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Message from the Chairman of the Board and the Managing Director

Dear Shareholders,

During the year 2016, the overall global economy expanded slightly. Although the economy in many countries slowdown from the year 2015, but the US economy continued expand, unemployment decreased. The EU economy has expanded but unemployment remains high. In addition, there are concerning about the Brexit that may affect the EU economy. Japan's economy expanded slightly. The economy of the People's Republic of China continued slowdown. Thailand's economy in 2016 has continued expand due to the government stimulus policies, accelerating government sector disbursement and the exports expanded in the second half year.

The ceiling fan business of the Company slightly expanded in this year due to the market expansion into Modern Trade has started in late 2016. So, can be expected growth in sales of ceiling fans next year. In the past year, the company launch new product, LED lamps, under the brand "Lumos", which has well response because of various style, electric save and easy to install. The company is confident that the company will be able to operate the ceiling fans and lamps business and can generate sustainable growth in the future.

Renewable energy business, in the past year, all of solar power energy projects that the Company invest in i.e. investment in shares capital with Wyncoast Industrial Park Public Co. Ltd. in the project of solar power energy on roof (Solar rooftop) and its extension, total capacity 2.63 megawatt and the project of solar power energy on ground (Solar farm) of the Saraburi Group of companies total capacity 5.50 megawatt can generate income and achieve the expected return.

Real estate development business, which the Company invest through subsidiary company and develop the first real estate development project named "Townline Sattahip", townhome in Sattahip, Chonburi, the project delay in the past year due to the longer period of rainy season more than usual make the contractor cannot carry out the exterior decoration and also delay from contacting government agencies. The Company expect to recognize income from the project in year 2017.

Finally, on behalf of the Board of Directors, we thank our shareholders, customers and business partners who trust and support of the company's operations as well. Also, thank you to the management. And employees of the company who cooperate through various obstacles and dedicate to working fully. The Board

of Directors and Management insist in our commitment to make more growth to our company. Managed with professionalism and good corporate image and make sustainable successful to our company further.



(General Kasemsak Plooksawat)
Chairman of the Board



(Mr. Yuttana Taepangthong)
Managing Director

The Details of Directors and Managements



General Kasemsak Plooksawat

Age 71 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	
Governance Training of IOD/Others	
Directors Accreditation Program (DAP) Class 133/2560	
Position in Other Companies/Organization	
2016 - Present : Vice President (2) Privilege Department Thai Amateur Weightlifting Association (TAWA)	
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



Ms. Sudthida Chirapatsakul

Age 62 years Thai nationality

Position	
Director / Vice Chairman of the Board of Directors / Chairman of Nomination and Remuneration Committee	
Appointed Date	September 8, 2016
Shareholding	None
Education	
Master's Degree in Business Administration, Krirk University Bachelor's Degree in Economics, Kasetsart University	
Governance Training of IOD/Others	
Corporate Governance for Capital Market Intermediaries (CGI) Class 4/2558 Directors Accreditation Program (DAP) Class 23/2547	
Positions in Listed Companies in SET	
2016 - Present : Co-Chief Executive Officer, Acting Head of Retail Business Maybank Kim Eng (Thailand) Plc.	
Work Experience	
2010 - 2016 : Director Country Group Securities Plc.	
2009 - 2010 : Managing Director, Retail Business Country Group Securities Plc.	
Relationship with Directors and Management	None



Mr. Yuttana Taepangthong

Age 43 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 Certification Program (DCP) Class 233/2560

Directors Accreditation Program (DAP) Class 120/2558

Positions in Listed Companies in SET

2014 - Present: Director

Sanko Diecasting Plc. (SANKO)

Position in Other Companies/Organizations

2016 - Present: Director

Best Solar Plant Co., Ltd., Cool World Energy 2 Co., Ltd.,
Future Good Health 2 Co., Ltd., Happy World Power 2 Co., Ltd.,
New Solar Technic Co., Ltd., P.B.Y. Green Power Co., Ltd.,
Saraburi Solar Plant 2 Co., Ltd., Talingchan Solar Farm Co., Ltd.,
Thai Solar Plant 2 Co., Ltd., V.A. Clean Energy 2 Co., Ltd.

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

2014 – 2015 : Advisor to CEO

Jubilee Enterprise Plc. (JUBILEE)

2013 – 2014 : Audit Committee

Electronics Industry Plc. (EIC)

1994 – 2014 : Vice President, Accounting and Finance Department

Jubilee Enterprise Plc. (JUBILEE)

Relationship with Directors and Management None



Mr. Sarin Ruangsorn

Age 36 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 Certification Program (DCP) Class 234/2560

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 36 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 Certification Program (DCP) Class 233/2560

Directors Accreditation Program (DAP) Class 120/2558

Position in Other Companies/Organizations

2016 - Present: Director

W.Solar Co., Ltd.

Bangpakong Solar Power Co., Ltd.

Best Solar Plant Co., Ltd.

Cool World Energy 2 Co., Ltd

Future Good Health 2 Co., Ltd.

Happy World Power 2 Co., Ltd.

New Solar Technic Co., Ltd.

P.B.Y. Green Power Co., Ltd.

Saraburi Solar Plant 2 Co., Ltd.

Talingchan Solar Farm Co., Ltd.

Thai Solar Plant 2 Co., Ltd.

V.A. Clean Energy 2 Co., Ltd.

2015 - Present: Director

ACC Electric Co., Ltd.

ACC Green Energy Co., Ltd.

Work Experience

2550 - 2557 : Manager, Portfolio Management Department

Intouch Holdings Plc. (INTUCH)

Relationship with Directors and Management None



Arichai Ractham, Ph.D.

Age 48 years Thai nationality

Position

Independent Director / Chairman of Audit Committee /

Chairman of Risk Management Committee

Appointed Date March 31, 2015

Shareholding None

Education

Doctorate, Financial Economics, 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 Plc. (FER)

2007 - Present: Audit Committee

Syntec Construction Plc. (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 56 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, Chiang Mai 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 52 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

2016 - Present: Qualified Person from Private Sector in
subcommittee

Farmer Rehabilitation and Development Fund,
Pathum Thani Province

2015 - 2016 : Personal Expert of Member
National Reform Steering Assembly (103)
The Secretariat of the House of Representatives

2013 - Present: Director
Right Livelihood Foundation

2012 - 2014 : Advisor
Subcommittee of Studying and Developing in
health, long stay, home stay and
entertainment venue tourism business, in the
Standing Committee on Tourism, Senate

2010 - Present: Advisor
Sub district Administration Organization Association
of Thailand

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

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

Relationship with Directors and Management None



Mr. Ekawat Swetarat

Age 35 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, MIMS (Information Management System), Monash
University, Australia

Bachelor's Degree, Science (Computer), University of New South
Wales, Australia

Governance Training of IOD/Others

Directors Certification Program (DCP) Class 234/2560

Directors Accreditation Program (DAP) Class 120/2558

Position in Other Companies/Organizations

2016 - Present : Director

Best Solar Plant Co., Ltd., Cool World Energy 2 Co., Ltd.,
Future Good Health 2 Co., Ltd., Happy World Power 2 Co., Ltd.,
New Solar Technic Co., Ltd., P.B.Y. Green Power Co., Ltd.,
Saraburi Solar Plant 2 Co., Ltd., Talingchan Solar Farm Co., Ltd.,
Thai Solar Plant 2 Co., Ltd., V.A. Clean Energy 2 Co., Ltd.

2015 - Present : Director

ACC Landmark Co., Ltd.

2013 - Present : Director

C.E.I. (Chiang Mai) Co., Ltd.

Work Experience

2011 - 2013 : Business Development Department Manager

General Electronic Commerce Services Co., Ltd.

2011 : International Business Department Manager

Thai Reinsurance Plc. (THRE)

Relationship with Directors and Management None



Mr. Kitti Kanokudomsap

Age 51 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 Plc. (IRCP)

1997 - 2006 : Accounting Manager

Advanced Connection Corporation Plc.

Relationship with Directors and Management None



Ms. Natthakarn Santayanont

Age 37 years Thai nationality

Position

Company Secretary

Appointed Date	February 4, 2016
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Shareholding	None
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Education

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

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

ประวัติการอบรมจากสมาคมบริษัทจดทะเบียนไทย

Fundamentals for Corporate Secretaries Class 2/2016

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
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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 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) totalled approximately 2.63 MW operating under associated company, W. Solar Company Limited ("associated company"), capacity about 1 megawatt, 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. The company continues to develop other alternative energy projects, studying for chance to expand investment in future. However, the overall operations result of alternative energy business in the past year meet the target.

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 and expect to recognize revenue in year 2017.

Since April 2017, the Company will decide to bring back the business of International Convention Center : Khum Kham and the Cultural Center : Khum KhanToke in Chiangmai Province to operate by the Company. The Company considers that the Company can generate more return than rent. This will be reflected through the figures in the financial statements next year.

For existing properties, the Company has started to develop by improving factory space for rent at Bang Poo Industrial Estate to be in better condition. After improvement, there are more people interested in renting. By the way, those properties are still at the discretion of the executives to have a public auction plan in the future.

The Condominium, during year 2016 the Company sold out 2 units of P.S. Tower office building. Remaining are Country Complex Building B. Condominium, which rental rate under 50%. The Company is during selling out process according to the resolution of the Board of Directors.

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.
2016	<ul style="list-style-type: none"> The Company invested in Saraburi Group of 10 Companies in Solar power energy on ground (Solar farm) Project total capacity 5.50 megawatt, investment size 290 million Baht or 100% of share registered.

- The Company increased share registered from 300 million Baht to 375 million Baht by issued new ordinary share 300 million shares, par value 0.25 per share to support the exercise of the warrants to purchase the Company's newly issued ordinary shares. And has a resolution to issue and offer the warrants to purchase the Company's ordinary shares to the existing shareholders 300 million units at the rate of 4 existing ordinary shares per 1 warrant.
 - The Company issue an offer debenture total 600 million Baht, 1 year 9 months term, payment due on April 9, 2018, 6% per year interest rate, purpose for using in business operation (Propose to shareholders and be approved 1,000 million Baht)
 - On October 31, 2016, Thai Lanna Food and Cultural Center Co., Ltd. Default to transfer land to settle debt. Therefore, the Company assign the lawyer to enforce the transfer of land to settle the debt.
 - ACC Green Energy Co., Ltd., subsidiary company, be transferred the land located in Rassada sub district, Muang Phuket district, Phuket province from Thai Lanna Food and Cultural Center Co., Ltd. in order to settle debt.
- 2017**
- January 2017, C.E.I. (Chiangmai) Co., Ltd., subsidiary company, request to terminate the rental agreement before end of agreement term. Because the Company consider that the Cultural Center of food and show : Khum KhanToke and the International Convention Center : Khum Kham, Chiangmai Province has potential to generate return more than rent, so C.E.I. (Chiangmai) Co., Ltd. will get start to perform the business since April 1, 2017.

Shareholding structure of the Group

The Company invested in form of holding company with major investments in subsidiaries which engaged in trading business, International Convention Center : Khum Kham and the Cultural Center hospitality business, renewable energy business, and real estate business. Details are as follows.

Subsidiary Company	Nature of Business	Sharehold (%)	Share Registered (Baht)	Share Registered and Paid-up (Baht)
C.E.I. (Chiangmai) Co., Ltd. ("CEI")	Property for rent. Since April 2017 ("CEI") will get start to perform the business of the Cultural Center of Food and Show (Khum KhanToke) and International Convention Center (Khum Kham) by itself.	100.00	1,000,000.00	1,000,000.00
ACC Electric Co., Ltd. ("ACCE")	Trading	100.00	1,000,000.00	1,000,000.00
ACC Landmark Co., Ltd. ("ACCL")	Develop Real Estate	75.00	50,000,000.00	50,000,000.00
ACC Green Energy Co., Ltd. ("ACCG")	Renewable Energy	100.00	10,000,000.00	3,250,000.00
Bangpakong Solar Power Co., Ltd. ("BSP")	Solar Rooftop	51.00	49,000,000.00	49,000,000.00
105 Solar Power Co., Ltd. ("105 Solar")	Solar Rooftop	51.00 during increase its capital	1,000,000.00	250,000.00
Saraburi Group	Solar Farm	100.00 Indirect investment through ("ACCE")		
1. Best Solar Plant Co., Ltd.			28,000,000.00	28,000,000.00
2. Cool World Energy Co., Ltd. 2			26,000,000.00	26,000,000.00
3. Future Good Health Co., Ltd. 2			28,000,000.00	28,000,000.00
4. Happy World Power 2 Co., Ltd.			26,000,000.00	26,000,000.00
5. New Solar Technic Co., Ltd.			28,000,000.00	28,000,000.00
6. P.B.Y. Green Power Co., Ltd.			28,000,000.00	28,000,000.00
7. Saraburi Solar Plant 2 Co., Ltd.			28,000,000.00	28,000,000.00
8. Talingchan Solar Farm 2 Co., Ltd.			28,000,000.00	28,000,000.00
9. Thai Solar Plant 2 Co., Ltd.			28,000,000.00	28,000,000.00
10. V.A. Clean Energy 2 Co., Ltd.			28,000,000.00	28,000,000.00
Associated Company	Nature of Business	Sharehold (%)	Share Registered (Baht)	Share Registered and Paid-up (Baht)
W. Solar Co., Ltd. ("W.SOLAR")	Solar Rooftop	49.00	80,000,000.00	80,000,000.00

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 375 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. Trading 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. The Company has added LED lamp products under the trademark "Lumos", the production is beautiful, save electricity, easy to install so, save time and cost.

2. Real Estate : Rent and Development

2.1 Property for Rent

Property for rent of the Company i.e. Factory building in Bangpu Industrial Estate, condominium Country Complex Bangna total 19 units and business of the Cultural Center of food and show : Khum KhanToke and the International Convention Center : Khum Kham, Chiangmai province. Detail as follows;

Property	Address	Lessor	Rental rate
Factory building in Bangpu Industrial Estate Area 23 Rai 1 Ngan 55.60 Square Wah	291 Moo 4 Soi 5 B, Preakasa Sub District, Muang District, Samutprakan Province	The Company	Monthly, 100 - 110 Baht per Square Meter

Country Complex Condominium 19 units Area 38.44-163.76 Square Meter	225 Country Complex Building, Sanpawut Road, Bangna, Bangkok	The Company	Monthly, approximately 6,000 Baht per room
The Cultural Center of food and show (Khum KhanToke) Area 8 Rai 2 Ngan 58 Square Wah	139 Chiang Mai Business Park, Chiang Mai-Lumpang Road, Nongpakrungs Sub District, Muang Chiang Mai District, Chiang Mai Province	C.E.I. (Chiang Mai) Co., Ltd.	Monthly, 2.50 million Baht, Adjust to 2.60 million Baht since April 2016

2.2 Real Estate Development

The Company operate through ACC Landmark Co., Ltd., subsidiary company, in project name of Townline which is Townhome in 2 Rai 1 Ngan 8 Square Wah located on Sattahip District, Chonburi Province total 32 units. The project size is 200 million Baht. Selling price from 5.20-6.70 million Baht. And expected to be recognized in year 2017. Future project is expected to develop land in Rassada sub district, Muang District, Phuket Province. Area not more than 11 Rai (4,400 Square Wah). Now is during feasibility study.

3. Renewable Energy Business

The Company proceed solar power on rooftop project through the associate company, W.Solar Co., Ltd. (“W.SOLAR”) and subsidiary company, Bangpakong Solar Power Co., Ltd. (“BSP”) and 105 Solar Power Co., Ltd. (“105 โซลล่า”). Those projects are on roof of factory building for rent of WIN located at 105 Moo 3 Bangna-Trad Road, Thakham sub district, Bangpakong district, Chacheangsao province. The associate company, “W.SOLAR”, start recognized revenue since June 2015 and the subsidiary company, “BSP” and “105 Solar”, expect to start revenue recognition in year 2017.

Moreover, the Company invested in Project of solar power energy on ground (Solar Farm) of Saraburi Group of 10 companies at 100% located at 113/1 Moo 2, Mitrapap Road, Talingchan sub district, Muang Saraburi district, Saraburi province. This project already COD. On June 13, 2016, the Company completely invest and hold the shares fully. The Company start recognized revenue since January 1, 2016.

Company	% of share hold	Capacity (MW)	Selling rate (Baht per unit)	Remark
W.Solar	49	1.28	6.16	Capacity include the extension 0.29 MW
Saraburi Group	100	5.50	8 (Adder)	
BSP	51	0.75	6.50	
105 Solar	51	0.60	6.50	

Revenue Structure

Revenues of the company proceeds from the sale of ceiling fan/light and its components, rental income. And revenues of the subsidiaries company proceeds from the rental revenue and revenue from selling renewable energy.

unit : million Baht

Revenue type	December 31, 2016		December 31, 2016 (5 months)		July 31, 2015	
	Amount	%	Amount	%	Amount	%
1. Revenue from sale	15.80	9.72	4.17	13.79	7.66	18.11
2. Revenue from service	-	-	-	-	50.43	49.96
3. Revenue from rent	55.52	34.19	26.06	86.21	49.30	45.91
4. Revenue from sale renewable energy	91.10	56.09	-	-	-	-
total	162.41	100.00	30.23	100.00	107.39	100.00

unit : thousand Baht

Financial position at the end of year	Consolidated Fin. Stat. December 31, 2016	Consolidated Fin. Stat. December 31, 2015	Consolidated Fin. Stat. July 31, 2015
Assets and Shareholders equity			
Current assets	444,153	251,833	229,304
Total assets	1,789,645	1,066,72	828,850
Shareholders equity	802,695	811,985	807,609
Par value (Baht)	0.25	0.25	0.25
Book value (Baht)	0.67	0.76	1.51
Number of shares (share)	1,200,000	1,200,000	1,200,000
Profitability			
Revenue from sale	162,412	30,228	107,388
Other revenue	32,549	2,634	6,046
Total revenue	194,961	32,862	113,434
Net income (loss)	(25,500)	(15,283)	(137,851)
Cash dividend	-	-	-
Profit per share (Baht)	(0.0188)	(0.0118)	(0.1559)
Financial Ratio			
Current assets to current liabilities (time)	4.04	1.17	21.91
Liabilities to equities (time)	1.22	0.31	0.026
Return on equities (%)	(2.79)	(1.75)	(18.16)
Return on Sale (%)	(15.70)	(50.56)	(128.37)
Return on total revenue (%)	(13.08)	(46.51)	(121.52)
Return on total assets (%)	(1.79)	(1.61)	(17.50)

Note : Calculate from financial statement of the Company

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. In order to expand customer base and expand into more international service.

For International Convention Center KhumKham, the Company consider as a modern, unique in cultural conference center and has potential to be an international convention center in the future.

For Real Estate development business, the Company operates housing business, the first project is a town home in Modern Classic Style, stay safe, save energy and dominant in utilize and worthy. The Company focus on horizontal housing project with the public utility. The Company has policy to sell houses that are during construction but nearly to complete, therefore the customer can see the house during construction and can be confident that the construction will be completed as scheduled. The first project is on land in Sattahip district, Chonburi province. Next project, the Company will seek for land on road outer of Bangkok or provincial that is a center of business and tourism which has a potential and demand of residential.

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 of the Company.

Khum KhanToke and KhumKham International Convention Center in the past year the Company rent it out to other to run the business. But since April 1, 2017 the Company will run by itself. So, the Company plan to set price for each part, Khum KhanToke the price might be higher than the competitor due to unique of show, but for food price is competitive. KhumKham International Convention Center's price is competitive.

Real Estate business, pricing is higher than competitor due to high quality of materials, good design makes airy and comfort. Therefore the price is competitive.

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.

For the cultural food and show, Khum KhanToke, and the international Convention Center, Khum Kham, the Company distribute channel of tour agency by being part of tour programming. Advertisers through internet, Tourism Authority of Thailand. Include introduce to new customer both Thai and foreign by marketing department. Moreover, there is marketing plan to sell through online channel in the future.

• **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.

In subsidiary, April 2017 the Company will start to run business by itself. The Company prepare promotion plan focus on International Convention Center, KhumKham, which is considered be potential, by booth in provincial level and country level. The International Convention Center, KhumKham received award from the seminar room competition from the Thailand Convention and Exhibition Bureau or TCEB, The cultural center of food and show, Khum KhanToke, will focus on doing promotion with tour agency to add Khum KhanToke in tour program.

- **Nature of Customer**

Customer of the Company are trader, trade fan/lamp more than 10 years knowing well in the product. Major customer are project customer i.e. hotels, resorts which has big lot of order and be former customer and have confident in 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. Customers of International Convention Center are both public and private organizations, as well as guests who require a banquet room, conference room. The company has room many sizes so, can serve the needs of customers.

- **Competition**

Domestic ceiling fan industry is more competition continually. Shopping center customers 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.

However, the import product as competitive, do not have service center and spare parts which differ from our product which have after sale service that make the Company can be still competitive. 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" and international convention center "KhumKham".

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



- Khum KhanToke provides KhanToke and cultural show in clothing, language, eating and acting among applied Lanna architecture. There are 2 round of services per day and can be served customer more than 800 persons per round.



- Thai PlubPla restaurant is air conditioned decorated interior with Thai central architecture. Decorated with teak wood gorgeous golden patterns. Can serve more than 300 persons.



- International convention center KhumKham is a 3-storey building that represents applied Lanna architecture. Each room is elegantly decorated. With carved teak, gilded by craftsman. The walls are decorated with Thai ancient fabrics. Adorned with a magnificent chandelier. Equipped with modern facilities and fully equipped meeting facilities. It can accommodate more than 2,000 persons.

• 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. Buyers can install by themselves following the manuals.

• 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.

Financial Risk :

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.

However, the Company has to fund from short-term funding and the operating results of the Company also not good so, interest rate provided by financial institution is normal. However, the Company is trying to restructure its financial structure to suit its investment projects. By finding a long-term source of fund to replace short-term source of fund at the present.

Interest Rate Risk from Loan to subsidiaries

The Company has loan to subsidiaries with interest rate charge lower than interest rate cost that the Company borrowed. As at December 31, 2016, there are loan to subsidiaries total 929.88 million Baht so, ACC has risk to be determined tax by the Revenue Department. Short-term solution, ACC calculate juristic tax from difference between interest rate lending and interest rate borrowing. Special business tax was except because they are affiliated company per the Revenue Code. This method can relief for short-term, for long-term the Company will increase share register of subsidiaries to repay the loan, the Company will act immediately when promptly.

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.

As at December 31, 2016 and December 31, 2015 assets and liabilities in foreign currencies which are not protected by any exchange rate risk protection agreements summarized as follows;

Unit : thousand baht

Currency	Dec 31, 2016		Dec 31, 2015	
	Assets	Liabilities	Assets	Liabilities
1. US Dollar	0.02	0.10	2.53	-
2. China Yuan	-	-	0.01	-

However, the Company considered that there are few assets and liabilities in foreign currencies so, do not need to protect by any exchange rate risk protection agreements.

Operating Risk :

Credit Risk

The Company has a risk from credit offer for customer because has just start to sell directly might not be known about financial status or behaviour of the customer. Normally, offer credit term for existing customer 30-60 days. However, the Company inspect customer history from source that can be find to consider for commercial credit to offer such as credit bureau and supplier who ever sold the product to the customer. In addition, if a customer purchases a product for the first time, the company will not provide commercial credit to mitigate the risk. And there is a limit on the amount of credits that can be provided to each customer. Since the company started selling products directly, the company has never faced problems with customer billing.

Consignment Risk

The Company has more consignment sell so, there are more risks the product will be damaged or loss. And more cost on procurement of product sales staff to closely monitor the product. However, the Company plan to select only quick sell turnover to mitigate the risk.

Liquidity Risk

The Company use money to invest in several projects such as solar power energy which has steady revenue but has payback period more than 3 years. Because the Company has not ever use loan from financial institute and has no long term loan. The Company has to funding from short term loan (short term debenture and bill of exchange) to invest in several projects so, might cause liquidity problem. The Company has plan to mitigate the risk by seeking for source of fund that suit to cash inflow from the project invest or the Company will increase share registered to suitable with the project they invest. The Company will take action when prompt.

Inexperience in land development and allotment Risk

From auditor report, subsidiary – ACC Green Energy Co., Ltd. had been transferred land without property in Phuket province in year 2016 for the objective to allot and sell. And the fact that the Company does not have experience in land development and allotment in such location so, it might be risk if the Company cannot sell with in period expected resulting in loss from selling of land allotted in price that after deduct selling expense (net realizable value) lower than cost of land allotted or selling delay than the expectation of the Company.

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, Renewable Energy and Real Estate Development
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	375,000,000 baht divided to ordinary shares of 1,200,000,000 shares
Par Value	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	: Siam Truth Audit Co., Ltd. No. 100/71, 22 th floor, 100/2 Vongvanij Complex Building B, Rama IX Road Huay Kwang, Huay Kwang, Bangkok 10310 Telephone : 0 2645 0065
Auditor of Subsidiary Company & Internal Audit	: Thai Audit Company Limited No. 162/400 Taling Chan-Suphanburi, Bangbuathong, Nontaburi 11110 Telephone : 0 2920 1920-1, 0 2920 1821 Fax : 0 2920 3572
Lagal Advisory	: Dherakupt International Law Office Limited No. 900 Tonson Tower 12th Floor Ploenchit Road Lumpini, Pathumwan, Bangkok 10330 Telephone : 0 2252 1588 Fax : 0 2257 0440
Independent Financial Advisor	: JVS Financial Advisory Company Limited No. 121/82 RS Tower 28th Floor Rachadapisek Road Dindang, Dindang, Bangkok 10400 Telephone : 0 2641 2045 โทรศัพท์ : 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 seventy five 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 February 28, 2017 prepared by Thailand Securities Depository (Thailand) Company Limited are as follows:

Shareholders by nationality	No. of shareholders	No. of ordinary share	Share proportion (%)
Thai	2,669	1,097,197,055	91.43
Foreign	22	102,802,945	8.57

The First 10 Major Shareholders

Shareholders Name	No. of ordinary share	Share proportion (%)
1. Mr. Piemsak Limpatakmongkol	168,625,473	14.05
2. Mr. Visit Dachavittayathorn	103,196,693	8.60
3. Mr. Anuroj Seneepakornkrai	51,000,000	4.25
4. Mr. Tanakit Utchariyasombat	50,429,600	4.20
5. ABN AMRO NOMINEES SINGAPORE PTE LTD	48,968,000	4.08
6. Mr. Pakorn Teerathamrong	42,262,800	3.52
7. Mr. Rojsak Seneepakornkrai	33,500,000	2.79
8. Mr. Tawee Kullerdprasert	32,611,200	2.72
9. MRS. YUHUA YAN	30,190,368	2.52
10. Mr. Veera Vinitjaras	21,866,666	1.82

Issuance of other securities

Bill of exchange

As of December 31, 2016 the Company has bills of exchange outstanding detail as follows;

No.	Type	Issue date	Due date	Interest rate	Amount (Baht)
ACC 070716-01	B/E	07/07/2559	07/04/2560	6.10%	10,000,000

Total bills of exchange outstanding **10,000,000**

Long term debenture

During year 2016 the Company issued debenture no. 1/2016, specified name of holder, unsubordinated, unsecured and with a debenture holders' representative and cannot be redeemed before maturity, total 600 million Baht, term of 1 year 9 months, due on April 9, 2018, interest rate 6% per year to offer to investor according to the Securities and Exchange Commission's announcement. The purpose is to use proceeds from the issuance of debentures to repay the existing debt. This will reduce the company's financial cost. And to be used as working capital for developing current projects and new projects and support the expansion of the company. The debentures have a par value of Baht 1,000 per unit, interest will be paid on a quarterly basis and a one-time principal repayment on the maturity date.

Convertible Securities (Warrant)

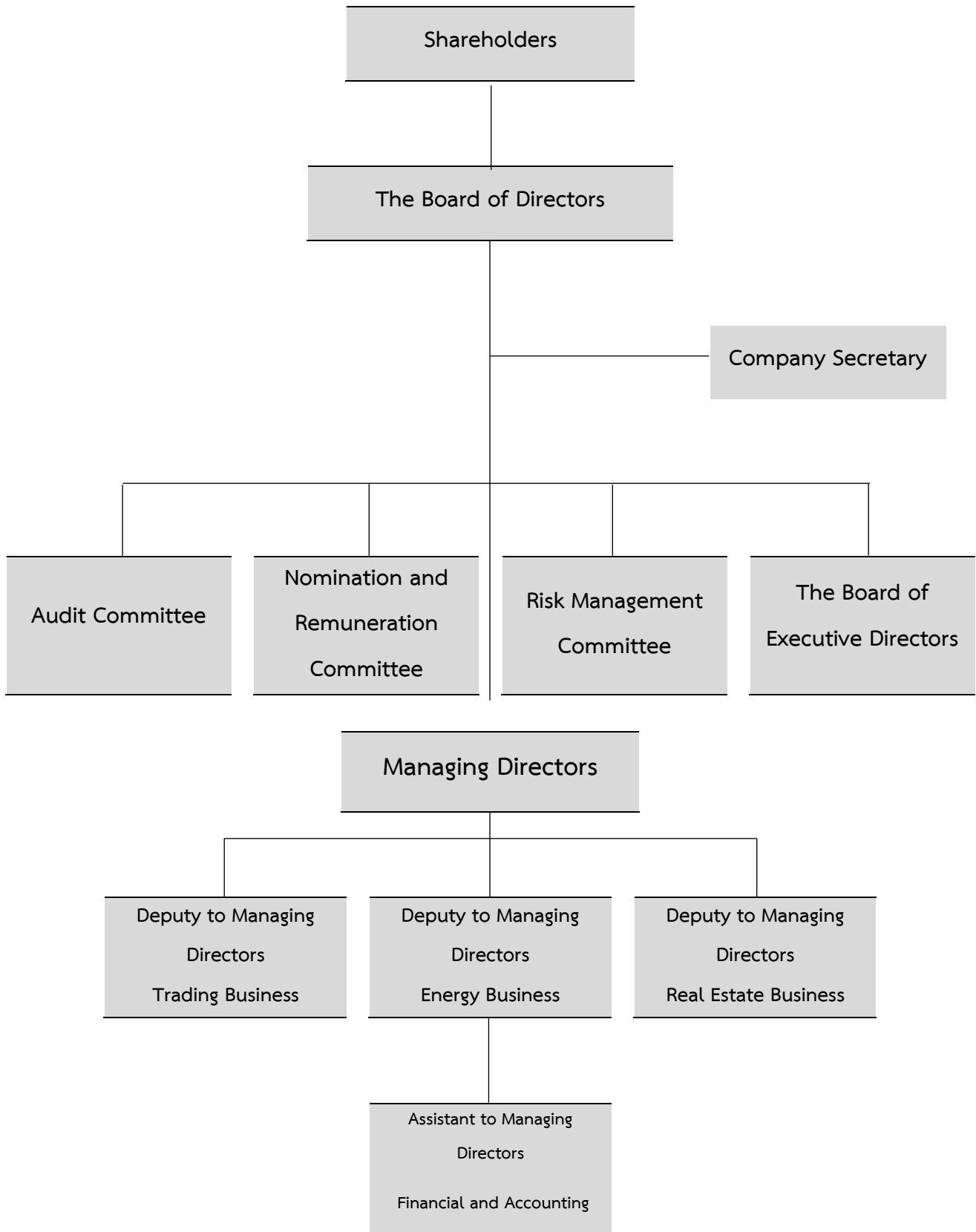
According to an Extraordinary General meeting of shareholders No. 1/2016 on March 11, 2016 has a resolution to approve the issuance and offering of warrants to purchase ordinary shares of Advanced Connection Corporation Plc. No. 1 (ACC-W1) amount not more than 300,000,000 units to offer to the existing shareholders in proportion of shareholding with the following detail as follows;

Date of listing	May 3, 2016 (Start to trade mid-June 2016)
Types of Securities	Warrants to purchase ordinary shares of Advanced Connection Corporation Plc.
Secondary market	The Stock Exchange of Thailand
Number of warrants	299,999,650 units
Number of shares reserved for exercise	299,999,650 shares (par value at 0.25 Baht per share)
Rights of Warrants	One unit of warrant is entitled to purchase 1 ordinary share (subject to change in accordance with the conditions of right)

	adjustment) at the price of 1.25 Baht (unless the exercise price is adjusted in accordance with the right adjustment).
Types of Warrants	Specified name of holder and transferable
Term of Warrants	3 years from the date of issuance and offering of warrants (From May 3, 2016 until May 2, 2019). After the issuance of the warrants The Company will not extend the term of the warrants.
Price of warrants	-0- Bah (Zero Baht)
Distribution of warrants holding	As of April 5, 2016

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 Annual General Shareholder Meeting, Extraordinary General Shareholder Meeting and Board of Director Meeting for year ended December 31, 2016 are as follows:

Name – Surname	Natio nality	Position	Annual General Shareholder Meeting of Year 2016	Extraordinary General Shareholder Meeting No. 1/2016	Time attended Board of Director Meeting
1. General Kasemsak Plooksawat	Thai	Chairman of the Board of Director/ Independent Director	Attend	Attend	13/15
2. Suvit Thaniyavarn, Ph.D.*	Thai	Vice Chairman of the Board of Director	Attend	Attend	10/10
Ms. Sudthida Chirapatsakul*	Thai	Vice Chairman of the Board of Director	-	-	2/4
3. Mr. Yuttana Taepangthong	Thai	Director	Attend	Attend	15/15
4. Mr. Sarin Ruangsorn	Thai	Director	Attend	Attend	13/15
5. Mr. Pavint Ruangvoraboon	Thai	Director	Attend	Attend	14/15
6. Arichai Ractham, Ph.D.	Thai	Chairman of the Audit Committee/ Independent Director	Attend	Attend	15/15
7. Dr. Charnsiri Suetrong	Thai	Audit Committee/ Independent Director	Attend	Attend	14/15
8. Mr. Pasu Sukhumvart	Thai	Audit Committee/ Independent Director	Attend	Attend	14/15

*Resigned September 8, 2016 the Board of Director has a resolution to appoint Ms. Sudthida Chirapatsakul for replace.

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 year ended December 31, 2016 are as follows:

Name - surname	Position	Time attended
1. Arichai Ractham, Ph.D.	Chairman of the Audit Committee	5/5
2. Dr. Charnsiri Suetrong	Audit Committee	5/5
3. Mr. Pasu Sukhumvart	Audit Committee	4/5

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 assignation from Board of Directors. The roles, duties and responsibilities of the NRC are as follows;

- 1) Determinate 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) Responsible for the Board of Directors and has responsible to explain and answer the questions with the remuneration of the directors in the shareholders meeting.
- 8) 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.
- 9) 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 year ended December 31, 2016 are as follows:

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

*Resigned September 8, 2016 the Board of Director has a resolution to appoint Ms. Sudthida Chirapatsakul for replace.

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, 2016 are as follows:

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

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 year ended December 31, 2016 are as follows:

Name - surname	Position	Time attended
1. Mr. Yuttana Taepangthong	Managing Director Take care of all businesses	12/12
2. Mr. Sarin Ruangsorn	Deputy Managing Director Take care of real estate business	12/12
3. Mr. Pavint Ruangvoraboon	Deputy Managing Director Take care of energy business	12/12
4. Mr. Ekawat Swetarat	Deputy Managing Director Take care of trading business	12/12
5. Mr. Kittti Kanokudomsap	Assistant to Managing Director Take care of financial and accounting department	12/12
6. Ms. Natthakarn Santayanont	Company Secretary	12/12

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 year ended December 31, 2016 the Company paid remuneration to Directors and other Committees total of 2,746,000 Baht. Detail by person are as follows:

Name - surname	Position	Remuneration (Baht)
1. General Kasemsak Plooksawat	Chairman of the Board of Director	810,000
2. Suvit Thaniyavarn, Ph.D.*	Director Chairman of the Nomination and Remuneration Committee	295,000
Ms. Sudthida Chirapatsakul *	Director Chairman of the Nomination and Remuneration Committee	20,000
3. Mr. Yuttana Taepangthong	Director Risk Management Committee	150,000
4. Mr. Sarin Ruangsorn	Director	130,000
5. Mr. Pavint Ruangvoraboon	Director	140,000
6. Arichai Ractham, Ph.D.	Director Chairman of Audit Committee Chairman of Risk Management Committee	605,000
7. Dr. Charnsiri Suetrong	Director Audit Committee Risk Management Committee	293,000
8. Mr. Pasu Sukhumvart	Director Audit Committee Nomination and Remuneration Committee	303,000
9. Mr. Ekawat Swetarat	Nomination and Remuneration Committee	3,000

*Resigned September 8, 2016 the Board of Director has a resolution to appoint Ms. Sudthida Chirapatsakul for replace.

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 year ended December 31, 2016, the Company paid in cash to management, as defined by the Capital Market Commission, including 5 persons totaling 8,824,990 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 year 2016, the Company arranged an Extraordinary General Shareholders' Meeting No. 1/2016 on March 11, 2016 at Chatrium Riverside Bangkok Hotel. And arranged an Annual General Shareholders' Meeting of the year 2016 on April 27, 2016 at Novotel Bangna 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 14 and 7 working days prior to each meeting, respectively. 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 their 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 1-Non-Executive Director, 3-Executive Director and 4-Independent Director (equal to 1 in 2 of all members of the Board). The Company has an effective power balance. Names of authorized directors 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 aware of their duties and responsibilities. To oversee and manage the Company's financial reports to be accurate, complete, transparent. The consolidated financial statements of the Company and its subsidiaries and the financial information appearing in the annual report are prepared in accordance with generally accepted accounting standards. Adopt the proper accounting policies and always treat them consistently, and carefully discretion and use the best estimate of the preparation. And also disclose materiality information sufficient in the notes to the financial statements to benefit shareholders and investors to get information shown financial status and the operating results completely, accurately and reasonable.

In this regard, the Board of Directors has appointed the Audit Committee, consists of independent and non-executive directors, to be a moderator about the quality of financial reporting. The opinion of the Audit Committee on this issue appears in the report of the Audit Committee as shown in the Annual Report. The Audit Committee has an opinion that the overall internal control system of the Company is satisfactory and can reasonably be confident in the reliability of the Company and subsidiaries' financial statements as of December 31, 2016.

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 with 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. More detail is disclosed in section of Management Structure.

Related Party Transaction

Unit: Thousand Baht

Company / Related person	Transaction Value		Description of Related party transaction	Nature of Relationship	Necessary and Appropriation of Transaction
	For the year ended 31/12/2016	For the period ended 31/12/2015			
C.E.I. (Chiangmai) Co., Ltd. (CEI CM)	3,746	1,571	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.
	3,840	1,240	Allowance for doubtful debt (interest income)		
	23,913	25,175	Accrued loan interest income, Borrowing at Interest 3.5 % per year. From 1 May 2015 reduced interest to 0.75 % per year		
	41,340	37,500	Allowance for doubtful account (Subsidiary company loss over its capital.)		
	493,179	501,279	Loan for Subsidiary		
	1,000	1,000	Investment in Subsidiary		
	999	999	Impairment of Investment (Subsidiary company loss over its capital.)		
ACC Green Energy Co., Ltd. (ACCG)	3,250	3,250	Investment in Subsidiary	ACC holds 100%	Not operating business yet
	146,700	-	Short term loan		ACC lending loan for land on Sirae Island, Phuket province acquiring without interest
Bangpakong Solar Power Co., Ltd. (BPS)	24,990	24,990	Investment in Subsidiary	ACC holds 51%	To invest in solar power energy on rooftop

Related Party Transaction (continue)

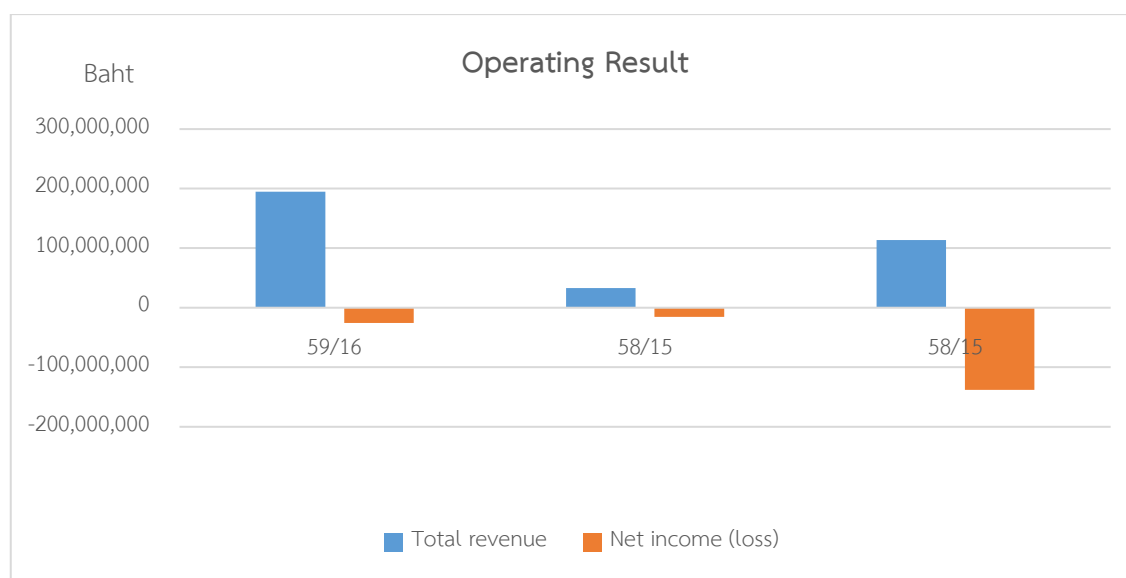
Unit: Thousand Baht

Company / Related person	Transaction Value		Description of Related party transaction	Nature of Relationship	Necessary and Appropriation of Transaction
	For the year ended 31/12/2016	For the period ended 31/12/2015			
ACC Landmark Co., Ltd. (ACCL)	37,500	37,500	Investment in subsidiary	ACC holds 75.00%	Operate Real Estate Development
	2,000	-	Short term loan		ACC lending loan for use as short term working capital at interest rate of 7.50% per year
	3	-	Accrued loan interest income		
	54	-	Interest income		
ACC Electric Co., Ltd. (ACCE)	999	999	Investment in subsidiary	ACC holds 100%	Not operating business yet
	290,000	-	Short term loan		Investment in other business. On June 13, 2016 acquired 100% of share of Saraburi Group. Interest rate at 0.75%
	1,204	-	Accrued loan interest income		
	1,204	-	Interest income		
Saraburi Group	290,000	-	Investment in subsidiary (indirect through ACCE)	ACCE holds 100%	Invest in solar power energy on ground (Solar Farm)
	900	-	Management service fee		ACC charge Management service fee
Prime Mansion Co., Ltd.	12,500	12,500	Hold shares in ACC Landmark Co., Ltd. 25,000 shares at 25% Investment in subsidiary	Shareholder in ACCL	Has experience in real estate development
	1,000	-	Lending short term loan to ACCL in proportion		Interest rate at 7.50%
		250	Sold investment in ACCL		

Analysis and Management Report

Operation Result

Year	2559	2558 (Aug 2015 – Dec 2015)	2558 (Aug 2014 – Jul 2015)
Total Revenues	194,960,598	32,861,599	107,388,152
Net Profit (Loss)	(25,499,534)	(15,282,667)	(137,850,947)



Income Structure:

Unit: million baht

	Consolidated Financial Statements					
	2016 31 Dec 2016		2016 (Aug 2015 – Jul 2016)		2015 31 Jul 2015	
	Baht	%	Baht	%	Baht	%
Revenue from sales	15.80	9.73	4.17	13.79	7.66	7.13
Revenue from services (subsidiary)	-	-	-	-	50.43	46.96
Rental income	55.52	34.18	26.06	86.21	49.30	45.91
Revenue from sell renewable energy	91.10	56.09	-	-	-	-
Total	162.42	100.00	30.23	100.00	107.39	100.00

In year 2015, the Company changed accounting period from August 1 to July 31 to January 1 to December 31. The Financial Statements assure by an auditor present in period of January 1, 2016 to December 31, 2016 (Current year Financial Statements) compare with period of August 1, 2016 to December 31, 2016 (Prior year Financial Statements) which is comparison period of 12 months and 5 months which the Company

cannot bring the operating result of the same period of prior year to compare. Therefore, the Company use information in Note 40 of the Financial Statements, which prior year information was not audited by the auditor, use to explain the Company and its subsidiaries performance as follows;

Performance of the period from January 1, 2016 to December 31, 2016 is loss for 25.50 million Baht compare with performance of same period of prior year was loss 179.63 million Baht. Net loss decrease from same period of prior year for 154.13 million Baht or 85.80% from the following reasons;

1. Total revenue increase 103.45 million Baht or 113.03% compare with same period of prior year because of;

1.1) Revenue from sale of electricity increase 91.10 million Baht or 100% due to recognize revenue from solar power energy project (solar farm) in Saraburi province

1.2) Revenue from sale increase 12.35 million Baht due to continuous marketing strategy.

1.3) Other revenue increase from Gain on assets disposal 20.27 million Baht from disposed of PS Tower, office building.

2. Cost of goods sold and service rendered increase 39.29 million Baht or 74.71% due to increase in Revenue from Sale and Revenue from sale of solar power energy (solar farm) in Saraburi province.

3. Selling and administrative expenses decrease 153.43 million Baht or 71.14% due to

3.1) Selling and service expenses increase 2.49 million Baht or 43.84%

3.2) Administrative expenses decrease 155.92 million Baht or 74.25% due to in the same period of prior year, the Company set the allowance for doubtful account, long term loan and accrued interest income from other company total 58.64 million Baht and allowance for impairment in assets and long term investment total 59.92 million Baht.

4. Financial cost increase 54.50 million Baht or 1,874.24% due to the Company expand business by using more loan.

❖ Liquidity and Financial Ratios

Cash flow

As of December 31, 2016 the Company and its subsidiaries have cash flow from operating activities decreased by 262.35 million Baht, cash flow from investment activities decreased by 139.56 million Baht and cash flow from financing activities increased by 383.61 million Baht, resulting to net cash equivalents decreased by 18.31 million Baht due to the Company funding from issuance debenture without secured amount of 587.78 million Baht (value of debenture is 600 million Baht) for use in operating and investing in renewable energy and other business that generate good return and secure.

The Company funding from short term loan whereas most of company's investments are long term that is unappropriated. The Company use this method because in the past, the Company expand its business by using cash, thus no credit history from financial institutions making tough to get a loan. Along with economic conditions, financial institutions need to be cautious in lending. However, the Company use such method of

funding only for temporary due to the Company need to invest in order to diversify business. Now, the Company is during seeking for source of fund that more consistent with the project invested.

The sufficient of liquidity from cash flow statement as of December 31, 2016, net cash flow from financing was 383.61 million Baht, net cash flow from investing was 139.56 million Baht, cash and cash equivalent as of December 31, 2016 was 30.64 million Baht and the Company consider that is sufficient liquidity for operations.

Debt payment ability and compliance with loan conditions classified by business are as follows;

- Trading business of ceiling fan/lamps : the Company has credit from Bangkok Bank Plc. 38 million Baht compose of overdrafts, PN, LC, TR that are sufficient for ordering goods from foreign and domestic. This credit is secured by cash at 25% of credit limit. In the past, the company has been able to repay the loan under the conditions.
- Real estate business : Town home in Sattahip sub district, Chonburi province, operates by ACCL received loan from KrungSri Plc. in form of Project Finance loan, secured by land in the project. ACCL has been able to repay the loan under the conditions.
- Renewable energy business : Saraburi project group have Siam Commercial Bank Plc. as lender loan. Saraburi Group have been able to repay the loan under the conditions. W.SOLAR, BSP, 105 Solar can operate by their share registered.

In the past year, the company has been invested in many projects and the Company can approach to source of fund and able to repay the loan under the conditions. The Company has more assets such as land and buildings in Bangpu Industrial Estate, Condominium in Country Complex Tower B, land and buildings of CEI (CM), all of them have no obligation. If the Company need fund, these assets can be used as collateral or sale in order to get cash to invest in projects.

Current assets to current liabilities Ratio

As of December 31, 2016 the Company has liquidity of current assets after deduction of less liquidity assets 3.72 times of current liabilities increase 2.60 times from December 31, 2015 due to the Company using loan to expand the business and invest in projects.

Debt to shareholders' equity Ratio

As of December 31, 2016 the Company has debt to shareholders' equity ratio 1.23 times, as of December 31, 2015 has debt to shareholders' equity ratio 0.31 time, increase 0.92 time due to the Company expand business by use more loan. However, debt to shareholders' equity ratio are low, the Company has ability to funding for invest in other projects. The management of the company is still very cautious in providing the funding source that consistent with the investment.

Gross margin Ratio

Gross margin ratio of year 2016 is 43.43% but same period of prior year 36.26%, increase in gross margin ratio 19.77%. For trading business, gross profit margin is 41.00% whereas average of industry is 30%. The

Company can make it higher due to sale directly to dealer and end user customer. Renewable Energy, gross margin ratio is 53.39% whereas average of industry is 50.00%, the Company can make it higher.

Net Income on Total Assets Ratio

Net Income on Total Assets Ratio of year 2016 is -1.58% whereas same period of prior year was -18.84% or increase 17.26% due to the operating result is/was loss and the Company has fixed assets that provide low yields compared to asset values. Now the Company is during sale of fixed assets to bring cash to other that make higher yields.

The Company set allowance for doubtful account for overdue accounts receivable 32.47 million Baht which is consider sufficient.

Inventory as of December 31, 2016 the Company set allowance for impairment of inventories 11.46 million Baht which is consider sufficient and the inventories being set allowance can be sold as normal price.

Net Income to Shareholders' equity Ratio

The Company has returns on investment of shareholders' equity for the period ended December 31, 2016 -2.79% whereas same period of prior year -22.05% or increase 13.65% due to decrease in loss.

❖ Financial Position in the Past

Total Assets

The Company and subsidiaries have total assets at December 31, 2016 of 1,789.65 million Baht increase 722.88 million Baht or increase 67.76% compare with total assets at December 31, 2015 of 1,066.76 million Baht as of December 31, 2015 due to following reasons;

1. Cash and cash at bank decrease 18.30 million Baht due to in the period ended December 31, 2016 the Company bring excess cash to invest in bond that give more returns than interest on deposits.
2. Temporary investment increase 79.74 million Baht due to the Company invest in bond.
3. Trade receivable and other receivable increase 30.07 million Baht due to as of December 31, 2016 the Company has more trade receivable from investment in Saraburi Group.
4. Doubtful debt of 32.47 million Baht from Culminate Airy Co., Ltd. former dealer, which already set allowance for doubtful account since period ended December 31, 2015. The Company cancelled to sell to Culminate Airy and during the legal process. Now, the Company has systematically credit grant to customer by checking customer history. And directly sell so, not has few major customers.
5. Inventories increase 46.88 million Baht due to period ended December 31, 2016 the Company import more goods to prepare selling in Modern trade.
6. Allowance for obsolete inventories 11.46 million Baht, mostly are fan, part of fan. From financial statements as of December 31, 2016, the Company set allowance for obsolete inventories due to quantity sold and quantity remained are not relate. More inventories than sold quantity by comparing to past selling history so, has to set allowance for obsolete inventories even not

reached the age according to accounting policy. The company has to increase sale in order to get back to use criteria to set allowance for obsolete inventories according to the accounting policy. The Audit Committee meeting No. 1/2017 has a resolution to approve policy to set allowance for obsolete inventories as follows;

Fan :

- Age not more than 1 year 6 months -
- Age more than 1 year 6 months but not more than 3 years 50%
- Age more than 3 years but not more than 5 years 75%
- Age more than 5 years 100%

Lamp & bulbs, LED :

- Age not more than 1 year 6 months -
- Age more than 1 year 6 months but not more than 2 ปี 50%
- Age more than 2 years but not more than 3 years 75%
- Age more than 3 years 100%

7. Impairment on investments 49.95 million Baht. Detail as follow;

In August 2009, the Company invested in Siam Water Co., Ltd. at 10% by purchasing such investments from existing shareholders at the price of 49.95 million Baht 450,000 shares with the book value of 100 Baht each. Subsequently, in January 2011, Siam Water Co., Ltd. registered to change its name to Siam Water Resources Plc. And on July 4, 2011, Siam Water Resources Plc. has called the Extraordinary General Meeting of Shareholders No. 2/2011 to propose a resolution to increase common shares from the registered capital of 450 million shares at the par value of 1 Baht to the registered capital of 540 million shares at a par value of Baht 1. However, the Company did not increase the proportion of its investment. As a result, the proportion of investment in this company decreased from 10% to 8.33%.

The company set Impairment on this investments for all amount because Siam Water Resources Plc. did not submit the financial statements and there has been no shareholders' meeting since 2013. The Company consider that there is no information available to measure the value of the investment. And also consulted with the auditor and have agreed to set allowance for impairment in the total value of the investment. Currently under negotiation to sale shares back to the former shareholders.

8. The project development cost increased by 47.10 million Baht because ACCL, subsidiary, Real Estate Development Project in Sattahip district, Chonburi province, did not recognize revenue.
9. Other current liabilities increase 11.27 million Baht due to year 2016 the consolidated financial statements were included Saraburi Group of Companies.
10. Non-current assets increase 530.56 million Baht due to
 - 10.1 Cash at bank with obligation increase 53.67 million Baht from increase in loan collateral of Solar power project of Saraburi Group to the Commercial Bank.
 - 10.2 Investment in associated company increase 1.11 million Baht because recording of Investment in associated company (W.Solar) under equity method. Investment value

was 39.20 million Baht, Income under equity method was 1.11 million Baht total investment value in associated company were 40.57 million Baht.

- 10.3 The advance payment for investment decreased by 175.00 million Baht because the Company paid the entire investment in the power plant in Saraburi province. The remaining investment of 14.00 million Baht is the advance payment invested in 105 Solar Power Co., Ltd. of 7 million Baht. On December 23, 2015, the Company entered into a memorandum of agreement to buy ordinary shares of 105 Solar Power Co., Ltd. ("Solar") from Wyncoast Industrial Park Plc. ("Wyncoast") to operate a solar power plant on a rooftop of factory. The investment value in the amount of 19.89 million Baht to acquire 51% shareholding. On December 28, 2015, the Company paid the first payment of 7 million Baht. On January 8, 2016, the Company paid the second installment of 7 million Baht. The remaining amount was 5.89 million Baht. The Company will pay when 105 Solar start Commercial Operation Date (COD) And Wyncoast will transfer ownership of the shares within 14 days after receiving the full payment. Currently 105 Solar is in process of applying for BOI promotion and register the increment of capital. Expected to be recognized revenue in 2017.
- 10.4 Land held for development increase 146.81 million Baht. ACCG, subsidiary company, as the transferee for the ownership of land with title deed no. 12684 land sheet 4624 I 3872 dealing file number 14842 area 11 Rai, Russada subdistrict, Muang Phuket, Phuket province from Thai Lanna food and cultural Co., Ltd. ("Thai Lanna") according to the contract to buy and sell dated on April 20, 2016 at price of 180.00 million Baht for investment in real estate development. The company paid the first part to study the project in the amount of 150.00 million Baht. Later Thai Lanna cannot transfer the land according to the contract. The company has taken legal action to force Thai Lanna Property for debt settlement. On November 11, 2019, the Company received a land transfer of 146.81 million Baht, lower than the contract to buy and sell price of 33.19 million Baht.
- 10.5 Investment property decreased by 5.56 million Baht because the Company sold PS Tower office building.
- 10.6 Property, plant and equipment increased by 514.88 million Baht due to the recognition of assets of Saraburi power plant. Most of them are machinery used to produce solar power energy.
- 10.7 Deferred tax assets decreased by 6.78 million Baht due to the company cut to income tax expense.
- 10.8 Non-current assets increased by 1.44 million Baht due to
 - Withholding tax increased by 1.02 million Baht.
 - Withholding tax of C.E.I. (Chiangmai) Co., Ltd. (Subsidiary) increased by 0.42 million Baht. The tax was withheld from the rental of the cultural center of food and show : Khum KhanToke.

Total Liabilities

The Company's total liabilities as of December 31, 2016 was 986.95 million Baht, increase of 732.17 million Baht more than 100% compare with total liabilities 254.78 million Baht as of December 31, 2015 due to the following reasons;

- The Company issued one-year, nine-month debentures amounting to 587.78 million Baht (net of financing expenses). To invest in solar power energy projects of Saraburi Group, to improve the factory buildings and to use as working capital.
- Long-term loans from financial institutions increased by 240.23 million Baht due to long-term loans for solar power energy projects of Saraburi Group and ACCL's long term Commercial bank loan for Townhome in Sattahip district, Chonburi province.
- Provision for long-term liabilities increased by 3.68 million Baht, resulting from the conclusion of court case in case of litigation for compensation for labor case of 2.52 million Baht. The company can claim damages from the insurer, which presented as other income in the statement of income.

In Note 4 to the financial statements, there is loan from related party amount of 1.00 million Baht. The loan is in form of Promissory note of ACCL loan from shareholders of Prime Mansion Co., Ltd. with 7.50% interest rate, no collateral.

Shareholders' Equity

The Company and its subsidiaries have shareholders' equity of the parent company as at December 31, 2016 of 802.70 million Baht decrease 9.29 million Baht or decrease 1.14% compare with shareholders' equity 811.98 million Baht as at December 31, 2015 because of the company's annual operating results was loss.

Statement of Financial Position

Unit : thousand Baht

Description	Consolidated Financial Statement					
	Audited (Year) 31 Jul 2015		Audited (Year) 31 Dec 2015		Audited (Year) 31 Dec 2016	
	Amount	%	Amount	%	Amount	%
Assets						
Current assets						
Cash and cash equivalents	66,989	8.08	48,948	4.59	30,640	1.71
Temporary investment	133,841	16.15	120,000	11.25	199,745	11.16
Trade receivables and other receivables	17,839	2.15	7,433	0.70	37,502	2.10
Short terms loan and accrued interest to related company	-	-	-	-	-	-
Inventories	-	-	9,802	0.92	56,683	3.17
Cost of project development	-	-	52,511	4.92	99,615	5.57
Other current liabilities	10,635	1.28	13,138	1.23	19,967	1.12
Total current assets	229,304	27.67	251,833	23.61	444,152	24.82
Non-current assets						
Cash at bank – obligation	-	-	1,200	0.11	54,873	3.07
Investment in associated company	39,200	4.73	39,464	3.70	40,574	2.27
Investment in subsidiary company	-	-	-	-	-	-
Other long term investment						
Prepaid payment for investment	20,000	2.41	189,000	17.72	14,000	0.78
Land to development					146,807	8.20
Real estate for investment	492,379	59.41	491,830	46.10	486,266	27.17
Property, plant and equipment	37,132	4.48	79,883	7.49	594,760	33.23
Goodwill	-	-	175	0.02	175	0.01
Deferred tax assets	6,894	0.83	6,779	0.64	-	-
Other non-current assets	3,940	0.48	6,598	0.62	8,037	0.45
Total non-current assets	599,545	72.33	814,930	76.39	1,345,492	75.18
Total assets	828,850	100.00	1,066,762	100.00	1,789,645	100.00

Statement of Financial Position (continue)

Description	Consolidated Financial Statement					
	Audited (Year) 31 Jul 2015		Audited (Year) 31 Dec 2015		Audited (Year) 31 Jul 2015	
	Amount	%	Amount	%	Amount	%
Liabilities and shareholders' equity						
Current liabilities						
Short term loan from financial institution	-	-	-	-	22,215	1.24
Trade payable and other payable	9,272	1.12	22,679	2.12	23,225	1.30
Current portion of liabilities	6.18	0.07	748	0.07	37,648	2.10
Income tax payable						
Short term loan from related parties	-	-	226	0.02	1,000	0.06
Short term loan from other company	-	-	188,365	17.66	10,000	0.56
Other current liabilities	576	0.07	2,572	0.24	15,715	0.88
Total current liabilities	10,467	1.26	214,591	20.12	109,804	6.14
Long term loan from financial institution	-	-	26,000	2.44	266,227	14.88
Long term liabilities under finance leases	2,210	0.27	2,196	0.21	1,437	0.08
Debenture					587,784	32.84
Deferred income tax liabilities					9,134	0.51
Provision for long-term liabilities	650	0.08	1,687	0.16	5,368	0.30
Deposit	7,914	0.95	10,303	0.97	7,195	0.40
Total non-current liabilities	10,774	1.30	40,18	3.77	877,146	49.01
Total liabilities	21,241	2.56	254,778	23.88	986,850	55.15
Shareholders' equity						
Share registered	300,000	36.19	300,000	28.12	300.00	20.95
Share issued and fully paid-up	300,000	36.19	300,000	28.12	300.00	16.76
Premium on ordinary shares	535,387	64.59	535,387	50.19	496,575	27.75
Retained earnings (loss)						
Appropriated	24,000	2.90	24,000	2.25	-	-
Unappropriated	(51,778)	(6.25)	(66,438)	(6.23)	(26,141)	(1.46)
Total equity attributable to shareholders of the parent	807,609	97.44	792,949	74.33	770,433	43.05
Non-controlling interests			19,035	1.78	32,262	1.80
Total shareholders' equity	807,609	97.44	811,985	76.12	802,695	44.85
Total liabilities and shareholders' equity	828,850	100.00	1,066,762	100.00	1,789,645	100.00

Statement of comprehensive income

unit : thousand Baht

Description	For year ended		For 5-month ended ⁽¹⁾		For year ended	
	Audited		Audited		Audited	
	Jul 31, 2015		Dec 31, 2015		Dec 31, 2016	
	Amount	%	Amount	%	Amount	%
Revenue from sale and service	107,388	100.00	30,228	100.00	162,412	100.00
Cost of sale and service	(78,686)	-73.27	(17,937)	-59.34	(91,879)	-56.57
Gross profit	28,702	26.73	12,290	40.66	70,533	43.43
Selling and service expenses	(6,387)	-5.95	(2,402)	-7.95	(8,170)	-5.03
Administrative expenses	(163,790)	-152.52	(25,046)	-82.86	(54,084)	-33.30
Total expenses	(170,177)	-158.47	(27,448)	-90.80	(62,254)	-38.33
Income from operations	(141,475)	-131.74	(15,158)	-50.14	8,279	5.10
Other income	6,046	5.63	2,634	8.71	32,549	20.04
Financial costs	-	-	(2,908)	-9.62	(57,411)	-35.35
Share of profit (loss) of associated company	-	-	264	0.87	1,110	0.68
Profit (loss) before income tax	(135,428)	-126.11	(15,168)	-50.18	(15,474)	-9.53
Income tax expenses	(2,423)	(2.26)	(115)	-0.38	(10,025)	6.17
Income (loss) for the period	(137,851)	-128.37	(15,283)	-50.56	(25,500)	-15.70
Income (loss) for the period attributable to						
Equity holders of the Company	(137,851)	-128.37	(14,186)	-46.93	(22,516)	-13.86
Non-controlling interests	-	-	(1,096)	-3.63	(2,983)	-1.84
Income (loss) per share						
Basic income (loss) per share (Baht)	(0.1559)		(0.0118)		(0.0188)	

Note:

(1) The Company changed accounting period from August 1 – July 31 of the next year to January 1 – December 31 of every year. The Financial Statements for 5-month period ended December 31, 2015 are comprehensive comparison data for five months only.

Summarized of Comparative Cash flow statements

unit : thousand Baht

Description	Consolidated financial statements		
	Dec 31, 2016	Dec 31, 2015	Jul 31, 2015
Cash flow from operating activities	(262,354)	(46,948)	(46,948)
Cash flow from investing activities	(139,564)	(195,070)	(195,070)
Cash flow from financing activities	383,609	223,977	223,977
Cash and cash at bank (decrease) increase	(18,308)	(18,041)	(18,041)
Impact of exchange rates on cash and cash equivalents		-	157
Cash and cash at bank – beginning	48,948	66,989	66,989
Cash and cash at bank – ending	30,640	48,948	48,948

The table of Key Financial Ratios

Key financial ratio	unit	2016 (31/12/2016)	2015 (31/12/2015)	2014 (31/07/2015)	2014 (31/07/2014)
Liquidity Ratio					
Liquidity ratio	time	4.04	1.17	21.91	3.01
Quick ratio	time	3.72	1.11	21.54	2.71
Liquidity ratio to cash flow	time	(1.62)	(0.42)	(2.42)	1.24
Trade receivables turnover	time	3.02	0.71	2.64	2.90
Average collection period	day	50.71	214.50	136.20	124.04
Inventory turnover ratio	time	3.77	2.17	11.24	6.48
Average selling time	day	40.59	70.60	32.46	56.33
Account payable turnover	time	96.74	96.40	133.91	76.02
Repayment period	day	1.58	1.59	2.73	4.80
Cash Cycle	day	89.71	283.50	165.95	175.57
Profitability Ratio					
Gross margin	%	43.43	40.66	26.73	36.95
Operating margin	%	(9.53)	(50.18)	(126.11)	11.40
Cash to profitability ratio	%	(1,695.46)	(309.52)	(31.95)	224.93
Net profit margin	%	(13.08)	(46.51)	(121.52)	5.94
Return on equity	%	(2.79)	(1.75)	(18.18)	4.61
Performance ratio					
Return on assets	%	(1.79)	(1.61)	(17.49)	1.15
Return on fixed assets	%	(2.72)	(2.58)	(25.37)	0.03
Assets turnover	time	13.65	3.47	14.40	0.19
Financial Policy Ratio					
Debt to equity ratio	time	1.23	0.31	0.03	0.05
Interest capability ratio	time	5.57	17.14	-	-
Capability ratio (Cash Basis)	time	(0.03)	(0.22)	(12.45)	0.02
Dividend pay-out ratio	%	NA	NA	NA	NA

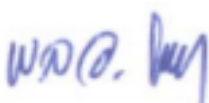
The Board of Directors' Responsibility for Financial Reporting

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 year ended December 31, 2016 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 related party transaction. The opinions of the Audit Committee on this subject appears in the year 2016 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 Siam Truth Audit Co., Ltd. In regard to the audit, the Board of Directors had supported information and documents that allowed auditor to review and comment according to accounting standards. The opinions of 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 year ended December 31, 2016 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.) 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 year ended December 31, 2016 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 2016. 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 2016 and

propose to the Board of Directors and propose at the shareholders meeting of the Company for consideration of appointment.

The Audit Committee had performed duties independently from the Board of Directors and Management of the Company. And report the performance to the Board of Directors of the Company on behalf of the Audit Committee already.



(Arichai Ractham, Ph.D.)

Chairman of Audit Committee

AUDITOR'S REPORT

To the Shareholders of Advanced Connection Corporation Public Company Limited and its subsidiaries

Opinion

I have audited the accompanying consolidated and separate financial statements of Advanced Connection Corporation Public Company Limited and its subsidiaries ("the Group") and of Advanced Connection Corporation Public Company Limited ("the Company"), respectively, which comprise the consolidated and separate statement of financial position as at December 31, 2016, the consolidated and separate statement of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Advanced Connection Corporation Public Company Limited and its subsidiaries and of Advanced Connection Corporation Public Company Limited as at December 31, 2016, and their consolidated and separate financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of my report. I am independent of the Group and the Company in accordance with the Code of Ethics for Professional Accounts issued by the Federation of Accounting Professions under the Royal Patronage of his Majesty the King that are relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Purchase on land

As described in note 15 to the financial statements, during the year 2016, the Group invested in a piece of land located in Phuket province, Thailand, in the amount of Baht 146.81 million, presented in land held for development account, for allocating and distributing in the near future. In this regards, the management has made the significant judgement to determine the budget for land development and the appropriate selling price. I focused on this area because land held for development is material to the overall of financial statements, and in the fact that the Group has less experience in the development and allocation land with such nature and location to distribute. There is a risk that the Group cannot sell the allocation land at the expected prices, including within the determined period affected to loss on sales of land at the selling price less cost to make the sale (“net realizable value”) which is lower than cost of allocation land or the sell period would be delayed.

I performed procedures to test the Company’s calculation model using to calculate the net realizable value by considering the feasibility study report of this project and assess the possibility in the development and allocation of such land for distribution. I also performed to assess the Group’s capabilities and experiences in the property development business, including the needs of the consumers to land located in Phuket province, Thailand, and consider the selling price establishment by comparing to the selling price of land located nearby.

Other Matters

I draw attention to note 2 to the financial statements, the Company changed their 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 comparative statements of comprehensive income, changes in shareholders' equity and cash flows for the five months period ended December 31, 2015, comprises only five months, affecting to the figures presented in such period are not comparable. Therefore, supplementary information in note 40 has been prepared as additional information in the form of unaudited statements of comprehensive income for the twelve months periods ended December 31, 2015. I have not audited the supplementary information and do not express any audit opinion on such information.

Other Information

Management is responsible for the other information. The other information comprises the information included in annual report of the Group, but does not include the consolidated and separate financial statements and my auditor’s report thereon. The annual report of the Group is expected to be made available to me after the date of this auditor’s report.

My opinion on the consolidated and separate financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements

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

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

Those charged with governance are responsible for overseeing the Group's and the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

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

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

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Bunjong Pichayaprasat

Certified Public Accountant

Registration No.7147

Siam Truth Audit Company Limited

Bangkok, February 28, 2017

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

ADVANCED CONNECTION CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2016

Baht

		Consolidated financial statements		Separate financial statements	
	Note	2016	2015	2016	2015
Assets					
Current assets					
Cash and cash equivalents	5	30,639,634.96	48,948,104.30	17,874,382.96	22,709,901.29
Current investments	6	199,745,130.51	120,000,000.00	199,745,130.51	120,000,000.00
Trade and other receivables	4, 7	37,502,062.69	7,433,110.98	5,955,658.63	5,032,556.20
Short-term loan and accrued interest income					
to related parties	4	-	-	914,657,900.46	488,953,688.64
Inventories	9	56,683,596.23	9,802,703.29	56,683,596.23	9,802,703.29
Cost of project development	10	99,615,183.65	52,510,574.65	-	-
Other current assets		19,966,896.53	13,138,254.41	8,696,278.76	7,229,308.14
Total current assets		444,152,504.57	251,832,747.63	1,203,612,947.55	653,728,157.56
Non-current assets					
Restricted bank deposits	11	54,873,400.78	1,200,000.00	9,500,000.00	-
Investment in associated company	4, 12	40,573,980.00	39,463,980.00	39,199,980.00	39,199,980.00
Investments in subsidiaries	4, 13	-	-	66,739,910.00	66,739,910.00
Advance payment for investments	14	14,000,000.00	189,000,000.00	14,000,000.00	189,000,000.00
Land for future development	15	146,807,352.22	-	-	-
Investment property	17	486,266,464.22	491,829,932.70	48,348,321.64	30,517,997.35
Property, plant and equipment	18	594,759,771.27	79,883,416.34	18,889,045.64	17,819,942.99
Goodwill	13	174,993.68	174,993.68	-	-
Deferred tax assets	19	-	6,778,888.80	-	6,778,888.80
Other non-current assets		8,036,738.48	6,598,509.46	5,193,601.87	3,968,574.00
Total non-current assets		1,345,492,700.65	814,929,720.98	201,870,859.15	354,025,293.14
Total assets		1,789,645,205.22	1,066,762,468.61	1,405,483,806.70	1,007,753,450.70

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

ADVANCED CONNECTION CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2016

Baht

		Consolidated financial statements		Separate financial statements	
	Note	2016	2015	2016	2015
Liabilities and shareholders' equity					
Current liabilities					
Short-term loan from financial institutions	20	22,215,207.90	-	22,215,207.90	-
Trade and other payables	21	23,225,313.04	22,679,478.38	16,843,302.26	12,015,722.01
Current portion of debts	22	37,648,405.64	748,405.64	748,405.64	748,405.64
Short-term loan from related parties	4	1,000,000.00	225,833.52	-	-
Short-term loan from other parties	23	10,000,000.00	188,365,339.95	10,000,000.00	188,365,339.95
Other current liabilities		15,714,957.11	2,572,414.18	929,490.86	283,244.40
Total current liabilities		109,803,883.69	214,591,471.67	50,736,406.66	201,412,712.00
Non-current liabilities					
Long-term loan from financial institutions	24	266,226,717.00	26,000,000.00	-	-
Long-term liabilities under finance leases	25	1,436,856.06	2,196,119.03	1,436,856.06	2,196,119.03
Debenture	26	587,784,410.96	-	587,784,410.96	-
Deferred tax liabilities	19	9,134,476.95	-	1,237,439.15	-
Employee benefit obligations	27	5,368,160.30	1,687,398.39	4,757,578.00	1,267,422.80
Deposit		7,195,337.11	10,302,582.86	3,195,337.11	6,302,582.86
Total non-current liabilities		877,145,958.38	40,186,100.28	598,411,621.28	9,766,124.69
Total liabilities		986,949,842.07	254,777,571.95	649,148,027.94	211,178,836.69
Shareholders' equity					
Share capital	29				
Authorized share capital					
1,500,000,000 ordinary shares in year 2016					
and 1,200,000,000 ordinary shares in year 2015,					
Baht 0.25 par value		375,000,000.00	300,000,000.00	375,000,000.00	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	30	496,574,614.01	535,386,997.86	496,574,614.01	535,386,997.86
Retained earnings (deficit)					
Appropriated - legal reserve	31	-	24,000,000.00	-	24,000,000.00
Unappropriated		(26,141,501.91)	(66,437,574.76)	(40,238,835.25)	(62,812,383.85)
Total equity attributable to shareholders of the parent		770,433,112.10	792,949,423.10	756,335,778.76	796,574,614.01
Non-controlling interests	13	32,262,251.05	19,035,473.56	-	-
Total shareholders' equity		802,695,363.15	811,984,896.66	756,335,778.76	796,574,614.01
Total liabilities and shareholders' equity		1,789,645,205.22	1,066,762,468.61	1,405,483,806.70	1,007,753,450.70

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

ADVANCED CONNECTION CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2016 AND FIVE-MONTH PERIOD ENDED DECEMBER 31, 2015

Baht

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Revenue from sales and services	4	162,411,855.89	30,227,587.60	40,414,048.34	17,727,587.60
Cost of sales and services	32	(91,879,140.60)	(17,937,234.80)	(19,106,068.30)	(5,450,230.97)
Gross profit		70,532,715.29	12,290,352.80	21,307,980.04	12,277,356.63
Other income	4	32,548,742.42	2,634,011.01	38,524,354.49	3,556,062.36
Selling and service expenses	32	(8,170,258.88)	(2,401,903.94)	(7,296,530.26)	(2,049,298.48)
Administrative expenses	4, 32	(54,084,300.26)	(25,045,877.85)	(42,692,338.39)	(21,890,618.87)
Finance costs		(57,410,834.67)	(2,908,220.86)	(42,065,973.18)	(2,473,700.32)
Share of profit of associated company	4	1,110,000.00	264,000.00	-	-
Loss before income tax		(15,473,936.10)	(15,167,638.84)	(32,222,507.30)	(10,580,198.68)
Tax expense	34	(10,025,597.41)	(115,028.15)	(8,016,327.95)	(115,028.15)
Loss for the year		(25,499,533.51)	(15,282,666.99)	(40,238,835.25)	(10,695,226.83)
Other comprehensive loss					
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		(25,499,533.51)	(15,755,656.29)	(40,238,835.25)	(11,168,216.13)
Loss for the year attributable to					
Equity holders of the Company		(22,516,311.00)	(14,186,252.00)	(40,238,835.25)	(10,695,226.83)
Non-controlling interests		(2,983,222.51)	(1,096,414.99)	-	-
		(25,499,533.51)	(15,282,666.99)	(40,238,835.25)	(10,695,226.83)
Total comprehensive loss attributable to					
Equity holders of the Company		(22,516,311.00)	(14,659,241.30)	(40,238,835.25)	(11,168,216.13)
Non-controlling interests		(2,983,222.51)	(1,096,414.99)	-	-
		(25,499,533.51)	(15,755,656.29)	(40,238,835.25)	(11,168,216.13)
Basic loss per share					
Loss attributable to equity holders of the Company		(0.0188)	(0.0118)	(0.0335)	(0.0089)
Weighted average number of ordinary shares (shares)		1,200,000,000	1,200,000,000	1,200,000,000	1,200,000,000

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

ADVANCED CONNECTION CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2016 AND FIVE-MONTH PERIOD ENDED DECEMBER 31, 2015

Baht

Consolidated financial statements								
Equity attributable to shareholders of the parent								
	Note	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings (deficit)		Total	Non-controlling interests	Total
				Appropriated to legal reserve	Unappropriated			
Beginning balance as at August 1, 2015		300,000,000.00	535,386,997.86	24,000,000.00	(51,778,333.46)	807,608,664.40	-	807,608,664.40
The subsidiary increase its ordinary shares	13	-	-	-	-	-	12,500,000.00	12,500,000.00
Purchase a subsidiary		-	-	-	-	-	7,631,888.55	7,631,888.55
Total comprehensive loss		-	-	-	(14,659,241.30)	(14,659,241.30)	(1,096,414.99)	(15,755,656.29)
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
The subsidiary increase its ordinary shares	13	-	-	-	-	-	16,210,000.00	16,210,000.00
Compensation for deficit	29	-	(38,812,383.85)	(24,000,000.00)	62,812,383.85	-	-	-
Total comprehensive loss		-	-	-	(22,516,311.00)	(22,516,311.00)	(2,983,222.51)	(25,499,533.51)
Ending balance as at December 31, 2016		300,000,000.00	496,574,614.01	-	(26,141,501.91)	770,433,112.10	32,262,251.05	802,695,363.15

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

ADVANCED CONNECTION CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2016 AND FIVE-MONTH PERIOD ENDED DECEMBER 31, 2015

Baht

	Note	Separate financial statements				Total
		Issued and paid-up share capital	Premium on ordinary shares	Retained earnings (deficit)		
				Appropriated to legal reserve	Unappropriated	
Beginning balance as at August 1, 2015		300,000,000.00	535,386,997.86	24,000,000.00	(51,644,167.72)	807,742,830.14
Total comprehensive loss		-	-	-	(11,168,216.13)	(11,168,216.13)
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
Compensation for deficit	29		(38,812,383.85)	(24,000,000.00)	62,812,383.85	-
Total comprehensive loss		-	-	-	(40,238,835.25)	(40,238,835.25)
Ending balance as at December 31, 2016		300,000,000.00	496,574,614.01	-	(40,238,835.25)	756,335,778.76

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

ADVANCED CONNECTION CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2016 AND FIVE-MONTH PERIOD ENDED DECEMBER 31, 2015

Baht

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cash flows from operating activities				
Loss before income tax	(15,473,936.10)	(15,167,638.84)	(32,222,507.30)	(10,580,198.68)
Adjustments to reconcile loss before income tax to cash provided by (used in) operating activities				
Depreciation and amortization	66,558,306.63	14,921,550.13	3,898,401.33	1,180,438.30
Doubtful accounts (reversal)	(224,650.00)	(864,674.50)	3,544,350.00	997,335.00
(Gain) loss from sale of assets	(20,266,532.78)	1,512,171.08	(20,266,532.78)	1,512,171.08
Unrealized gain on revaluation of investments	(357,644.17)	-	(357,644.17)	-
Loss from impairment of assets (reversal)	(2,546,000.00)	(1,059,389.00)	-	-
Loss from devaluation of inventories (reversal)	5,139,557.20	(546,982.77)	5,139,557.20	(546,982.77)
Employee benefit obligations	3,680,761.91	563,926.04	3,490,155.20	143,950.45
Interest income	(13,280,747.00)	(2,337,681.65)	(13,142,077.34)	(2,337,681.65)
Finance costs	53,789,021.95	2,908,220.86	42,065,973.18	2,473,700.32
Share of profit of associated company	(1,110,000.00)	(264,000.00)	-	-
Cash flow before changes in working capital	75,908,137.64	(334,498.65)	(7,850,324.68)	(7,157,267.95)
Changes in working capital				
Trade and other receivables	(12,804,484.32)	11,270,445.06	(627,452.43)	2,395,264.18
Inventories	(52,020,450.14)	(9,255,720.52)	(52,020,450.14)	(9,255,720.52)
Cost of project development	(47,104,609.00)	(52,510,574.65)	-	-
Land for future development	(146,807,352.22)	-	-	-
Other current assets	(5,759,591.40)	(1,597,931.07)	(1,466,970.62)	(843,106.27)
Restricted bank deposits	(53,673,400.78)	(1,200,000.00)	(9,500,000.00)	-
Other non-current assets	(133,612.04)	(16,266.62)	(241,541.26)	83,780.00
Trade and other payables	(28,639,560.73)	4,269,698.99	4,827,580.25	3,417,743.90
Other current liabilities	11,343,982.62	1,573,120.13	646,246.46	(51,075.93)
Deposit	(1,107,245.75)	2,388,256.32	(1,107,245.75)	2,388,256.32
Cash paid from operations	(260,798,186.12)	(45,413,471.01)	(67,340,158.17)	(9,022,126.27)
Income tax paid	(1,555,705.88)	(1,534,741.99)	(1,133,916.33)	(534,741.99)
Net cash used in operating activities	(262,353,892.00)	(46,948,213.00)	(68,474,074.50)	(9,556,868.26)
Cash flows from investing activities				
Purchase of current investments	(1,150,355,912.93)	(127,991,184.35)	(1,150,355,912.93)	(127,991,184.35)
Sale of current investments	1,078,708,310.24	140,319,961.18	1,078,708,310.24	140,319,961.18
Increase in short-term loans to related parties	-	-	(440,700,000.00)	(11,800,000.00)
Proceeds from short-term loans to related parties	-	-	11,100,000.00	22,045,951.05

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

ADVANCED CONNECTION CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2016 AND FIVE-MONTH PERIOD ENDED DECEMBER 31, 2015

Baht

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cash flows from investing activities				
Purchase of investments in subsidiaries	(237,744,878.06)	(24,952,436.47)	-	(63,990,000.00)
Sales of investments in subsidiary	-	-	-	250,000.00
(Increase) decrease in advance payment for investments	175,000,000.00	(169,000,000.00)	175,000,000.00	(169,000,000.00)
Purchase of investment property	(20,413,558.62)	(9,926,702.74)	(19,233,383.96)	-
Sale of investment property	18,483,644.86	-	18,483,644.86	-
Purchase of property, plant and equipment	(8,749,839.32)	(4,650,020.48)	(3,598,542.34)	(4,187,937.13)
Sale of equipment	9,415.67	-	9,415.67	-
Purchase of intangible assets	(42,000.00)	(1,207,472.43)	(42,000.00)	(923,922.43)
Interest received	5,540,863.35	2,337,681.65	5,457,981.87	4,267,803.18
Net cash used in investing activities	(139,563,954.81)	(195,070,173.64)	(325,170,486.59)	(211,009,328.50)
Cash flows from financing activities				
Increase in short-term loan from financial institutions	22,215,207.90	-	22,215,207.90	-
Proceeds from short-term loan from related parties	1,000,000.00	225,833.52	-	-
Repayment for short-term loan from related party	(225,833.52)	-	-	-
Proceeds from short-term loans from other parties	501,377,200.76	240,000,000.00	501,377,200.76	240,000,000.00
Repayment for short-term loans from other parties	(695,000,000.00)	(50,000,000.00)	(695,000,000.00)	(50,000,000.00)
Proceeds from loans from financial institutions	24,639,217.00	26,000,000.00	-	-
Repayment for loans from financial institutions	(35,100,000.00)	-	-	-
Proceeds from debenture	587,784,410.96	-	587,784,410.96	-
Repayment for liabilities under finance leases	(759,262.97)	(205,856.76)	(759,262.97)	(205,856.76)
The subsidiary increase/ receive its ordinary shares	16,210,000.00	12,500,000.00	-	-
Interest paid	(38,531,562.66)	(4,542,880.91)	(26,808,513.89)	(4,108,360.37)
Net cash provided by financing activities	383,609,377.47	223,977,095.85	388,809,042.76	185,685,782.87
Net decrease in cash and cash equivalents	(18,308,469.34)	(18,041,290.79)	(4,835,518.33)	(34,880,413.89)
Cash and cash equivalents at the beginning of the year	48,948,104.30	66,989,395.09	22,709,901.29	57,590,315.18
Cash and cash equivalents at the end of the year	30,639,634.96	48,948,104.30	17,874,382.96	22,709,901.29

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

ADVANCED CONNECTION CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2016 AND
 FOR THE FIVE-MONTH PERIOD ENDED DECEMBER 31, 2015

1. GENERAL INFORMATION

Advanced Connection Corporation Public Company Limited (“the Company”) is incorporated in Thailand and has its registered office at 32 Srinakarin 40 Road, Nongbon, Prawet, Bangkok. The factory is at 291 Moo 4, Bangpoo Industrial Estate Soi 5, Sukhumvit Road, Prakkasa, Muang, Samutprakarn.

The Company was listed on the Stock Exchange of Thailand on March 23, 1993. For reporting purpose, the Company and its subsidiaries are referred to as the Group.

The Company and its subsidiaries (“the Group”) has their principal activities in manufacturing and distributing ceiling fan, renting property, property development and investment in alternative energy.

These financial statements have been approved for issue by the Company’s Board of Directors on February 28, 2017.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”) including the related interpretations and guidelines promulgated by the Federation of Accounting Professions (“FAP”) and the financial reporting requirements of the Securities and Exchange Commission.

The financial statements are presented in Thai Baht, which is the Company’s functional currency. The preparation of these financial statements is in Thai and English language and issued for Thai reporting purposes.

The Company changed their 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 comparative statements of comprehensive income, changes in shareholders' equity and cash flows for the five-month period ended December 31, 2015, comprises only five months, affecting to the figures presented in such period are not comparable. Therefore, supplementary information in note 40 has been prepared as additional information in the form of unaudited statements of comprehensive income for the twelve months periods ended December 31, 2016 and 2015.

The preparation of the financial statements in conformity with Thai Financial Reporting Standards (“TFRS”) 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 the Group and the Group’s interest in associated company as follows:

			Holding		
			percentage (%)		
			December 31,		
Name	Located in	Business type	2016	2015	
Direct subsidiaries					
C.E.I. (Chiangmai) Co., Ltd.	Thailand	Renting property	100	100	
ACC Electric Co., Ltd.	Thailand	Invest in business of electricity production from solar power	100	100	
ACC Landmark Co., Ltd.	Thailand	Property development	75	75	
ACC Green Energy Co., Ltd.	Thailand	Property development	100	100	
Bangpakong Solar Power Co., Ltd.	Thailand	Solar roof power plant	51	51	
Indirect subsidiaries					
Best Solar Plant Co., Ltd.	*	Thailand	Production and distribution of electricity from solar power	100	-
Cool World Energy 2 Co., Ltd.	*	Thailand	Production and distribution of electricity from solar power	100	-
Future Good Health 2 Co., Ltd.	*	Thailand	Production and distribution of electricity from solar power	100	-
Happy World Power 2 Co., Ltd.	*	Thailand	Production and distribution of electricity from solar power	100	-
New Solar Technic Co., Ltd.	*	Thailand	Production and distribution of electricity from solar power	100	-
P.B.Y. Green Power Co., Ltd.	*	Thailand	Production and distribution of electricity from solar power	100	-
Saraburi Solar Plant 2 Co., Ltd.	*	Thailand	Production and distribution of electricity from solar power	100	-
Talingchun Solar Farm Co., Ltd.	*	Thailand	Production and distribution of electricity from solar power	100	-
Thai Solar Plant 2 Co., Ltd.	*	Thailand	Production and distribution of electricity from solar power	100	-
V.A. Clean Energy 2 Co., Ltd.	*	Thailand	Production and distribution of electricity from solar power	100	-
Associated company					
W. Solar Co., Ltd.	Thailand	Solar roof power plant	49	49	

* Whole are referred to as “the Group of Saraburi Project”

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 and revised Thai Financial Reporting Standards

The FAP has issued the notifications, mandating the use of new and revised Thai Accounting Standards ("TAS"), Thai Financial Reporting Standards ("TFRS"), Thai Standard Interpretations ("TSIC"), Thai Financial Reporting Interpretations ("TFRIC")(revised 2015) and new and revised accounting guidance ("AG"), which are effective for the financial statements, which its accounting period beginning on or after January 1, 2016.

During the year 2016, the Group has adopted new and revised TFRS which are effective for the accounting period beginning on or after January 1, 2016. These 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 TFRS does not have any significant impact on the financial statements of the Group.

New and revised Thai Financial Reporting Standards not yet effective

During the year 2016, the FAP has issued the notifications, mandating the use of new and revised TAS, TFRS, TSIC, TFRIC(revised 2016) and new and revised AG which are effective for the financial statements, which its accounting period beginning on or after January 1, 2017 as follows:

TAS/TFRS/TSIC/IFRIC/AG	Topic
TAS 1(revised 2016)	Presentation of Financial Statements
TAS 2 (revised 2016)	Inventories
TAS 7 (revised 2016)	Statement of Cash Flows
TAS 8 (revised 2016)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10(revised 2016)	Events after the Reporting Period
TAS11 (revised 2016)	Construction Contracts
TAS 12 (revised 2016)	Income Taxes
TAS 16 (revised 2016)	Property, Plant and Equipment
TAS 17 (revised 2016)	Leases
TAS 18 (revised 2016)	Revenue
TAS 19 (revised 2016)	Employee Benefits
TAS 20 (revised 2016)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2016)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2016)	Borrowing Costs
TAS 24 (revised 2016)	Related Party Disclosures
TAS 26(revised 2016)	Accounting and Reporting by Retirement Benefit Plans
TAS 27(revised 2016)	Separate Financial Statements
TAS 28(revised 2016)	Investments in Associates and Joint Ventures
TAS 29(revised 2016)	Financial Reporting in Hyperinflationary Economies
TAS 33 (revised 2016)	Earnings per Share
TAS 34(revised 2016)	Interim Financial Reporting
TAS 36(revised 2016)	Impairment of Asset
TAS 37 (revised 2016)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2016)	Intangible Assets
TAS 40 (revised 2016)	Investment Property
TAS 41 (revised 2016)	Agriculture
TAS 104 (revised 2016)	Accounting for Troubled Debt Restructuring
TAS 105 (revised 2016)	Accounting for Investments in Debt and Equity Securities
TAS 107 (revised 2016)	Financial Instruments Disclosure and Presentation
TFRS 2 (revised 2016)	Share-based Payment
TFRS 3 (revised 2016)	Business Combinations
TFRS 4 (revised 2016)	Insurance Contracts
TFRS 5 (revised 2016)	Non-current Assets Held for Sale and Discontinued Operations

TAS/TFRS/TSIC/TFRIC/AG	Topic
TFRS 6 (revised 2016)	Exploration for and Evaluation of Mineral Resources
TFRS 8 (revised 2016)	Operating Segments
TFRS 10(revised 2016)	Consolidated Financial Statements
TFRS 11(revised 2016)	Joint Arrangements
TFRS 12(revised 2016)	Disclosure of Interests in Other Entities
TFRS 13(revised 2016)	Fair Value Measurement
TSIC 10 (revised 2016)	Government Assistance - No specific Relation to Operating Activities
TSIC 15 (revised 2016)	Operating Leases-Incentives
TSIC 25(revised 2016)	Income Taxes-Changes in the Tax Status of an Entity or its Shareholders
TSIC 27(revised 2016)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29 (revised 2016)	Service Concession Arrangements : Disclosures
TSIC 31 (revised 2016)	Revenue - Barter Transactions Involving Advertising Services
TSIC 32 (revised 2016)	Intangible Assets-Web Site Costs
TFRIC 1 (revised 2016)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2016)	Determining whether an Arrangement contains a Lease
TFRIC 5 (revised 2016)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2016)	Applying the Restatement Approach under TAS 29 (revised 2016) Financial Reporting in Hyperinflationary Economies
TFRIC 10 (revised 2016)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2016)	Service Concession Arrangements
TFRIC 13 (revised 2016)	Customer Loyalty Programmes
TFRIC14 (revised 2016)	TAS 19(revised 2016) - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 15 (revised 2016)	Agreements for the Construction of Real Estate
TFRIC 17 (revised 2016)	Distributions of Non-cash Assets to Owners
TFRIC 18 (revised 2016)	Transfers of Assets from Customers
TFRIC 20(revised 2016)	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21(revised 2016)	Levies
Accounting guidance for derecognition of financial assets and financial liabilities	

The management of the Group has made a preliminary assessment of the potential initial impact on the financial statements in the period of initial application.

3. 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 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 sales of electricity

Revenue from sales of electricity from solar power, including electricity tariff adders and fuel adjustment charges (Ft) and net of PEA operating charges, is recognized when the significant risks and rewards pass to the buyer.

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 Group. 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.

Inventories

Restaurant and cultural center

Inventories are valued at the lower of cost calculated by the first-in, first-out 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 is stated at the lower of cost or net realizable value. Cost of project development is netted of cost of sales.

Project costs consist of the acquisition cost of land, construction costs, and borrowing for the project development.

The details of cost calculation

- | | |
|----------------|---|
| Land | - Purchase of land, cost incurred in bringing of land and development cost are recorded by using the average method allocated basing on an area or salable area for each project. |
| Construction | <ul style="list-style-type: none"> - Construction cost consists of <ul style="list-style-type: none"> 1) The design cost, cost of construction, public utility costs, and also direct costs relating to the project development. The cost is allocated basing on an area or salable area. 2) The costs of construction of houses are allocated basing on the actual cost for each incurred. |
| Borrowing cost | - Interest expense and fee on loans funding a property development capitalized before the completion of development, is allocated basing on actual cost of land and construction 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 are the investment in the marketable securities which 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 deposit 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).

Land held for development

Land held for development is land that will be developed in the future stated at cost less allowance for impairment loss (if any). The cost of land held for development comprises purchase of land, the cost incurred in bringing such land and other related costs.

Investment property

Investment properties are properties 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.

Investment properties are stated at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the investment properties. The cost of self-constructed investment properties includes the cost of materials and direct labour, and other costs directly attributable to bringing the investment properties to a working condition for its intended use and capitalised borrowing costs.

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.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each property. The estimated useful lives are as follows:

Land improvements	10	years
Buildings	5 - 40	years
Utility systems	10	years
Condominium	20	years

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

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

Reclassification to property, plant and equipment

When the use of an investment properties changes such that it is reclassified as property, plant and equipment, its carrying amount at the date of reclassification becomes its cost for subsequent accounting.

Finance lease

The Group recognised finance leases as assets and liabilities in the consolidated statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. Lease payments are apportioned between the finance charge and the reduction of the outstanding liabilities. The finance charge is allocated to the periods during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Property, plant and equipment

Owned assets

Land is stated at cost and, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different consumption patterns or useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income or other expenses in profit or loss.

Leased assets

Leases in terms of which the Group substantially assumes all the risk and rewards of ownership are classified as finance leases. Property, plant and equipment acquired by way of finance leases is capitalised at the lower of its fair value or the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and accumulated impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit or loss.

Reclassification to investment properties

When the use of a property changes from owner-occupied to investment properties, its carrying amount is recognized and reclassified as investment properties.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives are as follows:

Buildings	5 – 40 years
Utility systems	10 years
Machinery and factory equipment	5 -10 years
Office equipment	5 years
Vehicles	5 years

Depreciation for the finance lease assets is charged as expense for each accounting period. The depreciation method for leased assets is consistent with that for depreciable assets that are owned.

No depreciation is provided on freehold land or assets under construction.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. The measurement of goodwill at initial recognition is described in note 13 to the financial statements. Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses. In respect of equity-accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment,

and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted investee.

Impairment

The carrying amounts of the Group's assets are reviewed at each reporting period to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill and intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in profit or loss unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the value of the asset is impaired, the cumulative loss that had been recognised directly in equity is recognised in profit or loss even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in profit or loss is the difference between the current fair value and acquisition cost, less any impairment loss on that financial asset previously recognised in profit or loss.

Calculation of recoverable amount

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Reversals of impairment

An impairment loss in respect of financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised in profit or loss.

An impairment loss in respect of goodwill is not reversed. Impairment losses recognised in prior periods in respect of other non-financial assets are assessed at each reporting period for any indications that the loss has decreased or no longer exists. 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 accumulated depreciation or accumulated amortisation, if no impairment loss had been recognised.

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 is calculated by dividing loss for the periods attributable to shareholders of the parent by the weighted average number of ordinary shares outstanding during the period.

Diluted loss per share

Diluted loss per shares is calculated by dividing the loss for the periods attributable to shareholders of the parent by the sum of the weighted average number of ordinary shares outstanding during the period plus the weighted average number of shares to be issued for the exercise of all dilutive potential ordinary shares into ordinary shares, without any consideration. The calculation assumes that the holders will exercise dilutive potential ordinary share into ordinary shares when the exercise price is lower than fair value of ordinary shares. However, the Company does not calculate the diluted loss per share for the years ended December 31, 2016, because potential ordinary shares are antidilutive.

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 transactions occurred with those related parties for the year ended December 31, 2016 and for the five-month period ended December 31, 2015 were as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Subsidiaries				
C.E.I. (Chiangmai) Co., Ltd.				
Interest income	-	-	3,746,422.85	1,570,817.84
Doubtful accounts	-	-	3,840,000.00	1,240,000.00
ACC Electric Co., Ltd.				
Interest income	-	-	1,203,698.63	-
ACC Landmark Co., Ltd.				
Interest income	-	-	54,041.10	-
Bangpakong Solar Power Co., Ltd.				
Revenue from services	-	-	165,000.00	-
The Group of Saraburi Project				
Revenue from services	-	-	900,000.00	-
Associated company				
W. Solar Co., Ltd.				
Share of profit of associated company (see note 12)	1,110,000.00	264,000.00	-	-
Related companies				
Prime Mansion Co., Ltd.				
Sales of investments in subsidiary (see note 13)	-	250,000.00	-	250,000.00

Key management personnel compensation

Key management personnel compensation for the year ended December 31, 2016 and for the five-month period ended December 31, 2015 consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Short-term benefits	10,279,500.00	4,339,000.00	8,239,500.00	4,339,000.00
Long-term benefits	585,490.00	108,000.00	585,490.00	108,000.00
Total	10,864,990.00	4,447,000.00	8,824,990.00	4,447,000.00

Directors' remuneration

Directors' remuneration represents benefits paid to the directors of the Group in accordance with Section 90 of the Public Company Limited Act, exclusive of salaries and related benefit payable to directors who hold executive positions.

Directors' remuneration for the year ended December 31, 2016 and for the five-month period ended December 31, 2015 were of Baht 2.79 million and Baht 0.51 million, respectively.

The significant balances of assets and liabilities with related parties as at December 31, 2016 and 2015 were as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Associated company				
Investment in associated company (see note 12)	40,573,980.00	39,463,980.00	39,199,980.00	39,199,980.00
Subsidiaries				
Investments in subsidiaries (see note 13)	-	-	66,739,910.00	66,739,910.00
C.E.I. (Chiangmai) Co., Ltd.				
Advance receivable	-	-	1,960.00	-
ACC Landmark Co., Ltd.				
Advance receivable	-	-	70,518.40	-
The Group of Saraburi Project				
Other receivables	-	-	160,500.00	-
Bangpakong Solar Power Co., Ltd.				
Other receivables	-	-	16,050.00	-
W. Solar Co., Ltd.				
Other payables	70,000.00	-	-	-
Directors				
Other payables	310,202.78	-	-	-

Short-term loan and accrued interest income to related parties

Short-term loan and accrued interest income to related parties as at December 31, 2016 and 2015 consisted of:

	Interest rate (%)	Separate financial statements	
		2016	2015
Subsidiaries			
Principal			
C.E.I. (Chiangmai) Co., Ltd.	0.75	493,178,719.01	501,278,719.01
ACC Electric Co., Ltd.	0.75	290,000,000.00	-
ACC Green Energy Co., Ltd.	-	146,700,000.00	-
ACC Landmark Co., Ltd.	7.50	1,000,000.00	-
Accrued interest income			
C.E.I. (Chiangmai) Co., Ltd.		23,912,811.58	25,174,969.63
ACC Electric Co., Ltd.		1,203,698.63	-
ACC Landmark Co., Ltd.		2,671.24	-
Total		955,997,900.46	526,453,688.64
Less Allowance for doubtful accounts		(41,340,000.00)	(37,500,000.00)
Net		914,657,900.46	488,953,688.64

Movements of allowance for doubtful accounts for the year ended December 31, 2016 and for the five-month period ended December 31, 2015 were as follows:

	<i>Baht</i>	
	Separate financial statements	
	2016	2015
Beginning balance	37,500,000.00	36,260,000.00
Add Doubtful accounts	3,840,000.00	1,240,000.00
Ending balance	41,340,000.00	37,500,000.00

Movements of short-term loan to related parties for the year ended December 31, 2016 and for the five-month period ended December 31, 2015 were as follows:

	<i>Baht</i>	
	Separate financial statements	
	2016	2015
Beginning balance	501,278,719.01	511,524,670.06
Increase	440,700,000.00	11,800,000.00
Decrease	(11,100,000.00)	(22,045,951.05)
Ending balance	930,878,719.01	501,278,719.01

The Company had short-term loan to related parties, by issuing promissory notes, due at call and unsecured.

Short-term loan from related parties

Short-term loan from related parties as at December 31, 2016 and 2015 consisted of:

	<i>Baht</i>	
	Consolidated financial statements	
	2016	2015
ACC Landmark Co., Ltd.		
Director	-	225,833.52
Prime Mansion Co., Ltd.	1,000,000.00	-

Movements of short-term loan from related parties for the year ended December 31, 2016 and for the five-month period ended December 31, 2015 were as follows:

Baht

	Consolidated financial statement	
	2016	2015
Beginning balance	225,833.52	-
Increase	1,000,000.00	225,833.52
Decrease	(225,833.52)	-
Ending balance	1,000,000.00	225,833.52

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

The subsidiary had short-term loan from Prime Mansion Co., Ltd. by issuing promissory note, due call. The interest rate at 7.50% per annum and unsecured.

Co-guarantee for liabilities with related parties

As at December 31, 2016, related parties had co-guarantee liabilities as follows:

Subsidiary

The Company, 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. in the amount of Baht 72 million without compensation (see note 24).

ACC Electric Co., Ltd. and Group of Saraburi Project's shareholders had pledged investment in the ordinary shares of the Group of Saraburi Project as collateral against for loan from financial institution of the Group of Saraburi Project without compensation (see notes 13 and 24).

Nature of relationship

Name	Country	Relation	Type of relation
C.E.I. (Chiangmai) Co., Ltd.	Thailand	Subsidiary	Direct holding
ACC Electric Co., Ltd.	Thailand	Subsidiary	Direct holding
ACC Landmark Co., Ltd.	Thailand	Subsidiary	Direct holding
Bangpakong Solar Power Co., Ltd.	Thailand	Subsidiary	Direct holding
The Group of Saraburi Project	Thailand	Indirect subsidiary	Indirect holding
W. Solar Co., Ltd.	Thailand	Associated company	Direct holding
Prime Mansion Co., Ltd.	Thailand	Related company	The Company's director is the close member of the same family with Co., Ltd.'s Prime Mansion shareholder and management.

Bases of measurement for intercompany revenues and expenses

	Pricing policies
Rental and service	Stipulate in the agreement
Interest income - expenses	Referred to the bank's interest rate

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at December 31, 2016 and 2015 consisted of:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cash	82,653.67	149,314.79	26,381.89	123,236.04
Cash at banks	30,556,981.29	48,798,789.51	17,848,001.07	22,586,665.25
Total	30,639,634.96	48,948,104.30	17,874,382.96	22,709,901.29

6. CURRENT INVESTMENTS

Current investments as at December 31, 2016 and 2015 consisted of:

	Consolidated and separate financial statements					
	2016			2015		
	Cost	Fair value	Unrealized gain	Cost	Fair value	Unrealized gain
Trading investment						
Fixed income fund	71,616,357.45	71,974,001.62	357,644.17	120,000,000.00	120,000,000.00	-
Debt instruments with held-to-maturity						
Bill of exchange	130,000,000.00	127,771,128.89	-	-	-	-
Less Discount	(2,228,871.11)	-	-	-	-	-
Net	127,771,128.89	127,771,128.89	-	-	-	-
Total	199,387,486.34	199,745,130.51	357,644.17	120,000,000.00	120,000,000.00	-

Movements of current investments for the year ended December 31, 2016 and for the five-month period ended December 31, 2015 was as follows:

Baht

	Consolidated and separate financial statements	
	2016	2015
As at beginning of the period	120,000,000.00	133,840,947.91
Purchases	1,150,355,912.93	127,991,184.35
Disposal	(1,078,708,310.24)	(141,832,132.26)
Interest income	7,739,883.65	-
Changes in fair value of current investments	357,644.17	-
As at end of the period	199,745,130.51	120,000,000.00

7. TRADE AND OTHER RECEIVABLES

Trade and other receivables as at December 31, 2016 and 2015 consisted of:

Baht

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Trade receivables	67,717,896.52	39,931,999.91	35,982,152.46	37,786,649.54
Less Allowance for doubtful accounts	(32,471,233.34)	(32,754,093.34)	(32,458,443.34)	(32,754,093.34)
Net	35,246,663.18	7,177,906.57	3,523,709.12	5,032,556.20
Other receivables	2,313,609.51	255,204.41	2,431,949.51	-
Less Allowance for doubtful accounts	(58,210.00)	-	-	-
Net	2,255,399.51	255,204.41	2,431,949.51	-
Trade and other receivables - net	37,502,062.69	7,433,110.98	5,955,658.63	5,032,556.20

As at December 31, 2016 and 2015, the Group had outstanding balances of trade receivables aged by number of months as follows:

Baht

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Current	8,640,663.26	4,616,075.84	1,172,500.47	3,091,774.97
Overdue				
Not over 3 months	18,702,117.26	1,332,046.00	2,317,325.99	1,332,046.00
Over 3 months up to 6 months	7,935,263.00	1,480.00	65,263.00	1,480.00
Over 6 months up to 12 months	4,700.00	9,556,224.17	4,700.00	9,165,074.17
Over 12 months	32,435,153.00	24,426,173.90	32,422,363.00	24,196,274.40
Total	67,717,896.52	39,931,999.91	35,982,152.46	37,786,649.54

As at December 31, 2016, the Group had a minimum amount to be received in the future under operating leases, as follows:

Baht

Year	Consolidated financial statements	Separate financial statements
1	25,649,260.00	17,849,260.00
2 - 5	18,227,640.00	18,227,640.00
Total	43,876,900.00	36,076,900.00

Movements of allowance for doubtful accounts for the year ended December 31, 2016 and for the five-month period ended December 31, 2015 were as follows:

Baht

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Beginning balance	32,754,093.34	33,618,767.84	32,754,093.34	32,996,758.34
Less Reversal doubtful accounts	(224,650.00)	(864,674.50)	(295,650.00)	(242,665.00)
Ending balance	32,529,443.34	32,754,093.34	32,458,443.34	32,754,093.34

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, 2016 and 2015 consisted of:

Baht

	Consolidated and separate financial statements	
	2016	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.

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 had already recorded the allowance for doubtful account of such loan in the whole amount.

9. INVENTORIES

Inventories as at December 31, 2016 and 2015 consisted of:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Restaurant and cultural center				
Supplies	18,310.00	18,310.00	-	-
Manufacture and distribution of ceiling fan				
Finished goods	36,086,067.70	12,662,408.13	36,086,067.70	12,662,408.13
Work in process	28,828,142.99	2,038,960.98	28,828,142.99	2,038,960.98
Raw materials	3,210,479.13	1,402,870.57	3,210,479.13	1,402,870.57
Total	68,124,689.82	16,104,239.68	68,124,689.82	16,104,239.68
Grand total	68,142,999.82	16,122,549.68	68,124,689.82	16,104,239.68
Less Allowance for devaluation of inventories	(11,459,403.59)	(6,319,846.39)	(11,441,093.59)	(6,301,536.39)
Inventories - net	56,683,596.23	9,802,703.29	56,683,596.23	9,802,703.29

Movements of allowance for devaluation of inventories for the year ended December 31, 2016 and for the five-month period ended December 31, 2015 were as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Beginning balance	6,319,846.39	6,866,829.16	6,301,536.39	6,848,519.16
Add (less) Loss from devaluation				
of inventories (reversal)	5,139,557.20	(546,982.77)	5,139,557.20	(546,982.77)
Ending balance	11,459,403.59	6,319,846.39	11,441,093.59	6,301,536.39

10. COST OF PROJECT DEVELOPMENT

Movements of allowance for cost of project development for the year ended December 31, 2016 and for the five-month period ended December 31, 2015 were as follows:

	<i>Baht</i>
	Consolidated financial statements
As at August 1, 2015	-
Increase	52,510,574.65
Decrease	-
As at December 31, 2015	52,510,574.65
Increase	47,104,609.00
Decrease	-
As at December 31, 2016	99,615,183.65

Interest expense of loan incurred during the property development were capitalised as the cost of project development of Baht 0.30 million.

ACC Landmark Co., Ltd. (“Subsidiary”) mortgaged land including existing construction and to be constructed in the future as collateral against for loan from a financial institution of the subsidiary (see note 24).

11. RESTRICTED BANK DEPOSITS

Restricted bank deposits as at December 31, 2016 and 2015 consisted of:

	Baht				
	Consolidated financial statement		Separate financial statement		
	2016	2015	2016	2015	Guarantee
Cash at banks	54,873,400.78	1,200,000.00	9,500,000.00	-	Collateral for loan from financial institution (notes 20 and 24)

12. INVESTMENT IN ASSOCIATED COMPANY

Investment in associated company as at December 31, 2016 and 2015 consisted of:

								<i>Baht</i>
		Percentage of		Equity method		Cost method		
Associated company	Business type	investment (%)	Paid-up share capital	2016	2015	2016	2015	
W. Solar Co., Ltd.	Solar roof power plant	49	80,000,000.00	40,573,980.00	39,463,980.00	39,199,980.00	39,199,980.00	

Summary financial information about material associate for the year ended December 31, 2016 and for the five-month period ended December 31, 2015 were as follows

										<i>Baht</i>
										Carrying amounts
Year/Period	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Net assets	Revenues	Profit	Share of net assets	Goodwill	of associate based on equity method
2016	4,117,567.96	75,378,377.47	3,002,359.88	3,606.97	76,489,978.58	8,450,533.19	2,265,125.58	37,480,089.50	3,093,890.50	40,573,980.00
2015	6,100,258.52	68,632,490.00	479,961.22	28,114.86	74,224,672.44	3,658,054.40	530,767.52	36,370,089.50	3,093,890.50	39,463,980.00

13. INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries as at December 31, 2016 and 2015 consisted of:

								Baht
	Percentage of		Cost		Allowance for impairment		Book Value	
Subsidiaries	investments (%)	Paid-up share capital	2016	2015	2016	2015	2016	2015
C.E.I. (Chiangmai) Co., Ltd.	100	1,000,000.00	999,970.00	999,970.00	(999,970.00)	(999,970.00)	-	-
ACC Electric Co., Ltd.	100	1,000,000.00	999,970.00	999,970.00	-	-	999,970.00	999,970.00
ACC Landmark Co., Ltd.	75	50,000,000.00	37,499,990.00	37,499,990.00	-	-	37,499,990.00	37,499,990.00
ACC Green Energy Co., Ltd.	100	10,000,000.00	3,249,970.00	3,249,970.00	-	-	3,249,970.00	3,249,970.00
Bangpakong Solar Power Co., Ltd.	51	49,000,000.00	24,989,980.00	24,989,980.00	-	-	24,989,980.00	24,989,980.00
Total			67,739,880.00	67,739,880.00	(999,970.00)	(999,970.00)	66,739,910.00	66,739,910.00

As at December 31, 2016, accumulated loss from C.E.I. (Chiangmai) Co., Ltd. exceeded costs of its investments in the amount of Baht 42.34 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).

ACC Landmark Co., Ltd.

On August 17, 2015, the Company sold investment in ordinary shares of ACC Landmark Co., Ltd. (“the subsidiary”) 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.

On September 4, 2015, ACC Landmark Co., Ltd.(“the subsidiary”) increased the 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 Company invested in ordinary shares from increase of its share capital under the portion in amount of Baht 36.75 million.

ACC Green Energy Co., Ltd.

On November 3, 2015, ACC Green Energy Co., Ltd.(“the subsidiary”)increased the 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 had paid-up the increase of its share capital of Baht 2.50 each, totaling in the amount of Baht 2.25 million.

The Group of Saraburi Project

On February 4, 2016, the Company (“Buyer”) entered into the shares purchase agreement of 10 companies (“the Group of Saraburi Project”), which operate the solar farm power plant. The total investment value is in the amount of Baht 290 million, representing 100 percent shareholding of such companies.

The buyer had rights over the interest in financial performance of the Group of Saraburi Project since January 1, 2016 onwards.

The Company had already transferred rights to purchase of such ordinary shares to ACC Electric Co., Ltd. as the transferee.

Details of net assets of the Group of Saraburi Project at the acquisition date were as follows:

	<i>Baht</i>
Cash and cash equivalents	2,525,451.38
Trade receivables	17,039,817.39
Other current assets	1,069,050.72
Restricted bank deposits	49,729,670.55
Plant and equipment	544,060,727.06
Other non-current assets	40,000.00
Trade and other payables	(29,185,395.39)
Income taxes payable	(5,493.06)
Other current liabilities	(1,798,560.31)
Loan from financial institutions	(287,587,500.00)
Deferred tax liabilities	(5,887,768.34)
Net assets	<u>290,000,000.00</u>
Proportion of shareholding (%)	<u><u>100</u></u>

Reconciliation of net cash

Purchasing price of the Group of Saraburi Project	290,000,000.00
Less Cash and cash equivalents of the Group of Saraburi Project	(2,525,451.38)
Less Restricted bank deposits of the Group of Saraburi Project	(49,729,670.55)
Net cash paid for acquisition of the Group of Saraburi Project	<u><u>237,744,878.07</u></u>

ACC Electric Co., Ltd. and Group of Saraburi Project's shareholders had pledged investment in the ordinary shares of the Group of Saraburi Project as collateral against for loan from financial institution (see notes 4 and 24).

Bangpakong Solar Power Co., Ltd

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:

	<i>Baht</i>
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, 2016 and 2015 were as follows:

				<i>Baht</i>
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.				
Year 2016	25	8,737,983.08	2,665,601.93	-
Period 2015	25	11,403,585.01	1,096,414.99	-
Bangpakong Solar Power Co., Ltd.				
Year 2016	49	23,524,267.97	317,620.58	-
Period 2015	49	7,631,888.55	-	-

Summary financial information of the subsidiaries 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, 2016 and 2015:

	<i>Baht</i>	
	ACC Landmark Co., Ltd.	
	2016	2015
Current assets	102,145,768.13	72,446,059.70
Non-current assets	1,635,296.24	1,869,415.63
Current liabilities	17,579,332.74	2,281,159.68
Non-current liabilities	51,249,799.30	26,419,975.59

Summary information about comprehensive income for the year ended December 31, 2016 and the five-month period ended December 31, 2015 was as follows:

	ACC Landmark Co., Ltd.		Bangpakong Solar Power Co., Ltd.		Baht
	2016	2015	2016	2015	
Revenues	27,125.07	11,895.70	1,258.36	-	
Loss for the period	(10,662,407.73)	(4,339,110.28)	(648,164.44)	-	
Other comprehensive loss	-	-	-	-	
Total comprehensive loss	(10,662,407.73)	(4,339,110.28)	(648,164.44)	-	
Summary of cash flows					
Cash flows from operating activities	(44,069,049.65)	(55,552,017.13)	(10,325,521.36)	-	
Cash flows from investing activities	27,125.07	(745,633.35)	(5,131,890.71)	-	
Cash flows from financing activities	26,770,775.24	75,000,000.00	16,210,000.00	-	
Net increase (decrease) in cash and cash equivalents	(17,271,149.34)	18,702,349.52	752,587.93	-	

14. ADVANCE PAYMENT FOR INVESTMENTS

Advance payment for investments as at December 31, 2016 and 2015 consisted of:

		Consolidated and separate financial statements		Baht
	Note	2016	2015	
Advance payment for investments				
Purchase of land	1	-	150,000,000.00	
Purchase of investments		14,000,000.00	39,000,000.00	
Total		14,000,000.00	189,000,000.00	

Purchase of investments

On December 23, 2015, the Company entered into a memorandum of understanding with Wyncoast Industrial Park Public Company Limited ("Wyncoast") to purchase the ordinary shares of 105 Solar Power Co., Ltd. ("105 Solar"), which operate the solar roof power plant in the amount of Baht 19.89 million, represent 51 percent shareholding.

The Company paid for the ordinary shares purchased in the amount of Baht 14 million.

The Company will pay for the remaining amount of Baht 5.89 million when operation date of 105 Solar commercial (COD) will be started. Wyncoast will transfer the share ownership within 14 days from the received date of full payment.

15. LAND HELD FOR DEVELOPMENT

Land held for development as at December 31, 2016 consisted of:

	<i>Baht</i>
	Consolidated financial statements
Cost	
As at January 1, 2016	-
Increase	146,807,352.22
Decrease	-
As at December 31, 2016	<u>146,807,352.22</u>

Purchase of land

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 Company paid a retention for guarantee in the amount of Baht 150 million

On April 20, 2016, ACC Landmark Co., Ltd., (“Landmark”) as the transferee according to the mentioned MOU, entered into agreement to purchase of land in the amount of Baht 180 million with Thai Lanna and changed the value of agreement to purchase of land to Baht 140 million.

Landmark transferred the right according to the mentioned agreement to ACC Green Energy Co., Ltd., as the transferee for the ownership of land.

On November 11, 2016, Thai Lanna has already transferred such ownership of land to ACC Green Energy Co., Ltd.

16. OTHER LONG-TERM INVESTMENT

Other long-term investment as at December 31, 2016 and 2015 consisted of:

				<i>Baht</i>	
				Consolidated and separate financial statements	
Equity investment	Business type	Shareholding (%)	Paid-up share capital	2016	2015
Siam Water Resource Plc.	Production	8.93	503,660,000.00	49,950,000.00	49,950,000.00
Less Allowance for impairment	and distribution				
of investment	of raw water			(49,950,000.00)	(49,950,000.00)
Other long-term investment - net				<u>-</u>	<u>-</u>

17. INVESTMENT PROPERTY

Movements of investment property for the year ended December 31, 2016 and for the five-month period ended December 31, 2015 was as follows:

Baht

Consolidated financial statements						
	Note	Land and land improvement	Buildings and utility systems	Condominium	Constuction in progress	Total
Cost						
At August 1, 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		-	-	-	-	-
At December 31, 2015		215,237,500.88	358,493,977.44	44,120,224.13	9,926,702.74	627,778,405.19
Increase / transfer in		-	13,164,599.30	11,106,877.40	6,068,784.66	30,340,261.36
Transfer in - Plant, property and equipment	18	-	-	1,704,269.86	-	1,704,269.86
Disposals / transfer out		-	-	(17,671,160.00)	(9,926,702.74)	(27,597,862.74)
At December 31, 2016		215,237,500.88	371,658,576.74	39,260,211.39	6,068,784.66	632,225,073.67
Accumulated depreciation						
At August 1, 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		-	-	-	-	-
At December 31, 2015		4,185,213.84	90,074,235.29	41,689,023.36	-	135,948,472.49
Depreciation / transfer in		2,297,574.89	23,157,907.48	316,088.86	-	25,771,571.23
Transfer in - Plant, property and equipment	18	-	-	1,704,268.86	-	1,704,268.86
Disposals / transfer out		-	-	(17,465,703.13)	-	(17,465,703.13)
At December 31, 2016		6,482,788.73	113,232,142.77	26,243,677.95	-	145,958,609.45
Net book value						
At December 31, 2015		211,052,287.04	268,419,742.15	2,431,200.77	9,926,702.74	491,829,932.70
At December 31, 2016		208,754,712.15	258,426,433.97	13,016,533.44	6,068,784.66	486,266,464.22

Baht

		Separate financial statements				
		Land and land improvement	Buildings and utility systems	Condominium	Building under construction	Total
Cost						
At August 1, 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
Increase / transfer in		-	13,164,599.30	-	6,068,784.66	19,233,383.96
Transfer in - Plant, property and equipment	18	-	-	1,704,269.86	-	1,704,269.86
Disposals / transfer out		-	-	(17,671,160.00)	-	(17,671,160.00)
At December 31, 2016		20,585,289.14	79,926,821.30	28,153,333.99	6,068,784.66	134,734,229.09
Accumulated depreciation						
At August 1, 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
Depreciation / transfer in		-	881,514.94	316,088.86	-	1,197,603.80
Transfer in - Plant, property and equipment	18	-	-	1,704,268.86	-	1,704,268.86
Disposals / transfer out		-	-	(17,465,703.13)	-	(17,465,703.13)
At December 31, 2016		-	60,142,229.50	26,243,677.95	-	86,385,907.45
Net book value						
At December 31, 2015		20,585,289.14	7,501,507.44	2,431,200.77	-	30,517,997.35
At December 31, 2016		20,585,289.14	19,784,591.80	1,909,656.04	6,068,784.66	48,348,321.64

Million Baht

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Depreciation were included in cost of sales and services	25.77	10.48	1.20	0.37
As at December 31	2016	2015	2016	2015
The gross carrying amount fully depreciated that is still in use.	20.93	36.68	20.93	36.68

C.E.I. (Chiangmai) Co., Ltd. ("Subsidiary") entered into a property rental agreement with KhumKhantoke Chiang Mai (2558) Co., Ltd. ("KhumKhantoke") for operate KhumKhantoke 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 KhumKhantoke agreed to purchase all equipments at the date of expiration of agreement in fair value price.

On January 12, 2017, the Company terminated the property rental agreement with KhumKhantoke Chiang Mai (2558) Co., Ltd. effectively since March 31, 2017 onwards.

The Company

Investment property of the Company with its carrying amount of Baht 48.35 million were appraised with the appraisal value of Baht 316.96 million by Bangkok Property Appraisal Co., Ltd., an independent appraiser engaged by the Company. The appraisal was based on sales comparison approach for condominium, and the income approach for land and factory building of rent in accordance with professional standards of the Valuers Association of Thailand as per their appraisal reports dated February 2 and 6, 2017.

Subsidiary

Investment property of C.E.I. (Chiangmai) Co., Ltd. with its carrying amount of Baht 437.92 million were appraised with the appraisal value of Baht 531.64 million by Thai Property Appraisal Lynn Phillips Co., Ltd. an independent appraiser engaged by the subsidiary. The appraisal was based on sales comparison approach for land, and replacement cost approach for building and construction in accordance with professional standards of the Valuers Association of Thailand as per their appraisal report dated on February 21, 2017.

18. PROPERTY, PLANT AND EQUIPMENT

Movements of investment property, plant and equipment for the year ended December 31, 2016 and for the five-month period ended December 31, 2015 were as follows:

Consolidated financial statements								<i>Baht</i>
	Note	Land and land improvements	Buildings and utility systems	Machinery and factory equipment	Office equipment	Vehicles	Construction in progress	Total
Cost								
At August 1, 2015		4,698,042.69	33,977,444.08	1,046,656.80	44,427,091.18	5,563,801.87	1,993,837.70	91,706,874.32
Increase / transfer in		-	5,509,093.70	6,700.00	974,357.84	476,136.54	44,482,289.46	51,448,577.54
Disposals / transfer out		-	-	-	-	-	(189,349.07)	(189,349.07)
Transfer / adjust		-	-	-	-	-	(5,221,912.71)	(5,221,912.71)
At December 31, 2015		4,698,042.69	39,486,537.78	1,053,356.80	45,401,449.02	6,039,938.41	41,064,865.38	137,744,190.08
Increase from acquiring the subsidiary	13	-	219,977,994.73	430,394,664.56	-	-	-	650,372,659.29
Increase / transfer in		-	1,922,476.83	879,067.39	761,741.14	11,500.00	5,175,073.81	8,749,859.17
Transfer out - investment property		-	1,704,268.86	-	-	-	-	(1,704,268.86)
Disposals / transfer out		-	-	-	(24,757.00)	-	-	(24,757.00)
At December 31, 2016		4,698,042.69	259,682,740.48	432,327,088.75	46,138,433.16	6,051,438.41	46,239,939.19	795,137,682.68
Accumulated depreciation								
At August 1, 2015		-	32,224,327.85	1,046,652.80	9,765,666.98	1,168,419.77	-	44,205,067.40
Depreciation / transfer in		-	331,115.56	3,458.06	3,704,289.80	306,842.92	-	4,345,706.34
At December 31, 2015		-	32,555,443.41	1,050,110.86	13,469,956.78	1,475,262.69	-	48,550,773.74
Increase from acquiring the subsidiary	13	-	32,533,971.30	73,777,960.93	-	-	-	106,311,932.23
Depreciation / transfer in		-	10,061,006.97	20,609,977.46	9,012,414.23	775,763.76	-	40,459,162.42
Transfer out - investment property		-	(1,704,268.86)	-	-	-	-	(1,704,268.86)
Disposals / transfer out		-	-	-	(3,688.12)	-	-	(3,688.12)
At December 31, 2016		-	73,446,152.82	95,438,049.25	22,478,682.89	2,251,026.45	-	193,613,911.41

								Baht
		Consolidated financial statements						
	Note	Land and land improvements	Buildings and utility systems	Machinery and factory equipment	Office equipment	Vehicles	Construction in progress	Total
Allowance for impairment								
At August 1, 2015		-	-	-	10,369,389.00	-	-	10,369,389.00
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
Reversal of loss from impairment of assets		-	-	-	(2,546,000.00)	-	-	(2,546,000.00)
At December 31, 2016		-	-	-	6,764,000.00	-	-	6,764,000.00
Net book value								
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
At December 31, 2016		4,698,042.69	186,236,587.66	336,889,039.50	16,895,750.27	3,800,411.96	46,239,939.19	594,759,771.27

								Baht
		Separate financial statements						
	Note	Land and land improvements	Buildings and utility systems	Machinery and factory equipment	Office equipment	Vehicles	Construction in progress	Total
Cost								
At August 1, 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	49,515,709.55
Increase / transfer in		-	5,306,490.20	-	721,577.99	476,136.54	3,228,075.01	9,732,279.74
Disposals / transfer out		-	-	-	-	-	(5,221,912.71)	(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	-	54,026,076.58
Increase / transfer in		-	1,904,309.07	879,067.39	750,087.40	11,500.00	53,578.48	3,598,542.34
Transfer out - Investment property	17	-	(1,704,269.86)	-	-	-	-	(1,704,269.86)
Disposals / transfer out		-	-	-	(24,757.00)	-	-	(24,757.00)
At December 31, 2016		4,698,042.69	39,483,973.49	1,925,724.19	3,682,834.80	6,051,438.41	53,578.48	55,895,592.06
Accumulated depreciation								
At August 1, 2015		-	32,202,234.40	1,046,652.80	1,021,727.18	1,168,419.77	-	35,439,034.15
Depreciation / transfer in		-	302,578.40	-	157,678.12	306,842.92	-	767,099.44
Disposals / transfer out		-	-	-	-	-	-	-
At December 31, 2015		-	32,504,812.80	1,046,652.80	1,179,405.30	1,475,262.69	-	36,206,133.59
Depreciation / transfer in		-	1,160,506.35	42,734.54	529,365.16	775,763.76	-	2,508,369.81
Transfer out - Investment property	17	-	(1,704,268.86)	-	-	-	-	(1,704,268.86)
Disposals / transfer out		-	-	-	(3,688.12)	-	-	(3,688.12)
At December 31, 2016		-	31,961,050.29	1,089,387.34	1,705,082.34	2,251,026.45	-	37,006,546.42
Net book value								
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
At December 31, 2016		4,698,042.69	7,522,923.20	836,336.85	1,977,752.46	3,800,411.96	53,578.48	18,889,045.64

Million Baht

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Depreciation for the periods, were included in				
- Cost of sales and services	37.92	3.70	0.12	0.30
- Selling and administrative expenses	2.54	0.64	2.39	0.47
Total	40.46	4.34	2.51	0.77
As at December 31				
The gross carrying amount fully depreciated that is still in use.	20.03	21.65	20.03	21.65
The net book value of asset under finance lease agreements				
- Vehicles	3.27	3.91	3.27	3.91

Subsidiary

Construction located on leased land and machinery of the Group of Saraburi Project were mortgaged as collateral for loan from financial institution (see note 24).

19. DEFERRED TAX

Deferred tax as at December 31, 2016 and 2015 consisted of:

Baht

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Deferred tax assets	-	8,016,736.22	-	8,016,736.22
Deferred tax liabilities	(9,134,476.95)	(1,237,847.42)	(1,237,439.15)	(1,237,847.42)
Deferred tax assets and liabilities- net	(9,134,476.95)	6,778,888.80	(1,237,439.15)	6,778,888.80

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

Baht

	Consolidated financial statements					
	August 1, 2015	Loss	December 31, 2015	Increase from acquiring the subsidiary	Loss	December 31, 2016
Deferred tax assets						
Trade and other receivables	6,626,332.33	-	6,626,332.33	-	(6,626,332.33)	-
Inventories	1,369,703.83	(109,396.55)	1,260,307.28	-	(1,260,307.28)	-
Provision	130,096.61	-	130,096.61	-	(130,096.61)	-
Total	8,126,132.77	(109,396.55)	8,016,736.22	-	(8,016,736.22)	-
Deferred tax liabilities						
Property, plant and equipment	(1,232,215.82)	(5,631.60)	(1,237,847.42)	(5,887,768.34)	(2,008,861.19)	(9,134,476.95)

Baht

	Separate financial statements				
	August 1, 2015	Loss	December 31, 2015	Profit (Loss)	December 31, 2016
Deferred tax assets					
Trade and other receivables	6,626,332.33	-	6,626,332.33	(6,626,332.33)	-
Inventories	1,369,703.83	(109,396.55)	1,260,307.28	(1,260,307.28)	-
Provision	130,096.61	-	130,096.61	(130,096.61)	-
Total	8,126,132.77	(109,396.55)	8,016,736.22	(8,016,736.22)	-
Deferred tax liabilities					
Property, plant and equipment	(1,232,215.82)	(5,631.60)	(1,237,847.42)	408.27	(1,237,439.15)

20. SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

Short-term loans from financial institutions as at December 31, 2016 consisted of:

	<i>Baht</i>
	Consolidated and separate financial statement
Promissory notes	22,215,207.90

The Company had credit line from financial institutions detailed as follow:

Lender	Type of credit	Credit lines (Millions Baht)	Referred interest rate
Bank	Bank overdrafts	5	MOR
Bank	Promissory notes / credit facilities for import	30	MLR
Bank	Letter of guarantee	3	-

Cash at bank in the amount of Baht 9.50 million were pledged as collateral for the mentioned credit lines (see note 11).

21. TRADE AND OTHER PAYABLES

Trade and other payables as at December 31, 2016 and 2015 consisted of:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Trade payables	1,713,378.05	186,069.97	906,127.89	186,069.97
Other payables				
Payables from purchases of assets	55,766.72	9,152,824.41	-	-
Accrued dividend	2,602,643.56	2,602,643.56	2,602,643.56	2,602,643.56
Accrued expenses	18,853,524.71	10,737,940.44	13,334,530.81	9,227,008.48
Total	21,511,934.99	22,493,408.41	15,937,174.37	11,829,652.04
Grand total	23,225,313.04	22,679,478.38	16,843,302.26	12,015,722.01

Baht

22. CURRENT PORTION OF LIABILITIES

Current portion of liabilities as at December 31, 2016 and 2015 consisted of:

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Loan from financial institution	24	36,900,000.00	-	-	-
Liabilities under finance lease		748,405.64	748,405.64	748,405.64	748,405.64
Total		37,648,405.64	748,405.64	748,405.64	748,405.64

Baht

23. SHORT-TERM LOAN FROM OTHER PARTIES

Short-term loan from other parties as at December 31, 2016 and 2015 consisted of:

	Consolidated and separate financial statements	
	2016	2015
Bill of exchange		
Other parties	-	190,000,000.00
Other person	10,000,000.00	-
Total	10,000,000.00	190,000,000.00
Less Deferred interest	-	(1,634,660.05)
Net	10,000,000.00	188,365,339.95

Baht

During the year 2016, the Company had short-term loan of Baht 10 million by issuing bills of exchange with the period not exceeding 9 months to other person. The interest rate referred to the commercial bank's loan rate and the repayment period due within April 7, 2017.

During the period 2015, the Company had short-term loan of Baht 240 million by issuing bills of exchange with the period of 1-6 months to securities companies. The repayment period was due within March 10 and 17, 2016.

Movements of short-term loan from other parties for the year ended December 31, 2016 and for the five-month period ended December 31, 2015 were as follows:

	<i>Baht</i>	
	Consolidated and separate financial statements	
	2016	2015
Beginning balance	190,000,000.00	-
Increase	515,000,000.00	240,000,000.00
Decrease	(695,000,000.00)	(50,000,000.00)
Ending balance	10,000,000.00	190,000,000.00

24. LOAN FROM FINANCIAL INSTITUTIONS

Loan from financial institutions as at December 31, 2016 and 2015 consisted of:

	<i>Baht</i>	
	Consolidated financial statements	
	2016	2015
Loan from financial institutions	303,126,717.00	26,000,000.00
Less Current portion	(36,900,000.00)	-
Long-term loan from financial institutions	266,226,717.00	26,000,000.00

The details of the loans were as follows:

No.	Lender	Millions Baht		Repayment period	Referred interest rate (%)	Repayment
		Credit line	Principal			
1	Bank	85	50.64	3 years	MLR	Monthly interest payment and principal repayment when the mortgage are released.
2	Bank	375	252.49	Mar. 2013 - Jul. 2022	MLR	Monthly principal repayment of 112 instalment at the rate of 0.67 - 1.87 of principal repayment.
			303.13			

Movements of loan from financial institutions for the year ended December 31, 2016 and for the five-month period ended December 31, 2015 were as follows:

Baht

	Consolidated financial statements	
	2016	2015
Beginning balance	26,000,000.00	-
Increase from acquiring the subsidiaries	287,587,500.00	-
Increase	24,639,217.00	26,000,000.00
Decrease	(35,100,000.00)	-
Ending balance	303,126,717.00	26,000,000.00

Collateral

The Group of Saraburi Project has pledged saving account (see note 11), and mortgaged construction located on leased land and machinery (see note 18), and also transferred their claims on receivables from the production and sell of electricity. In addition, ACC Electric Co., Ltd. has pledged investment in the ordinary shares of the Group of Saraburi Project as collateral against for loan from financial institution (see note 4).

ACC Landmark Co., Ltd. (“subsidiary”) mortgaged land including existing construction and to be construction’s cost of project development (see note 10) and saving account (see note 11), 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).

25. LIABILITIES UNDER FINANCE LEASES

Liabilities under finance leases as at December 31, 2016 and 2015 consisted of:

Baht

	Consolidated and separate financial statements					
	2016			2015		
	Minimum			Minimum		
Year	Present value	Deferred interest	lease payment	Present value	Deferred interest	lease payment
1	748,405.64	56,197.15	804,602.79	748,405.64	79,987.58	828,393.22
2 - 5	1,436,856.06	34,017.13	1,470,873.19	2,196,119.03	95,547.73	2,291,666.76
Total	2,185,261.70	90,214.28	2,275,475.98	2,944,524.67	175,535.31	3,120,059.98

The Company entered into the finance lease agreements for purchase vehicles, payable monthly in the amount of Baht 0.07 million (as at December 31, 2015: Baht 0.07 million). As at December 31, 2016, the current portion of liabilities under the finance leases in the amount of Baht0.75 million (as at December 31, 2015: Baht 0.75 million) was presented under current liabilities.

26. DEBENTURE

Debenture as at December 31, 2016 consisted of:

	<i>Baht</i>
	Consolidated and separate financial statements
Debenture : Par value	600,000,000.00
Less Deferred underwriting fee for debenture	(12,215,589.04)
Debenture	587,784,410.96
Deferred underwriting fee for debenture	16,911,863.01
Less Amortized	(4,696,273.97)
Net	12,215,589.04

During the year 2016, the Company had issued debenture No.1/2016, in named certificate, unsubordinated, unsecured, without a debenture holders' representative and without early redemption in the total amount of Baht 600 million with the period 1 year, 9 months, due on April 9, 2018, the interest rate of 6% per annum for sell to investors based on the announcement made by The Securities and Exchange Commission. The proceeds from the issuance of debentures will be spent to repay the existing debts which help reduce the Company financial costs and to utilise as the Company's working capital for development of the existing and new projects and for business expansion. The debentures have a par value of Baht 1,000 per unit and interest is paid every 3 months and the repayment of principal is due on the maturity date.

27. LONG-TERM PROVISION

Long-term provision as at December 31, 2016 and 2015 consisted of:

		<i>Baht</i>			
		Consolidated financial statements		Separate financial statements	
	Note	2016	2015	2016	2015
Post-employment benefit plan	28	2,848,857.30	1,687,398.39	2,238,275.00	1,267,422.80
Loss on litigations		2,519,303.00	-	2,519,303.00	-
Total		5,368,160.30	1,687,398.39	4,757,578.00	1,267,422.80

28. EMPLOYEE BENEFITS

Employee benefit obligations as at December 31, 2016 and 2015 consisted of:

	<i>Baht</i>			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Post-employment benefit plan				
Present value of obligations	2,848,857.30	1,687,398.39	2,238,275.00	1,267,422.80
Employee benefit obligations	2,848,857.30	1,687,398.39	2,238,275.00	1,267,422.80

Movements of the present value of employee benefits for the year ended December 31, 2016 and for the five-month period ended December 31, 2015 were as follows:

	<i>Baht</i>			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Post-employment benefit plan				
Employee benefit obligations				
at the beginning balance	1,687,398.39	650,483.05	1,267,422.80	650,483.05
Included in profit or loss:				
Current service cost	1,086,815.05	541,276.71	907,130.47	121,301.12
Interest cost	74,643.86	22,649.33	63,721.73	22,649.33
Included in other comprehensive loss:				
Defined benefit plan actuarial losses	-	472,989.30	-	472,989.30
Employee benefit obligations at the ending balance	2,848,857.30	1,687,398.39	2,238,275.00	1,267,422.80

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, 2016 and 2015 (expressed as weighted averages) as follows:

	<i>Percent</i>			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Discount rate	2.82 - 3.48	2.75 - 2.88	3.48	2.75
Salary increase rate	5 - 8.76	5.00	8.76	5.00
Turnover rate	0 - 11	0 - 36.36	0 - 11	0 - 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, 2016 are summarised below:

	<i>Baht</i>			
	Consolidated financial statements		Separate financial statements	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% Movement)	(113,323.73)	121,139.89	(81,642.00)	87,037.00
Salary increase rate (0.5% Movement)	115,468.67	(109,351.02)	82,290.00	(78,145.00)
Turnover rate (0.5% Movement)	(92,791.30)	48,405.00	(89,735.00)	48,405.00

29. SHARE CAPITAL

Share Capital

The Extraordinary General Meeting of Shareholders held on March 11, 2016, resolved to approve 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.

The Company registered the increase of its registered share capital with the Ministry of Commerce on March 18, 2016.

At the Ordinary General Meeting of Shareholders held on April 27, 2016, the resolutions were passed as follows:

- The elimination of deficits by offsetting with the legal reserve in the amount of Baht 24 million and premium on ordinary shares in the amount of Baht 38.81 million.
- An issuance and offering of the Company's debentures for all types with the total amount not exceeding Baht 1,000 million or equivalence in other currencies. The issuance of debentures is intended for use in business operations.

Warrants

The Extraordinary General Meeting of Shareholders held on March 11, 2016, passed the resolutions to approve an issuance and offering of warrants in the amount of 300 million units to the existing shareholders of the Company, at the rate of 4 existing ordinary shares per 1 warrant, which detailed as follows:

Type of warrant	: The warrant to be exercised to the new ordinary shares of Advanced Connection Corporation Public Company Limited No.1 ("the first warrants" or "ACC-W1")
Category	: Issued in the names of respective holder and negotiable
The offering price	: Baht 0.00
Term of the warrant	: 3 years from the date of issuance and offering
Issuing and offering date	: May 3, 2016
Exercise ratio	: 1 warrant per 1 ordinary share
Exercise price	: Baht 1.25 per share
Exercise period	: The last business day of June. The first exercise date is the last business day of June 2017 and the maturity period of warrant is 3 years from date of issuance. In case, the exercise date is not the business day of SET, the exercise date will be postponed to the previous business day.
The last exercise and expiration date	: May 2, 2019

On May 3, 2016, the Company issued 299,999,650 warrants, which were approved as securities by SET on June 14, 2016.

30. 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.

31. 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.

32. EXPENSES BY NATURE

Significant expenses by nature for the year ended December 31, 2016 and for the five-month period ended December 31, 2015 were as follows:

Baht

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Changes in inventories and work in process	(50,212,841.58)	(9,255,720.52)	(50,212,841.58)	(9,255,720.52)
Purchases of goods and supplies	58,145,544.90	11,211,371.41	58,145,544.90	11,211,371.41
Salary and wages	28,710,261.37	11,812,156.06	21,949,465.02	9,369,336.47
Depreciation and amortization	66,558,306.63	14,921,550.13	3,898,401.33	1,180,438.30
Doubtful accounts	-	-	3,544,350.00	997,335.00
Consulting and legal and finance fees	2,911,626.50	4,823,037.33	2,834,586.50	4,191,560.00

33. PROVIDENT FUND

The Company and its employees jointly registered a provident fund scheme under the Provident Fund Act B.E. 2530. The Fund is contributed to by both the employees and the Company. The Fund is managed by BBL Asset Management Company Limited and will be paid to the employees upon termination in accordance with the rules of the Fund. In the year 2016, the Company contributed in the amount of Baht 0.61 million (2015: Baht 0.20 million).

34. INCOME TAX

Corporate income tax of the Group for the year ended December 31, 2016 and for the five-month period ended December 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 corporate income tax as expense for the years and recorded the accrued portion as liabilities in the statements of financial position.

Income tax reduction

The Revenue Code Amendment Act (No. 42) B.E. 2559 dated March 3, 2016, grants a reduction of the corporate income tax rate from 30% to 20% of net profit for accounting periods beginning on or after January 1, 2016, which will be effective on March 5, 2016, 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.

Tax expense for the year ended December 31, 2016 and for the five-month period ended December 31, 2015 consisted of:

Baht

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Current tax				
Current period	-	-	-	-
Deferred tax				
Movements in temporary differences	10,025,597.41	115,028.15	8,016,327.95	115,028.15
Tax expense	10,025,597.41	115,028.15	8,016,327.95	115,028.15

Reconciliation of effective tax rate

	Consolidated financial statements			
	2016		2015	
	Tax rate		Tax rate	
	(%)	<i>Baht</i>	(%)	<i>Baht</i>
Loss before income tax		(15,473,936.10)		(15,167,638.84)
Add Promotional privileges from BOI		(29,494,053.01)		-
		(44,967,989.11)		(15,167,638.84)
Income tax using the corporate tax rate	20	(8,993,597.82)	20	(3,033,527.77)
Expenses not deductible for tax purposes		3,943,453.17		873,456.58
Revenues treated as revenues under the Revenue Code		3,044,095.89		220,068.49
Revenues granted income tax exemption		(579,288.50)		(211,877.80)
Addition expenses deductible for tax purposes		(660,025.53)		(7,031.60)
Current period losses for which no deferred tax assets was recognized.		4,174,220.36		2,763,255.79
Effects of elimination entries on consolidation		(928,857.57)		(604,343.69)
Current tax	-	-	-	-
Movement in temporary differences		10,025,597.41		115,028.15
Tax expense	22	10,025,597.41	1	115,028.15

Separate financial statements				
2016		2015		
Tax rate		Tax rate		
(%)	<i>Baht</i>	(%)	<i>Baht</i>	
Loss before income tax	(32,222,507.30)		(10,580,198.68)	
Income tax using the corporate tax rate	20 (6,444,501.46)	20 (2,116,039.74)		
Expenses not deductible for tax purposes	3,116,589.65	303,911.32		
Revenues treated as revenues under the Revenue Code	3,044,095.89	220,068.49		
Addition expenses deductible for tax purposes	(660,025.53)	(7,031.60)		
Current period losses for which no deferred tax assets was recognized.	943,841.45	1,599,091.52		
Current tax	-	-		
Movement in temporary differences	8,016,327.95	115,028.15		
Tax expense	25 8,016,327.95	1 115,028.15		

35. 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 Group.

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 for the year ended December 31, 2016 and for the five-month period ended December 31, 2015 were classified as follow:

	<i>Thousand Baht</i>							
	Ceiling fan		Renting property		Alternative energy		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
Revenues	15,796	4,170	55,518	26,058	91,098	-	162,412	30,228
Operations								
Gross profit	2,860	1,645	19,037	10,645	48,636	-	70,533	12,290
Other income							32,549	2,634
Selling expenses							(8,170)	(2,402)
Administrative expenses							(54,085)	(25,046)
Financial costs							(57,411)	(2,908)
Share of profit of associatd company							1,110	264
Loss before income tax							(15,474)	(15,168)
Tax expense							(10,026)	(115)
Loss for the period							(25,500)	(15,283)

Significant assets and liabilities as at December 31, 2016 and 2015 were are follows:

	Ceiling fan		Renting property		Property development		Alternative energy		Thousand Baht Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Assets										
Current investments	-	-	-	-	-	-	199,745	120,000	199,745	120,000
Trade and other receivables	5,779	1,790	15,953	5,643	-	-	15,770	-	37,502	7,433
Inventories	56,684	9,803	-	-	-	-	-	-	56,684	9,803
Cost of project development	-	-	-	-	99,615	52,511	-	-	99,615	52,511
Restricted bank deposits	9,500	-	-	-	1,200	1,200	44,173	-	54,873	1,200
Investment in associated company	-	-	-	-	-	-	40,560	39,464	40,560	39,464
Advance payment for investment	-	-	-	-	-	150,000	14,000	39,000	14,000	189,000
Land held for development	-	-	-	-	146,807	-	-	-	146,807	-
Investment property	-	-	486,266	491,830	-	-	-	-	486,266	491,830
Property, plant and equipment	18,889	17,820	14,718	20,603	190	-	560,963	41,460	594,760	79,883
Total assets									1,789,645	1,066,762
Liabilities										
Trade and other payables	16,843	12,016	732	655	510	-	5,140	10,008	23,225	22,679
Current portion of debts	748	748	-	-	-	-	36,900	-	37,648	748
Short-term loan from related party	-	14,865	-	-	-	36,500	10,000	137,000	10,000	188,365
Long-term loan from financial institution	-	-	-	-	50,639	26,000	215,588	-	266,227	26,000
Debentures	587,784	-	-	-	-	-	-	-	587,784	-
Deposit	-	-	7,195	10,303	-	-	-	-	7,195	10,303
Total liabilities									986,950	254,778

Information about major customer

For the year ended December 31, 2016, the Group has revenue from 2 major customers in the amount of Baht 40.40 million from renting property sector (period 2015: in 2 major customers total amount of Baht 16.41 million) and from 1 major customer in the amount of Baht 91.10 million from the alternative energy sector.

36. COMMITMENTS AND CONTINGENT LIABILITIES

As at December 31, 2016, the Group had commitments and contingent liabilities as follows:

The Company

36.1 The letter of guarantee issued by the bank in the amount of Baht 1.26 million.

36.2 Commitments for payment under agreements as follows:

36.2.1 Construction agreement in the amount of Baht 0.25 million.

36.2.2 Lease and service agreements in the amount of Baht 0.13 million per month.

36.2.3 MOU to purchase ordinary shares of 1 project, the remaining amount of Baht 5.89 million (see note 14).

36.2.4 Operating lease agreements in respect of the lease of building in the amount of Baht 0.13 million per month.

36.2.5 Other service agreements in the amount of Baht 0.60 million.

Subsidiaries

36.3 The letter of guarantee issued by the bank in the amount of Baht 0.66 million.

36.4 Commitments for payment under agreements as follows:

36.4.1 Construction agreement and other services in the amount of Baht 22.40 million.

36.4.2 Lease and service agreements in the amount of Baht 0.92 million per month and Baht 0.05 million per year.

36.4.3 Other service agreements in the amount of Baht 0.87 million.

37. FAIR VALUE HIERARCHY

As at December 31, 2016, the Group had the assets that were measured or disclosed at fair value using different levels of inputs as follows:

	<i>Baht</i>			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
The Company				
Current investments	-	199,745,130.51	-	199,745,130.51
Assets for which fair value are disclosed				
The Company				
Investment property				
Book value amount of Baht 48.35 million	-	38,739,540.00	278,224,852.20	316,964,392.20
Subsidiary				
Investment property				
Book value amount of Baht 437.92 million	-	276,640,000.00	255,000,000.00	531,640,000.00

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 and condominium 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 the independent valuers, which was determined on the basis of Depreciated Replacement Cost Approach and Income Approach.

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

38. DISCLOSURE OF FINANCIAL INSTRUMENTS

38.1 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.

38.2 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.

38.3 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:

38.3.1 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, loan from financial institution and debenture because the interest rate of the financial assets and liabilities fluctuate based on the market rate. In addition, the Group has not engaged in any hedging contracts related to interest rates.

38.3.2 Foreign currency risk

The Group's exchange rate risk primarily involves the purchases and sales of goods in foreign currencies. As at December 31, 2016 and 2015, the Group had assets and liabilities in foreign currencies as follows:

Million

Currency	Consolidated and separate financial statements			
	2016		2015	
	Assets	Liabilities	Assets	Liabilities
US Dollars	0.02	0.01	2.53	-
Renminbi	-	-	0.01	-

38.3.3 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.

38.4 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, liabilities under finance leases and debenture 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.

39. 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. Later on November 17, 2016, the Civil Court had sentenced the Company to pay the compensation of Baht 2.26 million with the interest at the rate of 7.5 %. At the present, the case is pending decision in the Appeal Court.

However, the Company had already recorded the provision relating damage from this litigation as the consideration of the Civil Court under the account of “long-term provision” in the whole amount.

40. SUPPLEMENTARY INFORMATION (UNAUDITED)

As explained in 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, 2016 and 2015, as detailed below:

	"Unaudited"			
	<i>Baht</i>			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Revenue from sales and services	162,411,855.89	82,502,924.19	40,414,048.34	39,711,835.62
Cost of sales and services	(91,879,140.60)	(52,588,228.66)	(19,106,068.30)	(12,971,521.24)
Gross profit	70,532,715.29	29,914,695.53	21,307,980.04	26,740,314.38
Other income	32,548,742.42	9,012,787.03	38,524,354.49	16,895,704.36
Selling and service expenses	(8,170,258.88)	(5,680,150.59)	(7,296,530.26)	(4,492,956.52)
Administrative expenses	(54,084,300.26)	(210,000,018.08)	(42,692,338.39)	(189,569,317.23)
Finance costs	(57,410,834.67)	(2,908,220.86)	(42,065,973.18)	(2,473,700.32)
Share of profit of associated company	1,110,000.00	264,000.00	-	-
Loss before income tax	(15,473,936.10)	(179,396,906.97)	(32,222,507.30)	(152,899,955.33)
Tax expense	(10,025,597.41)	(237,413.66)	(8,016,327.95)	(237,413.66)
Loss for the year	(25,499,533.51)	(179,634,320.63)	(40,238,835.25)	(153,137,368.99)
Loss for the year attributable to				
Shareholders of the parent	(22,516,311.00)	(178,537,905.64)	(40,238,835.25)	(153,137,368.99)
Non-controlling interests	(2,983,222.51)	(1,096,414.99)	-	-
	(25,499,533.51)	(179,634,320.63)	(40,238,835.25)	(153,137,368.99)
Total comprehensive loss attributable to				
Shareholders of the parent	(22,516,311.00)	(178,537,905.64)	(40,238,835.25)	(153,137,368.99)
Non-controlling interests	(2,983,222.51)	(1,096,414.99)	-	-
	(25,499,533.51)	(179,634,320.63)	(40,238,835.25)	(153,137,368.99)

Other Information

Details of Directors in Subsidiaries and Related Companies

Subsidiaries	Director	Position
C.E.I. (Chiangmai) Company Limited	Mr. Yuttana Taepangthong Mr. Sarin Ruangsorn Mr. Ekawat Swetarat	Authorized Director Authorized Director Authorized Director
ACC Electric Company Limited	Mr. Yuttana Taepangthong Mr. Sarin Ruangsorn Mr. Pavint Ruangvoraboon	Authorized Director Authorized Director Authorized Director
ACC Landmark Company Limited	Ms. Ngamnij Ruangsorn Mr. Yuttana Taepangthong Mr. Ekawat Swetarat	Authorized Director Authorized Director Authorized Director
ACC Green Energy Company Limited	Mr. Yuttana Taepangthong Mr. Sarin Ruangsorn Mr. Pavint Ruangvoraboon	Authorized Director Authorized Director Authorized Director
W.Solar Company Limited	Mr. Yuttana Taepangthong Mr. Pavint Ruangvoraboon	Authorized Director Authorized Director
Bangpakong Solar Power Company Limited	Mr. Yuttana Taepangthong Mr. Pavint Ruangvoraboon	Authorized Director Authorized Director
Thai Solar Plant 2 Company Limited	Mr. Yuttana Taepangthong Mr. Pavint Ruangvoraboon Mr. Ekawat Swetarat	Authorized Director Authorized Director Authorized Director
Talingchan Solar Farm Company Limited		
Saraburi Solar Plant 2 Company Limited		
P.B.Y. Green Power Company Limited		
New Solar Technic Company Limited		
Happy World Power 2 Company Limited		
Future Good Health 2 Company Limited		
Cool World Energy 2 Company Limited		
Best Solar Plant Company Limited		
V.A. Clean Energy 2 Company Limited		
Siam Water Resources Public Company Limited ("SWR") *	Mr. Yuttana Taepangthong	Director

* The Company holds share at 8.33% of share registered