supplies	18,310.00	18,310.00	-	-
Manufacture and distribution of ceiling fan				
Finished goods	12,662,408.13	3,871,964.36	12,662,408.13	3,871,964.36
Work in process	2,038,960.98	2,009,856.55	2,038,960.98	2,009,856.55
Raw materials	1,402,870.57	966,698.25	1,402,870.57	966,698.25
Total	16,104,239.68	6,848,519.16	16,104,239.68	6,848,519.16
Grand total	16,122,549.68	6,866,829.16	16,104,239.68	6,848,519.16
Less Allowance for devaluation of inventories	(6,319,846.39)	(6,866,829.16)	(6,301,536.39)	(6,848,519.16)
Inventories - net	9,802,703.29	-	9,802,703.29	-

Movements of allowance for devaluation of inventories were as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	For the five-month period ended December 31, 2015	For the year ended July 31, 2015	For the five-month period ended December 31, 2015	For the year ended July 31, 2015
Beginning balance	6,866,829.16	9,232,113.74	6,848,519.16	9,232,113.74
Add (less) Loss from devaluation of inventories (reversal)	(546,982.77)	920,353.66	(546,982.77)	902,043.66
Less Written-off	-	(3,285,638.24)	-	(3,285,638.24)
Ending balance	6,319,846.39	6,866,829.16	6,301,536.39	6,848,519.16

10. COST OF PROJECT DEVELOPMENT

Cost of project development as at December 31, 2015 consisted of:

	Baht
	Consolidated financial statements
Townline Sattahip Project	
As at August 1, 2015	-
Increase	52,510,574.65
Decrease	-
As at December 31, 2015	<u>52,510,574.65</u>

On September 21, 2015, ACC Landmark Co., Ltd. ("Subsidiary") entered into a purchase blank land agreement with other person, the agreement value is in the amount of Baht 50 million for project development. The Subsidiary mortgaged such land including existing construction at the agreement date and to be construction as collateral against for loan from a financial institution of the subsidiary (see Note 20).

12. INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries as at December 31, 2015 and July 31, 2015 consisted of:

	Percentage		Baht							
	of investments (%)		Paid-up share capital		Cost		Allowance for impairment		Book Value	
	December 31, 2015	July 31, 2015	December 31, 2015	July 31, 2015	December 31, 2015	July 31, 2015	December 31, 2015	July 31, 2015	December 31, 2015	July 31, 2015
Subsidiaries										
C.E.I. (Chiangmai) Co., Ltd.	100	100	1,000,000.00	1,000,000.00	999,970.00	999,970.00	(999,970.00)	(999,970.00)	-	-
ACC Electric Co., Ltd.	100	100	1,000,000.00	1,000,000.00	999,970.00	999,970.00	-	-	999,970.00	999,970.00
ACC Landmark Co., Ltd.	75	100	50,000,000.00	1,000,000.00	37,499,990.00	999,970.00	-	-	37,499,990.00	999,970.00
ACC Green Energy Co., Ltd.	100	100	10,000,000.00	1,000,000.00	3,249,970.00	999,970.00	-	-	3,249,970.00	999,970.00
Bangpakong Solar Power Co., Ltd.	51	-	49,000,000.00	-	24,989,980.00	-	-	-	24,989,980.00	-
Total					67,739,880.00	3,999,880.00	(999,970.00)	(999,970.00)	66,739,910.00	2,999,910.00

Movements of allowance for impairment of investments in subsidiaries in separate financial statements for the year ended July 31, 2015 were as follows:

	Baht
Beginning balance	-
Add Loss from impairment	999,970.00
Ending balance	999,970.00

As at December 31, 2015, accumulated loss from C.E.I. (Chiangmai) Co., Ltd. exceeded costs of its investments in the amount of Baht 38.50 million. The Company recorded total amount of loss from impairment of investments in subsidiaries, and recorded net of such surplus difference in “Short-term loans and accrued interest income to related party” (see Note 4).

At the Board of Directors’ Meeting held on April 27, 2015, the resolutions approved the establishment of subsidiaries as follows:

- “ACC Electric Company Limited” with the authorized share capital in the amount of Baht 1 million, divided into 100,000 ordinary shares at the par value of Baht 10 each, which made the Company’s shareholding 100 percent.
- “ACC Landmark Company Limited” with the authorized share capital in the amount of Baht 1 million, divided into 100,000 ordinary shares at the par value of Baht 10 each, which made the Company’s shareholding 100 percent.

The establishment of such companies was registered with the Ministry of Commerce on May 21, 2015.

At the Board of Directors’ Meeting held on May 6, 2015, the resolutions approved the establishment of subsidiary as follows:

- “ACC Green Energy Company Limited” with the authorized share capital in the amount of Baht 1 million, divided into 100,000 ordinary shares at the par value of Baht 10 each, which made the Company’s shareholding 100 percent.

The establishment of such company was registered with the Ministry of Commerce on May 18, 2015.

On August 17, 2015, the Company sold investment in ordinary shares of ACC Landmark Co., Ltd. to Prime Mansion Co., Ltd. in the amount of 0.025 million shares, with the par value of Baht 10 each, totaling in the amount of Baht 0.25 million, which is the portion of 25 percent. As a result, the Company has the outstanding investment’s portion of 75 percent of such subsidiary.

At the Extraordinary General Meeting of Shareholders of ACC Landmark Co., Ltd. (“Subsidiary”) held on September 4, 2015, the special resolution was passed to increase of registered share capital from Baht 1 million to Baht 50 million by issuing new ordinary shares of 4.90 million shares, with the par value of Baht 10 each. The Subsidiary registered the increase of its registered share capital with the Ministry of Commerce on September 14, 2015. The Company invested in ordinary shares from increase of its share capital under the portion in amount of Baht 36.75 million.

At the Extraordinary General Meeting of Shareholders of ACC Green Energy Co., Ltd. (“Subsidiary”) held on November 3, 2015, the special resolution was passed to increase of registered share capital from Baht 1 million to Baht 10 million by issuing new ordinary shares of 0.90 million shares, with the par value of Baht 10 each. The Subsidiary paid-up the increase of its share capital of Baht 2.50 each, totaling in the amount of Baht 2.25 million and registered the increase of its registered share capital with the Ministry of Commerce on November 9, 2015.

On December 28, 2015, the Company purchased Bangpakong Solar Power Co., Ltd.’s ordinary shares of 2.499 million shares, at the price of Baht 10 each, totaling in the amount of Baht 24.99 million, represent 51 percent shareholding. Bangpakong Solar Power Co., Ltd. operates the business in the solar roof power plant.

Details of net assets of Bangpakong Solar Power Co., Ltd. on acquisition date were as follows:

	Baht
Cash and cash equivalents	37,543.53
Other current assets	905,138.20
Equipments	41,064,865.38
Trade and other payables	(9,137,542.69)
Other current liabilities	(423,129.55)
Net assets	32,446,874.87
Add Subscription receivable of non-controlling interest	16,210,000.00
Total	48,656,874.87
Proportion of shareholding (%)	51.00
Net assets	24,814,986.32
Goodwill	174,993.68
Purchasing price of subsidiary	24,989,980.00
Less Cash and cash equivalents of subsidiary	(37,543.53)
Net cash used in acquisition of subsidiary	24,952,436.47

Details of investments in subsidiaries that have material non-controlling interests as at December 31, 2015 were as follows:

		Baht		
Subsidiaries	Proportion of equity interest held by non-controlling interests (%)	Accumulated balance of non-controlling interests	Loss allocated to non-controlling interests during the period	Dividend paid to non-controlling interests during the period
ACC Landmark Co., Ltd.	25	11,403,585.01	1,096,414.99	-
Bangpakong Solar Power Co., Ltd.	49	7,631,888.55	-	-

Summary financial information that based on amounts before inter-company elimination of subsidiaries that have material non-controlling interests.

Summary information about financial position as at December 31, 2015:

	Baht	
	ACC Landmark Co., Ltd.	Bangpakong Solar Power Co., Ltd.
Current assets	72,446,059.70	942,681.73
Non-current assets	1,869,415.63	41,064,865.38
Current liabilities	2,281,159.68	9,560,672.24
Non-current liabilities	26,419,975.59	-

Summary information about comprehensive income for the five-month period ended December 31, 2015:

	Baht
ACC Landmark Co., Ltd.	
Revenues	11,895.70
Loss for the period	(4,339,110.28)
Other comprehensive loss	-
Total comprehensive loss	(4,339,110.28)

Summary of cash flows

Cash flows from operating activities	(55,552,017.13)
Cash flows from investing activities	(745,633.35)
Cash flows from financing activities	75,000,000.00
Net increase in cash and cash equivalents	18,702,349.52

13. ADVANCE PAYMENT FOR INVESTMENTS

Advance payment for investments as at December 31, 2015 and July 31, 2015 consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	December 31, 2015	July 31, 2015	December 31, 2015	July 31, 2015
Advance payment for investments				
Purchase of land	150,000,000.00	-	150,000,000.00	-
Purchase of investments	39,000,000.00	20,000,000.00	39,000,000.00	20,000,000.00
Total	189,000,000.00	20,000,000.00	189,000,000.00	20,000,000.00

On August 17, 2015, the Company entered into a memorandum of understanding (“MOU”) for the feasibility study of investment in land development with Thai Lanna Food and Cultural Center Co., Ltd. (“Thai Lanna”). The period of MOU is 6 months and the Company paid a retention for guarantee in the amount of Baht 150 million and Thai Lanna agreed not to use or allow anyone to take advantage of such land and not offering such land to another person during the period of MOU. If Thai Lanna breach the agreement, the Company has the right to terminate the agreement and refund the deposit plus interest at the rate of 7.5% per annum.

On February 1, 2016, the Company request for extending term of such MOU from mature on February 16, 2016 to March 31, 2016 because the Company is in the process for finalize the financial support and result of the marketing research.

On February 4, 2016, the Company entered into shares purchase agreement with the shareholders of 10 companies (“the Group of Saraburi Project”) which operates the solar farm power plant with total investment value in the amount of Baht 290 million, represent 93-100 percent shareholding of such companies.

On December 15, 2015, the Company paid the first instalment in the amount of Baht 32 million.

On January 15, 2016, the Company paid the second instalment in the amount of Baht 32 million.

The remaining will be paid on the shares transfer date, which is subject to the conditions as follows.

1. The Company’s Shareholders’ Meeting resolves to approve the acquisition transaction. In this regard, the Company shall have the right to termination the shares purchase agreement and the Group of Saraburi Project shall not pursue any claims for damages if the shareholders of the Company disapprove the transaction.
2. The Group of Saraburi Project gets consent or written authorization from the relevant authorities to change its shareholders structure and / or the change of control, and arranged for the extension of the land lease periods which the project is located.

On December 23, 2015, the Company entered into a memorandum of understanding to purchase the ordinary shares of 105 Solar Power Co., Ltd. ("105 Solar") of 1.989 million shares, at the price of Baht 10 each, totaling in the amount of Baht 19.89 million from Wyncoast Industrial Park Public Company Limited ("Seller"), represent 51 percent shareholding.

On December 28, 2015, the Company paid the first instalment in the amount of Baht 7 million.

On January 8, 2016, the Company paid the second instalment in the amount of Baht 7 million.

The remainder will be paid in the amount of Baht 5.89 million when 105 Solar can complete the connectivity and starts to contribution of commercial electricity (COD) and the Seller will transfer the share ownership within 14 days from the date of full payment received.

The Company entered into a memorandum of understanding ("MOU") to joint in ordinary shares with a company and prepay for guarantee the execution MOU in the amount of Baht 20 million. However, in during the period the Company has fully refunded.

On December 23, 2015, the Company entered into a memorandum of understanding ("MOU") to purchase the ordinary shares of Teletrol-one Co., Ltd., which operates the business to sell hardware including spare parts and accessories of such goods, with total investment value in the amount of Baht 65 million, represents 25 percent shareholding. Currently, the Company is in the process for due diligence of financial position.

14. OTHER LONG-TERM INVESTMENT

Other long-term investment as at December 31, 2015 and July 31, 2015 consisted of:

Equity investment	Business type	Shareholding (%)	Paid-up share capital	Baht	
				Consolidated and separate	
				financial statements	
				December 31, 2015	July 31, 2015
Siam Water Resource Plc.	Production and	8.93	503,660,000.00	49,950,000.00	49,950,000.00
Less Allowance for impairment of investment	distribution of			(49,950,000.00)	(49,950,000.00)
Other long-term investment - net	raw water			-	-

The Company's management is in the process of negotiation for sales the investment to other major shareholder of the above company but still no progress whatsoever. As a result, The Company's management recorded loss from impairment of investment for the whole amount in the statement of comprehensive income for the year ended July, 31 2015.

Movements of allowance for impairment of investment for the year ended July 31, 2015 were as follows:

	Baht
	Consolidated and separate financial statements
Beginning balance	-
Add Loss from impairment	49,950,000.00
Ending balance	49,950,000.00

15. INVESTMENT PROPERTY

Investment property as at December 31, 2015 and July 31, 2015 consisted of:

		Baht				
		Consolidated financial statements				
	Note	Land and land improvement	Buildings and utility systems	Condominium	Constuction in progress	Total
Cost						
At August 1, 2014		20,585,289.14	66,762,222.00	44,120,224.13	-	131,467,735.27
Increase		-	-	-	-	-
Transfer in - land and buildings	16	194,652,211.74	291,731,755.44	-	-	486,383,967.18
Disposals / transfer out		-	-	-	-	-
At July 31, 2015		215,237,500.88	358,493,977.44	44,120,224.13	-	617,851,702.45
Increase / transfer in		-	-	-	9,926,702.74	9,926,702.74
Disposals / transfer out		-	-	-	-	-
Transfer / adjust		-	-	-	-	-
At December 31, 2015		215,237,500.88	358,493,977.44	44,120,224.13	9,926,702.74	627,778,405.19
Accumulated depreciation						
At August 1, 2014		-	58,547,423.43	41,241,032.74	-	99,788,456.17
Depreciation		582,316.14	6,077,004.84	288,902.89	-	6,948,223.87
Transfer in - land and buildings	16	2,643,005.99	16,093,240.58	-	-	18,736,246.57
Disposals / transfer out		-	-	-	-	-
At July 31, 2015		3,225,322.13	80,717,668.85	41,529,935.63	-	125,472,926.61
Depreciation / transfer in		959,891.71	9,356,566.44	159,087.73	-	10,475,545.88
Disposals / transfer out		-	-	-	-	-
Transfer / adjust		-	-	-	-	-
At December 31, 2015		4,185,213.84	90,074,235.29	41,689,023.36	-	135,948,472.49
Net book value						
At July 31, 2015		212,012,178.75	277,776,308.59	2,590,288.50	-	492,378,775.84
At December 31, 2015		211,052,287.04	268,419,742.15	2,431,200.77	9,926,702.74	491,829,932.70

	Baht			
	Separate financial statements			
	Land and land improvement	Buildings and utility systems	Condominium	Total
Cost				
At August 1, 2014	20,585,289.14	66,762,222.00	44,120,224.13	131,467,735.27
Increase	-	-	-	-
Disposals / transfer out	-	-	-	-
At July 31, 2015	20,585,289.14	66,762,222.00	44,120,224.13	131,467,735.27
Increase / transfer in	-	-	-	-
Disposals / transfer out	-	-	-	-
At December 31, 2015	20,585,289.14	66,762,222.00	44,120,224.13	131,467,735.27
Accumulated depreciation				
At August 1, 2014	-	58,547,423.43	41,241,032.74	99,788,456.17
Depreciation	-	501,555.42	288,902.89	790,458.31
Disposals / transfer out	-	-	-	-
At July 31, 2015	-	59,048,978.85	41,529,935.63	100,578,914.48
Depreciation / transfer in	-	211,735.71	159,087.73	370,823.44
Disposals / transfer out	-	-	-	-
At December 31, 2015	-	59,260,714.56	41,689,023.36	100,949,737.92
Net book value				
At July 31, 2015	20,585,289.14	7,713,243.15	2,590,288.50	30,888,820.79
At December 31, 2015	20,585,289.14	7,501,507.44	2,431,200.77	30,517,997.35

	Millions Baht			
	Consolidated financial statements		Separate financial statements	
	For the five-month period ended December 31, 2015	For the year ended July 31, 2015	For the five-month period ended December 31, 2015	For the year ended July 31, 2015
Depreciation for the periods were included in cost of sales and services	10.48	6.95	0.37	0.79
As at	December 31, 2015	July 31, 2015	December 31, 2015	July 31, 2015
The cost amount of buliding before less accumulated depreciation which have been fully depreciated and still in use.	36.68	36.68	36.68	36.68

On October 24, 2015, the Company entered into sales contract to sell an office condominium with other person. The Company has advance receipts in the amount of Baht 9 million and the remainder in amount of Baht 7 million, buyer will pay at the registration date of ownership transfer.

C.E.I. (Chiangmai) Co., Ltd. (“Subsidiary”) entered into a property rental agreement with Khum Khantoke Chiang Mai (2558) Co., Ltd. (“Khum Khantoke”) for operate Khum Khantoke business. The Subsidiary has modified the property rental agreement several times for changing the properties for rent, term of rental agreement and rental rate. The details are follows, the rental period 5 years with the rental rate for properties and equipment in the amount of Baht 2.50 million per month and Khum Khantoke agreed to purchase all equipments at the date of expiration of agreement in fair value price.

The Company

The Company has requested Bangkok Property Appraisal Co., Ltd. as an independent appraiser to appraise its investment property with the appraisal value of Baht 292.37 million by sales comparison approach for land and condominium, and replacement cost approach for factory building as per their appraisal reports dated February 5 and 10, 2015.

Subsidiary

C.E.I. (Chiangmai) Co., Ltd. has requested TAP Valuation Co., Ltd. as an independent appraiser to appraise its investment property with book value of Baht 425.33 million which the appraisal value of Baht 450.17 million by sales comparison approach for land, and replacement cost approach for building and construction as per their appraisal report dated on February 13, 2015.

ADVANCED CONNECTION CORPORATION PUBLIC COMPANY LIMITED

	Baht					
	Consolidated financial statements					
	Land and land improvements	Buildings and utility systems	Machinery and factory equipment	Office equipment	Vehicles	Construction in progress
Note						Total
Allowance for impairment						
At August 1, 2014	-	-	-	-	-	-
Loss from impairment of assets	-	-	-	10,369,389.00	-	10,369,389.00
At July 31, 2015	-	-	-	10,369,389.00	-	10,369,389.00
Reversal of loss from impairment of assets	-	-	-	(1,059,389.00)	-	(1,059,389.00)
At December 31, 2015	-	-	-	9,310,000.00	-	9,310,000.00
Net book value						
At July 31, 2015	4,698,042.69	1,753,116.23	4.00	24,292,035.20	4,395,382.10	1,993,837.70
At December 31, 2015	4,698,042.69	6,931,094.37	3,245.94	22,621,492.24	4,564,675.72	41,064,865.38
						79,883,416.34

	Baht					
	Separate financial statements					
	Land and land improvements	Buildings and utility systems	Machinery and factory equipment	Office equipment	Vehicles	Construction in progress
Cost						Total
At August 1, 2014	4,698,042.69	33,977,444.08	1,046,656.80	1,804,150.93	4,432,797.99	-
Increase / transfer in	-	-	-	1,109,707.07	4,436,000.00	1,993,837.70
Disposals / transfer out	-	-	-	(677,931.59)	(3,304,996.12)	-
At July 31, 2015	4,698,042.69	33,977,444.08	1,046,656.80	2,235,926.41	5,563,801.87	1,993,837.70
Increase / transfer in	-	5,306,490.20	-	721,577.99	476,136.54	3,228,075.01
Disposals / transfer out	-	-	-	-	-	(5,221,912.71)
At December 31, 2015	4,698,042.69	39,283,934.28	1,046,656.80	2,957,504.40	6,039,938.41	-
Accumulated depreciation						
At August 1, 2014	-	32,085,030.87	997,841.85	1,593,668.69	4,432,790.01	-
Depreciation / transfer in	-	117,203.53	48,810.95	102,425.52	40,621.88	-
Disposals / transfer out	-	-	-	(674,367.03)	(3,304,992.12)	-
At July 31, 2015	-	32,202,234.40	1,046,652.80	1,021,727.18	1,168,419.77	-
Depreciation / transfer in	-	302,578.40	-	157,678.12	306,842.92	-
Disposals / transfer out	-	-	-	-	-	-
At December 31, 2015	-	32,504,812.80	1,046,652.80	1,179,405.30	1,475,262.69	-
Net book value						
At July 31, 2015	4,698,042.69	1,775,209.68	4.00	1,214,199.23	4,395,382.10	1,993,837.70
At December 31, 2015	4,698,042.69	6,779,121.48	4.00	1,778,099.10	4,564,675.72	-
						17,819,942.99

	Millions Baht			
	Consolidated financial statements		Separate financial statements	
	For the five-month period ended	For the year ended	For the five-month period ended	For the year ended
	December 31, 2015	July 31, 2015	December 31, 2015	July 31, 2015
Depreciation for the periods, were included in				
- Cost of sales and services	3.70	24.05	0.30	0.17
- Selling and administrative expenses	0.64	0.32	0.47	0.14
Total	4.34	24.37	0.77	0.31
As at	December 31, 2015	July 31, 2015	December 31, 2015	July 31, 2015
The cost amount of equipment before less accumulated depreciation which have been fully depreciated and still in use.	21.65	21.64	21.65	21.64
The net book value of asset under finance lease agreements				
- Vehicles	3.91	3.74	3.91	3.74

17. DEFERRED TAX

Deferred tax as at December 31, 2015 and July 31, 2015 consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	December 31, 2015	July 31, 2015	December 31, 2015	July 31, 2015
Deferred tax assets	8,016,736.22	8,126,132.77	8,016,736.22	8,126,132.77
Deferred tax liabilities	(1,237,847.42)	(1,232,215.82)	(1,237,847.42)	(1,232,215.82)
Deferred tax assets - net	6,778,888.80	6,893,916.95	6,778,888.80	6,893,916.95

Movements in deferred tax assets and deferred tax liabilities during the periods were as follows:

	Baht				
	Consolidated financial statements				
	August 1, 2014	Profit (loss)	July 31, 2015	Profit (loss)	December 31, 2015
Deferred tax assets					
Trade and other receivables	6,626,332.33	-	6,626,332.33	-	6,626,332.33
Inventories	1,846,422.75	(476,718.92)	1,369,703.83	(109,396.55)	1,260,307.28
Provision	1,764,123.90	(1,634,027.29)	130,096.61	-	130,096.61
Total	10,236,878.98	(2,110,746.21)	8,126,132.77	(109,396.55)	8,016,736.22
Deferred tax liabilities					
Property, plant and equipment	(920,112.71)	(312,103.11)	(1,232,215.82)	(5,631.60)	(1,237,847.42)
	Baht				
	Separate financial statements				
	August 1, 2014	Profit (loss)	July 31, 2015	Profit (loss)	December 31, 2015
Deferred tax assets					
Trade and other receivables	6,626,332.33	-	6,626,332.33	-	6,626,332.33
Inventories	1,846,422.75	(476,718.92)	1,369,703.83	(109,396.55)	1,260,307.28
Provision	807,101.95	(677,005.34)	130,096.61	-	130,096.61
Total	9,279,857.03	(1,153,724.26)	8,126,132.77	(109,396.55)	8,016,736.22
Deferred tax liabilities					
Property, plant and equipment	(920,112.71)	(312,103.11)	(1,232,215.82)	(5,631.60)	(1,237,847.42)

18. TRADE AND OTHER PAYABLES

Trade and other payables as at December 31, 2015 and July 31, 2015 consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	December 31, 2015	July 31, 2015	December 31, 2015	July 31, 2015
Trade payables	186,069.97	186,069.97	186,069.97	186,069.97
Other payables				
Payables from purchases of assets	9,152,824.41	55,766.72	-	-
Accrued dividend	2,602,643.56	2,602,643.56	2,602,643.56	2,602,643.56
Accrued expenses	10,737,940.44	6,427,756.45	9,227,008.48	5,809,264.58
Total	22,493,408.41	9,086,166.73	11,829,652.04	8,411,908.14
Grand total	22,679,478.38	9,272,236.70	12,015,722.01	8,597,978.11

19. SHORT-TERM LOAN FROM OTHER PARTIES

Short-term loan from other parties as at December 31, 2015 consisted of:

	Baht
	Consolidated and separate financial statements
Principal	190,000,000.00
Less Deferred interest	(1,634,660.05)
Net	188,365,339.95

During the five-month period ended December 31, 2015, the Company had short-term loan by issued bills of exchange with the period of 1 - 6 months to securities companies, total in the amount of Baht 240 million and repaid the partial, referred with the interest rate of commercial bank's loan rate, due on March 10 and 17, 2016.

Movements of short-term loan from other parties for the five-month period ended December 31, 2015 were as follows:

	Baht
	Consolidated and separate financial statements
Beginning balance	-
Increase	240,000,000.00
Decrease	(50,000,000.00)
Ending balance	190,000,000.00

20. LOAN FROM FINANCIAL INSTITUTIONS

Loan from financial institutions as at December 31, 2015 consisted of:

	Baht
	Consolidated financial statements
Loan from financial institutions	26,000,000.00
Less Current portion	-
Long-term loan from financial institutions	26,000,000.00

Movements of loan from financial institutions for the five-month period ended December 31, 2015 were as follows:

	Baht
	Consolidated financial statements
Beginning balance	-
Increase	26,000,000.00
Decrease	-
Ending balance	26,000,000.00

ACC Landmark Co., Ltd. ("Subsidiary") entered into a loan agreement with a financial institution for the credit line in the amount of Baht 85 million, referred with the interest rate of minimum loan rate (MLR) per annum and the period of repayment within 3 years. The Subsidiary mortgaged land including existing construction and to be construction's cost of project development (see Note 10) as collateral against for loan from a financial institution. Moreover, the loan is guaranteed by the Company, Prime Mansion Co., Ltd. and Prime Mansion Co., Ltd.'s shareholders (see Note 4).

21. LIABILITIES UNDER FINANCE LEASES

Liabilities under finance leases as at December 31, 2015 and July 31, 2015 consisted of:

Baht						
Consolidated and separate financial statements						
December 31, 2015			July 31, 2015			
Year	Present value	Deferred interest	Minimum	Present value	Deferred interest	Minimum
			lease payment			lease payment
1	748,405.64	79,987.58	828,393.22	618,332.68	70,507.48	688,840.16
2 - 5	2,196,119.03	95,547.73	2,291,666.76	2,209,618.85	107,368.97	2,316,987.82
Total	2,944,524.67	175,535.31	3,120,059.98	2,827,951.53	177,876.45	3,005,827.98

The Company entered into the finance lease agreements for purchase vehicles, payable monthly in the amount of Baht 0.07 million (as at July 31, 2015: Baht 0.06 million). As at December 31, 2015, the current portion of liabilities under the finance leases in the amount of Baht 0.75 million (as at July 31, 2015: Baht 0.62 million) was presented under current liabilities.

22. EMPLOYEE BENEFITS

Movements of the present value of employee benefits were as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	For the five-month	For the	For the five-month	For the
	period ended	year ended	period ended	year ended
	December 31, 2015	July 31, 2015	December 31, 2015	July 31, 2015
Post-employment benefit plan				
Employee benefit obligations at the beginning balance	650,483.05	8,820,619.50	650,483.05	4,035,509.75
Included in profit or loss:				
Current service cost	541,276.71	53,251.87	121,301.12	126,319.62
Interest cost	22,649.33	11,676.42	22,649.33	11,676.42
Included in other comprehensive income (loss):				
Defined benefit plan actuarial losses	472,989.30	-	472,989.30	-
Benefits paid during the period	-	(3,523,022.74)	-	(3,523,022.74)
Benefits paid for termination /staff transferred	-	(4,712,042.00)	-	-
Employee benefit obligations at the ending balance	1,687,398.39	650,483.05	1,267,422.80	650,483.05

The Group made defined benefit plan in accordance with severance payment as the labor law which entitled retired employee within work service period in various rates, such as more than 10 years to receive severance payment not less than 300 days or 10 months of the last month salary.

Principal actuarial assumptions as at December 31, 2015 and July 31, 2015 (expressed as weighted averages) as follows:

	Percent			
	Consolidated financial statements		Separate financial statements	
	December 31, 2015	July 31, 2015	December 31, 2015	July 31, 2015
Discount rate	2.75 - 2.88	1.66 - 3.81	2.75	1.66 - 3.81
Salary increase rate	5.00	-	5.00	-
Turnover rate	0 - 36.36	36.36	36.36	36.36
Mortality rate	Mortality table in year 2008	Mortality table in year 2008	Mortality table in year 2008	Mortality table in year 2008

The actuarial assumption of discount rate is estimated from weighted average of yield rate of government bonds as at the end of reporting date that reflects the estimated timing of benefit payments.

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligations as at December 31, 2015 are summarised below:

	Baht			
	Consolidated financial statements		Separate financial statements	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% Movement)	(66,681.21)	71,332.01	(43,334.99)	46,226.85
Salary increase rate (1% Movement)	142,762.27	(127,674.14)	92,329.76	(83,070.09)
Turnover rate (1% Movement)	(21,806.24)	17,568.87	(17,602.05)	17,568.87

23. SHARE CAPITAL

At the Extraordinary General Meeting of Shareholders held on March 31, 2015, the resolutions were passed as follows:

- 23.1 The reduction of registered share capital from Baht 240,000,000 to Baht 188,300,000 by eliminating the unissued shares of 51,700,000 shares, with the par value of Baht 1 each.
- 23.2 Changing the par value from 188,300,000 shares, with the par value of Baht 1 each to 753,200,000 shares, with the par value of Baht 0.25 each.
- 23.3 The increase of registered share capital from Baht 188,300,000 to Baht 300,000,000 by issuing new ordinary shares of 446,800,000 shares, with the par value of Baht 0.25 each.

The Company registered the decrease and changing the par value and increase of its registered share capital with the Ministry of Commerce on March 31, 2015 and April 1-2, 2015, respectively.

23.4 The resolutions to allot new ordinary shares have details as follows:

23.4.1 The resolution to allot new ordinary shares not over of 251,066,667 shares, with the par value of Baht 0.25 each to the existing shareholders at the ratio of 3 existing shares to 1 new ordinary share at the offering price of Baht 0.25 per share and, if there are remaining shares from the allotment to the existing shareholders, it will be allotted to the persons and/or to the institutional investors on a private placement.

23.4.2 The resolution to allot new ordinary shares of 195,733,333 shares to the Private Placement at the price not lower than 90% of market price (at the Board of Executive Directors' Meetings held on March 3, 2015, they considered the offering price to private placement at Baht 0.90 per share which is not lower than 90% of market price).

Assign the Board of Executive Directors or Managing Director has the authority to consider offering new ordinary shares in one lot or several lots and will be offered to any group of people at the same time or several times. Including the offering price, date and time of offer and details and conditions related to the allotment of shares.

In April 2015, the Company received the proceeds from the increased ordinary shares in the amount of Baht 236.74 million. The Company registered the changing of its paid-up share capital with the Ministry of Commerce on April 21, 2015 and May 14, 2015.

23.5 To change in the accounting period of the Company from August 1 - July 31 of the following year to January 1 - December 31 of each year.

At the Board of Directors' Meeting held on May 6, 2015, the resolutions were passed approved to change the Company's name to be "Advanced Connection Corporation Public Company Limited" conforming to the Company's business policies in the future.

24. SHARE PREMIUM

According to the Section 51 of the Public Limited Companies Act B.E. 2535 requires companies to set aside share subscriptions received in excess of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.

25. LEGAL RESERVE

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

26. EXPENSES BY NATURE

Significant expenses by nature consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	For the five-month	For the	For the five-month	For the
	period ended	year ended	period ended	year ended
	December 31, 2015	July 31, 2015	December 31, 2015	July 31, 2015
Changes in inventories	(9,255,720.52)	9,874,655.90	(9,255,720.52)	9,364,377.19
Purchases of goods and supplies	11,211,371.41	14,316,965.03	11,211,371.41	338,047.78
Salary and wages	11,812,156.06	31,043,391.22	9,369,336.47	12,471,478.42
Depreciation and amortization	14,921,550.13	31,384,376.96	1,180,438.30	1,103,907.73
Loss from impairment of assets	-	60,319,389.00	-	50,949,970.00
Doubtful accounts	-	59,258,337.50	997,335.00	94,896,328.00
Consulting and legal and finance fees	4,823,037.33	12,051,837.67	4,191,560.00	11,285,837.67

27. INCOME TAX

Tax expense consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	For the five-month	For the	For the five-month	For the
	period ended	year ended	period ended	year ended
	December 31, 2015	July 31, 2015	December 31, 2015	July 31, 2015
Current tax				
Current period	-	-	-	-
Deferred tax				
Movements in temporary differences	115,028.15	2,422,849.32	115,028.15	1,465,827.37
Tax expense	115,028.15	2,422,849.32	115,028.15	1,465,827.37

Corporate income tax for the five-month period ended December 31, 2015 and for the year ended July 31, 2015 was calculated at a rate specified by the Revenue Department on net earnings after adjusting certain conditions according to the Revenue Code. The Group recorded the corporation income tax as expense for the years and recorded the accrued portion as liabilities in the statements of financial position.

Income tax reduction

Royal Decree No. 530 B.E. 2554 dated December 14, 2011 grants a reduction in the corporate income tax rate from 30% to 23% on net profit for the accounting period beginning on or after January 1, 2012, and will be reduced to 20% on net profit for the two consecutive accounting periods beginning on or after January 1, 2013 onwards.

Royal Decree No. 577 B.E. 2557 dated November 3, 2014 extends the reduction to 20% on net profit for the accounting period which begins on or after January 1, 2015, but not later than December 31, 2015.

Reconciliation of effective tax rate

	Consolidated financial statements			
	For the five-month period ended		For the year ended	
	December 31, 2015		July 31, 2015	
	Tax rate (%)	Baht	Tax rate (%)	Baht
Loss before income tax		(15,167,638.84)		(135,428,098.02)
Income tax using the corporate tax rate	20	(3,033,527.77)	20	(27,085,619.60)
Expenses not deductible for tax purposes		873,456.58		30,578,910.24
Revenues treated as revenues under the Revenue Code		220,068.49		525,000.00
Revenues granted income tax exemption		(211,877.80)		(957,021.95)
Addition expenses deductible for tax purposes		(7,031.60)		(3,266,036.08)
Current period losses for which no deferred tax assets was recognized.		2,763,255.79		4,756,779.39
Effects of elimination entries on consolidation		(604,343.69)		(4,552,012.00)
Current tax	-	-	-	-
Movement in temporary differences		115,028.15		2,422,849.32
Tax expense	1	115,028.15	2	2,422,849.32

	Separate financial statements			
	For the five-month period ended		For the year ended	
	December 31, 2015		July 31, 2015	
	Tax rate		Tax rate	
	(%)	Baht	(%)	Baht
Loss before income tax		(10,580,198.68)		(145,037,788.28)
Income tax using the corporate tax rate	20	(2,116,039.74)	20	(29,007,557.66)
Expenses not deductible for tax purposes		303,911.32		27,920,586.38
Revenues treated as revenues under the Revenue Code		-		525,000.00
Revenues granted income tax exemption		220,068.49		-
Addition expenses deductible for tax purposes		(7,031.60)		(3,266,036.08)
Current period losses for which no deferred tax assets was recognized.		1,599,091.52		3,828,007.36
Current tax	-	-	-	-
Movement in temporary differences		115,028.15		1,465,827.37
Tax expense	1	115,028.15	1	1,465,827.37

28. SEGMENT INFORMATION

Operating segment information is reported in a manner consistent manner in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as the directors of the Company.

The Group operated the business primarily in manufacturing and distributing ceiling fan, renting property, restaurant and cultural center business, property development and investment in alternative energy and in a single geographic area. Based on the types of activities, the operating income and expenses, were classified as follow:

	Thousands Baht						
	Manufacturing and distributing ceiling fan		Renting property		Restaurant and cultural center		Total
	For the five-month period ended December 31, 2015	For the year ended July 31, 2015	For the five-month period ended December 31, 2015	For the year ended July 31, 2015	For the five-month period ended December 31, 2015	For the year ended July 31, 2015	For the year ended July 31, 2015
Revenues	4,170	7,659	26,058	49,304	-	50,425	107,388
Operations							
Gross profit (loss)	1,645	(747)	10,645	23,850	-	5,599	28,702
Other income							6,046
Selling and service expenses							(6,387)
Administrative expenses							(163,789)
Financial costs							-
Share of profit of associated company							-
Loss before income tax							(135,428)
Tax expense							(2,423)
Loss for the period							(137,851)

Significant assets and liabilities as at December 31, 2015 and July 31, 2015 were as follows:

	Thousands Baht							
	Manufacturing and distributing ceiling fan		Renting property		Property development		Investment in alternative energy	
	December 31, 2015	July 31, 2015	December 31, 2015	July 31, 2015	December 31, 2015	July 31, 2015	December 31, 2015	July 31, 2015
Assets								
Current investments	120,000	133,841	-	-	-	-	120,000	133,841
Trade and other receivables	1,790	996	5,643	16,843	-	-	7,433	17,839
Cost of project development	-	-	-	-	52,511	-	52,511	-
Investment in associated company	-	-	-	-	-	-	39,464	39,200
Advance payment for investment	-	20,000	-	-	150,000	-	39,000	20,000
Investment property	-	-	491,830	492,379	-	-	491,830	492,379
Property, plant and equipment	17,820	14,077	20,603	23,055	-	-	41,460	37,132
Total assets							1,066,762	828,850
Liabilities								
Trade and other payables	12,016	8,598	655	517	-	-	10,008	9,272
Short-term loan	14,865	-	-	-	36,500	-	137,000	-
Long-term loan from financial institution	-	-	-	-	26,000	-	-	-
Deposit	-	-	10,303	7,914	-	-	10,303	7,914
Total liabilities							254,778	21,241

29. COMMITMENTS AND CONTINGENT LIABILITIES

As at December 31, 2015, the Group had commitments and contingent liabilities as follows:

The Company

- 29.1 The letter of guarantee issued by the bank in the amount of Baht 1.26 million.
- 29.2 Commitments for payment under service agreements in the amount of Baht 2.46 million per month.
- 29.3 Commitments for payment under MOU to purchase ordinary shares amount of 2 project, the remainder in amount of Baht 270.89 million (see Note 13).
- 29.4 Payment under operating lease agreements in respect of the lease of building in the amount of Baht 0.13 million per month.

Subsidiaries

- 29.5 The letter of guarantee issued by the bank in the amount of Baht 0.49 million.
- 29.6 Commitments for payment under construction agreement in the amount of Baht 1.18 million.
- 29.7 Commitments for payment under service agreements in the amount of Baht 0.1 million per month.

30. FAIR VALUE HIERARCHY

As at December 31, 2015, the Group had the assets that were measured or disclosed at fair value using different levels of inputs as follows:

	Baht			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
The Company				
Current investments	-	120,000,000.00	-	120,000,000.00
Assets for which fair value are disclosed				
The Company				
Investment property				
Book value amount of Baht 30.52 million	-	189,462,722.83	102,911,175.70	292,373,898.53
Subsidiary				
Investment property				
Book value amount of Baht 425.33 million	-	190,190,000.00	259,980,000.00	450,170,000.00

Valuation techniques and inputs to Level 2 valuation

The fair value of investments in investment units that are not listed on the Stock Exchange of Thailand is determined by using the net asset value per unit as announced by the fund managers.

The fair value of land is determined by independent valuers, which was determined on the basis of Market Approach.

Valuation techniques and inputs to Level 3 valuation

The fair value of building and construction is determined by independent valuers, which was determined on the basis of Depreciated Replacement Cost Approach.

During the period, there was no transfers within the fair value hierarchy.

31. DISCLOSURE OF FINANCIAL INSTRUMENTS**31.1 Capital management**

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Group defines as result from operating activities divided by total shareholders' equity and also monitors the level of dividends to ordinary shareholders.

31.2 Accounting policies

The details of significant accounting policies and methods used for classification of financial assets and financial liabilities including valuation, basis of recognition of income and expenses are disclosed in Note 3.

31.3 Financial risk management policies

The Group is exposed to fluctuations in interest rates and foreign exchange rates and the risks from default of the agreements by counterparties. The Group had risk management policies as follows:

31.3.1 Interest rate risk

Interest rate risk is the fluctuation of the market interest rate in the future that will affect the Group's operations and cash flows. The Group has interest rate risk from cash at banks because the interest rate of the financial assets fluctuate based on the market rate. In addition, the Group has not engaged in any hedging contracts related to interest rates.

31.3.2 Foreign currency risk

The Group's exchange rate risk primarily involves the purchases and sales of goods in foreign currencies. As at December 31, 2015 and July 31, 2015, the Group had assets and liabilities in foreign currencies as follows:

Currency	Millions			
	Consolidated and separate financial statements			
	December 31, 2015		July 31, 2015	
	Assets	Liabilities	Assets	Liabilities
US Dollars	2.53	-	0.10	-
Renminbi	0.01	-	-	-

31.3.3 Credit risk – trade receivables

The Group has a policy to hedge credit risk from trade receivables by forming credit policy and by determining the receipt from the sales of goods and service. Therefore, the Group expects that the loss from the collection of those trade receivables should not exceed the allowance for doubtful accounts.

31.4 Fair value

Most of the financial assets are cash at banks, current investments and trade and other receivables which are short-term credit. Most of the financial liabilities are trade and other payable, short-term loan from other parties, loan from financial institutions and liabilities under finance leases with interest rates close to the market rate. The carrying amount of the financial assets and financial liabilities are not significantly different from their fair value

32. LITIGATION

On June 12, 2015, the Company is litigation a suit brought against it involving compensation of unfair dismissal in the amount of Baht 8.64 million. On August 18, 2015, the Company counterclaimed for damages in the amount of Baht 30.94 million. At present, the case is pending decision in the Civil Court. However, the management expects that there is no damage from this litigation.

33. RECLASSIFICATION

The Group has reclassified certain accounts in the statements of financial position as at July 31, 2015 to conform with the presentation of the financial statements of this period consisted of:

	Baht					
	Consolidated financial statements			Separate financial statements		
	Before reclassification	Reclassification	After reclassification	Before reclassification	Reclassification	After reclassification
Statements of financial position						
Advance payment for investments	-	20,000,000.00	20,000,000.00	-	20,000,000.00	20,000,000.00
Other non-current assets	23,940,000.00	(20,000,000.00)	3,940,000.00	22,636,000.00	(20,000,000.00)	2,636,000.00

34. EVENTS AFTER THE REPORTING PERIOD

At the Board of Directors' Meeting held on January 9, 2016, the resolutions were passed as follows:

34.1 The increase of registered share capital from Baht 300 million to Baht 375 million by issuing new ordinary shares of 300 million shares, with the par value of Baht 0.25 each to reserve for the exercise of warrants.

34.2 An issuance of warrants in the amount of 300 million units to the existing shareholders of the Company, the offering ratio will be 4 existing ordinary shares per 1 warrant at the exercise price of Baht 1.25 per share. The period of exercise date is the last business day of June and the last exercise date of the third anniversary of the issuance date.

The Board of Directors of the Company held on February 29, 2016 approved the elimination of deficits by offsetting with the legal reserve and share premium, based on the statement of financial position as at December 31, 2015. Moreover, the resolution was proposed to the Shareholders for approval.

35. SUPPLEMENTARY INFORMATION (UNAUDITED)

As explained in the Note 2 to the financial statements, Change of the Company's accounting period, the consolidated and separate financial statements for the five-month period ended December 31, 2015 have been first prepared and presented for the period from August 1, 2015 to December 31, 2015 in accordance with the required format of the financial statements presentation.

For the benefit of users in comparing and analyzing the financial information, the Company has prepared supplementary information in the form of unaudited consolidated and separate statements of comprehensive income for the twelve-month periods ended December 31, 2015 and 2014, as detailed below:

"Unaudited"

	Baht			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Revenue from sales and services	82,502,924.19	125,178,898.51	39,711,835.62	49,954,121.45
Cost of sales and services	(52,588,228.66)	(92,954,850.30)	(12,971,521.24)	(31,090,725.75)
Gross profit	29,914,695.53	32,224,048.21	26,740,314.38	18,863,395.70
Other income	9,012,787.03	4,098,667.38	16,895,704.36	21,496,050.77
Selling and service expenses	(5,680,150.59)	(4,926,861.82)	(4,492,956.52)	(286,696.91)
Administrative expenses	(210,000,018.08)	(51,042,908.35)	(189,569,317.23)	(40,869,612.46)
Finance costs	(2,908,220.86)	-	(2,473,700.32)	-
Share of profit of associated company	264,000.00	-	-	-
Loss before income tax	(179,396,906.97)	(19,647,054.58)	(152,899,955.33)	(796,862.90)
Tax expense	(237,413.66)	(5,896,724.36)	(237,413.66)	(6,095,815.69)
Loss for the year	(179,634,320.63)	(25,543,778.94)	(153,137,368.99)	(6,892,678.59)
Loss for the period attributable to				
Equity holders of the Company	(178,537,905.64)	(25,543,778.94)	(153,137,368.99)	(6,892,678.59)
Non-controlling interests	(1,096,414.99)	-	-	-
	(179,634,320.63)	(25,543,778.94)	(153,137,368.99)	(6,892,678.59)
Total comprehensive loss attributable to				
Equity holders of the Company	(178,537,905.64)	(25,543,778.94)	(153,137,368.99)	(6,892,678.59)
Non-controlling interests	(1,096,414.99)	-	-	-
	(179,634,320.63)	(25,543,778.94)	(153,137,368.99)	(6,892,678.59)

36. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were authorized for issue by the Company's Board of Directors on February 29, 2016.

Other Information

Details of Directors in Subsidiaries and Related Companies

Subsidiaries	Director	Position
C.E.I. (Chiangmai) Company Limited	Mr. Yuttana Taepangthong	Authorized Director
	Mr. Sarin Ruangsorn	Authorized Director
	Mr. Ekawat Swetarat	Authorized Director
ACC Electric Company Limited	Mr. Yuttana Taepangthong	Authorized Director
	Mr. Sarin Ruangsorn	Authorized Director
	Mr. Pavint Ruangvoraboon	Authorized Director
ACC Landmark Company Limited	Mr. Yuttana Taepangthong	Authorized Director
	Mr. Ekawat Swetarat	Authorized Director
ACC Green Energy Company Limited	Mr. Yuttana Taepangthong	Authorized Director
	Mr. Sarin Ruangsorn	Authorized Director
	Mr. Pavint Ruangvoraboon	Authorized Director
Siam Water Resources Public Company Limited (“SWR”)*	Mr. Yuttana Taepangthong	Authorized Director
W.SOLAR Company Limited	Mr. Yuttana Taepangthong	Authorized Director
	Mr. Pavint Ruangvoraboon	Authorized Director
Bangpakong Solar Power Company Limited	Mr. Yuttana Taepangthong	Authorized Director
	Mr. Pavint Ruangvoraboon	Authorized Director
105 Solar Power Company Limited	Mr. Yuttana Taepangthong	Authorized Director
	Mr. Pavint Ruangvoraboon	Authorized Director



AIR-LE-GANCE



ADVANCED CONNECTION CORPORATION
PUBLIC COMPANY LIMITED

32 Srinagarindra Road, Nongbon,
Praves, Bangkok 10250

Tel. +66 (0) 2748 2400
Fax. +66 (0) 2748 2402