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Message from the Chairman of the Board and the Managing Director

Dear Shareholders,

During the year 2017, the overall Thai economy expanded slightly from exports and tourism expanding. In line with the world economy which is more recover and spread. Domestic demand grows slowly. Meanwhile, government spending slowed down from the previous year. But the expansion of the economy has not affected the small and medium businesses.

The company's ceiling fan business in recent years grew slightly. Since the company started to expand its market into the modern shopping mall (Modern Trade) last year. But cannot see the result much because the Company cannot place products at all branches. Most of products display positioning is at the promotion area. Next year, the company expect to distribute products in almost every branch. The company plans to launch more promotions to stimulate sales and expect that next year sales will increase.

Renewable Energy in the past year, solar power business generate the most revenue to the Company. The company has decided to increase capacity in the Solar Power Plant (Solar Farm) project of the Saraburi Group due to the installed capacity is lower than the capacity the Company allowed from the Provincial Electricity Authority. It is expected that next year will be able to generate higher returns as expected.

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. During the past year, subsidiary recognized revenue approximately 50%.

Catering and restaurants business in Chiang Mai province, which the company has resumed its own business, since directors and executives of the Company considered they have potential and have opportunities to growth much more from the expansion of tourism which is main revenue of the country.

Finally, on behalf of the Board of Directors, we would like to thank our shareholders, customers and business partners for trust and support the operation of the company as well. We also thank the management and staff of the company who have cooperated with us through various obstacles. We, the Board of Directors and Management, are committed to creating growth to company and increase profits. Manage with professionalism and good corporate image to create sustainable success to the Company.



(General Kasemsak Plooksawat)

Chairman of the Board



(Mr. Yuttana Taepangthong)

Managing Director

The Details of Directors and Managements



General Kasemsak Plooksawat

Age 72 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	
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 63 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 44 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

Training of Thai Institute of Directors (IOD)

Risk Management Program for Corporate Leaders (RCL) Class 9/2560

Directors Certification Program (DCP) Class 233/2560

Directors Accreditation Program (DAP) Class 120/2558

Training of Federation of Accounting Professions (FAP)

Chief Financial Officer (CFO) Class 16

Positions in Listed Companies in SET

2014 - Present: Director

Sanko Diecasting Plc. (SANKO)

Position in Other Companies/Organizations

2016 - Present: Director

Saraburi Solar 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 37 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

Training of Thai Institute of Directors (IOD)

Directors Certification Program (DCP) Class 234/2560

Directors Accreditation Program (DAP) Class 120/2558

Position in Other Companies/Organizations

2017 - Present: Director

Saraburi Solar Co., Ltd.

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 37 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

Training of Thai Institute of Directors (IOD)

Directors Certification Program (DCP) Class 233/2560

Directors Accreditation Program (DAP) Class 120/2558

Position in Other Companies/Organizations

2017 - Present: Director

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

ACC Landmark Co., Ltd.

2016 - Present: Director

W.Solar Co., Ltd.

Bangpakong Solar Power Co., Ltd.

Saraburi Solar 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 49 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

Training of Thai Institute of Directors (IOD)

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

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 57 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

Training of Thai Institute of Directors (IOD)

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 53 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

Training of Thai Institute of Directors (IOD)

Directors Certification Program (DCP) Class 239/2560

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

2013 - Present: Director

Right Livelihood Foundation

2009 - Present: Director

Ingnatee Resort Co., Ltd., Pathumthani

2010 - 2017: Advisor

Sub district Administration Organization Association of Thailand

2009 - 2017: Special Project Manager

Suk Charoen Kij Limited Partnership

Relationship with Directors and Management None



Mr. Ekawat Swetarat

Age 36 years Thai nationality

Position

Executive Director / Nomination and Remuneration Committee /
Deputy Managing Director

Appointed Date April 25, 2017

Shareholding None

Education

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

Master's Degree, M.I.M.S (Information Management System), Monash
University, Australia

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

Training of Thai Institute of Directors (IOD)

Board Nomination and Compensation Program (BNCP) Class 1/2560

Directors Certification Program (DCP) Class 234/2560

Directors Accreditation Program (DAP) Class 120/2558

Position in Other Companies/Organizations

2017 - Present : Director

ACC Electric Co., Ltd.

ACC Green Energy Co., Ltd.

2016 - Present : Director

Saraburi Solar 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. Kan Kungpisdan

Age 38 years Thai nationality

Position

Director

Appointed Date April 25, 2017

Shareholding None

Education

Master's Degree, Electronics Business, King Mongkut's
University of Technology Thonburi

Bachelor's Degree, Information Management, Rangsit
University

Position in Other Companies/Organizations

2018 - Present : Senior Business Analyst

R V Connex Co., Ltd.

Work Experience

2007 – 2017 : Senior Business Analyst

Siam Commercial Bank Plc.

Relationship with Directors and Management None



Mr. Kitti Kanokudomsap

Age 52 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 38 years Thai nationality

Position

Company Secretary

Appointed Date February 4, 2016

Shareholding None

Education

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

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

Training of Thai Listed Companies Association

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

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. The company has officially opened a new showroom 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 marketing team 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 past year. And has invested in the production of electricity from solar roof (Solar Rooftop) and the extensions which remain capacity approximately 2.034 megawatt due from cancellation of investment in 105 Solar Power Co., Ltd. which already noticed to cancel and request for refunding prepaid amount for investment of 14 million Baht to Wyncoast Industrial Park Public Company Limited because of delaying of the project development. The operating of electricity production from solar roof (Solar Rooftop) is under associated company, W. Solar Company Limited ("W.SOLAR"), associated company, operates electricity production from solar roof (Solar Rooftop). The Solar panels are installed on the roof of plant in Wyncoast Industrial Park Public Company Limited with capacity about 1 megawatt, investment amount of 39.20 million Baht or 49% of registered and paid up capital. Now extended for another 2 phase on roof of office building of Wyncoast Industrial Park Public Company Limited with capacity 0.186 megawatt and another phase on the roof of car parking lot of Wyncoast Industrial Park Public Company Limited with capacity 0.108 megawatt. Both 2 phase extensions are already commercial electricity distribution (COD) since April 2017. And also Bangpakong Solar Power Company Limited, subsidiary company, capacity approximately of 0.75 megawatt, investment amount of 24.99 million Baht or 51% of registered and paid up capital. The Solar panels are installed on the roof of plant in Wyncoast Industrial Park Public Company Limited. And already commercial electricity distribution (COD) since February 2017. In addition, the Saraburi Project Group of Companies, subsidiary companies, with total capacity approximately 5.50 megawatt operates in solar power on the ground (Solar farm). The solar panel install in Talingchan sub district, Muang Saraburi district, Saraburi province with capacity approximately 5.50 megawatt, investment amount of 290 million Baht or 100% of registered and paid up capital. This project already commercial electricity distribution (COD). The Company continually study and develop other renewable energy projects to expand investment in the future. Overall operations result of renewable energy business in the past year were meet the Company's 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% of the capital and Prime Mansion Company Limited holds 25% of the registered share capital) to has experienced

investors to participate. The first project was developed under the name "Town Line Sattahip" in Sattahip district, Chonburi province. The sales revenue of 13 units are recognized in year 2017 from total of 32 units.

For existing real estate. The Company has sold land and factory buildings on March 8, 2018. And condominium 8 units at Country Complex Condominium are sold in year 2017. Office building at PS Tower 2 units are sold in year 2016. Currently, there are 11 units of Country Complex Condominium remain and available for sale.

Hospitality - Banquet and Restaurant

From April 2017, C.E.I Chiangmai Company Limited resume Khum KhanToke, the Cultural Center of Khan Toke food and Lanna grand show deserve to welcome visitor, Plub Pla restaurant and Khum Kham International Convention Center to operate by own. And can generate revenue more than 72 million Baht. Now open expand area of Plub Pla restaurant, increase more 100 dining chairs to reserve more customers. Khum Kham International Convention Center and International Banquet Room with large banquet room decorated with high architecture, elegant and unique Lanna culture. It is well known in the country and also abroad. The company hopes to increase its revenue in the future.

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 cultural 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 : KhumKham, 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.

- 2018**
- On January 18, 2018, the Company entered into a contract to purchase and sell land and factory buildings that were for rent in Samutprakarn. The Company will sell the land and buildings at a total price of Baht 240 million Baht to Innovative Design and Manufacturing Co., Ltd. which has no relationship with the Company and is not a connected person. The buyer pay a deposit of Baht 15 million on contract date. And on March 8, 2018, the Company transferred the ownership and received the remaining price of land and building for Baht 225 million. The proceeds from the sale of land and factory buildings will strengthen the financial position of the company. And used as working capital in operation and for investing in future projects of the company.
 - In addition, on January 22, 2018, the Extraordinary General shareholders Meeting No. 1/2561 of the Company has passed a resolution of approving the increase of the Company's registered share capital from Baht 374,999,912.50 to Baht 524,999,912.50 by issuing 600,000,000 new ordinary shares. Par value 0.25 baht, resulting in the company has a total registered shares 2,099,999,650 shares. The capital increase will strengthen the financial position of the company. To support business expansion and investment. Including reserve for working capital of the company. There were 16 existing shareholders subscribing for 143,054,557 new ordinary shares equal to ordinary share value of Baht 35,763,639.25 and premium on ordinary shares of Baht 50,069,094.95. Total amount of the proceeds the Company receive from newly issued ordinary share is 85,832,734.20 Baht. As of March 12, 2018, the Company's paid-up capital is Baht 335,763,639.25. The capital increase will strengthen the financial position of the company. To support business expansion and investment. Including reserve for working capital of the company.
 - On March 8, 2018, the Company sold land and Factory buildings in Bangpoo Industrial Estate.

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 in 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”) resume to perform the business of the Cultural Center of Food and Show (Khum KhanToke) and International Convention Center (Khum Kham) by own.	100.00	200,000,000.00	200,000,000.00
ACC Electric Co., Ltd. (“ACCE”)	Trading	100.00	100,000,000.00	100,000,000.00
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
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

* On December 1, 2017 Saraburi Project Group were merged together. And set up a new company, named Saraburi Solar Co., Ltd.

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 524.99 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 approach the customers with high purchasing power in the upper market. 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 condominium at Bangna total 19 units and business of the Cultural Center of food and show : Khum KhanToke and the International Convention Center : KhumKham, 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) and International Convention Center (Khum Kham) 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

Remark : On March 8, 2018, The Company sold land and Factory buildings in Bangpoo Industrial Estate Country Complex Condominium now available 11 rooms
The Cultural Center of food and show (Khum KhanToke) and International Convention Center (Khum Kham), terminate rental agreement and resume to operate by own since April 2017

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. The revenue from sale of 13 units are 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”). Those projects are on roof of factory building for rent of Wyncoast Industrial Park Public Company Limited (WIN) located at 105 Moo 3 Bangna-Trad Road, Thakham sub district, Bangpakong district, Chacheangsao province. The associate company, “W.SOLAR”, start revenue recognized since June 2015 and the subsidiary company, “BSP”, start revenue recognized since February 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 Commercial Operation Date (COD) since 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	1.284	6.16	Capacity include the extension of 0.294 MW
Saraburi Group	100	5.50	8 (Adder)	
BSP	51	0.75	6.50	

Revenue Structure

Revenues of the company proceeds from the sale of ceiling fan/light and its components, LED lamp, rental income. And revenues of the subsidiaries company proceeds from Income from food sales, show service, banquet and facilities meeting room, revenue from the sale of real estate and revenue from selling renewable energy.

unit : million Baht

Revenue type	December 31, 2017		December 31, 2016		December 31, 2015 (5 months)	
	Amount	%	Amount	%	Amount	%
1. Revenue from sale	17.09	5.73	15.80	9.72	4.17	13.79
2. Revenue from service	72.81	24.43	-	-		
3. Revenue from rent	34.71	11.65	55.52	34.19	26.06	86.21
4. Revenue from Real Estate development	80.79	27.11				
5. Revenue from sale renewable energy	92.62	31.08	91.10	56.09	-	-
total	298.02	100.00	162.41	100.00	30.23	100.00

unit : thousand Baht

Financial position at the end of year Remark: Calculate from consolidate Fin. Stat.	Consolidated Fin. Stat. December 31, 2017	Consolidated Fin. Stat. December 31, 2016	Consolidated Fin. Stat. December 31, 2015
Assets and Shareholders equity			
Current assets	348,128	444,153	251,833
Total assets	1,633,961	1,789,645	1,066,762
Shareholders equity	753,890	802,695	811,985
Par value (Baht)	0.25	0.25	0..25
Book value (Baht)	0.63	0.67	0.76
Number of shares (share)	1,200,000	1,200,000	1,200,000
Profitability			
Revenue from sale	298,016	162,412	30,228
Other revenue	16,414	32,549	2,634
Total revenue	314,430	194,961	32,862
Net income (loss)	(48,805)	(25,500)	(15,283)
Cash dividend	-	-	-
Profit per share (Baht)	(0.0440)	(0.0188)	(0.0118)
Financial Ratio			
Current assets to current liabilities (time)	0.51	4.04	1..17
Liabilities to equities (time)	1.17	1.22	0.31
Return on equities (%)	(6.27)	(3.16)	(1.89)
Return on Sale (%)	(16.38)	(15.70)	(52.12)
Return on total revenue (%)	(16.78)	(11.55)	(47.95)
Return on total assets (%)	(2.85)	(1.89)	(1.61)

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. Focus on design and quality of products ordered from both inside and outside of the country. With product inspection and determination specification processes to ensure all products are meet the Company's standard to maintain quality and reputation of the brands.

• Product Characteristics

Trading business Currently, the products 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 "Air-le-gance".

Real Estate business Operates by ACC Landmark Co., Ltd., Subsidiary, Project name of Townline, townhome on land 2 Rai – 1 Ngan – 8 Square wah at Sattahip District, Chonburi Province total 32 units. Project size of Baht 200 million. Selling price Baht 5.20-6.70 million. During year 2017, can recognized revenue of 13 units sold.

Hospitality business – Banquet and Restuarant Operates by C.E.I. (Chiangmai) Co., Ltd., subsidiary, with a cultural center, food & restaurant, and Lanna show called "Khun Khantoke" in Chiangmai province which offers the following.

- Grand Lanna cultural shows and buffet of Khan Toke cuisine deserve for welcome visitor from 6 p.m. to 9 p.m. And also 4 p.m. round during high season period for addition.
- "Plub Pla" Thai restaurant opens for Thai cuisine and buffet by daytime 8 a.m. to 2 p.m. and Thai cuisine only from evening 5 p.m. to night 9 p.m.
- "KhumKham" International Convention Center and large and elegant banquet room with luxuriously designed for the international, unique and attractively decorated.

Renewable Energy business operate solar power on roof top by associated company, W.Solar Co., Ltd. (W.SOLAR) and subsidiary company, Bangpakong Solar Power Co., Ltd. (BSP) on roof top of plant for rent of Wyncoast Industrial Park Plc. locate at 105 Moo 3 Bangna-Trad Road, Takam sub district, Bangpakong district, Chacheangsaio province. W.SOLAR recognize revenue since June 2015. BSP recognized revenue since February 2017 sell electricity to plant renter in Wyncoast Industrial Park with selling price at Baht 6.16 and 6.50 per unit case by case. Solar power on ground (Solar Farm) located at 113/1 Moo 2 Mitraphap Road, Talingchan sub district, Muang Saraburi District, Saraburi Province. Recognized revenue since January 1, 2016. This project was allowed to sell electricity with an additional tariff of Baht 8 per unit for 10 years (2012-2022).

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 build a sales team of direct sale to 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.

In Banquet and Restaurant business, adds more services as an alternative source of its income such as providing international convention center service 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, luxury, elegant unique in cultural suit for international conference 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 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 continually expand customer base in order to increases sales volume. Meanwhile, we are downsizing the organization to reduce sales costs and management expenses of the Company.

Khum KhanToke and KhumKham International Convention Center, Pricing policy are individually. Khum KhanToke the price might be higher than the competitor due to unique of show, but buffet food price is competitive. KhumKham International Convention Center, the price is also competitive.

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

3) Distribution and Distribution Channel Strategy

The Company sells directly to customers which are department stores that sell housewares that are well known among buyers such as Home Pro, Home Work, Thai Watsadu, House & Home, wholesale customers in regions, and general home decorators. This allows the Company to reach target customer for all levels include customer in the real estate, hotel, and resort.

For the cultural food and show, Khum KhanToke, and the international Convention Center, KhumKham, the Company use distribution channel of tour agency by being part of tour program. Advertises 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.

Real Estate business due to the project is in Sattahip district, Chonburi province, so focus on local customer. The channel use should reach target in that area and nearby.

- **Sale Promotion Strategy**

Trading business, the Company's marketing plan start with advertise in decoration guide books and construction and materials magazines. And also participates in home decorating exhibition and joins with department stores in launching products in order to introduce product to consumers directly.

The cultural center of food and show, Khum KhanToke and International Convention Center, KhumKham, prepare promotion plan focus on International Convention Center, KhumKham, which consider potential, dominant by booth exhibit for both provincial and country level. The International Convention Center, KhumKham is awarded from the seminar room competition from the Thailand Convention and Exhibition Bureau or TCEB. The cultural center of food and show, Khum KhanToke, focus on doing promotion with tour agency to include Khum KhanToke in the tour program.

Real Estate business, advertise in local magazine, offer discount to recommend new customer, discount promotion and premium.

- **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 cultural center of food and show, Khum KhanToke and International Convention Center, KhumKham, more than 70% of customer are the tourist from tour agent and most of them are foreigners. Remaining are walk-in, also foreigners. International Convention Center's customers are both government and private organizations, as well as general guests who require a banquet room, conference room. The company has room many sizes to serve customers' needs.

- **Competition**

Domestic ceiling fan industry is continually more competition. 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 stilled 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.

The cultural center of food and show, Khum KhanToke and International Convention Center, KhumKham, Most of customers are tourists and foreigners. The Company has a potential in competition due to quality of 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 directly order with the manufacturers to avoid increasing cost and get the reasonable agreed prices.

Subsidiary company's service are as follows;



- 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, 2017, there are loan to subsidiaries total 632.45 million Baht. Some of them is loan which may has risk of interest rate lower than the current financial cost. Because the company uses residual cash in the company to lend to subsidiaries in the form of lending. Thus, interest rates are lower than current financial costs. (In the past, the company has not been used loan in doing business). It might be risk to be assess juristic tax by the Revenue Department. But specific business tax is exempted because it is a subsidiary under the Revenue Code. In the year 2017, the Company increased its registered capital in subsidiary. And subsidiary use the money from the capital increase to repay the loan. Make the loan amount decrease.

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, 2017 and December 31, 2016 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, 2017		Dec 31, 2016	
	Assets	Liabilities	Assets	Liabilities
1. US Dollar	0.01	0.02	0.02	0.01
2. China Yuan	-	-	-	-

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 found 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 source of fund that suit to cash inflow from the project invest or the Company will increase share registered to suit to the project they invest. The Company will take action when prompt.

Inexperience in land development and allotment Risk

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.

Continuity Development of Real Estate projects Risk

Subsidiary, ACCL in Real Estate development business has only one existing project. If the next project does not start to develop. Revenue recognition will be discontinuous. As a result, the Company's operating results might be loss from regular expenses and lose business opportunities. However, the company is in the process of finding a small project, not use much budget, can be completed and sold quickly to develop for the next project.

Failure to comply with the terms and conditions of the issuer's rights and obligations Risk

The obligation relates to right and duty of the Company in issuing the Company's Debentures No.1/2018 due in the year 2020. There are certain requirements, such as maintaining the net debt to equity ratio which the company must comply. Moreover, the Company may require to be consent from bond holder. If the company has significant changes in liabilities, shareholders' equity and asset disposals. Any violation of these terms may result in the bond holder demand the Company to repay all of loan together with interest on the bond calculate until such time which consider as the bond are due immediately. As of December 31, 2017, the Company had net debt to equity ratio of 1.17 times. The Company must maintain its net debt to equity ratio not more than 2.50 times

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	524,999,912.50 baht divided to ordinary shares of 2,099,999,650 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. 338, Building A, 8 th floor, Preecha Complex, Ratchadapisek Road, Soi Ratchadapisek 20, Samsennok, Huay Kwang, Bangkok 10310 Telephone : 09 7445 4459
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 Fax : 0 2642 2919
Financial Advisor	: Absolute Advisory Company Limited No. 98 Sathorn Square Office Tower 27th Floor Unit 2703-2704 North Sathorn Road, Silom, Bangrak, Bangkok 10500 Telephone : 0 2108 1233 Fax : 0 2108 1255

Banks

:	Bangkok Bank PCL.	Bangkapi Branch
	Bangkok Bank PCL.	Bangna Branch
	Kasikorn Bank PCL.	Srinagarindra Road k.m. 9 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	524,999,912.50	baht	(Five hundred twenty four million nine hundred ninety nine thousand nine hundred twelve baht fifty satang)
Divided to	2,099,999,650	share	(Two thousand ninety nine million nine hundred ninety nine thousand six hundred fifty shares)
Par Value per share	0.25	baht	(Twenty-five satang)
Paid up Capital amount	335,763,639.25	baht	(Three hundred thirty five million seven hundred sixty three thousand six hundred thirty nine baht twenty five satang)

Divided to

Ordinary share	1,343,054,557	shares	(One thousand three hundred forty three million fifty four thousand five hundred fifty seven shares)
Preferred share	-	share	(None share)

Shareholder Structure

Shareholder structure as of the latest record date on March 28, 2018 prepared by Thailand Securities Depository (Thailand) Company Limited are as follows:

Shareholders by nationality	No. of shareholders	No. of ordinary share	Share proportion (%)
Thai	2,397	1,240,209,945	92.34
Foreign	21	102,844,612	7.66

The First 10 Major Shareholders

Shareholders Name	No. of ordinary share	Share proportion (%)
1. Mr. Piemsak Limpatakmongkol	255,396,209	19.02
2. Mr. Visit Dachavittayathorn	103,196,693	7.68
3. Mr. Nantanat Piboonnant	76,396,700	5.69
4. Mr. Pakorn Teerathamrong	72,424,000	5.39
5. Mr. Anuroj Seneepakornkrai	51,000,000	3.80
6. Mr. Tanakit Utchariyasombat	50,500,000	3.76
7. RAFFLES NOMINEES (PTE) LIMITED	49,600,533	3.69
8. Ms. Pornpan Thunyasiri	46,063,700	3.43
9. Mr. Rojsak Seneepakornkrai	34,500,000	2.57
10. MRS. YUHUA YAN	30,190,368	2.25

Issuance of other securities

Bill of exchange

As of December 31, 2017 the Company has no bills of exchange outstanding.

Long term debenture

During year 2016 the Company issued bond no. 1/2016, specified name of holder, unsubordinated, unsecured and without a debenture holders' representative and cannot be redeemed before maturity, total 600 million Baht, term 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 bonds to repay the existing debt. This will reduce the company's financial cost. And to use as working capital for developing current projects and new projects and support the expansion of the company. The bonds have a par value of Baht 1,000 per unit, interest payment every 3 months and a one-time principal repayment on the maturity date. The Company has already repaid the bonds.

Convertible Securities (Warrant)

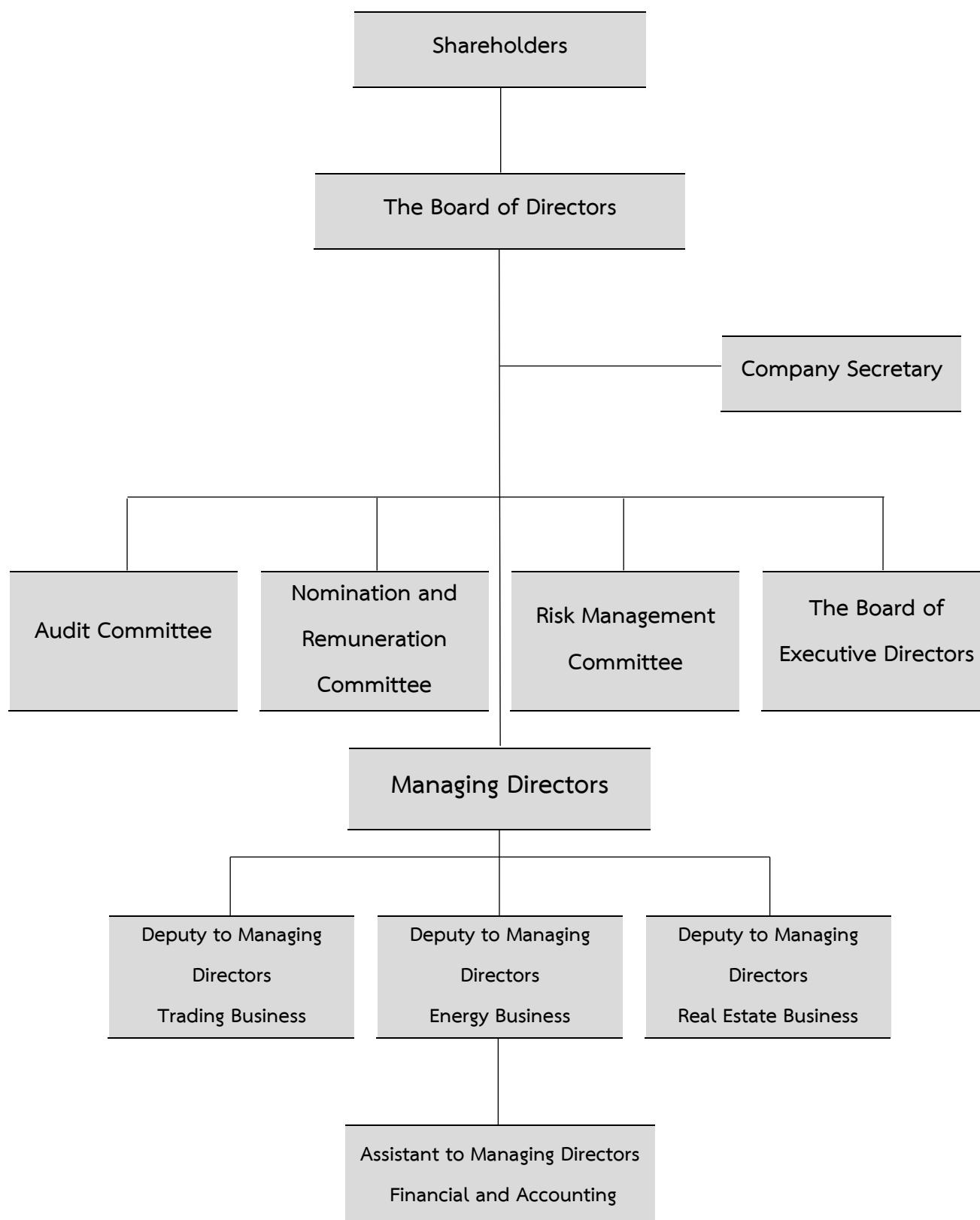
According to an Extraordinary General meeting of shareholders No. 1/2016 on March 11, 2016 has a resolution to approve the issuance and offering of warrants to purchase ordinary shares of Advanced Connection Corporation Plc. No. 1 (ACC-W1) amount not more than 300,000,000 units to offer to the existing 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 of Directors and the 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 “Two directors sign together. The directors are as follows: Mr. Yuttana Taepangthong or Mr. Pavint Ruangvoraboon signing together with Mr. Sarin Ruangsorn or Mr. Ekawat Swetarat, total of two persons and also with the 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, 2017 are as follows:

Name – Surname	Nationality	Position	Annual General Shareholder Meeting of Year 2017	Time attended Board of Director Meeting
1. General Kasemsak Plooksawat	Thai	Chairman of the Board of Director/ Independent Director	Attend	9/9
2. Ms. Sudthida Chirapatsakul	Thai	Vice Chairman of the Board of Director/ Independent Director	Attend	4/9
3. Arichai Ractham, Ph.D.	Thai	Chairman of the Audit Committee/ Independent Director	Attend	9/9
4. Dr. Charnsiri Suetrong	Thai	Audit Committee/ Independent Director	Attend	9/9
5. Mr. Pasu Sukhumvart	Thai	Audit Committee/ Independent Director	Attend	8/9
6. Mr. Yuttana Taepangthong	Thai	Director	Attend	9/9
7. Mr. Sarin Ruangsorn	Thai	Director	Attend	9/9
8. Mr. Pavint Ruangvoraboon	Thai	Director	Attend	8/9
9. Mr. Ekawat Swetart	Thai	Director	Attend	9/9
10. Mr. Kan Kungpisdan	Thai	Director	-	6/6

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, 2017 are as follows:

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

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. And comprise of managements and directors not less than 3 persons. Being as the committee member, it must be at least one member that must be independent director.

Name List of Nomination and Remuneration Committee, attendance in Meeting for the year ended December 31, 2017 are as follows:

Name - surname	Position	Time attended
1. Ms. Sudthida Chirapatsakul	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

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, 2017 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, 2017 are as follows:

Name - surname	Position	Time attended
1. Mr. Yuttana Taepangthong	Managing Director Take care of all businesses	9/9
2. Mr. Sarin Ruangsorn	Deputy Managing Director Take care of real estate business	9/9
3. Mr. Pavint Ruangvoraboon	Deputy Managing Director Take care of energy business	9/9
4. Mr. Ekawat Swetarat	Deputy Managing Director Take care of trading business	9/9
5. Mr. Kitti Kanokudomsap	Assistant to Managing Director Take care of financial and accounting department	9/9
6. Ms. Natthakarn Santayanont	Company Secretary	9/9

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	-	20,000
Director	-	12,000
Audit Committee		
Chairman	-	18,000
Director	-	12,000
Other committees		
Chairman	-	5,000
Director	-	3,000

For the year ended December 31, 2017 the Company paid remuneration to Directors and other Committees total of 2,309,000 Baht Composing of Director's Bonus and Meeting allowance. Details by person are as follows:

Name - surname	Position	Remuneration (Baht)
1. General Kasemsak Plookawat	Chairman of the Board of Director	680,000
2. Ms. Sudthida Chirapatsakul	Director Chairman of the Nomination and Remuneration Committee	179,000
3. Arichai Ractham, Ph.D.	Director Chairman of Audit Committee Chairman of Risk Management Committee	448,000
4. Dr. Charnsiri Suetrong	Director Audit Committee Risk Management Committee	237,000
5. Mr. Pasu Sukhumvart	Director Audit Committee Nomination and Remuneration Committee	225,000
6. Mr. Yuttana Taepangthong	Director Risk Management Committee	112,000
7. Mr. Sarin Ruangsorn	Director/Deputy Managing Director	112,000
8. Mr. Pavint Ruangvoraboon	Director/Deputy Managing Director	102,000
9. Mr. Ekawat Swetarat	Director/Deputy Managing Director Nomination and Remuneration Committee	92,000
10. Mr. Kan Kungpisdan	Director	112,000

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, 2017, the Company paid in cash to management, as defined by the Capital Market Commission, including 5 persons totaling 12,925,375 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 2017, the Company arranged an Annual General Shareholders Meeting for 2017 on April 25, 2017 at Maple Hotel Bangkok. The Company sent out a meeting notice as well as the agenda attached for the meeting for each meeting, the shareholders must acknowledge the meeting 7 working days prior to each meeting. 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 10 persons, including with 2-Non-Executive Director, 4-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 Authorized Director with Signatory to the Company are "Two directors sign together. The directors are as follows: Mr.

Yuttana Taepangthong or Mr. Pavint Ruangvoraboon signing together with Mr. Sarin Ruangsorn or Mr. Ekawat Swetarat, total of two persons and also with the Company's seal"

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, 2017.

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

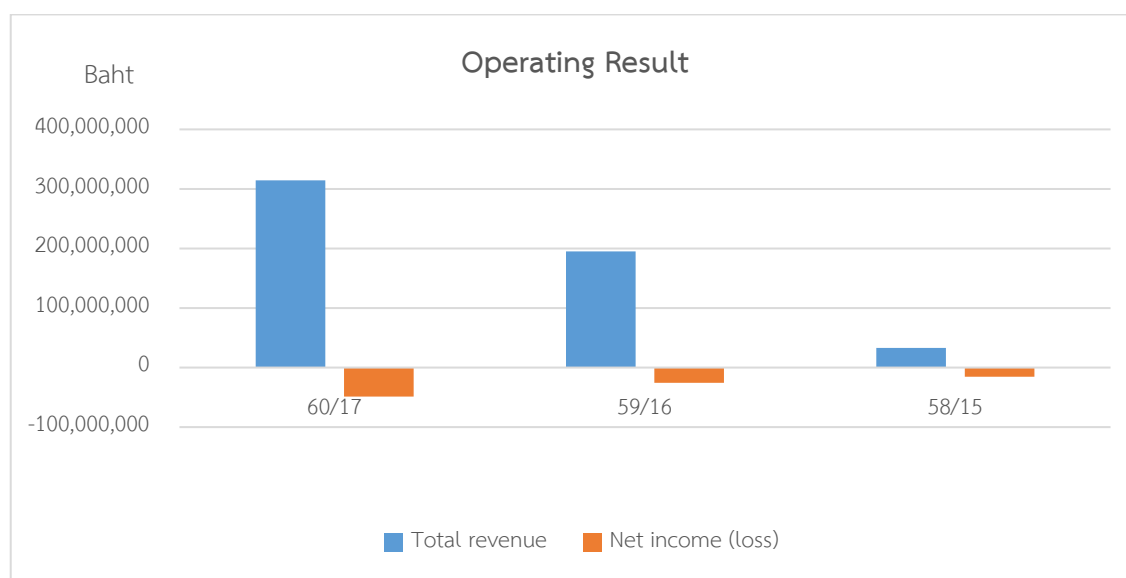
Company / Related person	Transaction Value		Description	Nature of Relationship	Necessary and Appropriation of Transaction
	Dec 31, 2017	Dec 31, 2016			
C.E.I. (Chiangmai) Co., Ltd. (CEI CM)	290,800	493,178	Short-term loan	Subsidiary company, hold share 99.99%	Loan to subsidiary to buy land & property & business of Cultural Center and Show (Khum KhanToke), interest rate 3.50% and revise to 0.75% since May 1, 2015, Reasonable
	182	23,913	Accrued interest receivable		
	-	(41,340)	Allowance for doubtful debt		
	200,000	1,000	Investment in subsidiary		
	(53,660)	(1,000)	Allowance for impairment on investment		
	2,814	3,746	Interest revenue		
	-	(3,746)	Allowance for doubtful interest receivable		
ACC Electric Co., Ltd. (ACCE)	100,000	1,000	Investment in subsidiary	Subsidiary company, hold share 99.99%	Investment in other business. On June 13, 2016 acquired 100% of share of Saraburi Group.
	187,200	290,000	Short-term loan		
	1,101	1,204	Accrued interest receivable		
	1,703	1,204	Interest revenue		
	19,000	-	Dividend revenue		
Saraburi Project Group	1,800	900	Accounting service fee	Invest 100% through ACCE	ACC charge Accounting service fee
	12,603	-	Advance payment		ACC Advance payment of addition solar panel to improve capacity
ACC Green Energy Co., Ltd. (ACCG)	3,250	3,250	Investment in subsidiary	Subsidiary company, hold share 99.99%	For invest in other business. Not operating business yet
ACC Landmark Co., Ltd. (ACCL)	37,500	37,500	Investment in subsidiary	Subsidiary company, hold share 75%	Operate real estate development
	2,000	-	Short-term loan		Interest rate 7.50% for use as working capital
	22	3	Accrued interest receivable		
	241	54	Interest revenue		

Company / Related person	Transaction Value		Description	Nature of Relationship	Necessary and Appropriation of Transaction
	Dec 31, 2017	Dec 31, 2016			
Bangpakong Solar Power Co., Ltd. (BPS)	24,990	24,990	Investment in subsidiary	Subsidiary company, hold share 51%	To expand investment in solar roof top business at par which reasonable.
	203	165	Accounting service fee		ACC charge Accounting service fee
W.Solar Co., Ltd.	1,729	1,110	Share of profit from Investment in associated company	Associated company, hold share 49%	Expand to renewable energy, this is the first project, at par which reasonable
	42,303	40,574	Investment in associated company (Equity method)		
	70	70	Short-term loan		Use in solar panel construction
Wyncoast Industrial Park Public Company Limited (WIN)	14,000	-	Account receivables and Other receivables	Shareholder of BSP, W.SOLAR	Advance payment for investment in 105 Solar Power Co., Ltd. August 24, 2018 ACC cancel the investment due to delay progress
	-	14,000	Advance payment for investment		
Prime Mansion Co., Ltd.	250	250	Hold shares in ACC Landmark Co., Ltd. 25,000 shares or 25%	Director is close relatives of shareholders and management of Prime Mansion Co., Ltd., shareholder of ACCL	A partnership who has experience in real estate development invest in ACCL at par which reasonable
	3,250	1,000	Loan to ACCL by proportion		For use as working capital interest rate at 7.50%
	102	-	Interest expenses to ACCL		

Analysis and Management Report

Operation Result

Year	2560	2559	2558 (Aug 2014 – Jul 2015)
Total Revenues	314,429,854	194,960,598	32,861,599
Net Profit (Loss)	(48,805,233)	(25,499,534)	(15,282,667)



Income Structure:

Unit: million baht

	Consolidated Financial Statements					
	2017		2016		2015	
	31 Dec 2017		31 Dec 2016		(Aug – Dec 2015)	
	Baht	%	Baht	%	Baht	%
Revenue from sales	17.09	5.73	15.80	9.72	4.17	13.79
Revenue from Banquet and Restaurant	72.81	24.43	-	-	-	-
Rental income	34.71	11.65	55.52	34.19	26.06	86.21
Revenue from Real Estate Development	80.79	27.11	-	-	-	-
Revenue from sell renewable energy	92.62	31.08	91.10	56.09	-	-
Total	298.02	100.00	162.41	100.00	30.23	100.00

For the accounting year ended December 31, 2016 and December 31, 2017 the Company has total revenue Baht 162.41 and 298.02 million respectively. Increase Baht 135.60 million or 83.49% from prior year from all sectors i.e. Revenue from sales, Revenue from Banquet and Restaurant, Revenue from Real Estate Development and Revenue from sell renewable energy. However, rental revenue decrease due from cancel rental contract before end of rental contract period because the Company foresees that business of Cultural

Center – Khum KhanToke and International Convention Center – KhumKham has the potential to generate return more than rental revenue. So, resume to operate by own since April 1, 2017.

Cost Structure:

Description	Fin.Stat. year 2017 ended Dec 31, 2017		Fin.Stat. year 2016 ended Dec 31, 2016		Fin.Stat. 5 months ended Dec 31, 2015	
	MB	%	MB	%	MB	%
Cost of sales	44.87	20.03	12.94	14.08	2.53	14.08
Cost of service in Banquet and Restaurant	66.93	29.88	-	-	-	-
Rental cost	16.86	7.53	36.48	39.70	15.41	85.92
Cost of real estate development	49.71	22.19	-	-	-	-
Cost of sale of renewable energy	45.64	20.37	42.46	46.22	-	-
Total	224.01	100.00	91.88	100.00	17.94	100.00

For the accounting year ended December 31, 2016 and December 31, 2017 the Company has total cost Baht 91.88 and 224.01 million respectively. Increase Baht 132.13 million or 143.81% due to growth of sale revenue when compare with prior year. The Company has cost of sales and services of 5 sectors i.e. 1) Cost of sales Baht 44.87 million 2) Cost of service in Banquet and Restaurant Baht 66.93 million 3) Rental cost Baht 16.86 million 4) Cost of Real Estate Development Baht 49.71 million and 5) Cost of sale of renewable energy Baht 45.64 million.

Moreover, Cost of sales Baht 44.87 million increase Baht 31.93 million or 246.75% due to the Company set the Allowance for loss on diminution in value of inventories Baht 34.83 million record in the Cost.

Gross Profit

For the accounting year ended December 31, 2016 and December 31, 2017 the Company has gross profit Baht 70.53 million and 74 million respectively. And has gross margin at 43.43% and 24.83% respectively. In accounting year 2017 the Company has gross profit increase 4.92% when compare with prior year due from revenue recognition of Real Estate Development business result in increasing gross margin. However, the Company has decreasing in gross margin due from increasing in cost of sales especially in cost of sales which is included Allowance for loss on diminution in value of inventories and also Cost of service in Banquet and Restaurant increase due from cancel the rental contract of Khum KhanToke and International Convention Center – KhumKham business and resume to operate by own since April 1, 2017 result to cost of sales and cost of service increase.

Selling and service expense

For the accounting year ended December 31, 2016 and December 31, 2017 the Company has Selling and service expense Baht 8.17 and 15.57 million respectively. Increase Baht 7.40 million or 90.52% when compare with prior year due from resume Banquet and Restaurant business and operate by own instead of rent out.

Administrative Expenses

For the accounting year ended December 31, 2016 and December 31, 2017 the Company has Administrative Expenses Baht of 54.08 and 63.05 million respectively. In accounting year 2017, the Company has Administrative Expenses increase Baht 8.96 million or 16.57% when compare with prior year due from resume Banquet and Restaurant business and operate by own instead of rent out.

Other Revenue

For the accounting year ended December 31, 2016 and December 31, 2017 the Company has other revenue Baht 32.55 and 16.41 million respectively. In year 2017, other revenue decrease 49.57% when compare with prior year due from decrease in profit from asset disposal Baht 12.83 million. In year 2016, the Company has profit from dispose of office building at PS Tower Baht 19.25 million. Year 2017 the Company has profit from disposal of 8 rooms of condominium at Country Complex size 38 square meter Baht 6.43 million. And also revenue from interest revenue and profit from sale of investment units decrease.

Financial Cost

For the accounting year ended December 31, 2016 and December 31, 2017 the Company has Financial Cost Baht 57.41 and 59.20 million respectively. Increase Baht 1.79 million or 3.12% due from bond interest in same period of prior year was not full year.

Net Profit

For the accounting year ended December 31, 2016 and December 31, 2017 the Company has net loss Baht 25.50 and 48.81 million respectively. Year 2017 net loss increase Baht 23.31 million due from set of Allowance for loss on diminution in value of inventories Baht 34.83 million.

❖ Liquidity and Financial Ratios

Liquidity Analysis

Unit : million Baht

Cash Flow Statement	Fin. Stat. 2017 ended Dec 31, 2017	Fin. Stat. 2016 ended Dec 31, 2016
Profit (loss) from operating activities before changes in assets and liabilities	103.77	72.23
Net cash received (paid) in assets and liabilities from operating activities	34.81	(336.71)
Net cash received (used) in operating activities	133.64	(262.35)
Net cash received (used) in investing activities	25.16	(139.56)
Net cash received (used) in financing activities	(161.00)	383.53
Net cash and cash equivalent increase (decrease)	(2.19)	(18.31)
Cash and cash equivalent – Beginning	30.64	48.95
Cash and cash equivalent – Ending	28.45	30.64

Cash flow statement of the Company and subsidiaries for the year ended December 31, 2017 the Company use cash in activities as follows;

The Company has Profit from operating activities before changes in assets and liabilities Baht 103.77 million and paid Net cash in assets and liabilities from operating activities Baht 34.81 million by

1. The Company received Net cash from operating activities Baht 133.64 million. Detail as follows;
 - The Company received Net cash from operating activities Baht 45.40 million. Mainly are decrease in inventories Baht 6.42 million, decrease in cost of project development Baht 25.99 million, increase in other assets Baht 1.94 million, other current assets Baht 6.96 million and cash at bank with collateral Baht 7.32 million
 - The Company paid net cash in operating liabilities Baht 10.59 million. Mainly is other current liabilities Baht 7.68 million
 - The Company paid net cash for tax Baht 3.41 million
2. The Company received net cash from investing activities Baht 25.16 million. Mainly are
 - The Company received net cash from selling of Temporary investment Baht 234.24 million and paid cash to buy temporary investment Baht 200 million.
3. The Company received net cash from financing activities Baht 161 million. Mainly are;
 - The Company received net cash from loan from financial institution Baht 17.32 million, short-term loan from related parties Baht 2.32 million. And also paid short-term loan from financial

institution Baht 22.22 million, loan from financial institution Baht 97.90 million and interest payment Baht 49.57 million.

Current Assets to Current Liabilities

As of December 31, 2016 and December 31, 2017 the Company has liquidity ratio 4.04 and 0.51 times respectively. And quick ratio Baht 2.44 and 0.36 million respectively. At the end of year 2017 the Company liquidity ratio and quick ratio decrease extremely due from the Company has current portion of liabilities compose of bond Baht 600 million which due on April 9, 2018 result materially increase in current liabilities.

Liabilities to Shareholders' Equity

As of December 31, 2016 the Company has Liabilities to Shareholders' Equity ratio 1.23 times. As of December 31, 2017 the Company has Liabilities to Shareholders' Equity ratio 1.17 times. Decrease 0.06 times due from expand business by using loan more. However, Liabilities to Shareholders' Equity ratio still low. The Company can also has the ability to find funding sources for invest in other project. But management of the Company is still cautious in providing the appropriate funding source for investment.

Gross Margin Ratio

Gross margin ratio of year 2017 is 24.83% while prior year was 43.43%. Decrease 18.60% due to set Allowance for loss on diminution in value of inventories Baht 34.83 million included in Cost of sales. If excluded Allowance for loss on diminution in value of inventories, gross margin ratio is 41.23% higher than average of industry due to the Company sale to domestic distributors and consumers directly. Renewable energy has gross margin 50.72% while average of industry is 50%, slightly more than the average. Real Estate development gross margin 38.47%. Banquet and restaurant business gross margin 8.08% due from high depreciation of assets use in operation.

Net Profit to Total Assets

Net profit to total assets of year 2017 is -2.85% but in prior year Net profit to total assets was -1.79%. Decrease 1.06% due to net loss and the Company also has fixed assets that generates return low when compare with its value. Now the Company during selling of assets in order to expand business that can generate more returns.

The Company set allowance for doubtful accounts that overdue Baht 32.47 million which considered enough.

Inventories at December 31, 2017 are being allowance for loss on diminution in value of inventories Baht 34.83 million which considered enough and inventories that are allowed can be sold as normal. The

reason that the company has to store a large amount of goods in order to be sufficient for distribution in large department stores (Modern Trade).

Capital Structure

Capital structure of the Company as of December 31, 2016 and December 31, 2017 debt to equity ratio is 1.23 and 1.17 times respectively and has net debt to equity ratio is 1.17 and 1.11 times respectively. Year 2017 the Company's debt to equity and net debt to equity ratio decrease due from the Company already paid partial of long term loan. Moreover, the Company has plan to increase registered capital and sell of land and plant that will make debt to equity ratio will decrease in future.

From debt to equity ratio above, the company still has a good financial structure and financial position. Because source of fund use to invest and operation comes from equity and indebtedness is still appropriate. However, the Company has no policy to indebtedness more than necessary to protect financial risk of the Company and crisis that might be occurred to the group. These factors will help the company achieve good operating results. This leads to a sustainable increase in business value and survival. Therefore, the Company set its capital structure not more than 2.5 times, which will be the management's financial instrument from the impact of the fluctuation of the economy as well.

❖ Financial Position in Past

Total Assets

As of December 31, 2016 and December 31, 2017 the Company has total assets Baht 1,789.65 and 1,633.96 million respectively. Most of the Company's asset are Temporary investment, Land wait for development, Cost of Real Estate development, Real Estate for investment and Land plant and equipment. However at end of year 2017 assets of the Company decrease 8.70% comparing to year 2016. Decreasing due from decrease in inventories and temporary investment since the Company set allowance for loss on diminution in value of inventories Baht 34.83 million and the Company sold debt securities fund net Baht 34.24 million.

As of December 31, 2016 and December 31, 2017 total assets of the Company compose of current assets Baht 444.15 and 348.15 million respectively. Current assets compose of Temporary investment and Cost of Real Estate development. Non-current assets Baht 1,345.49 and 1,285.83 million respectively. Mainly compose of Land wait for development and Land plant and Equipment.

Temporary Investment

As of December 31, 2016 and December 31, 2017 the Company has Temporary investment Baht 199.75 and 168.10 million respectively. Decrease Baht 31.65 million or 15.84% due from selling of investment unit in

open debt securities fund net Baht 34.24 million and decrease in interest revenue from open debt securities Baht 5.51 million.

Cost of Real Estate Development

The Company has Cost of real estate development at December 31, 2016 and December 31, 2017 Baht 99.62 and 73.62 million. Decrease Baht 25.99 million or 26.09% compare with prior year. Decrease in Cost of real estate development due from sale and transfer of town home 13 units.

Real Estate for Investment

As at December 31, 2016 and December 31, 2017 the Company has Real Estate for investment Baht 486.27 and 47.86 million. Decrease Baht 438.40 million or decrease 90.16% when compare with prior year due from subsidiary Company resume Banquet and Restaurant to operate by own, result to reclassified assets category.

Land Plant and Equipment

As of December 31, 2016 and December 31, 2017 the Company has Land plant and equipment Baht 594.27 and 991.00 million respectively. End of year 2017, Land plant and equipment increase 66.62% compare with prior year, due from subsidiary resume Banquet and restaurant to operate by own, result to reclassified assets category.

Liabilities

As of December 31, 2016 and December 31, 2017 the Company has liabilities Baht 986.95 and 880.07 million or decrease 10.83%. Decreasing mainly due from the subsidiaries repay loan to financial institution according to contract.

However, as of December 31, 2016 and December 31, 2017 total liabilities of the Company categorized into current liabilities Baht 109.80 and 677.72 million or 6.14% and 41.48% of total liabilities. Most of the Company's current liabilities are Current portion of liabilities percentage of 94.26% of total current liabilities at end of year 2017. This extremely change due from the Company has bond that will reach its due date of repayment on April 9, 2018. Non-current liabilities of the Company as of December 31, 2016 and December 31, 2017 is Baht 877.15 and 202.35 million or 49.01% and 11.31% of total liabilities respectively. Non-current liabilities of the Company mainly is long-term loan from financial institution, percentage of 90.02% of non-current liabilities.

Shareholders' Equity

As of December 31, 2016 and December 31, 2017 the Company has Shareholders' equity Baht 802.70 and 753.89 million or decrease 6.08%. The Company has Paid-up registered Capital Baht 300,000,000 and Premium on ordinary share Baht 496.57 million. Moreover, on January 22, 2018, the Extraordinary General Meeting of Shareholders No.1/2018 of the Company has resolution to increase capital register of the Company from Baht 374,999,912.50 to Baht 524,999,912.50 by issuance of newly issued ordinary shares of 600,000,000 shares at par Baht 0.25 resulting to the Company has capital register 2,099,999,650 shares. The increment in register capital will strengthen the Company's financial position in order to expand business and additional investment and also reserve for working capital of the Company.

Statements of Financial Position

Unit : thousand Baht

Description	Consolidated Financial Statement					
	Audited (Year) 31 Dec 2017		Audited (Year) 31 Dec 2016		Audited (Year) 31 Dec 2015	
	Amount	%	Amount	%	Amount	%
Assets						
Current assets						
Cash and cash equivalents	28,449	1.74	30,640	1.71	48,948	4.59
Temporary investment	168,096	10.29	199,745	11.16	120,000	11.25
Trade receivables and other receivables	49,509	3.03	37,502	2.10	7,433	0.70
Short terms loan and accrued interest to related company	-	-	-	-	-	-
Inventories	15,439	0.94	56,684	3.17	9,802	0.92
Cost of project development	73,624	4.51	99,615	5.57	52,511	4.92
Other current liabilities	13,010	0.80	19,967	1.12	13,138	1.23
Total current assets	348,128	27.67	444,153	24.82	251,833	23.61
Non-current assets						
Cash at bank – obligation	47,551	2.91	54,873	3.07	1,200	0.11
Investment in associated company	42,303	2.59	40,574	2.27	39,464	3.70
Investment in subsidiary company	-	-	-	-	-	-
Other long term investment						
Prepaid payment for investment	-	-	14,000	0.78	189,000	17.72
Land to development	146,807	8.98	146,807	8.20	-	-
Real estate for investment	47,864	2.93	486,266	27.17	491,830	46.10
Property, plant and equipment	990,998	60.65	594,760	33.23	79,883	7.49
Goodwill	175	0.01	175	0.01	175	0.02
Deferred tax assets	148	0.01	-	-	6,779	0.64
Other non-current assets	9,987	0.61	8,037	0.45	6,598	0.62
Total non-current assets	1,285,833	78.69	1,345,493	75.18	814,930	76.39
Total assets	1,633,961	100.00	1,789,645	100.00	1,066,762	100.00

Statements of Financial Position (continue)

Unit : thousand Baht

Description	Consolidated Financial Statement					
	Audited (Year) 31 Dec 2017		Audited (Year) 31 Dec 2016		Audited (Year) 31 Dec 2015	
	Amount	%	Amount	Amount	%	Amount
Liabilities and shareholders' equity						
Current liabilities						
Short term loan from financial institution	-	-	22,215	1.24	-	-
Trade payable and other payable	27,314	1.67	23,225	1.30	22,679	2.12
Current portion of liabilities	638,802	39.10	37,648	2.10	748	0.07
Short term loan from related parties	3,320	0.20	1,070	0.06	226	0.02
Short term loan from other company	-	-	10,000	0.56	188,365	17.66
Income tax payable	243	0.01	-	-	-	-
Other current liabilities	8,036	0.49	15,645	0.87	2,572	0.24
Total current liabilities	667,716	41.48	109,804	6.14	214,591	20.12
Long term loan from financial institution	182,159	11.15	226,227	14.88	26,000	2.44
Long term liabilities under finance leases	1,282	0.08	1,437	0.08	2,196	0.21
Debenture	-	-	587,784	32.84	-	-
Deferred income tax liabilities	11,367	0.70	9,134	0.51	-	-
Provision for long-term liabilities	3,843	0.24	5,368	0.30	1,687	0.16
Deposit	3,704	0.23	7,195	0.40	10,303	0.97
Total non-current liabilities	202,355	12.38	877,146	49.01	40,18	3.77
Total liabilities	880,071	53.86	986,950	55.15	254,778	23.88
Shareholders' equity						
Share registered	375,000	22.95	375,000	20.95	300,000	28.12
Share issued and fully paid-up	300,000	18.36	300,000	16.76	300,000	28.12
Premium on ordinary shares	496,575	30.39	496,575	27.75	535,387	50.19
Retained earnings (loss)						
Appropriated	-	-	-	-	24,000	2.25
Unappropriated	(78,905)	(4.83)	(26,142)	(1.46)	(66,438)	(6.23)
Total equity attributable to shareholders of the parent	717,669	43.92	770,433	43.05	792,949	77.33
Non-controlling interests	36,221	2.22	32,262	1.80	19,035	1.78
Total shareholders' equity	753,890	46.14	802,695	44.85	811,985	76.12
Total liabilities and shareholders' equity	1,633,961	100.00	1,789,645	100.00	1,066,762	100.00

Statements of Comprehensive Income

Unit : thousand Baht

Description	For year ended		For year ended		For 5-month ended ⁽¹⁾	
	Audited		Audited		Audited	
	Dec 31, 2017		Dec 31, 2016		Dec 31, 2015	
	Amount	%	Amount	%	Amount	%
Revenue from sale and service	298,016	100.00	162,412	100.00	30,228	100.00
Revenue from sale and service	(224,014)	-75.17	(91,879)	-56.57	(17,937)	-59.34
Gross profit	74,002	24.83	70,533	43.43	12,290	40.66
Selling and service expenses	(15,566)	-5.22	(8,170)	-5.03	(2,402)	-7.95
Administrative expenses	(63,046)	-21.16	(54,084)	-33.30	(25,046)	-82.86
Total expenses	(78,612)	-26.38	(62,255)	-38.33	(27,448)	-90.80
Income from operations	(4,609)	-1.55	82,278	5.10	(15,158)	-50.14
Other income	16,413	5.51	32,549	20.04	2,634	8.71
Financial costs	(57,202)	-19.87	(57,411)	-35.35	(2,908)	-9.62
Share of profit (loss) of associated company	1,729	0.58	1,110	0.68	264	0.87
Profit (loss) before income tax	(45,668)	-15.32	(15,473)	-9.53	(15,168)	-50.18
Income tax expenses (revenue)	(3,137)	(1.05)	(10,026)	-6.17	(115)	-0.38
Income (loss) for the period	(48,805)	-16.38	(25,499)	-15.70	(15,283)	-50.56
Income (loss) for the period attributable to						
Equity holders of the Company	(52,764)	-17.70	(22,516)	-13.86	(14,186)	-46.93
Non-controlling interests	3,958	1.33	(2,983)	-1.84	(1,096)	-3.63
Income (loss) per share						
Basic income (loss) per share (Baht)	(0.0440)		(0.0188)		(0.0118)	

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.

Comparative Cash Flow Statements

Unit : thousand Baht

รายละเอียด	Consolidated financial statements		
	Dec 31, 2017	Dec 31, 2016	Dec 31, 2015
Cash flow from operating activities	133,645	(262,354)	(46,948)
Cash flow from investing activities	25,164	(139,564)	(195,070)
Cash flow from financing activities	(160,999)	383,609	223,977
Cash and cash at bank (decrease) increase	(2,191)	(18,308)	(18,041)
Impact of exchange rates on cash and cash equivalents		-	157
Cash and cash at bank – beginning	30,640	48,948	66,989
Cash and cash at bank – ending	28,449	30,640	48,948

Key Financial Ratios

Key financial ratio	Unit	Year ended (12 months) Dec 31, 2017	Year ended (12 months) Dec 31, 2016	Period ended (5 months) Dec 31, 2015
Liquidity Ratio				
Liquidity ratio	time	0.51	4.04	1.17
Quick ratio	time	0.44	3.72	1.11
Liquidity ratio to cash flow	time	0.34	(1.62)	(0.42)
Trade receivables turnover ⁽²⁾	time	4.49	3.02	0.71
Average collection period	day	81.22	120.96	214.50
Inventory turnover ratio ⁽¹⁾	time	5.26	3.77	2.17
Average selling time	day	69.36	95.83	70.60
Account payable turnover	time	65.01	96.74	96.40
Repayment period	day	5.61	3.72	1.59
Cash Cycle	day	144.97	214.02	283.50
Profitability Ratio				
Gross margin	%	24.83	43.43	40.66
Operating margin	%	(1.55)	(50.18)	(50.18)
Cash to profitability ratio	%	28.99	(309.53)	(309.53)
Net profit margin	%	(16.38)	(15.70)	(50.56)
Return on equity (Equity holder of the Company)	%	(6.27)	(3.16)	(1.89)
Performance ratio				
Return on assets	%	(2.85)	(1.79)	(1.61)
Return on fixed assets	%	(4.60)	(3.09)	(2.78)
Assets turnover ⁽¹⁾	time	18.37	13.65	3.47
Financial Policy Analysis Ratio				
Debt to equity ratio	time	1.17	1.23	0.31
Interest capability ratio	time	12.05	(18.64)	17.14
Capability to pay obligation ratio (Cash Basis)	time	0.88	(0.13)	(0.22)
Dividend pay-out ratio	%	N/A	N/A	N/A

Remark: ⁽¹⁾ Calculated ratio from inventories only part of Finish Goods

⁽²⁾ Calculated ratio from receivables before deduct allowance for doubtful debt

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, 2017 have been prepared in accordance with international financial reporting standards. The Company has adopted 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 2017 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, 2017 is reliable and in accordance with financial reporting standards and compliance with legislation and regulations related.



(General Kasemsak Plookswat)
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 4 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, 2017 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 2018. 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 2018 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, 2017, 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, 2017, 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.

<i>The key audit matter</i>	<i>Audit procedures</i>
<p><i>Investment in the alternative energy business</i></p> <p>The Group has invested in the alternative energy business comprising solar farms and solar roofs, which is significant high value transaction. At each end of reporting period, the management has considered the allowance for impairment of investment basing on net realizable value measured from discounted cash flow. The mentioned principle relates to the management's judgements and significant assumptions for sale projections, operation costs and discount rates. As at December 31, 2017, the carrying amount of investment in the alternative energy business is of Baht 164.19 million as disclosed in note 12 and 13.</p> <p>I has identified that the investment in the alternative energy business to be the key audit matters as its high value is significant to the financial statements and the assessment of net realizable value are complex. In addition, the significant assumptions, including the information using for the estimation of discounted cash flow depends on the management's judgement based on internal and external information.</p>	<p>Other than making the inquiries, the audit procedures for impairment of investment in the alternative energy business included sampling test the calculation model of net realizable value as follows:</p> <ul style="list-style-type: none"> - assessing the process and assumptions using in the estimation of net realizable value of investment in the alternative energy; - testing the appropriateness of sale projection by comparing with actual sale incurred; - testing the appropriateness of operation costs projection by comparing with actual costs incurred; - test of calculation of discounted cash flow; - assessing the appropriateness of discount rates used by comparing with the weighted average cost of capital of other investment in same industry.

<i>The key audit matter</i>	<i>Audit procedures</i>
<p><i>Investment in land held for development</i></p> <p>The Group invested in a piece of land located in Phuket province, Thailand, presented in land held for development account, which is significant high value transaction. The purpose is for allocating and distributing in the near future. At the present, the development on such land is postponed due to the property in Phuket is continuing slow down. As at December 31, 2017, the mentioned land held for development has the carrying amount of Baht 146.81 million as disclosed in note 14.</p> <p>I have identified land held for development to be the key audit matters as its high value is material to the overall of financial statements and there is a considerable uncertainty of variables and estimations occurring from the consideration of allowance for impairment of assets based on the appraisal fair value of assets by an independent appraiser in accordance with professional standards of the Valuers Association of Thailand.</p>	<p>Other than making the inquiries, the audit procedures for impairment on land held for development included sampling test the calculation model of net realizable value as follows:</p> <ul style="list-style-type: none"> - assessing and testing the appropriateness of the variables and estimations comprising market value of other assets and the differences between detail of assets; - testing the calculation model using to calculate the allowance for impairment on land held for development; - evaluating the appraiser's competence and capabilities with the conditions of the engagement of the Group in order to consider the matters that affect to the appraiser's objectivity regarding their considerations or scope of works
<p><i>Debentures</i></p> <p>The Group issued debentures, aimed for their business operations in the amount of Baht 600 million, which will be due on April 9, 2018. The management has to make the judgement to assess their capability to redeem such debentures and perform corresponding to the term and condition relating to right and obligation of the debenture issuer, which affects to the Group's ability to continue as a going concern. As at December 31, 2017, the carrying amount of debentures of Baht 597.41 million presented in current portion account as disclosed in note 21 and 25.</p> <p>I have identified the debentures presented in current portion account to be the key audit matter as its high value is significant to the financial statements and there is an impact on the ongoing operations.</p>	<p>Other than making the inquiries, the audit procedures for debentures included test as follows:</p> <ul style="list-style-type: none"> - reviewing the prospectus of such debentures regarding to the term and condition which caused the Group defaulted on debt repayment; - testing the calculation of financial ratio which the Group has to maintain in according to the term and condition; - making inquiries to understand the redemption plan; - evaluate the appropriateness and adequacy of the disclosures in the financial statements.

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 27, 2018

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, 2017

Baht

		Consolidated financial statements		Separate financial statements	
	Note	2017	2016	2017	2016
Assets					
Current assets					
Cash and cash equivalents	5	28,448,849	30,639,635	14,688,724	17,874,383
Current investments	6	168,096,119	199,745,131	168,096,119	199,745,131
Trade and other receivables	4, 7	49,509,456	37,502,063	22,073,578	5,955,659
Short-term loan and accrued interest income					
to related parties	4	-	-	633,755,742	914,657,900
Inventories	9	15,438,867	56,683,596	14,769,173	56,683,596
Cost of project development	10	73,624,354	99,615,184	-	-
Other current assets	4	13,010,412	19,966,896	19,499,983	8,696,279
Total current assets		348,128,057	444,152,505	872,883,319	1,203,612,948
Non-current assets					
Restricted bank deposits	11	47,550,608	54,873,401	9,500,000	9,500,000
Investment in associated company	4, 12	42,303,420	40,573,980	39,199,980	39,199,980
Investments in subsidiaries	4, 13	-	-	312,079,910	66,739,910
Advance payment for investments	4	-	14,000,000	-	14,000,000
Land for future development	14	146,807,352	146,807,352	-	-
Investment property	16	47,863,728	486,266,464	47,863,728	48,348,322
Property, plant and equipment	17	990,997,620	594,759,771	16,655,622	18,889,046
Goodwill		174,994	174,994	-	-
Deferred tax assets	18	148,137	-	-	-
Other non-current assets		9,987,248	8,036,738	6,821,933	5,193,601
Total non-current assets		1,285,833,107	1,345,492,700	432,121,173	201,870,859
Total assets		1,633,961,164	1,789,645,205	1,305,004,492	1,405,483,807

ADVANCED CONNECTION CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2017

Baht

		Consolidated financial statements		Separate financial statements	
	Note	2017	2016	2017	2016
Liabilities and shareholders' equity					
Current liabilities					
Short-term loan from financial institutions	19	-	22,215,208	-	22,215,208
Trade and other payables	4, 20	27,314,490	23,225,313	15,049,494	16,843,302
Current portion of liabilities	21	638,802,527	37,648,406	598,162,817	748,406
Short-term loan from related parties	4	3,320,000	1,070,000	-	-
Short-term loan from other parties	22	-	10,000,000	-	10,000,000
Income tax payable		242,654	-	-	
Other current liabilities		8,036,468	15,644,957	1,811,846	929,491
Total current liabilities		677,716,139	109,803,884	615,024,157	50,736,407
Non-current liabilities					
Long-term loan from financial institutions	23	182,159,343	266,226,717	-	-
Long-term liabilities under finance leases	24	1,281,510	1,436,856	648,543	1,436,856
Debenture	25	-	587,784,411	-	587,784,411
Deferred tax liabilities	18	11,366,970	9,134,477	1,237,439	1,237,439
Employee benefit obligations	26	3,842,722	5,368,160	3,000,563	4,757,578
Deposit		3,704,350	7,195,337	3,704,350	3,195,337
Total non-current liabilities		202,354,895	877,145,958	8,590,895	598,411,621
Total liabilities		880,071,034	986,949,842	623,615,052	649,148,028
Shareholders' equity					
Share capital	28				
Authorized share capital					
1,500,000,000 ordinary shares, Baht 0.25 par value		375,000,000	375,000,000	375,000,000	375,000,000
Issued and paid-up share capital					
1,200,000,000 ordinary shares, fully paid-up		300,000,000	300,000,000	300,000,000	300,000,000
Premium on ordinary shares		496,574,614	496,574,614	496,574,614	496,574,614
Retained deficit		(78,905,120)	(26,141,502)	(115,185,174)	(40,238,835)
Total equity attributable to shareholders of the parent		717,669,494	770,433,112	681,389,440	756,335,779
Non-controlling interests	13	36,220,636	32,262,251	-	-
Total shareholders' equity		753,890,130	802,695,363	681,389,440	756,335,779
Total liabilities and shareholders' equity		1,633,961,164	1,789,645,205	1,305,004,492	1,405,483,807

ADVANCED CONNECTION CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2017

Baht

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Revenue from sales and services	4	298,016,259	162,411,856	43,864,114	40,414,048
Cost of sales and services	31	(224,013,735)	(91,879,141)	(54,161,158)	(19,106,068)
Gross profit (loss)		74,002,524	70,532,715	(10,297,044)	21,307,980
Other income	4, 29	16,413,595	32,548,742	41,820,123	38,524,354
Selling and service expenses	31	(15,565,965)	(8,170,259)	(8,560,244)	(7,296,530)
Administrative expenses	4, 31	(63,045,964)	(54,084,300)	(51,704,040)	(42,692,338)
Finance costs	4, 32	(59,201,984)	(57,410,835)	(46,205,134)	(42,065,973)
Share of profit of associated company	4	1,729,440	1,110,000	-	-
Loss before income tax		(45,668,354)	(15,473,937)	(74,946,339)	(32,222,507)
Tax expense	34	(3,136,879)	(10,025,597)	-	(8,016,328)
Loss for the year		(48,805,233)	(25,499,534)	(74,946,339)	(40,238,835)
Other comprehensive income (loss)		-	-	-	-
Total comprehensive loss		(48,805,233)	(25,499,534)	(74,946,339)	(40,238,835)
Profit (loss) for the year attributable to					
Equity holders of the Company		(52,763,618)	(22,516,311)	(74,946,339)	(40,238,835)
Non-controlling interests		3,958,385	(2,983,223)	-	-
		(48,805,233)	(25,499,533)	(74,946,339)	(40,238,835)
Basic loss per share					
loss attributable to equity holders of the Company		(0.0440)	(0.0188)	(0.0625)	(0.0335)
Weighted average number of ordinary shares (shares)		1,200,000,000	1,200,000,000	1,200,000,000	1,200,000,000

ADVANCED CONNECTION CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2017

FOR THE YEAR ENDED DECEMBER 31, 2017									Baht
Consolidated financial statements									
Equity attributable to shareholders of the parent									
			Retained earnings (deficit)						
	Issued and paid-up share capital	Premium on ordinary shares	Appropriated to legal reserve	Unappropriated	Total	Non-controlling interests	Total		
Balance as at January 1, 2016	300,000,000	535,386,998	24,000,000	(66,437,575)	792,949,423	19,035,474	811,984,897		
Compensation for deficit	-	(38,812,384)	(24,000,000)	62,812,384	-	-	-		
The subsidiary increase its ordinary shares	-	-	-	-	-	16,210,000	16,210,000		
Total comprehensive loss	-	-	-	(22,516,311)	(22,516,311)	(2,983,223)	(25,499,534)		
Balance as at December 31, 2016	300,000,000	496,574,614	-	(26,141,502)	770,433,112	32,262,251	802,695,363		
Total comprehensive income (loss)	-	-	-	(52,763,618)	(52,763,618)	3,958,385	(48,805,233)		
Balance as at December 31, 2017	300,000,000	496,574,614	-	(78,905,120)	717,669,494	36,220,636	753,890,130		

ADVANCED CONNECTION CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2017

FOR THE YEAR ENDED DECEMBER 31, 2017						
Separate financial statements						
	Note	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings (deficit)		Total
				Appropriated to legal reserve	Unappropriated	
Balance as at January 1, 2016		300,000,000	535,386,998	24,000,000	(62,812,384)	796,574,614
Compensation for deficit	28	-	(38,812,384)	(24,000,000)	62,812,384	-
Total comprehensive loss		-	-	-	(40,238,835)	(40,238,835)
Balance as at December 31, 2016		300,000,000	496,574,614	-	(40,238,835)	756,335,779
Total comprehensive loss		-	-	-	(74,946,339)	(74,946,339)
Balance as at December 31, 2017		300,000,000	496,574,614	-	(115,185,174)	681,389,440

ADVANCED CONNECTION CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2017

Baht

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cash flows from operating activities				
Loss before income tax	(45,668,354)	(15,473,937)	(74,946,339)	(32,222,507)
Adjustments to reconcile loss before income tax to cash provided by (used in) operating activities				
Depreciation and amortization	75,548,800	66,558,307	8,137,432	3,898,401
Doubtful accounts (reversal)	1,727,491	(224,650)	382,491	3,544,350
Gain from sale of assets	(6,790,047)	(20,266,533)	(6,790,047)	(20,266,533)
Unrealized gain from revaluation of current investments	(362,886)	(357,644)	(362,886)	(357,644)
Loss on impairment of assets (reversal)	(578,000)	(2,546,000)	11,320,000	-
Loss from devaluation of inventories	34,826,731	5,139,557	34,826,731	5,139,557
Dividend income	-	-	(19,000,000)	-
Interest income	(12,404,386)	(13,280,747)	(12,249,368)	(13,142,077)
Finance costs	59,201,985	53,789,022	46,205,134	42,065,973
Share of profit of associated company	(1,729,440)	(1,110,000)	-	-
Cash flow before changes in working capital	103,771,894	72,227,375	(12,476,852)	(11,340,480)
Changes in working capital				
Trade and other receivables	647,606	(12,804,484)	(2,117,920)	(627,452)
Inventories	6,417,998	(52,020,450)	7,087,693	(52,020,450)
Cost of project development	25,990,830	(47,104,609)	-	-
Land for future development	-	(146,807,352)	-	-
Other current assets	6,956,485	(5,759,591)	(10,803,705)	(1,466,971)
Restricted bank deposits	7,322,793	(53,673,401)	-	(9,500,000)
Other non-current assets	(1,939,779)	(133,612)	(780,950)	(241,541)
Trade and other payables	582,153	(28,639,561)	(1,793,808)	4,827,580
Other current liabilities	(7,678,488)	11,343,983	882,355	646,246
Employee benefit obligations	(1,525,439)	3,680,762	(1,757,015)	3,490,155
Deposit	(3,490,987)	(1,107,246)	509,013	(1,107,246)
Cash generated (paid) from the operations	137,055,066	(260,798,186)	(21,251,189)	(67,340,159)
Income tax paid	(3,410,326)	(1,555,706)	(1,423,014)	(1,133,916)
Net cash provided by (used in) operating activities	133,644,740	(262,353,892)	(22,674,203)	(68,474,075)
Cash flows from investing activities				
Purchase of current investments	(200,000,000)	(1,150,355,913)	(200,000,000)	(1,150,355,913)
Sale of current investments	234,240,768	1,078,708,310	234,240,768	1,078,708,310
Increase in short-term loans to related parties	-	-	(6,750,000)	(440,700,000)
Proceeds from short-term loans to related parties	-	-	305,178,719	11,100,000
Investing in subsidiaries	-	(237,744,878)	(298,000,000)	-

ADVANCED CONNECTION CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2017

Baht

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cash flows from investing activities				
Increase in advance payment for investments	-	175,000,000	-	175,000,000
Purchase of investment property	(4,974,956)	(20,413,559)	(4,974,956)	(19,233,384)
Sale of investment property	6,181,677	18,483,645	6,181,677	18,483,645
Purchase of building and equipment	(21,474,860)	(8,749,839)	(800,481)	(3,598,542)
Sale of building and equipment	1,172,483	9,416	1,157,534	9,416
Purchase of intangible assets	(156,950)	(42,000)	-	(42,000)
Dividend income	-	-	19,000,000	-
Interest received	10,175,514	5,540,863	33,833,937	5,457,982
Net cash provided by (used in) investing activities	25,163,676	(139,563,955)	89,067,198	(325,170,486)
Cash flows from financing activities				
Increase (decrease) in short-term loan from financial institutions	(22,215,208)	22,215,208	(22,215,207)	22,215,208
Proceeds from short-term loan from related parties	2,320,000	1,000,000	-	-
Repayment for short-term loan from related party	-	(225,834)	-	-
Proceeds from short-term loans from other parties	-	501,377,201	-	501,377,201
Repayment for short-term loans from other parties	(10,000,000)	(695,000,000)	(10,000,000)	(695,000,000)
Proceeds from loans from financial institutions	17,316,364	24,639,217	-	-
Repayment for loans from financial institutions	(97,896,238)	(35,100,000)	-	-
Proceeds from debenture	-	587,784,411	-	587,784,411
Repayment for liabilities under finance leases	(952,136)	(759,263)	(788,313)	(759,263)
The subsidiary receive its ordinary shares	-	16,210,000	-	-
Interest paid	(49,571,984)	(38,531,563)	(36,575,134)	(26,808,514)
Net cash provided by (used in) financing activities	(160,999,202)	383,609,377	(69,578,654)	388,809,043
Net decrease in cash and cash equivalents	(2,190,786)	(18,308,470)	(3,185,659)	(4,835,518)
Cash and cash equivalents at the beginning of the year	30,639,635	48,948,105	17,874,383	22,709,901
Cash and cash equivalents at the end of the year	28,448,849	30,639,635	14,688,724	17,874,383

Additional details of non-cash items

Year 2017

The subsidiary purchased vehicles at cost in the amount of Baht 1.40 million by cash payment in the amount of Baht 0.35 million and by entering into finance lease agreements for the remainder in the consolidated financial statements.

The subsidiary transferred investment property to property, plant and equipment at the carrying amount of Baht 244.33 million (see notes 16 and 17).

ADVANCED CONNECTION CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

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, banquet and restaurant, property development and investment in alternative energy.

These financial statements have been approved for issue by the Company’s Board of Directors on February 27, 2018.

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 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:

Name	Located in	Business type	Holding	
			percentage (%)	
			December 31,	
			2017	2016
Direct subsidiaries				
C.E.I. (Chiangmai) Co., Ltd.	Thailand	Renting property/ banquet and restaurant	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				
Saraburi Solar Co., Ltd.	Thailand	Production and distribution of electricity from solar power	100	-
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”

As at December 1, 2017, the Group of Saraburi Project had registered the amalgamation under a new company named Saraburi Solar Co., Ltd. (“Saraburi Solar”).

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.

Associated company

Associated company 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 2016) and accounting guidance ("AG"), which its accounting period beginning on or after January 1, 2017 as follows:

TAS	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

TAS	Topic
TAS 11 (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 Assets
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 Restructurings
TAS 105 (revised 2016)	Accounting for Certain Investments in Debt and Equity Securities
TAS 107 (revised 2016)	Financial Instruments: Disclosure and Presentation

TFRS

TFRS 2 (revised 2016)

TFRS 3 (revised 2016)

TFRS 4 (revised 2016)

TFRS 5 (revised 2016)

TFRS 6 (revised 2016)

TFRS 8 (revised 2016)

TFRS 10 (revised 2016)

TFRS 11 (revised 2016)

TFRS 12 (revised 2016)

TFRS 13 (revised 2016)

Topic

Share-based Payment

Business Combinations

Insurance Contracts

Non-current Assets Held for Sale and Discontinued Operations

Exploration for and Evaluation of Mineral Resources

Operating Segments

Consolidated Financial Statements

Joint Arrangements

Disclosure of Interests in Other Entities

Fair Value Measurement

TSIC**Topic**

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**Topic**

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
TFRIC 14 (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
AG	Topic

Accounting guidance for derecognition of financial assets and financial liabilities

During the year, the Group has adopted new and revised TFRS which are effective for the accounting period beginning on or after January 1, 2017. 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, the Federation of Accounting Professions issued a number of the revised financial reporting standards and interpretations (revised 2017) which are effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements.

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 of food and beverages is recognized as revenue when food and beverages are sold.

Sale of property

Sale of property is recognized as revenue when construction works are completed and the significant risks and rewards of ownerships have been transferred to the buyer.

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 Group 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.

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

Inventories

Restaurant and cultural center

Inventories are valued at the lower of 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	<ul style="list-style-type: none"> - 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 <ol 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	<ul style="list-style-type: none"> - 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 incurrees.

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.

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 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 recognized 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 recognized directly in equity and there is objective evidence that the value of the asset is impaired, the cumulative loss that had been recognized directly in equity is recognized in profit or loss even though the financial asset has not been derecognized. The amount of the cumulative loss that is recognized in profit or loss is the difference between the current fair value and acquisition cost, less any impairment loss on that financial asset previously recognized 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 recognized in profit or loss.

An impairment loss in respect of goodwill is not reversed. Impairment losses recognized 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 recognized.

Foreign currencies

Foreign currency transactions

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

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

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

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

Dividends

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

Provisions

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

Commercial disputes and litigation

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

Income tax

Income tax expense for the years 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 years, 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.

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.

Basic loss per share

Basic loss per share is calculated by dividing loss for the years attributable to shareholders of the parent by the weighted average number of ordinary shares outstanding during the years.

Diluted loss per share

Diluted loss per shares is calculated by dividing the loss for the years attributable to shareholders of the parent by the sum of the weighted average number of ordinary shares outstanding during the year 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 average fair value of the Company's ordinary shares for the year ended December 31, 2017, is lower than the exercise price. Therefore, the Company does not include the result of equivalent ordinary shares for calculating diluted loss per shares.

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 years ended December 31, 2017 and 2016 were as follows:

	<i>Baht</i>			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Associated company				
Investment in associated company (see note 12)	42,303,420	40,573,980	39,199,980	39,199,980
Subsidiaries				
Investments in subsidiaries (see note 13)	-	-	312,079,910	66,739,910
C.E.I. (Chiangmai) Co., Ltd.				
Advance receivable	-	-	-	1,960
ACC Electric Co., Ltd.				
Advance receivable	-	-	250,000	-
ACC Landmark Co., Ltd.				
Advance receivable	-	-	-	70,518
Saraburi Solar Co., Ltd.				
(The Group of Saraburi Project)				
Other receivables	-	-	160,500	160,500
Advance receivable	-	-	12,602,868	-
Bangpakong Solar Power Co., Ltd.				
Other receivables	-	-	16,853	16,050
Directors				
Other payables	310,203	310,203	-	-
Related company				
Prime Mansion Co., Ltd.				
Other payables	317,390	-	-	-
Wyncoast Industrial Park Public Co., Ltd.				
Trade and other receivables	14,233,880	-	14,000,000	-
Advance receivable	-	140,000	-	-
Advance payment for investments	-	14,000,000	-	14,000,000
Other payables	635,656	-	-	-

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 and the remaining amount of Baht 5.89 million, the Company will pay for 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.

On August 24, 2017, the Company cancelled to invest in 105 Solar due to the project delayed. The Company informed Wyncoast the intention canceling the investment in 105 Solar and asked Wyncoast paying back the share subscription in 105 Solar. The Company reclassified the account “Advance payment for investment” to “other receivables”

Short-term loan and accrued interest income to related parties

Short-term loan and accrued interest income to related parties as at December 31, 2017 and 2016 consisted of:

		<i>Baht</i>	
	Interest rate	Separate financial statements	
	(%)	2017	2016
Subsidiaries			
Principal			
C.E.I. (Chiangmai) Co., Ltd.	0.75	290,800,000	493,178,719
ACC Electric Co., Ltd.	0.75	187,200,000	290,000,000
ACC Green Energy Co., Ltd.	-	146,700,000	146,700,000
ACC Landmark Co., Ltd.	7.50	7,750,000	1,000,000
Accrued interest income			
C.E.I. (Chiangmai) Co., Ltd.		182,359	23,912,811
ACC Electric Co., Ltd.		1,100,934	1,203,699
ACC Landmark Co., Ltd.		22,449	2,671
Total		633,755,742	955,997,900
Less Allowance for doubtful accounts		-	(41,340,000)
Net		633,755,742	914,657,900

Movements of allowance for doubtful accounts for the years ended December 31, 2017 and 2016 were as follows:

	<i>Baht</i> Separate financial statements	
	2017	2016
Beginning balance	41,340,000	37,500,000
Add Doubtful accounts	-	3,840,000
Less Transfer out - Investments in subsidiaries (see note 13)	(41,340,000)	-
Ending balance	-	41,340,000

Movements of short-term loan to related parties for the years ended December 31, 2017 and 2016 were as follows:

	<i>Baht</i>	
	Separate financial statements	
	2017	2016
Beginning balance	930,878,719	501,278,719
Increase	6,750,000	440,700,000
Decrease	(305,178,719)	(11,100,000)
Ending balance	632,450,000	930,878,719

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, 2017 and 2016 consisted of:

	<i>Baht</i>	
	Consolidated financial statements	
	2017	2016
Prime Mansion Co., Ltd.	3,250,000	1,000,000
W. Solar Co., Ltd.	70,000	70,000
Total	3,320,000	1,070,000

Movements of short-term loan from related parties for the years ended December 31, 2017 and 2016 were as follows:

	<i>Baht</i>	
	Consolidated financial statements	
	2017	2016
Beginning balance	1,070,000	295,834
Increase	2,250,000	1,000,000
Decrease	-	(225,834)
Ending balance	3,320,000	1,070,000

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

The subsidiary had short-term loan from W. Solar Co., Ltd. by issuing promissory note, due call with the interest charged at 6% per annum and unsecured.

Co-guarantee for liabilities with related parties

As at December 31, 2017, 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 23).

ACC Electric Co., Ltd. and Saraburi Solar Co., Ltd. shareholders had pledged investment in the ordinary shares of the Saraburi Solar Co., Ltd. as collateral against for loan from financial institution of the Saraburi Solar Co., Ltd. without compensation (see notes 13 and 23).

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
ACC Green Energy Co., Ltd.	Thailand	Subsidiary	Direct holding
Bangpakong Solar Power Co., Ltd.	Thailand	Subsidiary	Direct holding
Saraburi Solar Co., Ltd. (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.
Wyncoast Industrial Park Public Co., Ltd.	Thailand	Related company	Shareholders of Bangpakong Solar Power Co., Ltd. and W. Solar Co., Ltd.

Bases of measurement for intercompany revenues and expenses

	Pricing policies
Revenue from sales of electricity	Stipulate in the agreement
Rental and service expenses	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, 2017 and 2016 consisted of:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cash	374,706	82,654	32,009	26,382
Cash at banks	28,074,143	30,556,981	14,656,715	17,848,001
Total	28,448,849	30,639,635	14,688,724	17,874,383

6. CURRENT INVESTMENTS

Current investments as at December 31, 2017 and 2016 consisted of:

	Consolidated and separate financial statements					
	2017			2016		
	Cost	Fair value	Unrealized gain	Cost	Fair value	Unrealized gain
Trading investment						
Fixed income fund	167,375,589	168,096,119	720,530	71,616,358	71,974,002	357,644
Debt instruments with held-to-maturity						
Bill of exchange	-	-	-	130,000,000	127,771,129	-
Less Discount	-	-	-	(2,228,871)	-	-
Net	-	-	-	127,771,129	127,771,129	-
Total	167,375,589	168,096,119	720,530	199,387,487	199,745,131	357,644

Movements of current investments for the years ended December 31, 2017 and 2016 was as follows:

	Consolidated and separate financial statements	
	2017	2016
As at beginning of the year	199,745,131	120,000,000
Purchases	200,000,000	1,150,355,913
Disposal	(234,240,768)	(1,078,708,310)
Interest income	2,228,870	7,739,884
Changes in fair value of current investments	362,886	357,644
As at end of the year	168,096,119	199,745,131

7. TRADE AND OTHER RECEIVABLES

Trade and other receivables as at December 31, 2017 and 2016 consisted of:

	<i>Baht</i>			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Trade receivables	64,915,900	67,717,896	36,026,505	35,982,152
Less Allowance for doubtful accounts	(33,816,233)	(32,471,233)	(32,458,443)	(32,458,443)
Net	31,099,667	35,246,663	3,568,062	3,523,709
Other receivables	18,467,999	2,313,610	18,505,516	2,431,950
Less Allowance for doubtful accounts	(58,210)	(58,210)	-	-
Net	18,409,789	2,255,400	18,505,516	2,431,950
Trade and other receivables - net	49,509,456	37,502,063	22,073,578	5,955,659

As at December 31, 2017 and 2016, the Group had outstanding balances of trade receivables aged by number of months as follows:

	<i>Baht</i>			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Current	12,185,886	8,640,663	2,186,782	1,172,500
Overdue				
Not over 3 months	19,934,208	18,702,117	1,308,412	2,317,326
Over 3 months up to 6 months	251,330	7,935,263	5,105	65,263
Over 6 months up to 12 months	55,724	4,700	50,244	4,700
Over 12 months	32,488,752	32,435,153	32,475,962	32,422,363
Total	64,915,900	67,717,896	36,026,505	35,982,152

As at December 31, 2017, the Group had a minimum amount to be received in the future under operating leases, as follows:

Year	<i>Baht</i>
	Consolidated and separate financial statements
1	15,379,560
2 - 5	6,939,480
Total	22,319,040

Movements of allowance for doubtful accounts for the years ended December 31, 2017 and 2016 were as follows:

Baht

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Beginning balance	32,529,443	32,754,093	32,458,443	32,754,093
Add (less) Doubtful accounts (reversal)	1,345,000	(224,650)	-	(295,650)
Ending balance	<u>33,874,443</u>	<u>32,529,443</u>	<u>32,458,443</u>	<u>32,458,443</u>

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, 2017 and 2016 consisted of:

Baht

	Consolidated and separate financial statements	
	2017	2016
Principal	76,680,908	76,680,908
Accrued interest income	9,150,754	9,150,754
Total	85,831,662	85,831,662
Less Allowance for doubtful accounts	(85,831,662)	(85,831,662)
Long-term loans and accrued interest income to other party - net	<u>-</u>	<u>-</u>

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 assigned the lawyer filing to apply for payment in case that TRC submitted the Clarification of the Rehabilitation Petition to the Bankruptcy Court. However, the Company had already recorded the allowance for doubtful account of such loan in the whole amount.

9. INVENTORIES

Inventories as at December 31, 2017 and 2016 consisted of:

Baht

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Restaurant and cultural center				
Food and beverage	518,731	-	-	-
Supplies	169,273	18,310	-	-
Total	688,004	18,310	-	-
Manufacture and distribution of ceiling fan				
Finished goods	49,048,648	36,086,068	49,048,648	36,086,068
Work in process	10,505,821	28,828,143	10,505,821	28,828,143
Raw materials	1,482,529	3,210,479	1,482,529	3,210,479
Total	61,036,998	68,124,690	61,036,998	68,124,690
Grand total	61,725,002	68,143,000	61,036,998	68,124,690
Less Allowance for devaluation of inventories	(46,286,135)	(11,459,404)	(46,267,825)	(11,441,094)
Inventories - net	15,438,867	56,683,596	14,769,173	56,683,596

Movements of allowance for devaluation of inventories for the years ended December 31, 2017 and 2016 were as follows:

Baht

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Beginning balance	11,459,404	6,319,847	11,441,094	6,301,537
Add Loss from devaluation				
of inventories	34,826,731	5,139,557	34,826,731	5,139,557
Ending balance	46,286,135	11,459,404	46,267,825	11,441,094

10. COST OF PROJECT DEVELOPMENT

Cost of project development as at December 31, 2017 and 2016 consisted of:

Baht

	Consolidated financial statements	
	2017	2016
Project development ready for sale		
Allotted houses	73,624,354	-
Project development being developed		
Construction in progress and others cost	-	99,615,184
Total	73,624,354	99,615,184

Movement of significant cost of project development for the years ended December 31, 2017 and 2016 were summarized as bellows:

	<i>Baht</i>	
	Consolidated financial statements	
	2017	2016
Cost of sales	(49,711,686)	-
Interest expense had capitalized	239,693	300,479

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 23).

11. RESTRICTED BANK DEPOSITS

Restricted bank deposits as at December 31, 2017 and 2016 consisted of:

	<i>Baht</i>			
	Consolidated financial statement		Separate financial statement	
	2017	2016	2017	2016
Cash at banks	47,550,608	54,873,401	9,500,000	9,500,000
	Collateral for loan from financial institution (see notes 19 and 23)			

12. INVESTMENT IN ASSOCIATED COMPANY

Investment in associated company as at December 31, 2017 and 2016 consisted of:

Associated company	Business type	Percentage of investment (%)	Paid-up share capital	Equity method		Cost method		<i>Baht</i>
				2017	2016	2017	2016	
W. Solar Co., Ltd.	Solar roof power plant	49	80,000,000	42,303,420	40,573,980	39,199,980	39,199,980	

Summary financial information about material associate for the years ended December 31, 2017 and 2016 were as follows

Year	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Net assets	Revenues	Profit	Share of net assets	Goodwill	Carrying amounts of associate based on equity method	<i>Baht</i>
2017	6,157,463	76,344,587	2,482,597	5	80,019,448	10,694,481	3,529,469	39,209,530	3,093,890	42,303,420	
2016	4,117,568	75,378,378	3,002,360	3,607	76,489,979	8,450,533	2,265,126	37,480,090	3,093,890	40,573,980	

13. INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries as at December 31, 2017 and 2016 consisted of:

Subsidiaries	Percentage of investments (%)	Paid-up share capital		Cost		Allowance for impairment		Book Value		Baht
		2017	2016	2017	2016	2017	2016	2017	2016	
C.E.I. (Chiangmai) Co., Ltd.	100	200,000,000	1,000,000	199,999,970	999,970	(53,659,970)	(999,970)	146,340,000	-	
A CC Electric Co., Ltd.	100	100,000,000	1,000,000	99,999,970	999,970	-	-	99,999,970	999,970	
A CC Landmark Co., Ltd.	75	50,000,000	50,000,000	37,499,990	37,499,990	-	-	37,499,990	37,499,990	
A CC Green Energy Co., Ltd.	100	3,250,000	3,250,000	3,249,970	3,249,970	-	-	3,249,970	3,249,970	
Bangpakong Solar Power Co., Ltd.	51	49,000,000	49,000,000	24,989,980	24,989,980	-	-	24,989,980	24,989,980	
Total				365,739,880	67,739,880	(53,659,970)	(999,970)	312,079,910	66,739,910	

Movements of allowance for impairment of investments in subsidiaries for the year ended December 31, 2017 were as follows:

	<i>Baht</i>
	Separate
	financial statements
Beginning balance	999,970
Add Loss on impairment of investments	11,320,000
Transfer in - short-term loan and accrued interest income to related parties (see note 4)	41,340,000
Ending balance	<u>53,659,970</u>

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

As at December 31, 2016, C.E.I. (Chiangmai) Co., Ltd. (“the subsidiary”) has deficit exceed than the investment value in the amount of Baht 42.34 million, therefore, the Company had already recorded the allowance for impairment of investment in subsidiary in the whole amount. Such differences exceeded were recorded as the allowance for doubtful account of short-term loan and accrued interest income to related parties. During the year 2017, the Company reclassified the mentioned allowance for doubtful account to the allowance for impairment of investment in subsidiary (see note 4).

On May 26, 2017, C.E.I. (Chiangmai) Co., Ltd. (“the subsidiary”) increased the registered share capital from Baht 1 million to Baht 200 million by issuing new ordinary shares of 19.90 million shares, with the par value of Baht 10 each. The subsidiary had fully paid-up the increase of its share capital, totaling in the amount of Baht 199 million.

ACC Electric Co., Ltd.

On May 26, 2017, ACC Electric Co., Ltd. (“the subsidiary”) increased the registered share capital from Baht 1 million to Baht 100 million by issuing new ordinary shares of 9.90 million shares, with the par value of Baht 10 each. The subsidiary had fully paid-up the increase of its share capital, totaling in the amount of Baht 99 million.

Saraburi Solar Co., Ltd.

On February 4, 2016, the Company (“the buyer”) entered into the shares purchase agreement of 10 companies (“Saraburi Solar Co., Ltd.”), 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 Saraburi Solar Co., Ltd. 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.

On December 1, 2017 the Group of Saraburi Project had registered the amalgamation under a new company named Saraburi Solar Co., Ltd. (“Saraburi Solar”).

Saraburi Solar Co., Ltd. has its principal business relating to manufacturing and distributing the electricity from solar power (solar farms) within the same area, Talingchan, Muang Saraburi, Saraburi. Most of the operations are co-operation and relate in land lease, loan from financial institutions and secures, constructions, licensing and distributing for the electricity, etc.

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
Trade receivables	17,039,817
Other current assets	1,069,050
Restricted bank deposits	49,729,671
Plant and equipment	544,060,727
Other non-current assets	40,000
Trade and other payables	(29,185,395)
Income taxes payable	(5,493)
Other current liabilities	(1,798,560)
Loan from financial institutions	(287,587,500)
Deferred tax liabilities	(5,887,768)
Net assets	<u>290,000,000</u>
Proportion of shareholding (%)	<u>100</u>

Reconciliation of net cash

Purchasing price of the Group of Saraburi Project	290,000,000
Less Cash and cash equivalents of the Group of Saraburi Project	(2,525,451)
Less Restricted bank deposits of the Group of Saraburi Project	(49,729,671)
Net cash paid for acquisition of the Group of Saraburi Project	<u>237,744,878</u>

ACC Electric Co., Ltd. and Saraburi Solar Co., Ltd. shareholders had pledged investment in the ordinary shares of Saraburi Solar Co., Ltd. as collateral against for loan from financial institution (see notes 4 and 23).

Details of investments in subsidiaries that have material non-controlling interests as at December 31, 2017 and 2016 were as follows:

				<i>Baht</i>
	Proportion of equity interest held by non-controlling interests (%)	Accumulated balance of non-controlling interests	Profit (loss) allocated to non-controlling interests during the period	Dividend paid to non-controlling interests during the period
Subsidiaries				
ACC Landmark Co., Ltd.				
Year 2017	25	13,106,514	4,368,531	-
Year 2016	25	8,737,983	(2,665,602)	-
Bangpakong Solar Power Co., Ltd.				
Year 2017	49	23,114,122	(410,146)	-
Year 2016	49	23,524,268	(317,621)	-

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, 2017 and 2016 were as follows:

	ACC Landmark Co., Ltd.		Bangpakong Solar Power Co., Ltd.	
	2017	2016	2017	2016
Current assets	74,943,773	102,145,768	2,772,304	2,014,571
Non-current assets	905,533	1,635,296	45,452,011	46,196,843
Current liabilities	15,723,220	17,579,333	1,052,637	202,704
Non-current liabilities	7,700,028	51,249,799	-	-

Summary information about comprehensive income for the years ended December 31, 2017 and 2016 were as follows:

	ACC Landmark Co., Ltd.		Bangpakong Solar Power Co., Ltd.	
	2017	2016	2017	2016
Revenues	80,837,380	27,125	2,499,566	1,258
Profit (loss) for the years	17,474,126	(10,662,408)	(837,033)	(648,164)
Other comprehensive income (loss)	-	-	-	-
Total comprehensive income (loss)	17,474,126	(10,662,408)	(837,033)	(648,164)
Summary of cash flows				
Cash flows from operating activities	34,501,871	(44,069,050)	1,988,850	(10,325,521)
Cash flows from investing activities	50,916	27,125	(932,252)	(5,131,891)
Cash flows from financing activities	(36,548,583)	26,770,775	-	16,210,000
Net increase (decrease) in cash and cash equivalents	(1,995,796)	(17,271,150)	1,056,598	752,588

14. LAND HELD FOR DEVELOPMENT

Land held for development as at December 31, 2017 and 2016 consisted of:

	Baht Consolidated financial statements
Cost	
At January 1, 2016	-
Increase	146,807,352
Decrease	-
At December 31, 2016	146,807,352
Increase	-
Decrease	-
At December 31, 2017	146,807,352

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. entered into the 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.

Acc Landmark Co., Ltd. transferred the right according to the mentioned agreement to ACC Green Energy Co., Ltd.

On November 11, 2016, Thai Lanna transferred such ownership of land, the empty land in Phuket, to ACC Green Energy Co., Ltd., which their purpose is to be the allocated land and sell in the future. At the present, the development on such land is postponed due to the property in Phuket is continuing slow down.

15. OTHER LONG-TERM INVESTMENT

Other long-term investment as at December 31, 2017 and 2016 consisted of:

				<i>Baht</i>	
		Shareholding	Paid-up	Consolidated and separate	
Equity investment	Business type	(%)	share capital	financial statements	
				2017	2016
Siam Water Resource Plc.	Production	8.93	503,660,000	49,950,000	49,950,000
Less Allowance for impairment	and distribution				
of investment	of raw water			(49,950,000)	(49,950,000)
Other long-term investment - net				-	-

16. INVESTMENT PROPERTY

Movements of investment property for the years ended December 31, 2017 and 2016 as follows:

Baht

Consolidated financial statements						
		Land and	Buildings and		Constuction	
	Note	land improvement	utility systems	Condominium	in progress	Total
Cost						
At January 1, 2016		215,237,501	358,493,977	44,120,224	9,926,703	627,778,405
Increase / transfer in		-	13,164,599	11,106,877	6,068,785	30,340,261
Transfer in - Plant, property and equipment	17	-	-	1,704,270	-	1,704,270
Disposals / transfer out		-	-	(17,671,160)	(9,926,703)	(27,597,863)
At December 31, 2016		215,237,501	371,658,576	39,260,211	6,068,785	632,225,073
Increase / transfer in		-	11,043,741	-	224,956	11,268,697
Transfer in - Plant, property and equipment	17	(194,652,212)	(302,838,633)	-	-	(497,490,845)
Disposals / transfer out		-	-	(6,324,514)	(6,293,741)	(12,618,255)
At December 31, 2017		20,585,289	79,863,684	32,935,697	-	133,384,670
Accumulated depreciation						
At January 1, 2016		4,185,214	90,074,235	41,689,023	-	135,948,472
Depreciation / transfer in		2,297,575	23,157,907	316,089	-	25,771,571
Transfer in - Plant, property and equipment	17	-	-	1,704,269	-	1,704,269
Disposals / transfer out		-	-	(17,465,703)	-	(17,465,703)
At December 31, 2016		6,482,789	113,232,142	26,243,678	-	145,958,609
Depreciation / transfer in		566,525	9,221,653	1,150,869	-	10,939,047
Transfer in - Plant, property and equipment	17	(7,049,314)	(58,507,035)	-	-	(65,556,349)
Disposals / transfer out		-	-	(5,820,365)	-	(5,820,365)
At December 31, 2017		-	63,946,760	21,574,182	-	85,520,942
Net book value						
At December 31, 2016		208,754,712	258,426,434	13,016,533	6,068,785	486,266,464
At December 31, 2017		20,585,289	15,916,924	11,361,515	-	47,863,728

Baht

Separate financial statements						
	Note	Land and land improvement	Buildings and utility systems	Condominium	Building under construction	Total
Cost						
At January 1, 2016		20,585,289	66,762,222	44,120,224	-	131,467,735
Increase / transfer in		-	13,164,599	-	6,068,785	19,233,384
Transfer in - Plant, property and equipment	17	-	-	1,704,270	-	1,704,270
Disposals / transfer out		-	-	(17,671,160)	-	(17,671,160)
At December 31, 2016		20,585,289	79,926,821	28,153,334	6,068,785	134,734,229
Increase / transfer in		-	11,043,741	-	224,956	11,268,697
Disposals / transfer out		-	-	(6,324,514)	(6,293,741)	(12,618,255)
At December 31, 2017		20,585,289	90,970,562	21,828,820	-	133,384,671
Accumulated depreciation						
At January 1, 2016		-	59,260,715	41,689,023	-	100,949,738
Depreciation / transfer in		-	881,514	316,089	-	1,197,603
Transfer in - Plant, property and equipment	17	-	-	1,704,269	-	1,704,269
Disposals / transfer out		-	-	(17,465,703)	-	(17,465,703)
At December 31, 2016		-	60,142,229	26,243,678	-	86,385,907
Depreciation / transfer in		-	3,804,532	1,150,869	-	4,955,401
Disposals / transfer out		-	-	(5,820,365)	-	(5,820,365)
At December 31, 2017		-	63,946,761	21,574,182	-	85,520,943
Net book value						
At December 31, 2016		20,585,289	19,784,592	1,909,656	6,068,785	48,348,322
At December 31, 2017		20,585,289	27,023,801	254,638	-	47,863,728

Millions Baht

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Depreciation were included in cost of sales and services	10.94	25.77	4.96	1.20
As at December 31				
The gross carrying amount fully depreciated that is still in use.	16.71	20.93	16.71	20.93

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 0.25 million were appraised with the appraisal value of Baht 34.03 million by Southeast Asia International Co., Ltd., an independent appraiser engaged by the Company. The appraisal was based on sales comparison approach for condominium in accordance with professional standards of the Valuers Association of Thailand as per their appraisal reports dated December 15, 2017.

Investment property of the Company with its carrying amount of Baht 47.61 million were appraised with the appraisal value of Baht 281.25 million by Fast And Fair Valuation Co., Ltd., an independent appraiser engaged by the Company. The appraisal was based on replacement cost for land and factory building of rent in accordance with professional standards of the Valuers Association of Thailand as per their appraisal reports dated January 15, 2018.

17. PROPERTY, PLANT AND EQUIPMENT

Movements of investment property, plant and equipment for the years ended December 31, 2017 and 2016 were as follows:

	Note	Consolidated financial statements							Bahr
		Land	Buildings and utility systems	Machinery and factory equipment	Office equipment	Vehicles	Construction in progress	Total	
Cost									
At January 1, 2016		4,698,043	39,486,538	1,053,357	45,401,449	6,039,938	41,064,865	137,744,190	
Increase from acquiring the subsidiary	13	-	219,977,995	430,394,665	-	-	-	650,372,660	
Increase / transfer in		-	1,922,478	879,067	761,741	11,500	5,175,074	8,749,860	
Transfer out - investment property	16	-	(1,704,270)	-	-	-	-	(1,704,270)	
Transfer / adjust		-	-	-	(24,757)	-	-	(24,757)	
At December 31, 2016		4,698,043	259,682,741	432,327,089	46,138,433	6,051,438	46,239,939	795,137,683	
Increase / transfer in		-	18,235,335	45,788,142	3,644,201	1,399,000	18,534,551	87,601,229	
Transfer in - investment property	16	194,652,212	302,838,633	-	-	-	-	497,490,845	
Disposals / transfer out		-	(16,995,665)	-	(1,144,218)	-	(12,308,372)	(30,448,255)	
Transfer / adjust		-	-	-	-	-	(49,261,973)	(49,261,973)	
At December 31, 2017		199,350,255	563,761,044	478,115,231	48,638,416	7,450,438	3,204,145	1,300,519,529	
Accumulated depreciation									
At January 1, 2016		-	32,555,443	1,050,112	13,469,957	1,475,263	-	48,550,775	
Increase from acquiring the subsidiary	13	-	32,533,971	73,777,961	-	-	-	106,311,932	
Depreciation / transfer in		-	10,061,007	20,609,977	9,012,414	775,764	-	40,459,162	
Transfer out - investment property	16	-	(1,704,269)	-	-	-	-	(1,704,269)	
Disposals / transfer out		-	-	-	(3,688)	-	-	(3,688)	
At December 31, 2016		-	73,446,152	95,438,050	22,478,683	2,251,027	-	193,613,912	
Depreciation / transfer in		1,731,050	28,059,339	22,024,329	9,490,957	939,893	-	62,245,568	
Transfer in - investment property	16	7,049,314	58,507,035	-	-	-	-	65,556,349	
Disposals / transfer out		-	(16,995,583)	-	(1,084,337)	-	-	(18,079,920)	
At December 31, 2017		8,780,364	143,016,943	117,462,379	30,885,303	3,190,920	-	303,335,909	

						Separate financial statements						
						Land	Buildings and utility systems	Machinery and factory equipment	Office equipment	Vehicles	Construction in progress	Total
Cost		Note										
At January 1, 2016						4,698,043	39,283,934	1,046,657	2,957,504	6,039,938	-	54,026,076
Increase / transfer in						-	1,904,309	879,067	750,088	11,500	53,578	3,598,542
Transfer out - Investment property	16					-	(1,704,270)	-	-	-	-	(1,704,270)
Disposals / transfer out						-	-	-	(24,757)	-	-	(24,757)
At December 31, 2016						4,698,043	39,483,973	1,925,724	3,682,835	6,051,438	53,578	55,895,591
Increase / transfer in						-	355,848	58,000	370,449	-	422,351	1,206,648
Disposals / transfer out						-	(16,995,665)	-	(1,090,514)	-	(406,167)	(18,492,346)
At December 31, 2017						4,698,043	22,844,156	1,983,724	2,962,770	6,051,438	69,762	38,609,893
Accumulated depreciation												
At January 1, 2016						-	32,504,813	1,046,653	1,179,405	1,475,263	-	36,206,134
Depreciation / transfer in						-	1,160,506	42,734	529,365	775,763	-	2,508,368
Transfer out - Investment property	16					-	(1,704,269)	-	-	-	-	(1,704,269)
Disposals / transfer out						-	-	-	(3,688)	-	-	(3,688)
At December 31, 2016						-	31,961,050	1,089,387	1,705,082	2,251,026	-	37,006,545
Depreciation / transfer in						-	1,539,202	85,767	590,234	773,688	-	2,988,891
Disposals / transfer out						-	(16,995,583)	-	(1,045,582)	-	-	(18,041,165)
At December 31, 2017						-	16,504,669	1,175,154	1,249,734	3,024,714	-	21,954,271
Net book value												
At December 31, 2016						4,698,043	7,522,923	836,337	1,977,753	3,800,412	53,578	18,889,046
At December 31, 2017						4,698,043	6,339,487	808,570	1,713,036	3,026,724	69,762	16,635,622

	<i>Millions Baht</i>			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Depreciation, were included in				
- Cost of sales and services	58.68	37.92	0.12	0.12
- Selling and administrative expenses	3.57	2.54	2.87	2.39
Total	62.25	40.46	2.99	2.51
As at December 31				
The gross carrying amount fully depreciated that is still in use.	2.19	20.03	2.19	20.03
The net book value of asset under finance lease agreements				
- Vehicles	3.85	3.27	2.62	3.27

ACC Electric Co., Ltd.

Saraburi Solar Co., Ltd. had mortgaged land lease, office building, constructions, machine and equipment using manufacturing solar power as collateral for loan financial institution (see note 23).

At December 31, 2017				
	Lessor	Period	Yearly rental	Remark
			<i>Baht</i>	
Land lease	other party	3 July 2012 - 2 July 2024	50,000	-
		3 July 2024 - 2 July 2037	100,000	-

18. DEFERRED TAX

Deferred tax as at December 31, 2017 and 2016 consisted of:

	<i>Baht</i>			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Deferred tax assets	148,137	-	-	-
Deferred tax liabilities	(11,366,970)	(9,134,477)	(1,237,439)	(1,237,439)

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

Baht

Consolidated financial statements					
	January 1, 2016	Increase from acquiring the subsidiary	Loss	December 31, 2016	Profit (Loss) December 31, 2017
Deferred tax assets					
Trade and other receivables	6,626,332	-	(6,626,332)	-	-
Inventories	1,260,307	-	(1,260,307)	-	-
Provision	130,097	-	(130,097)	-	148,137
Total	8,016,736	-	(8,016,736)	-	148,137
Deferred tax liabilities					
Property, plant and equipment	(1,237,847)	(5,887,769)	(2,008,861)	(9,134,477)	(2,232,493)
					(11,366,970)

Baht

Separate financial statements				
	January 1, 2016	Profit (Loss)	December 31, 2016	Profit (Loss) December 31, 2017
Deferred tax assets				
Trade and other receivables	6,626,332	(6,626,332)	-	-
Inventories	1,260,307	(1,260,307)	-	-
Provision	130,097	(130,097)	-	-
Total	8,016,736	(8,016,736)	-	-
Deferred tax liabilities				
Property, plant and equipment	(1,237,847)	408	(1,237,439)	-
				(1,237,439)

19. SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

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

Baht

	Consolidated and separate financial statements
Promissory notes	22,215,208

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

Financial institutions	Type of credit	Credit lines (Millions Baht)	Referred interest rate
Commercial Bank	Bank overdrafts	5	MOR
Commercial Bank	Promissory notes / credit facilities for import	30	MLR
Commercial 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).

20. TRADE AND OTHER PAYABLES

Trade and other payables as at December 31, 2017 and 2016 consisted of:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Trade payables	5,178,327	1,713,378	732,400	906,128
Other payables				
Payables from purchases of assets	3,507,024	55,767	-	-
Accrued dividend	2,602,644	2,602,644	2,602,644	2,602,644
Accrued expenses	16,026,495	18,853,524	11,714,450	13,334,530
Total	22,136,163	21,511,935	14,317,094	15,937,174
Grand total	27,314,490	23,225,313	15,049,494	16,843,302

21. CURRENT PORTION OF LIABILITIES

Current portion of liabilities as at December 31, 2017 and 2016 consisted of:

		Consolidated financial statements		Separate financial statements	
	Note	2017	2016	2017	2016
Loan from financial institution	23	40,387,500	36,900,000	-	-
Liabilities under finance lease	24	1,000,616	748,406	748,406	748,406
Debenture	25	597,414,411	-	597,414,411	-
Total		638,802,527	37,648,406	598,162,817	748,406

22. SHORT-TERM LOAN FROM OTHER PARTIES

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

	Baht
	Consolidated and separate
	financial statements
Bill of exchange	
Other person	10,000,000

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.

Movements of short-term loan from other parties for the years ended December 31, 2017 and 2016 were as follows:

	<i>Baht</i>	
	Consolidated and separate financial statements	
	2017	2016
Beginning balance	10,000,000	190,000,000
Increase	-	515,000,000
Decrease	(10,000,000)	(695,000,000)
Ending balance	-	10,000,000

23. LOAN FROM FINANCIAL INSTITUTIONS

Loan from financial institutions as at December 31, 2017 and 2016 consisted of:

	<i>Baht</i>	
	Consolidated financial statements	
	2017	2016
Loan from financial institutions	222,546,843	303,126,717
Less Current portion	(40,387,500)	(36,900,000)
Long-term loan from financial institutions	182,159,343	266,226,717

The details of the loans were as follows:

No.	Financial institutions	<i>Millions Baht</i>		Repayment period	Referred interest rate (%)	Repayment
		Credit line	Principal			
1	Commercial Bank	68	6.96	3 years	MLR	Monthly interest payment and principal repayment when the mortgage are released.
2	Commercial Bank	375	215.59	Mar. 2013 - Jul. 2022	MLR	Monthly principal repayment of 112 instalment at the rate of 0.67 - 1.87 of principal repayment.
Total			222.55			

Movements of loan from financial institutions for the years ended December 31, 2017 and 2016 were as follows:

Baht

	Consolidated financial statements	
	2017	2016
Beginning balance	303,126,717	26,000,000
Increase from acquiring the subsidiaries	-	287,587,500
Increase	17,316,364	24,639,217
Decrease	(97,896,238)	(35,100,000)
Ending balance	222,546,843	303,126,717

Collateral

Saraburi Solar Co., Ltd. has pledged saving account (see note 11), and mortgaged land lease, office building, constructions, machine and equipment using for manufacturing solar power (see note 17), 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 Saraburi Solar Co., Ltd. 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).

24. LIABILITIES UNDER FINANCE LEASES

Liabilities under finance leases as at December 31, 2017 and 2016 consisted of:

Baht

	Consolidated financial statements					
	2017			2016		
Year	Present value	Deferred interest	Minimum lease payment	Present value	Deferred interest	Minimum lease payment
1	1,000,616	66,724	1,067,340	748,406	56,197	804,603
2 - 5	1,281,510	39,774	1,321,284	1,436,856	34,017	1,470,873
Total	2,282,126	106,498	2,388,624	2,185,262	90,214	2,275,476

Baht

	Separate financial statements					
	2017			2016		
Year	Present value	Deferred interest	Minimum lease payment	Present value	Deferred interest	Minimum lease payment
1	748,406	31,607	780,012	748,406	56,197	804,603
2 - 5	648,543	2,337	650,880	1,436,856	34,017	1,470,873
Total	1,396,949	33,944	1,430,892	2,185,262	90,214	2,275,476

The Company entered into the finance lease agreements for purchase vehicles, payable monthly in the amount of Baht 0.09 million in consolidated financial statements and Baht 0.07 million (Year 2016: Baht 0.07 million), in separate financial statements. As at December 31, 2017, the current portion of liabilities under the finance leases in the amount of Baht 1 million in consolidated financial statements and Baht 0.75 million (Year 2016: Baht 0.75 million), in separate financial statements was presented under current liabilities.

25. DEBENTURE

Debenture as at December 31, 2017 and 2016 consisted of:

	<i>Baht</i>	
	Consolidated and separate financial statements	
	2017	2016
Debenture : Par value	600,000,000	600,000,000
Less Deferred underwriting fee for debenture	(2,585,589)	(12,215,589)
Debenture	597,414,411	587,784,411
Less Current portion	(597,414,411)	-
Long-term debenture	-	587,784,411
Deferred underwriting fee for debenture	12,215,589	16,912,000
Less Amortized	(9,630,000)	(4,696,411)
Net	2,585,589	12,215,589

During the year 2016, the Company issued debentures No.1/2016, which are unsubordinated, unsecured, without shareholders' representative and early redemption right, and in registered name form in the amount of 600,000 units at par value of Baht 1,000 per unit, totaling Baht 600 million, for offering to the investor following the notification of the Securities and Exchange Commission. The maturity period of debentures is 1 year and 9 months, due on April 9, 2018, with interest charged at the rate of 6% per annum, payable every 3 months. The issuance of such debentures is aimed to repay the existing debt for unburden the finance cost and to be the working capital for developing the current and new projects, including support the Company's business expansion.

The debenture issuer has no right to early redeem the debentures except for repurchase as stipulated in the terms and conditions of debentures. The debenture holders have no right, in any event, to demand the issuer to early redeem the debentures.

The terms to maintain the financial ratio is debt to equity ratio at the rate not exceed 2.5:1

At the Ordinary General shareholders' Meeting of the Company held on April 25, 2017, passed a resolution to approve 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.

26. LONG-TERM PROVISION

Long-term provision as at December 31, 2017 and 2016 consisted of:

		<i>Baht</i>			
		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>Note</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Post-employment benefit plan	27	3,842,722	2,848,857	3,000,563	2,238,275
Loss on litigations		-	2,519,303	-	2,519,303
Total		<u>3,842,722</u>	<u>5,368,160</u>	<u>3,000,563</u>	<u>4,757,578</u>

27. EMPLOYEE BENEFITS OBLIGATIONS

Employee benefit obligations as at December 31, 2017 and 2016 consisted of:

		<i>Baht</i>			
		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Post-employment benefit plan					
Present value of obligations		3,842,722	2,848,857	3,000,563	2,238,275
Employee benefit obligations		<u>3,842,722</u>	<u>2,848,857</u>	<u>3,000,563</u>	<u>2,238,275</u>

Movements of the present value of employee benefits obligations for the years ended December 31, 2017 and 2016 were as follows:

		<i>Baht</i>			
		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Post-employment benefit plan					
Employee benefit obligations					
at the beginning balance		2,848,857	1,687,398	2,238,275	1,267,423
Included in profit or loss:					
Current service cost		879,183	1,086,815	661,380	907,130
Interest cost		114,682	74,644	100,908	63,722
Employee benefit obligations at the ending balance		<u>3,842,722</u>	<u>2,848,857</u>	<u>3,000,563</u>	<u>2,238,275</u>

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, 2017 and 2016 (expressed as weighted averages) as follows:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Discount rate	1.86 - 3.48	2.82 - 3.48	3.48	3.48
Salary increase rate	4 - 8.76	5 - 8.76	8.76	8.76
Turnover rate	0 - 15	0 - 11	0 - 11	0 - 11
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, 2017 are summarised below:

	Consolidated financial statements		Separate financial statements	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% Movement)	(117,032)	124,702	(81,642)	87,037
Salary increase rate (0.5% Movement)	118,676	(112,678)	82,290	(78,145)
Turnover rate (0.5% Movement)	(93,460)	48,417	(89,735)	48,405

28. SHARE CAPITAL AND WARRANTS

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.

29. DIVIDEND PAYMENT

Subsidiary

At the Board of directors' Meeting of ACC Electric Co., Ltd. held on March 18, 2017, a resolution to approve the interim dividend payment at the rate of Baht 190 per share, totaling Baht 19 million and set a legal reserve in the amount of Baht 0.10 million.

30. 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.

31. EXPENSES BY NATURE

Significant expenses by nature for the years ended December 31, 2017 and 2016 were as follows:

			<i>Baht</i>	
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Changes in inventories and work in process	4,690,048	(50,212,842)	5,359,742	(50,212,842)
Purchases of goods and supplies	20,776,156	58,145,545	1,902,720	58,145,545
Salary and wages	54,357,725	28,710,261	26,524,978	21,949,465
Depreciation and amortization	75,548,800	66,558,307	8,137,432	3,898,401
Devaluation of inventories	34,826,731	6,964,736	34,826,731	6,964,736
Impairment of investments	-	-	11,320,000	-
Doubtful accounts	1,727,491	-	382,491	3,544,350
Consulting and legal and finance fees	3,626,315	2,911,627	3,549,275	2,834,587

32. FINANCE COSTS

Finance costs for the years ended December 31, 2017 and 2016 were as follows:

			<i>Baht</i>	
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Arranger fee	9,685,681	7,325,507	9,685,681	7,325,507
Interest expenses	49,753,999	50,385,807	36,519,453	34,740,466
Total	59,439,680	57,711,314	46,205,134	42,065,973
Less Interest expense had capitalized	(239,693)	(300,479)	-	-
Net	59,199,987	57,410,835	46,205,134	42,065,973

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 2017, the Company contributed in the amount of Baht 0.61 million (2016: Baht 0.61 million).

34. INCOME TAX

Corporate income tax of the Group for the years ended December 31, 2017 and 2016 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.

Tax expense for the years ended December 31, 2017 and 2016 consisted of:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Current tax				
Current period	1,052,523	-	-	-
Deferred tax				
Movements in temporary differences	2,084,356	10,025,597	-	8,016,328
Tax expense	3,136,879	10,025,597	-	8,016,328

Reconciliation of effective tax rate

Consolidated financial statements				
2017		2016		
Tax rate		Tax rate		
(%)	<i>Baht</i>	(%)	<i>Baht</i>	
Loss before income tax	(45,668,354)		(15,473,937)	
Add Promotional privileges from BOI	(31,587,147)		(29,494,053)	
	(77,255,501)		(44,967,990)	
Income tax using the corporate tax rate	20	(15,451,100)	20	(8,993,598)
Expenses not deductible for tax purposes		8,456,133		3,943,453
Revenues treated as revenues under the Revenue Code		6,288,578		3,044,096
Revenues granted income tax exemption		-		(579,288)
Addition expenses deductible for tax purposes		(278,884)		(660,025)
Current period losses for which no deferred tax assets was recognized.		847,684		4,174,220
Effects of elimination entries on consolidation		1,190,112		(928,858)
Current tax	-	1,052,523	-	-
Movement in temporary differences		2,084,356		10,025,597
Tax expense	4	3,136,879	22	10,025,597

Separate financial statements				
2017		2016		
Tax rate		Tax rate		
(%)	<i>Baht</i>	(%)	<i>Baht</i>	
Loss before income tax		(74,946,339)		(32,222,507)
Income tax using the corporate tax rate	20	(14,989,268)	20	(6,444,501)
Expenses not deductible for tax purposes		7,251,107		3,116,590
Revenues treated as revenues under the Revenue Code		5,724,252		3,044,096
Addition expenses deductible for tax purposes		(278,884)		(660,026)
Current period losses for which no deferred tax assets was recognized.		2,292,793		943,841
Current tax	-	-	-	-
Movement in temporary differences		-		8,016,328
Tax expense	-	-	25	8,016,328

35. SEGMENT INFORMATION

Operating segment information is reported in a manner consistent maker 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, banquet and restaurant, 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 years ended December 31, 2017 and 2016 were classified as follow:

	Thousands Baht											
	Ceiling fan		Renting property		Banquet and restaurant		Property development		Alternative energy		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Revenues	17,091	15,796	34,715	55,518	72,808	-	80,786	-	92,616	91,098	298,016	162,412
Operations												
Gross profit (loss)	(27,781)	2,860	17,855	19,037	5,875	-	31,075	-	46,979	48,636	74,003	70,533
Other income											16,412	32,549
Selling expenses											(15,566)	(8,170)
Administrative expenses											(63,046)	(54,085)
Finance costs											(59,200)	(57,411)
Share of profit of associated company											1,729	1,110
Loss before income tax											(45,668)	(15,474)
Tax expense											(3,137)	(10,026)
Loss for the years											(48,805)	(25,500)

Significant assets and liabilities as at December 31, 2017 and 2016 were as follows:

	Ceiling fan		Renting property		Banquet and restaurant		Property development		Alternative energy		Thousands Baht	
	Total		2017		2016		2017		2016		2017	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Assets												
Current investments	-	-	-	-	-	-	-	-	168,096	199,745	168,096	199,745
Trade and other receivables	21,897	5,779	-	15,953	3,205	510	-	-	23,897	49,509	49,509	37,502
Inventories	14,769	56,684	-	-	670	-	-	-	-	15,439	15,439	56,684
Cost of project development	-	-	-	-	-	-	73,624	99,615	-	73,624	73,624	99,615
Restricted bank deposits	9,500	9,500	-	-	-	1	1,200	44,173	38,050	47,551	47,551	54,873
Investment in associated company	-	-	-	-	-	-	-	40,560	42,303	42,303	42,303	40,560
Advance payment for investment	-	-	-	-	-	-	-	14,000	-	-	-	14,000
Land held for development	-	-	-	-	-	-	146,807	146,807	-	-	146,807	146,807
Investment property	-	-	47,864	486,266	-	-	-	-	-	-	47,864	486,266
Property, plant and equipment	16,655	18,889	-	14,718	430,333	-	140	190	543,870	560,963	990,998	594,760
Total assets											<u>1,633,961</u>	<u>1,789,645</u>
Liabilities												
Trade and other payables	15,049	16,843	-	732	9,191	-	632	510	2,442	5,140	27,314	23,225
Current portion of debts	-	748	-	-	-	-	-	-	40,640	36,900	40,640	37,648
Short-term loan from related party	-	-	-	-	-	-	-	-	-	10,000	-	10,000
Long-term loan from financial institution	-	-	-	-	-	-	6,959	50,639	175,200	215,588	182,159	266,227
Debentures	-	-	-	-	-	-	-	-	598,163	587,784	598,163	587,784
Deposit	-	-	3,704	7,195	-	-	-	-	-	-	3,704	7,195
Total liabilities											<u>880,071</u>	<u>986,950</u>

Information about major customer

For the year ended December 31, 2017, the Group has revenue from 2 major customers in the amount of Baht 12.50 million from renting property sector (year 2016: in 2 major customers total amount of Baht 40.40 million) and from 1 major customer in the amount of Baht 90.12 million from the alternative energy sector (year 2016: in 1 major customers total amount of Baht 91.10 million).

36. COMMITMENTS AND CONTINGENT LIABILITIES

As at December 31, 2017, 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 Lease and service agreements in the amount of Baht 0.11 million per month.

36.2.2 Operating lease agreements in respect of the lease of building in the amount of Baht 0.15 million per month.

<i>Baht</i>	
Year	Minimum rental
1	1,800,000
2 - 5	2,700,000
Total	4,500,000

Subsidiaries

36.3 The letter of guarantee issued by the bank in the amount of Baht 0.10 million.

36.4 Commitments for payment under agreements as follows:

36.4.1 Construction agreement and other services in the amount of Baht 5.59 million.

36.4.2 Lease and service agreements in the amount of Baht 0.08 million per month.

Saraburi Solar Co., Ltd.

The rental agreement on an empty land, with a monthly rental of Baht 50,000 – 100,000

	<i>Baht</i>
<u>Year</u>	<u>Minimum rental</u>
1	50,000
2 - 5	200,000
more than 5 years	<u>1,250,000</u>
Total	<u><u>1,500,000</u></u>

The service agreement of maintenance, advisory and management, with a monthly service of Baht 0.83 million.

	<i>Baht</i>
<u>Year</u>	<u>Minimum rental</u>
1	10,016,556
2 - 5	35,958,280
more than 5 years	<u>12,105,105</u>
Total	<u><u>58,079,941</u></u>

ACC Landmark Co., Ltd

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

	<i>Baht</i>
<u>Year</u>	<u>Minimum rental</u>
1	1,618,595
2 - 5	<u>4,518,579</u>
Total	<u><u>6,137,174</u></u>

Bangpakong Solar Power Co., Ltd.

The area service agreement at the rate of 10% of monthly revenue from sale of electricity.

37. PROMOTIONAL PRIVILEGES

Saraburi Solar Co., Ltd. and Bangpakong Solar Power Co., Ltd.

- 1) Exemption from import duty on machinery as approved by the Board of Investment.
- 2) Exemption from corporate income tax on net profit derived from the operation of promoted business for a period of 8 years from the date operation income is first derived.
- 3) A 50% reduction in the normal income tax on the net profit derived from certain operations for a period of 5 years, commencing from the expiry date of no.2).
- 4) Exemption from income tax on dividend received from the operations of promoted business.
- 5) An allowance to double deduct the transportation, electricity and water expense for a period of 10 year from the date income is first derived
- 6) An allowance to deduct 25% of investment in infrastructure in addition to normal depreciation.
- 7) Others as specified in the promotional certificate.

Consequently, the subsidiary has to comply with terms and conditions stipulated in the promotion certificate.

38. FAIR VALUE HIERARCHY

As at December 31, 2017, the Group had the assets that were measured or disclosed at fair value using different levels of inputs as follows:

	Level 1	Level 2	Level 3	<i>Baht</i> Total
Assets measured at fair value				
The Company				
Current investments	-	168,096,119	-	168,096,119
Assets for which fair value are disclosed				
The Company				
Investment property				
Book value amount of Baht 47.86 million	-	34,027,000	281,253,000	315,280,000

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.

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

39. DISCLOSURE OF FINANCIAL INSTRUMENTS

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.

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.

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:

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.

Foreign currency risk

The Group's exchange rate risk primarily involves the purchases and sales of goods in foreign currencies. As at December 31, 2017 and 2016, the Group had assets and liabilities in foreign currencies as follows:

Currency	<i>Millions</i>			
	Consolidated and separate financial statements			
	2017		2016	
	Assets	Liabilities	Assets	Liabilities
US Dollars	0.01	0.02	0.02	0.01

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.

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.

40. 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%. On December 14, 2017, the Company had already paid the compensation as the court sentenced.

41. RECLASSIFICATION

The Group has reclassified certain accounts in the statement of financial position as at December 31, 2016 to conform with the presentation of statements of current year as follow:

	<i>Baht</i>		
	Consolidated financial statements		
	Before	Reclassification	After
Statements of financial position			
Short-term loan from related party	1,000,000	70,000	1,070,000
Other current liabilities	15,714,957	(70,000)	15,644,957

42. EVENT AFTER REPORTING PERIOD

The Extraordinary General Meeting of Shareholders held on January 22, 2018, passed the resolutions as follows:

The reduction of registered share capital from Baht 375,000,000 to Baht 374,999,912.50 by eliminating the unissued shares of 350 shares, with the par value of Baht 0.25 each.

The increase of registered share capital from Baht 374,999,912.50 to Baht 524,999,912.50 by issuing new ordinary shares of 600,000,000 shares, with the par value of Baht 0.25 each.

The Company had already registered the decrease and increase of its registered share capital with the Ministry of Commerce on January 23, 2018 and January 24, 2018, respectively.

Allot new ordinary shares not exceeding 600,000,000 shares, with the par value of Baht 0.25 for offering to the existing shareholders at the proportion 2 existing ordinary share to 1 new ordinary share at Baht 0.60 per share. Assign the Executive Board of Directors or Managing Director to determine the necessary operations as appropriate, including, determine offering period, offering date and others related detail and conditions.

On January 18, 2018, the Company had entered into the sale agreement of land and factory building for rent to Innovative Design and Manufacturing Co., Ltd. ("The Buyer") in the amount of Baht 240 million. The Buyer paid for deposit of Baht 15 million at the agreement date and the remaining amount of Baht 225 million will be paid on the transferring date.

Other Information

Details of Directors in Subsidiaries and Related Companies

Subsidiaries	Authorized Director of the Company
C.E.I. (Chiangmai) Company Limited	Mr. Yuttana Taepangthong or Mr. Pavint Ruangvoraboon and Mr. Sarin Ruangsorn or Mr. Ekawat Swetarat
ACC Electric Company Limited	Mr. Yuttana Taepangthong or Mr. Pavint Ruangvoraboon and Mr. Sarin Ruangsorn or Mr. Ekawat Swetarat
ACC Landmark Company Limited	Mrs. Ngamnij Ruangsorn or Mr. Ekawat Swetarat and Mr. Yuttana Taepangthong or Mr. Pavint Ruangvoraboon
ACC Green Energy Company Limited	Mr. Yuttana Taepangthong or Mr. Pavint Ruangvoraboon and Mr. Sarin Ruangsorn or Mr. Ekawat Swetarat
W.Solar Company Limited	Mr. Yuttana Taepangthong or Mr. Pavint Ruangvoraboon
Bangpakong Solar Power Company Limited	Mr. Yuttana Taepangthong or Mr. Pavint Ruangvoraboon
Saraburi Solar Company Limited	Mr. Yuttana Taepangthong or Mr. Pavint Ruangvoraboon and Mr. Sarin Ruangsorn or Mr. Ekawat Swetarat