

# ANNUAL REPORT

# 2018

Trading  
Hospitality  
Real Estate  
Green Energy



ADVANCED CONNECTION CORPORATION  
PUBLIC COMPANY LIMITED

# Growth | together

## Trading : พัดลมตกแต่งเพดาน - โคมไฟ LED

จัดจำหน่ายพัดลมตกแต่งเพดาน ภายใต้ยี่ห้อ Air-le-gance, Compass East Sunlight ที่มีมานานกว่า 30 ปี และโคมไฟตกแต่งห้อง LED ยี่ห้อ LUMOS ที่มีทั้งแบบตั้งพื้น ตั้งโต๊ะ และแขวนเพดาน

## Hospitality : กลุ่มคำ กลุ่มขันโตก พลัสพลา

ศูนย์ประชุมนานาชาติกลุ่มคำ อัครสถานแห่งล้านนา ห้องจัดเลี้ยงขนาดใหญ่ ที่ตกแต่งด้วยสถาปัตยกรรมชั้นสูงอันหรูหรา ธรรมชาติสำหรับงานระดับสากล และกลุ่มขันโตก พร้อมรับรองแขกบ้านแขกเมือง ด้วยอาหารขันโตก และการแสดงวัฒนธรรมล้านนาที่ยิ่งใหญ่ สมเกียรติแก่ผู้รับรอง

## Real Estate : ทาวน์ไลน์ สิตหีบ

ชีวิตสะดวกสบาย ทำเลทอง ใกล้ศูนย์รวมร้านค้า แคนเตอร์บริการและอาคารต่างๆ ทาวน์ไลน์ สิตหีบ พร้อมแล้ว ที่จะให้ท่านได้จับจองโครงการที่น่าอยู่ ตอบโจทย์ทุกความต้องการ รองรับในทุกพื้นที่ให้สวยงาม และได้เป็นเจ้าของอย่างแท้จริง

## Green Energy : โซลาร์ ฟาร์ม, โซลาร์ รูฟท็อป

ผลิตกระแสไฟฟ้าจากพลังงานหมุนเวียน เป็นมิตรกับสิ่งแวดล้อม โดยเริ่มจากพลังงานแสงอาทิตย์ ในรูปแบบ โซลาร์ ฟาร์ม ขนาดกำลังการผลิต 5.50 เมกะวัตต์ ที่ ต.ตลิ่งชัน อ.เมืองสระบุรี จ.สระบุรี ผลิตและจำหน่ายกระแสไฟฟ้าให้กับการไฟฟ้าส่วนภูมิภาค และแบบโซลาร์ รูฟท็อป ขนาดกำลังการผลิต 2.03 เมกะวัตต์ บนหลังคาอาคารในส่วนอุตสาหกรรม วินโศภ ที่ ต.ท่าข้าม อ.บางปะกง จ.ฉะเชิงเทรา

### PRODUCT'S BRAND



### ACC Group





# Contents

	<b>Pages</b>
Message from the Chairman of the Board	1
The Details of Directors and Managements	3-7
<b>Part 1      Business Operation</b>	
1.    Policy and Overall of Business Operation	8-15
2.    Nature of Business	16-23
3.    Risk Factors	24-26
4.    General Information and Other Reference Information	27-28
<b>Part 2      Management and Corporate Governance</b>	
5.    Securities Information and Shareholders	29-31
6.    Management Structure	32-45
7.    Corporate Governance Report	46-49
8.    Social Responsibilities	50-51
9.    Internal Control and Risk Management	52-53
10.   Related-Party Transactions	54-56
<b>Part 3      Financial Position and Operating Results</b>	
11.   Management Analysis and Explanation	57-67
12.   The Board of Directors' Responsibilities for Financial Reporting	68
13.   Independent Auditor's Report	69-73
14.   Consolidated and Company Financial Statements and Notes to Consolidated and Company Financial Statements	74-133
<b>Part 4      Other Information</b>	
15.   Details of Directors of Subsidiaries and Related Companies	134

## Message from the Chairman of the Board

Dear Shareholders,

During the year 2018, the company still operates 4 main businesses, namely ceiling fan business. Renewable energy business Real estate development business Catering and restaurant business Which each business has the as results.

The company's ceiling fan business in recent years grew slightly from the company making sale promotion. The company expanded the market into the modern trade department stores and the end of the year the company can bring products to sell in the Mall group, and Siam Paragon.

Renewable Energy in the past year, revenue from the production of electricity from the solar rooftop is accordance with the projected estimates. But in the production of electricity from Solar Farm which is the part that the company sells electricity to the Provincial Electricity Authority revenue is lower than estimate Mainly due to the electricity price that the electricity purchase does not grow as expected from lower energy costs and in the past year Thailand had more rain than usual. However, the company has increased the frequency of cleaning solar panels to increase production efficiency.

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., subsidiary recognized revenue approximately 15 units form 32 units.

Catering and restaurant business In Chiang Mai in the past year, tourism has experienced a decline in tourists. Especially Chinese tourists. But the company still has recognized revenue of 88.52 million baht, indicating that this business has the opportunities to growth much more.

The company under the operation of the Board of Directors, executives and employees who are committed to the development of the organization continuously has committed to develop the business. Implement the company strategy and maintain standards continuously, develop human resources organizations to have potentials to increase competitiveness to have an effective management process encourage employees to participate in setting goals for the organization's direction to support future expansion and growth. Including adhering to business practices in accordance with the good corporate governance policy by taking into account stakeholders and doing business with social responsibility and together with anti-corruption business.

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

## The Details of Directors and Managements



### General Kasemsak Plooksawat

Age 74 years Thai nationality

<b>Position</b>	
Independent Director / Chairman of the Board of Directors	
<b>Appointed Date</b>	March 31, 2015
<b>Shareholding</b>	None
<b>Education</b>	
Bachelor's Degree in Science, Chulachomklao Royal Military Academy	
<b>Governance Training of IOD/Others</b>	
Directors Accreditation Program (DAP) Class 133/2560	
<b>Work Experience</b>	
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	
<b>Relationship with Directors and Management</b>	None



### Mr. Ekawat Swetarat

Age 38 years Thai nationality

<b>Position</b>	
Executive Director /Acting Managing Director / Nomination and Remuneration Committee / Deputy Managing Director	
<b>Appointed Date</b>	April 25, 2017
<b>Shareholding</b>	None
<b>Education</b>	
Master's Degree, Business Administration, Sasin Graduate Institute of Business Administration of Chulalongkorn University	
Master's Degree, M.IMS (Information Management System), Monash University, Australia	
Bachelor's Degree, Science (Computer), University of New South Wales, Australia	
<b>Training of Thai Institute of Directors (IOD)</b>	
Board Nomination and Compensation Program (BNCP) Class 1/2560	
Directors Certification Program (DCP) Class 234/2560	
Directors Accreditation Program (DAP) Class 120/2558	
<b>Position in Other Companies/Organizations</b>	
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.	
<b>Work Experience</b>	
2011 - 2013 : Business Development Department Manager	
General Electronic Commerce Services Co., Ltd.	
2011 : International Business Department Manager	
Thai Reinsurance Plc. (THRE)	
<b>Relationship with Directors and Management</b>	None



## Mr. Sarin Ruangsorn

Age 39 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



## Arichai Ractham, Ph.D.

Age 51 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 59 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 55 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. Kan Kungpisdan

Age 39 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. Pavint Ruangvoraboon

Age 39 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



### Mr. Kitti Kanokudomsap

Age 53 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

Have been appoint acting the Company Secretary effective February 28, 2019



### Miss. Tassanaporn Sattayasevanat

Age 34 years Thai nationality

#### Position

Company Secretary

**Appointed Date** August 14, 2018

**Shareholding** None

#### Education

American Intercontinental University, CA, USA. Bachelor's Degree of Fine Art, Majoring in Interior Design Graduated with Honor

#### Training of Thai Listed Companies Association

Company Secretary Program (CSP) 94/2018

#### Work Experience

2017 - 2018 : Admissions and Business Administration Admissions

Executive Bangkok International Preparatory &

Secondary School.

2016 - 2018 : Sales and Marketing Manager Queen Sirikit National

Convention Center, Bangkok

2558 - 2560 Senior Sales Manager Thana City Golf and Sports

Club, Bangkok

2556 - 2558 Marketing Supervisor Independent, Thailand Bangkok

Flight Services, Bangkok

**Relationship with Directors and Management** None

has resigned effective from February 28, 2019

## 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 showroom 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, The Mall Siam Paragon.

## 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. Currently in the process of negotiating in the court. 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 0.98 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 15 units from total of 32 units.

For existing real estate. The Company has sold land and factory buildings on March 8, 2018. And condominium 1 units at Country Complex Condominium are sold in year 2018. Office building at PS Tower 2 units are sold in year 2016. Currently, there are 10 units of Country Complex Condominium remain and available for sale.

### **Hospitality - Banquet and Restaurant**

C.E.I Chiangmai Company Limited (The Company 100% shareholding) has operation business into follow..

- 1) Khum Khantoke and Cultural Performance food service with cultural light and sound show.
- 2) Phlapphla Restaurant Serving food in a buffet style and the evening is open for food, serving all types of food.
- 3) Khum Kham International Convention Center provides a seminar service Is a conference center with international banquet rooms Decorated with high-class architecture that is elegant, retains the identity of Lanna cultures.



## Changes and Key Developments

The Company has been formed by Tai family group investor from Taiwan in the year 1987.

2002	<ul style="list-style-type: none"> <li>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.</li> </ul>
2009	<ul style="list-style-type: none"> <li>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.</li> <li>The Company invested in Siam Water Company Limited, which later changed to Siam Water Resources Public Company Limited (“SWR”). The Company has 45,000,000 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. On March 27, 2018, the company agreed to sell such investment. Because the company that the past had never received any information Including performance as well as the current operation of SWR</li> </ul>
2010	<ul style="list-style-type: none"> <li>The Company sold land and factory located at 290 Moo 4, Sukhumvit Road, Prakkasa, Muang, Samutprakarn to Murakami Ampass (Thailand) Company Limited.</li> </ul>
2013	<ul style="list-style-type: none"> <li>The Company set up and registered the Subsidiary, C.E.I. (Chiangmai) Company Limited as subsidiary company for investment in land and plant included other assets use in Lanna food and show cultural center (Khum KhanToke) which is food and Lanna cutural show business.</li> </ul>
2014	<ul style="list-style-type: none"> <li>The company still has income from selling ceiling fan, property rental and interest income C.E.I. has started to earn income from the operation of the cultural center Food and restaurants and Lanna performances (Khum Khantoke).</li> </ul>
2015	<ul style="list-style-type: none"> <li>The company changed the par value from the original 1 baht per share to 0.25 baht per share and increased the registered capital from the original amount of 188.30 million baht to 300 million baht.</li> <li>The subsidiary (CEI) bring the assets used in the Khum Khantoke business and the International Convention Center Khum Kham Building for Khum Khan Toke Company Chiang Mai (2015) Company Limited Rent</li> <li>The company has changed the accounting period from 1 August to 31 July of the following year as the accounting period from 1 January to 31 December of every year.</li> <li>The Company invests in 3,920,000 share ordinary shares of W.Solar Company Limited (W.SOLAR), with a par value of 10 baht per share total amount of 39.20 million Baht, in proportion of 49% of the registered capital and the total number of shares sold.</li> <li>The Company established ACC Green Energy Company Limited (ACCG) subsidiary companies to operate in businesses Energy and to develop renewable energy project with the authorized share capital in the amount of Baht 1 million, divided into 100,000 ordinary shares at the par value of Baht 10 each, which made the Company’s shareholding 100 percent and increased the registered capital to 10 million baht by issuing new ordinary shares of 900,000 shares, with the par value of Baht 10 each. ACCG paid-up the increase of its share capital of Baht 2.50 each, totaling in the amount of Baht 2.25 million.</li> <li>The Company established ACC Electric Company Limited (ACCE) subsidiary companies to operate in trading business with the authorized share capital in the amount of Baht 1 million, divided into 100,000 ordinary shares at the par value of Baht 10 each, which made the Company’s shareholding 100 percent.</li> </ul>

- 2015**
- The Company established ACC Land Mark Company Limited (ACCL) subsidiary companies to operate in Real Estate business with the authorized share capital in the amount of Baht 1 million, divided into 100,000 ordinary shares at the par value of Baht 10 each. Subsequently, the Company distributed investment in ordinary shares of ACCL to PM in the amount of 25,000 shares at a par value of 10 baht per share, totaling 250,000 baht, equivalent to 25.00 percent. The proportion of investment in ACCL is 75.00%. The Company was passed to increase of registered share capital from Baht 1 million to Baht 50 million by issuing new ordinary shares of 4.90 million shares, with the par value of Baht 10 each. The Company invested in ordinary shares from increase of its share capital under the portion in amount of Baht 36.75 million.
  - The Company change its name and its seal to comply with business operation policy in the future as:
    - Name Thai : “บริษัท แอดวานซ์ คอนเนคชั่น คอร์ปอเรชั่น จำกัด (มหาชน)”
    - Name English : “ADVANCED CONNECTION CORPORATION PUBLIC COMPANY LIMITED”
    - Abbreviate Name : “ ACC ”
  - The Company has entered into a memorandum of agreement to purchase 105 Solar Power Co, Ltd. (105 solar) ordinary shares with WIN in order to operate a solar power plant on the roof of the building. Which accounted for a total investment of 19.89 million baht in order to have a 51.00 % .
  - The Company invested in 2,499,000 ordinary shares of Bangpskong Solar Power Company Limited (BSP) with a par value of 10 baht per share, representing 51.00% of BSP's paid-up capital, representing a total investment of 24.99 million baht.
- 2016**
- 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)
  - 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**
- C.E.I 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.
  - Subsidiary (Saraburi Project Group) has merged 10 companies by establishing Saraburi Solar Company Limited to transfer business of 10 companies.
- 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 pays a deposit of Baht 15 million on contract date. And on March

2018

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 April 9, 2018 The Company established ACC Capital Company Limited (ACCC) subsidiary companies to operate in factoring business with the authorized share capital in the amount of 200,000,000 Baht, divided into 20,000,000 ordinary shares at the par value of Baht 10 each, paid share Capital in the amount of 100,000,000 Baht, divided into 20,000,000 shares at the per value of Baht 5, the Company's shareholding 100 percent
- On April 9, 2018 the Company redemption of debentures amount Baht 600 million.
- On April 2 - 4, 2018, the Company offered the secured debenture No. 1/2018, in the amount of 300,000 units at par value of Baht 1,000 per unit, totalling of Baht 300 million, for offering to the investor following the notification of the Capital Market Supervisory Board. The maturity period of debentures is 2 years and 6 months, due on October 5, 2020, with interest charged at the rate of 5.8% per annum, payable every 3 months. The issuance of such debentures is aimed to repay the existing debt. C.E.I. (Chiangmai) Co., Ltd. mortgaged its land and buildings and ACC Green Energy Co., Ltd. mortgaged its empty land as collateral against for debentures of the Company.

- 2019**
- Board of Director's Meeting No. 2/2019 held on February 25, 2018 has a resolution to approve to enter into Sale and Purchase Contract of 1,000,000 ordinary shares of ACC Green Energy Company Limited ("ACC Green") .at par value Baht 10 per share and to repay the loan that ACC Green has to the company at the total price of 185,000,000 Baht to Mrs. Pranna Chumbualthong the details are as following.
    - Sale share of common stock 38,300,000 Baht The company calculated based on the selling price Less the debt and liabilities that ACC Green owes to the company therefore, the company does not have to include the land price as the selling price of ordinary shares.
    - The loan of the company amounts 146,700,000 Baht (The loan that the company Let ACC Green borrow to buy land without interest)
    - Sale and Purchase contract ordinary shares agreed to as per condition payment as follows;
      - Baht 10,000,000 at Contract Date as Deposit which is considered as part of the payment under this contract.
      - Baht 27,000,000 within 30 days from the date of the contract as which is considered as part of the payment under this contract.
      - Remaining amount of Baht 148,000,000 at ownership transfer of ordinary shares date or within 120 days from the date of the sale and purchase contract ordinary shares.

## 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
ACC Capital Co., Ltd. (“ACCC”)	Factoring	100.00	200,000,000.00	100,000,000.00
Bangpakong Solar Power Co., Ltd. (“BSP”)	Solar Rooftop	51.00	49,000,000.00	49,000,000.00
Saraburi Solar Co., Ltd.*	Solar Farm	100.00 Indirect investment through (“ACCE”)	276,000,000.00	276,000,000.00
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 10 units. 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

Remark : On March 8, 2018, The Company sold land and Factory buildings in Bangpoo Industrial Estate

## 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 15 units are recognized in year 2017 and 2 units 2018. Future projects, the company will find suitable projects.

## 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 proceed 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, 2018		December 31, 2017		December 31, 2016	
	Amount	%	Amount	%	Amount	%
1. Revenue from sale	28.73	12.40	17.09	5.73	15.80	9.73
2. Revenue from Banquet and Restaurant	88.52	38.21	72.81	24.43	-	-
3. Revenue from rent	6.25	2.70	34.71	11.65	55.52	34.18
4. Revenue from Real Estate development	11.85	5.12	80.79	27.11	-	-
5. Revenue from sale renewable energy	96.30	41.32	92.62	31.08	91.10	56.09
<b>total</b>	<b>231.64</b>	<b>100.00</b>	<b>298.02</b>	<b>100.00</b>	<b>162.41</b>	<b>100.00</b>

unit : thousand Baht

Financial position at the end of year Remark: Calculate from consolidate Fin. Stat.	Consolidated Fin. Stat. December 31, 2018	Consolidated Fin. Stat. December 31, 2017	Consolidated Fin. Stat. December 31, 2016
<b>Assets and Shareholders equity</b>			
Current assets	295,769	348,128	444,153
Total assets	1,286,158	1,633,961	1,789,645
Shareholders equity	799,332	753,890	802,695
Par value (Baht)	0.25	0.25	0.25
Book value (Baht)	0.60	0.63	0.67
Number of shares (share)	1,343,054,557	1,200,000,000	1,200,000,000
<b>Profitability</b>			
Revenue from sale	231,642	298,016	162,412
Other revenue	177,304	16,414	32,549
Total revenue	408,946	314,430	194,961
Net income (loss) (holders of Company)	(39,268)	(52,764)	(22,516)
Cash dividend	-	-	-
Profit per share (Baht) (holders of Company)	(0.0298)	(0.0440)	(0.0188)
<b>Financial Ratio</b>			
Current assets to current liabilities (time)	3.64	0.51	4.04
Liabilities to equities (time)	0.61	1.17	1.22
Return on equities (%)	(5.06)	(6.78)	(2.79)
Return on Sale (%)	(16.95)	(17.70)	(13.86)
Return on total revenue (%)	(9.60)	(16.78)	(11.55)
Return on total assets (%)	(2.69)	(3.08)	(1.58)

## 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 15 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, Chacheangsao 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, The Mall, Siam Paragon, 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 is 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 still competitive. Currently, the Company is designing a totally new design of its products in order to achieve a distinguished unique product image and added value to the product at the time. In term of sale promotion, the Company is looking into encouraging its dealers to look for new distribution channels by reducing dependence on large department stores.

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 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.

#### 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, 2018 and December 31, 2017 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, 2018		Dec 31, 2017	
	Assets	Liabilities	Assets	Liabilities
1. US Dollar	0.01	-	0.01	0.02
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, 2018, the Company had net debt to equity ratio of 0.61 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

<b>Registrar</b>	:	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	
<b>Auditor</b>	:	Siam Truth Audit Co., Ltd.	
		No. 338, Building A, 8 <sup>th</sup> floor, Preecha Complex, Ratchadapisek Road,	
		Soi Ratchadapisek 20, Samsennok, Huay Kwang, Bangkok 10310	
		Telephone : 09 7445 4459	
<b>Lagal Advisory</b>	:	Thum Law Office Co., Limited	
		370/10 Rama 9 Road Supattra building 6 <sup>th</sup> fl.	
		Bangkapi, Huay Kwang, Bagkok, 10320	
		Telephone : 0 2719 7838	
	Fax :	0 2719 7839	
<b>Banks</b>	:	Bangkok Bank PCL.	Bangkapi Branch
		Bangkok Bank PCL.	Bangna Branch
		Kasikorn Bank PCL.	Srinagarindra Road k.m. 9 Branch
		Krungthai Bank PCL.	Sunphawut 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 20, 2019 prepared by Thailand Securities Depository (Thailand) Company Limited are as follows:

Shareholders by nationality	No. of shareholders	No. of ordinary share	Share proportion (%)
Thai	2,227	1,240,232,611	92.34
Foreign	20	102,821,946	7.66

## The First 10 Major Shareholders

Shareholders Name	No. of ordinary share	Share proportion (%)
1. Mr. Piemsak Limpatakmongkol	307,085,709	22.86
2. Mr. Nantanat Piboonnant	163,607,700	12.18
3. Mr. Visit Dachavittayathorn	103,196,693	7.68
4. Mr. Pakorn Teerathamrong	61,522,000	4.58
5. Mr. Tanakit Utchariyasombat i	50,500,000	3.76
6. LGT Bank (Singapore) Ltd.	48,968,000	3.65
7. Mrs. Pornpan Thunyasiri	46,063,700	3.43
8. Mr. Precha kreikron	36,651,700	2.73
9. Mrs. YUHUA YAN	30,190,368	2.25
10. Mrs. Supin Siripoke	28,772,800	2.14

## Issuance of other securities

### Bill of exchange

As of December 31, 2018 the Company has no bills of exchange outstanding.

### Long term debenture

On April 2 - 4, 2018, the Company offered the secured debenture No. 1/2018, in the amount of 300,000 units at par value of Baht 1,000 per unit, totalling of Baht 300 million, for offering to the investor following the notification of the Capital Market Supervisory Board. The maturity period of debentures is 2 years and 6 months, due on October 5, 2020, with interest charged at the rate of 5.8% per annum, payable every 3 months. The issuance of such debentures is aimed to repay the existing debt. C.E.I. (Chiangmai) Co., Ltd. mortgaged its land and buildings and ACC Green Energy Co., Ltd. mortgaged its empty land as collateral against for debentures of the Company.

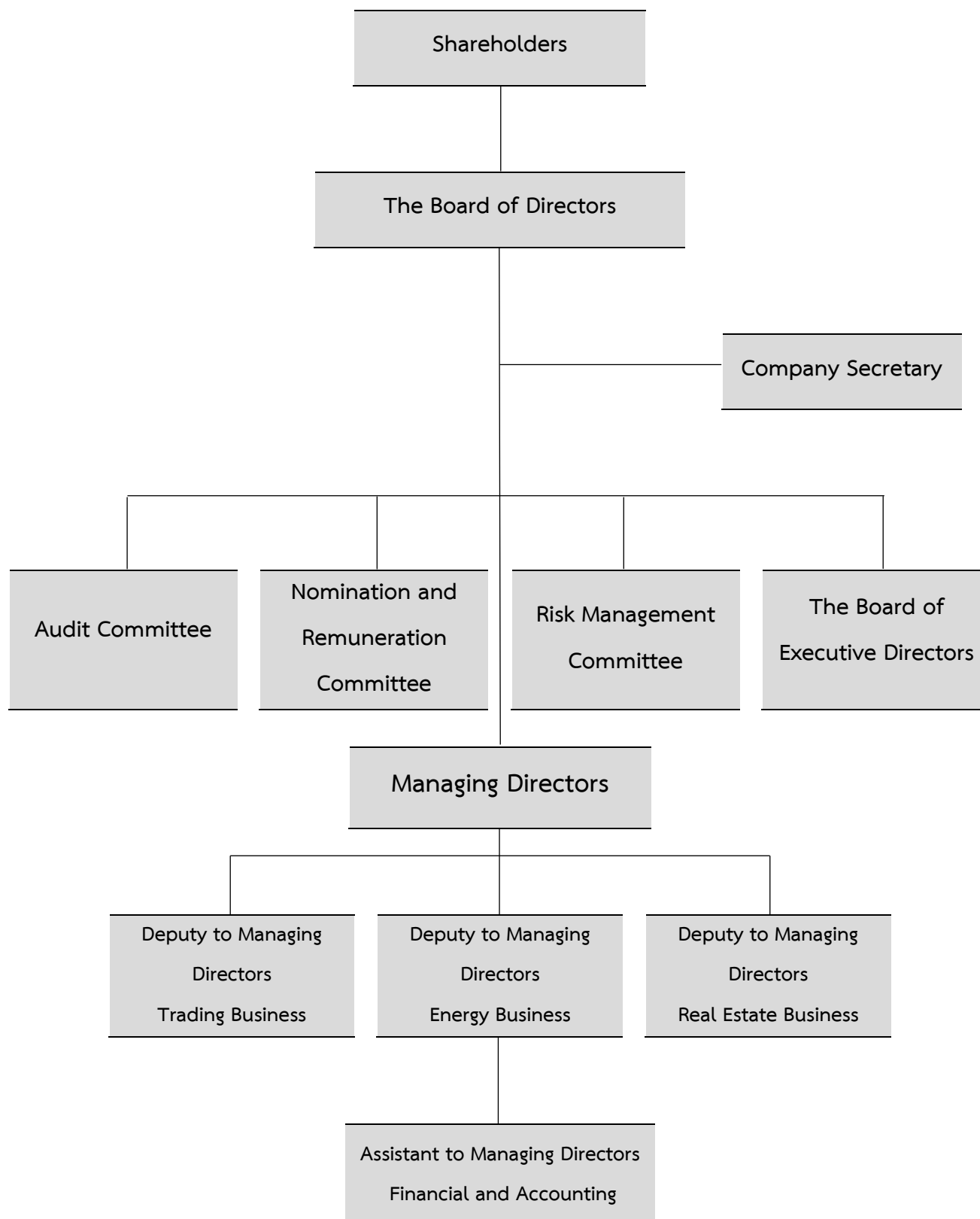
### Convertible Securities (Warrant)

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. Ekawat Swetarat on signing together with Mr. Sarin Ruangsorn 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, 2018 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	13/14
2. Mrs. Sudthida Chirapatsakul*	Thai	Vice Chairman of the Board of Director/ Independent Director	Attend	7/11
3. Arichai Ractham, Ph.D.	Thai	Chairman of the Audit Committee/ Independent Director	Attend	13/14
4. Dr. Charnsiri Suetrong	Thai	Audit Committee/ Independent Director	Attend	14/14
5. Mr. Pasu Sukhumvart	Thai	Audit Committee/ Independent Director	Attend	14/14
6. Mr. Yuttana Taepangthong*	Thai	Director	Attend	7/8
7. Mr. Sarin Ruangsorn	Thai	Director	Attend	14/14
8. Mr. Pavint Ruangvoraboon*	Thai	Director	Attend	12/12
9. Mr. Ekawat Swetart	Thai	Director	Attend	14/14
10. Mr. Kan Kungpisdan	Thai	Director	-	13/1

- Mr. Yuttana Taepangthong has resigned effective from June 30, 2018
- Mrs. Sudthida Chirapatsakul has resigned effective from October 3, 2018
- Mr. Pavint Ruangvoraboon has resigned effective from November 13, 2018



## 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, 2018 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, 2018 are as follows:

Name - surname	Position	Time attended
1. Mr. Pasu Sukhumvart	Chairman of Nomination and Remuneration Committee	1/1
2. Mr. Sarin Ruangsorn*	Nomination and Remuneration Committee	1/1
3. Mr. Ekawat Swetarat	Nomination and Remuneration Committee	1/1

\* replaced of Mrs Sudthida Chirapatsakul who has resigned

### 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, 2018 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

\* has resigned effective from June 30, 2018

## 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, 2018 are as follows:

Name - surname	Position	Time attended
1. Mr. Yuttana Taepangthong*	Managing Director Take care of all businesses	7/8
2. Mr. Sarin Ruangsorn	Deputy Managing Director Take care of real estate business	15/16
3. Mr. Pavint Ruangvoraboon	Deputy Managing Director Take care of energy business	16/16
4. Mr. Ekawat Swetarat	Deputy Managing Director Take care of trading business	15/16
5. Mr. Kitti Kanokudomsap	Assistant to Managing Director Take care of financial and accounting department	16/16
6. Ms. Natthakarn Santayanont	Company Secretary	9/9

\*has resigned effective from June 30, 2018

### 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
<b>Board of Director</b>		
Chairman	-	20,000
Director	-	12,000
<b>Audit Committee</b>		
Chairman	-	18,000
Director	-	12,000
<b>Other committees</b>		
Chairman	-	5,000
Director	-	3,000

For the year ended December 31, 2018 the Company paid remuneration to Directors and other Committees total of 3,442,000 Baht Composing of Director's Bonus 1,485,000 Baht and Meeting allowance 1,957,000 Baht. Details by person are as follows:

Name - surname	Position	Remuneration (Baht)
1. General Kasemsak Plookawat	Chairman of the Board of Director	900,000
2. Ms. Sudthida Chirapatsakul	Director Chairman of the Nomination and Remuneration Committee	198,000
3. Arichai Ractham, Ph.D.	Director Chairman of Audit Committee Chairman of Risk Management Committee	635,000
4. Dr. Charnsiri Suetrong	Director Audit Committee Risk Management Committee	345,000
5. Mr. Pasu Sukhumvart	Director Audit Committee Nomination and Remuneration Committee	356,000
6. Mr. Yuttana Taepangthong	Director Risk Management Committee	111,000
7. Mr. Sarin Ruangsorn	Director/Deputy Managing Director	195,000
8. Mr. Pavint Ruangvoraboon	Director/Deputy Managing Director	168,000
9. Mr. Ekawat Swetarat	Director/Deputy Managing Director Nomination and Remuneration Committee	204,000
10. Mr. Kan Kungpisdan	Director	330,000

## 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
<b>Fixed Remuneration</b>	Salary and other benefits e.g. Provident Fund	To attract and retain talent executive.
<b>Short-term Incentive Remuneration</b>	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, 2018, the Company paid in cash to management, as defined by the Capital Market Commission, including 5 persons totaling 8,830,017 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 2018, the Company arranged an Extraordinary General Shareholders' Meeting No. 1/2018 and arranged an Annual General Shareholders Meeting for 2018 on April 30, 2018 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 14 and 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 7 persons, including with 1-Non-Executive Director, 2-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. Sarin Ruangsorn signing together with 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](http://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 2019 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, 2018	Dec 31, 2017			
C.E.I. (Chiangmai) Co., Ltd. (CEI CM)	200,800	200,178	Investment in subsidiary	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
	72,750	53,660	Allowance for impairment on investment		
	280,000	290,800	Short-term loan		
	178	182	Accrued interest receivable		
	2,114	2,815	Interest Income		
	19,090	11,320	Impairment on investment		
ACC Electric Co., Ltd. (ACCE)	290,000	290,000	Investment in subsidiary	Subsidiary company, hold share 99.99%	Investment in other business. On June 13, 2016 acquired 100% of share of Saraburi Group.
	81,870	-	Impairment on investment		
	167,200	187,200	Short-term loan		
	721	1,101	Accrued interest receivable		
	749	214	Interest revenue		
	32,080	19,000			
Saraburi Project Group	2,175	1,350	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
	146,700	146,700	Short-term loan		For purchase land at phuket
ACC Capital Co., Ltd.	100,000	-	Investment in subsidiary	Subsidiary company, hold share 99.99%	For invest in Factoring business. Not operating business yet

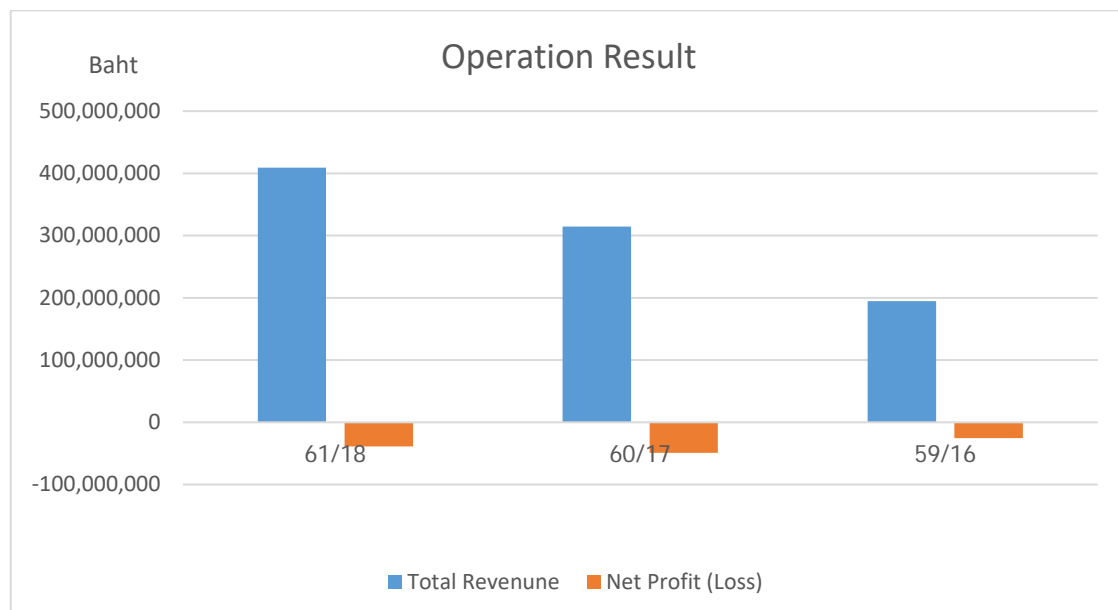
Company / Related person	Transaction Value		Description	Nature of Relationship	Necessary and Appropriation of Transaction
	Dec 31, 2018	Dec 31, 2017			
ACC Landmark Co., Ltd. (ACCL)	37,500	37,500	Investment in subsidiary	Subsidiary company, hold share 75%	Operate real estate development
	10,750	7,750	Short-term loan		Interest rate 7.50% for use as working capital
	95	22	Accrued interest receivable		
	749	241	Interest revenue		
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.
	221	203	Accounting service fee		ACC charge Accounting service fee
W.Solar Co., Ltd.	1,395	1,729	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
	1,107	-	Dividend revenue		
	-	70	Short-term loan		
	2	6	Interest expense		
	42,591	42,303	Investment in associated company (Equity method)		
Wyncoast Industrial Park Public Company Limited (WIN)	6,613	2,716	Revenue for Electric	Shareholder of BSP, W.SOLAR	Revenue For Electric
	641	590	Rental Area		Rental Roof
	14,000	14,000	Account receivables and Other receivables		Advance payment for investment in 105 Solar Power Co., Ltd. August 24, 2018
	14,000	-	Allowance for doubtful		ACC cancel the investment due to delay progress

Company / Related person	Transaction Value		Description	Nature of Relationship	Necessary and Appropriation of Transaction
	Dec 31, 2018	Dec 31, 2017			
Prime Mansion Co., Ltd.	4,250	3,250	Loan to ACCL by proportion	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
	300	102	Interest expenses to ACCL		For use as working capital interest rate at 7.50%
	12,250	12,250	Hold shares in ACC Landmark Co., Ltd. 25,000 shares or 25%		

## Analysis and Management Report

### Operation Result

Year	2018	2017	2016
Total Revenues	408,945,940	314,429,854	194,960,598
Net Profit (Loss)	(38,978,620)	(48,805,233)	(25,499,534)



### Income Structure:

Unit: million baht

	Consolidated Financial Statements					
	2018		2017		2016	
	31 Dec 2018		31 Dec 2017		31 Dec 2016	
	Baht	%	Baht	%	Baht	%
Revenue from sales	28.73	12.40	17.09	5.73	15.80	9.73
Revenue from Banquet and Restaurant	88.52	38.21	72.81	24.43	-	-
Rental income	6.25	2.70	34.71	11.65	55.52	34.18
Revenue from Real Estate Development	11.85	5.12	80.79	27.11	-	-
Revenue from sell renewable energy	96.30	41.32	92.62	31.08	91.10	56.09
Total	213.64	100.00	298.02	100.00	162.41	100.00

For the accounting year ended December 31, 2017 and December 31, 2018 the Company has total revenue Baht 298.02 and 231.64 million respectively. decrease Baht 66.37 million or 22.27 % from prior year from following reasons;

- Revenue from Sales increase THB 11.63 million equal to 68.07% since the company expended products to all Home Pro branches, the Mall and Siam Paragon.

- Revenue from selling of electricity decrease THB 3.68 Million or 3.98% Because the revenue recognition in the production of electricity from the solar rooftop on the roof increases by Baht 4.11 million due to the change in the revenue recognition cash method basis, resulting in the income of the previous year to be recognized in Year 2018.

- Revenue from Real Estate Development decrease THB 68.94 million due to the revenue from selling only 2 units.

- Revenue from Banqueting and Restaurant increase THB 15.71 million. Due to the subsidiary bring back the Banqueting and Restaurant business to operate by itself since April, 2017. Before that the subsidiary rent out to outsider.

- Revenue from renting realty decrease THB 28.47 million or 82.00% due to the subsidiary bring back the Banqueting and Restaurant business to operate by itself. Before that the subsidiary rent out to third party. The company sold Land and Property Factory in Bangpoo Industrial Estate since January 18, 2018. Revenue Real Estate Development Decrease Baht 68.94 million or 85.33 % because the company can recognize revenue 2 Unit from the economic slowdown and the results of the credit control of commercial bank. Revenue from 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	Year 2018 ended Dec 31, 2018		Year 2017 ended Dec 31, 2017		Year 2016 ended Dec 31, 2016	
	MB	%	MB	%	MB	%
Cost of sales	22.62	13.55	44.87	20.03	12.94	14.08
Cost of service in Banquet and Restaurant	86.17	51.62	66.93	29.88	-	-
Rental cost	2.46	1.48	16.86	7.53	36.48	39.70
Cost of real estate development	8.62	5.16	49.71	22.19	-	-
Cost of sale of renewable energy	47.05	28.19	45.64	20.37	42.46	46.22
<b>Total</b>	<b>166.91</b>	<b>100.00</b>	<b>224.01</b>	<b>100.00</b>	<b>91.88</b>	<b>100.00</b>

For the accounting year ended December 31, 2017 and December 31, 2018 the Company has total cost Baht 224.01 and 166.91 million respectively. decrease Baht 57.10 million or 25.49% from following reasons;

- Cost of selling fan decrease THB 22.26 million due to the Company reported for loss from outdated products due to the outdated products and sold.

- Cost of renewable energy increase THB 1.42 million or 3.10% due to the subsidiary added solar panel and increase deprecation.

- Cost of Real Estate Development decrease THB 41.10 million or 82.67% due to the subsidiary recognize revenue from selling 2 units.

- Cost of Banqueting and Restaurant increase THB 19.24 million and cost of renting property decrease THB 14.40 million due to the subsidiary bring back the Banqueting and Restaurant business to operate by itself instead of rent out and the Company sold Land and Property factory in Bangpoo Industrial Estate.

### **Gross Profit**

For the accounting year ended December 31, 2017 and December 31, 2018 the Company has gross profit Baht 74.00 million and 64.73 million respectively. And has gross margin at 24.83% and 27.94% respectively. In accounting year 2018 the Company has gross profit increase 3.11% when compare with prior year.

### **Selling and service expense**

For the accounting year ended December 31, 2017 and December 31, 2018 the Company has Selling and service expense Baht 15.57 and 16.85 million respectively. Increase Baht 1.27 million or 8.152% 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, 2017 and December 31, 2018 the Company has Administrative Expenses Baht of 63.05 and 221.89 million respectively. In accounting year 2018, the Company has Administrative Expenses increase Baht 158.85 million or 251.95% when compare with prior year due to set loss from the impairment of equipment from Solar Farm amount Baht 139.60 Million and also from bringing back the Banqueting and Restaurant business to operate by itself making the cost of management increase 14.39 million.

### **Other Revenue**

For the accounting year ended December 31, 2017 and December 31, 2018 the Company has other revenue Baht 16.41 and 177.30 million respectively. In year 2018, other revenue decreases Baht 160.89 million or 980.20% when compare with prior year due from decrease in profit from asset disposal Land and Property factory in Bangpoo Industrial Estate and Country Complex size 116.82 square meter 1 units Baht 173.47 million. In year 2018.

### **Financial Cost**

For the accounting year ended December 31, 2017 and December 31, 2018 the Company has Financial Cost Baht 59.201 and 37.56 million respectively. decrease Baht 21.64 million or 36.56% due to the Company has



redeemed debenture THB 600 million and issued new debenture THB 255.20 million, decrease accrued interest.

## Net Profit

For the accounting year ended December 31, 2017 and December 31, 2018 the Company has net loss Baht 48.81 and 38.80 million respectively. Year 2018 net loss increase Baht 9.83 million due to set loss from the impairment of equipment from Solar Farm.

## ❖ Liquidity and Financial Ratios

### Liquidity Analysis

Unit : million Baht

Cash Flow Statement	2018 ended Dec 31, 2018	2017 ended Dec 31, 2017
Profit (loss) from operating activities before changes in assets and liabilities	57.92	103.77
Net cash received (paid) in assets and liabilities from operating activities	53.33	33.28
Net cash received (used) in operating activities	105.50	133.64
Net cash received (used) in investing activities	247.92	25.16
Net cash received (used) in financing activities	(336.10)	(161.00)
<b>Net cash and cash equivalent increase (decrease)</b>	17.33	(2.19)
Cash and cash equivalent – Beginning	28.45	30.64
<b>Cash and cash equivalent – Ending</b>	45.78	28.45

Cash flow statement of the Company and subsidiaries for the year ended December 31, 2018 the Company use cash in activities as follows;

The Company has Profit from operating activities before changes in assets and liabilities Baht 57.92 million and paid Net cash in assets and liabilities from operating activities Baht 53.55 million by

1. The Company received Net cash from operating activities Baht 105.50 million. Detail as follows;
  - The Company received Net cash from operating activities Baht 64.94 million. Mainly are decrease account trade and other receivables Baht 12.26 million, decrease in inventories Baht 7.42 million, decrease in cost of project development Baht 7.59 million, decrease in other assets Baht 0.59 million, other current assets Baht 5.56 million and cash at bank with collateral Baht 32.05 million
  - The Company paid net cash in operating liabilities Baht 11.61 million. Mainly is trade and other payables increase Baht 9.13 million, deposit increase Baht 3.61 million

- The Company paid net cash for tax Baht 5.75 million
- 2. The Company received net cash from investing activities Baht 247.92 million. Mainly are
  - The Company received net cash from Sale of investment property Baht 227.64 million, payable net cash from paid net cash from purchase building and equipment and intangible asset Baht 5.44 million, received net cash from dividend and interest income Baht 5.67 million.
- 3. The Company received net cash from financing activities Baht 336.09 million. Mainly are;
  - The Company paid loan from financial institutions Baht 389.85 million, paid interest expense Baht 30.53 million, paid liabilities under finance leases Baht 1.07 million, received net cash from ordinary shares Baht 84.42 million.

### **Current Assets to Current Liabilities**

As of December 31, 2017 and December 31, 2018 the Company has liquidity ratio 0.51 and 3.64 times respectively. And quick ratio 0.42 and 2.97 times respectively. At the end of year 2018 the Company liquidity ratio and quick ratio increase extremely due from the Company paid for debenture net Baht 359.77 million, sale Land and Property factory in Bangpoo Industrial Estate and Country Complex.

### **Liabilities to Shareholders' Equity**

As of December 31, 2018 the Company has Liabilities to Shareholders' Equity ratio 0.61 times. As of December 31, 2017, the Company has Liabilities to Shareholders' Equity ratio 1.17 times. Decrease 0.56 times due from the Company paid for debenture net Baht 359.77 million, Increase in ordinary shares Baht 84.42 million

### **Gross Margin Ratio**

Gross margin ratio of year 2018 is 27.94% while prior year was 24.83%. Decrease 3.11% due to Split into business trading gross margin 21.27% increase 183.81% Because the last year set Allowance for loss on diminution in value of inventories Baht 34.83 million included in Cost of sales. Real Estate development gross margin 27.30% decrease 11.17% because give customers discounts to boost sales, Banquet and restaurant business gross margin 2.66% decrease 5.41 due from high depreciation of assets use in operation., Rental income business gross margin 60.58% increase 9.15%, Renewable energy has gross margin 51.14% increase 0.42%.

### **Net Profit to Total Assets**

Net profit to total assets of year 2018 is -2.47% but in prior year Net profit to total assets was -2.85%. increase 0.39% due to operation net loss.

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

Equipment for Solar Farm set loss from the impairment amount Baht 139.60 Million. due to the electricity purchase price (feed in tariff (ft.)) Of electricity decreases. When evaluating the business value using the current assumption Cause impairment Which the company considers sufficient

### Capital Structure

Capital structure of the Company as of December 31, 2017 and December 31, 2018 debt to equity ratio is 1.17 and 0.61 times respectively. Year 2018 the Company's debt to equity and net debt to equity ratio decrease due from the Company already paid partial of long-term loan. and the Company has increase registered capital and sell of land and that will make debt to equity ratio decrease.

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, 2017 and December 31, 2018 the Company has total assets Baht 1,633.96 and 1,286.16 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 2018 assets of the Company decrease 347.80% comparing to year 2017. Decreasing due from selling from asset disposal Land and Property factory in Bangpoo Industrial Estate and Country Complex for paid debenture net Baht 341.92 million , due to set loss from the impairment of equipment from Solar Farm Baht 139.60 million.

As of December 31, 2017 and December 31, 2018 total assets of the Company compose of current assets Baht 348.13 and 295.77 million respectively. Current assets compose of Temporary investment and Cost of Real Estate development. Non-current assets Baht 1,285.83 and 990.39 million respectively. Mainly compose of Land wait for development and Land plant and Equipment.

### Temporary Investment

As of December 31, 2017 and December 31, 2018 the Company has Temporary investment Baht 168.10 and 150.23 million respectively. Decrease Baht 17.86 million or 10.89% due from selling of investment unit in open debt securities fund net Baht 18.30 million and changes in fair value of current investments Baht -0.44 million.

### Cost of Real Estate Development

The Company has Cost of real estate development at December 31, 2017 and December 31, 2018 Baht 73.62 and 65.01 million. Decrease Baht 8.61 million or 11.709% compare with prior year. Decrease in Cost of real estate development due from sale and transfer of town home 2 units.

### Real Estate for Investment

As at December 31, 2017 and December 31, 2018 the Company has Real Estate for investment Baht 47.86 and 0.55 million. Decrease Baht 47.32 million or decrease 98.86% due from selling Land and Property factory in Bangpoo Industrial Estate and Country Complex.

### Land Plant and Equipment

As of December 31, 2017 and December 31, 2018 the Company has Land plant and equipment Baht 991.00 and 779.46 million respectively. End of year 2018, Land plant and equipment decrease 21.35% compare with prior year, due from set loss from the impairment of equipment from Solar Farm.

### Liabilities

As of December 31, 2017 and December 31, 2018 the Company has liabilities Baht 880.07 and 486.83 million or decrease 44.68%. Decreasing mainly due from the Company paid for debenture net Baht 359.77 million.

However, as of December 31, 2017 and December 31, 2018 total liabilities of the Company categorized into current liabilities Baht 677.72 and 81.29 million or 77.01% and 16.70% of total liabilities. Most of the Company's current liabilities are Current portion of liabilities percentage of 61.12% of total current liabilities at end of year 2018. The company redeemed the debentures and issuing new debentures in a reduced amount. Non-current liabilities of the Company as of December 31, 2017 and December 31, 2018 is Baht 202.35 and 405.53 million or 22.99% and 83.30% of total liabilities respectively. Non-current liabilities of the Company mainly is long-term loan from financial institution, percentage of 50.26% of non-current liabilities.

## Shareholders' Equity

As of December 31, 2017 and December 31, 2018 the Company has Shareholders' equity Baht 753.89 and 799.33 million or decrease 6.03%. The Company has Paid-up registered Capital Baht 335,763,639 and Premium on ordinary share Baht 545.23 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 2018		Audited (Year) 31 Dec 2017		Audited (Year) 31 Dec 2016	
	Amount	%	Amount	%	Amount	%
<b>Assets</b>						
<b>Current assets</b>						
Cash and cash equivalents	45,776	3.56	28,449	1.74	30,640	1.71
Temporary investment	150,233	11.68	168,096	10.29	199,745	11.16
Trade receivables and other receivables	23,089	1.80	49,509	3.03	37,502	2.10
Short terms loan and accrued interest to related company	-	-	-	-	-	-
Inventories	4,213	0.33	15,439	0.94	56,684	3.17
Cost of project development	65,010	5.05	73,624	4.51	99,615	5.57
Other current liabilities	7,449	0.58	13,010	0.80	19,967	1.12
<b>Total current assets</b>	<b>295,769</b>	<b>23.00</b>	<b>348,128</b>	<b>27.67</b>	<b>444,153</b>	<b>24.82</b>
<b>Non-current assets</b>						
Cash at bank – obligation	15,504	1.21	47,551	2.91	54,873	3.07
Investment in associated company	42,591	3.31	42,303	2.59	40,574	2.27
Investment in subsidiary company	-	-	-	-	-	-
Other long-term investment						
Prepaid payment for investment	-	-	-	-	14,000	0.78
Land to development	146,807	11.41	146,807	8.98	146,807	8.20
Real estate for investment	546	0.04	47,864	2.93	486,266	27.17
Property, plant and equipment	779,458	60.60	990,998	60.65	594,760	33.23
Goodwill	175	0.01	175	0.01	175	0.01
Deferred tax assets	15	0.00	148	0.01	-	-
Other non-current assets	5,292	0.41	9,987	0.61	8,037	0.45
<b>Total non-current assets</b>	<b>990,039</b>	<b>77.00</b>	<b>1,285,833</b>	<b>78.69</b>	<b>1,345,493</b>	<b>75.18</b>
<b>Total assets</b>	<b>1,286,158</b>	<b>100.00</b>	<b>1,633,961</b>	<b>100.00</b>	<b>1,789,645</b>	<b>100.00</b>

## Statements of Financial Position (continue)

Unit : thousand Baht

Description	Consolidated Financial Statement					
	Audited (Year) 31 Dec 2018		Audited (Year) 31 Dec 2017		Audited (Year) 31 Dec 2016	
	Amount	%	Amount	Amount	%	Amount
<b>Liabilities and shareholders' equity</b>						
<b>Current liabilities</b>						
Short term loan from financial institution	-	-	-	-	22,215	1.24
Trade payable and other payable	19,024	1.48	27,314	1.67	23,225	1.30
Current portion of liabilities	49,683	3.86	638,802	39.10	37,648	2.10
Short term loan from related parties	4,250	0.33	3,320	0.02	1,070	0.06
Short term loan from other company	-	-	-	-	10,000	0.56
Income tax payable	-	-	243	0.01		
Other current liabilities	8,336	0.65	8,036	0.49	15,645	0.87
<b>Total current liabilities</b>	<b>81,293</b>	<b>6.32</b>	<b>667,716</b>	<b>41.48</b>	<b>109,804</b>	<b>6.14</b>
Long term loan from financial institution	143,631	11.17	182,159	14.88	226,227	14.88
Long term liabilities under finance leases	367	0.03	1,282	0.08	1,437	0.08
Debenture	244,675	19.02	-	-	587,784	32.84
Deferred income tax liabilities	12,689	0.99	11,367	0.70	9,134	0.51
Provision for long-term liabilities	4,080	0.32	3,843	0.24	5,368	0.30
Deposit	91	0.01	3,704	0.23	7,195	0.40
<b>Total non-current liabilities</b>	<b>405,533</b>	<b>31.53</b>	<b>202,355</b>	<b>12.38</b>	<b>877,146</b>	<b>49.01</b>
<b>Total liabilities</b>	<b>486,827</b>	<b>37.85</b>	<b>880,071</b>	<b>53.86</b>	<b>986,950</b>	<b>55.15</b>
<b>Shareholders' equity</b>						
Share registered	525,000	22.95	375,000	22.95	375,000	20.95
Share issued and fully paid-up	335,764	18.36	300,000	18.36	300,000	16.76
Premium on ordinary shares	545,231	30.39	496,575	30.39	496,575	27.75
Retained earnings (loss)						
Appropriated	-	-	-	-	-	-
Unappropriated	(118,173)	(4.83)	(78,905)	(4.83)	(26,142)	(1.46)
<b>Total equity attributable to shareholders of the parent</b>	<b>762,821</b>	<b>43.92</b>	<b>717,669</b>	<b>43.92</b>	<b>770,433</b>	<b>43.05</b>
<b>Non-controlling interests</b>	<b>36,501</b>	<b>2.22</b>	<b>36,221</b>	<b>2.20</b>	<b>32,262</b>	<b>1.80</b>
<b>Total shareholders' equity</b>	<b>466,331</b>	<b>46.14</b>	<b>753,890</b>	<b>46.14</b>	<b>802,695</b>	<b>44.85</b>
<b>Total liabilities and shareholders' equity</b>	<b>1,286,158</b>	<b>100.00</b>	<b>1,633,961</b>	<b>100.00</b>	<b>1,789,645</b>	<b>100.00</b>

## Statements of Comprehensive Income

Unit : thousand Baht

Description	For year ended		For year ended		For Year ended	
	Audited		Audited		Audited	
	Dec 31, 2018		Dec 31, 2017		Dec 31, 2016	
	Amount	%	Amount	%	Amount	%
Revenue from sale and service	231,642	100.00	298,016	100.00	162,412	100.00
Revenue from sale and service	(166,914)	-72.06	(224,014)	-75.17	(91,879)	-56.57
<b>Gross profit</b>	<b>64,728</b>	<b>27.94</b>	<b>74,002</b>	<b>24.83</b>	<b>70,533</b>	<b>43.43</b>
Selling and service expenses	(16,833)	-7.27	(15,566)	-5.03	(8,170)	-5.03
Administrative expenses	(221,893)	-95.79	(63,046)	-33.30	(54,084)	-33.30
<b>Total expenses</b>	<b>(238,727)</b>	<b>-103.06</b>	<b>(78,612)</b>	<b>-26.38</b>	<b>(62,255)</b>	<b>-38.33</b>
<b>Income from operations</b>	<b>(173,999)</b>	<b>-75.12</b>	<b>(4,609)</b>	<b>-1.55</b>	<b>82,278</b>	<b>5.10</b>
Other income	177,304	76.54	16,413	5.51	32,549	20.04
Financial costs	(57,558)	-16.21	(57,202)	-19.87	(57,411)	-35.35
Share of profit (loss) of associated company	1,395	0.60	1,729	0.58	1,110	0.68
<b>Profit (loss) before income tax</b>	<b>(32,858)</b>	<b>-14.18</b>	<b>(45,668)</b>	<b>-15.32</b>	<b>(15,473)</b>	<b>-9.53</b>
Income tax expenses (revenue)	(6,120)	-2.64	(3,137)	(1.05)	(10,026)	-6.17
<b>Income (loss) for the period</b>	<b>(38,979)</b>	<b>-16.38</b>	<b>(48,805)</b>	<b>-16.38</b>	<b>(25,499)</b>	<b>-15.70</b>
Income (loss) for the period attributable to						
Equity holders of the Company	(39,268)	-16.95	(52,764)	-17.70	(22,516)	-13.86
Non-controlling interests	290	0.13	3,958	1.33	(2,983)	-1.84
<b>Income (loss) per share</b>						
Basic income (loss) per share (Baht)	(0.0298)		(0.0440)		(0.0188)	

Note:

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

## Comparative Cash Flow Statements

Unit : thousand Baht

รายละเอียด	Consolidated financial statements		
	Dec 31, 2018	Dec 31, 2017	Dec 31, 2016
Cash flow from operating activities	105,503	133,645	(262,354)
Cash flow from investing activities	247,919	25,164	(139,564)
Cash flow from financing activities	(336,095)	(160,999)	383,609
Cash and cash at bank (decrease) increase	17,327	(2,191)	(18,308)
Cash and cash at bank – beginning	28,449	30,640	48,948
Cash and cash at bank – ending	45,776	28,449	30,640

## Key Financial Ratios

Key financial ratio	Unit	Year 2018	Year 2017	Year 2016
		Dec 31, 2018	Dec 31, 2017	Dec 31, 2016
Liquidity Ratio				
Liquidity ratio	time	3.64	0.51	4.04
Quick ratio	time	2.97	0.42	2.44
Liquidity ratio to cash flow	time	0.28	0.34	(1.62)
Trade receivables turnover <sup>(1)</sup>	time	5.19	4.49	2.45
Average collection period	day	70.39	81.22	147.00
Inventory turnover ratio <sup>(2)</sup>	time	2.88	4.58	3.77
Average selling time	day	126.86	79.68	95.83
Account payable turnover	time	34.98	65.01	96.74
Repayment period	day	10.43	5.61	3.72
Cash Cycle	day	186.81	155.29	238.78
Profitability Ratio				
Gross margin	%	27.94	24.83	43.43
Operating margin	%	(14.18)	(15.32)	(9.53)
Cash to profitability ratio	%	(321.09)	(292.64)	1,695.46
Net profit margin	%	(15.54)	(16.38)	(15.70)
Return on equity (Equity holder of the Company)	%	(5.06)	(6.78)	(2.79)
Performance ratio				
Return on assets <sup>(1)</sup>	%	(2.69)	(3.08)	(1.58)
Return on fixed assets <sup>(1)</sup>	%	(4.32)	(4.98)	(2.72)
Assets turnover <sup>(1)</sup>	time	28.01	18.37	13.65
Financial Policy Analysis Ratio				
Debt to equity ratio	time	0.61	1.17	1.23
Interest capability ratio	time	(1.81)	(1.26)	5.57
Capability to pay obligation ratio (Cash Basis)	time	(0.12)	0.27	(0.03)
Dividend pay-out ratio	%	N/A	N/A	N/A

Remark: <sup>(1)</sup> Calculated ratio from inventories only part of Finish Goods

<sup>(2)</sup> 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, 2018 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, 2018 is reliable and in accordance with financial reporting standards and compliance with legislation and regulations related.



(General Kasemsak Plooksawat)

Chairman of the Board of Director

## AUDITOR'S REPORT

### AUDITOR'S REPORT

#### To the Shareholders of Advanced Connection Corporation Public Company Limited

##### 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, 2018, 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, 2018, 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 in accordance with the Code of Ethics for Professional Accounts issued by the Federation of Accounting Professions 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.

##### Emphasis of Matter

I draw attention to note 4 and 14, the Group had inadequately disclosed the information regarding to related party transactions in the financial statements for the year ended December 31, 2015 and 2016. However, the Group had already additionally disclosed the information in relation to the purchase of land held for development in note 4 “Transactions with Related Parties” in the financial statements for the year ended December 31, 2018.

My unqualified opinion on the financial statements does not relate to the matters which I draw attention above.

##### 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><b><i>Investment in the alternative energy business</i></b></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, 2018, the carrying amount of investment in the alternative energy business is of Baht 82.32 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"> <li>- assessing the process and assumptions using in the estimation of net realizable value of investment in the alternative energy;</li> <li>- testing the appropriateness of sale projection by comparing with actual sale incurred;</li> <li>- testing the appropriateness of operation costs projection by comparing with actual costs incurred;</li> <li>- test of calculation of discounted cash flow;</li> <li>- assessing the appropriateness of discount rates used by comparing with the weighted average cost of capital of other investment in same industry.</li> </ul>
<p><b><i>Land held for development</i></b></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, 2018, 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"> <li>- assessing and testing the appropriateness of the variables and estimations comprising market value of other assets and the differences between detail of assets;</li> <li>- testing the calculation model using to calculate the allowance for impairment on land held for development;</li> <li>- 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</li> </ul>

<i>The key audit matter</i>	<i>Audit procedures</i>
<p><b>Debentures</b></p> <p>The Group issued debentures, aimed for their business operations in the amount of Baht 255.20 million, which will be due on October 5, 2020. 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, 2018, the carrying amount of debentures of Baht 244.67 million presented in current portion account as disclosed in note 24.</p> <p>I have identified the debentures 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"> <li>- reviewing the prospectus of such debentures regarding to the term and condition which caused the Group defaulted on debt repayment;</li> <li>- testing the calculation of financial ratio which the Group has to maintain in according to the term and condition;</li> <li>- making inquiries to understand the redemption plan;</li> <li>- evaluate the appropriateness and adequacy of the disclosures in the financial statements.</li> </ul>

## 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 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 or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group'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 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 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 to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Group and business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the Group audit. I remain solely responsible for my audit opinion.

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

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

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



Bunjong Pichayaprasat

Certified Public Accountant

Registration No.7147

Siam Truth Audit Company Limited

Bangkok, February 28, 2019

# 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, 2018					
					<i>Baht</i>
	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	5	45,775,791	28,448,849	9,868,790	14,688,724
Current investments	6	150,232,762	168,096,119	54,320,603	168,096,119
Trade and other receivables	4, 7	23,088,989	49,509,456	5,189,156	22,073,578
Short-term loan and accrued interest income					
to related parties	4	-	-	605,644,508	633,755,742
Inventories	9	4,212,580	15,438,867	3,620,072	14,769,173
Cost of project development	10	65,009,837	73,624,354	-	-
Other current assets	4	7,449,283	13,010,412	4,254,833	19,499,983
<b>Total current assets</b>		<b>295,769,242</b>	<b>348,128,057</b>	<b>682,897,962</b>	<b>872,883,319</b>
<b>Non-current assets</b>					
Restricted bank deposits	11	15,504,492	47,550,608	9,500,000	9,500,000
Investment in associated company	4, 12	42,591,110	42,303,420	39,199,980	39,199,980
Investments in subsidiaries	4, 13	-	-	311,119,925	312,079,910
Land held for development	14	146,807,352	146,807,352	-	-
Investment property	16	545,773	47,863,728	545,773	47,863,728
Property, plant and equipment	17	779,457,874	990,997,620	6,456,155	16,655,622
Goodwill		174,994	174,994	-	-
Deferred tax assets	18	15,300	148,137	-	-
Other non-current assets		5,291,998	9,987,248	3,721,159	6,821,933
<b>Total non-current assets</b>		<b>990,388,893</b>	<b>1,285,833,107</b>	<b>370,542,992</b>	<b>432,121,173</b>
<b>Total assets</b>		<b>1,286,158,135</b>	<b>1,633,961,164</b>	<b>1,053,440,954</b>	<b>1,305,004,492</b>

ADVANCED CONNECTION CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES										
STATEMENTS OF FINANCIAL POSITION										
AS AT DECEMBER 31, 2018										Baht
						Consolidated financial statements		Separate financial statements		
					Note	2018	2017	2018	2017	
Liabilities and shareholders' equity										
Current liabilities										
Trade and other payables					4, 20	19,023,673	27,314,490	10,844,078	15,049,494	
Current portion of liabilities					21	49,683,134	638,802,527	583,970	598,162,817	
Short-term loan from related parties					4	4,250,000	3,320,000	-	-	
Income tax payable						-	242,654	-	-	
Other current liabilities						8,336,397	8,036,468	238,082	1,811,846	
Total current liabilities						81,293,204	677,716,139	11,666,130	615,024,157	
Non-current liabilities										
Long-term loan from financial institutions					22	143,631,431	182,159,343	-	-	
Long-term liabilities under finance leases					23	366,802	1,281,510	-	648,543	
Debenture				24	244,674,823	-	244,674,823	-	-	
Deferred tax liabilities					18	12,689,447	11,366,970	-	1,237,439	
Employee benefit obligations					25	4,079,734	3,842,722	2,971,323	3,000,563	
Deposit						91,100	3,704,350	61,350	3,704,350	
Total non-current liabilities						405,533,337	202,354,895	247,707,496	8,590,895	
Total liabilities						486,826,541	880,071,034	259,373,626	623,615,052	
Shareholders' equity										
Share capital					26					
Authorized share capital										
2,099,999,650 ordinary shares in year 2018										
and 1,500,000,000 ordinary shares in year 2017,										
Baht 0.25 par value						524,999,913	375,000,000	524,999,913	375,000,000	
Issued and paid-up share capital										
1,343,054,557 ordinary shares in year 2018										
and 1,200,000,000 ordinary shares in year 2017,										
fully paid-up						335,763,639	300,000,000	335,763,639	300,000,000	
Premium on ordinary shares						545,231,059	496,574,614	545,231,059	496,574,614	
Retained earnings (deficit)						(118,173,365)	(78,905,120)	(86,927,370)	(115,185,174)	
Total equity attributable to shareholders of the parent						762,821,333	717,669,494	794,067,328	681,389,440	
Non-controlling interests						36,510,261	36,220,636	-	-	
Total shareholders' equity						799,331,594	753,890,130	794,067,328	681,389,440	
Total liabilities and shareholders' equity						1,286,158,135	1,633,961,164	1,053,440,954	1,305,004,492	



## ADVANCED CONNECTION CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2018

Baht

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
<b>Revenue from sales and services</b>		<b>231,641,719</b>	<b>298,016,259</b>	<b>34,972,480</b>	<b>43,864,114</b>
Cost of sales and services	29	(166,913,813)	(224,013,735)	(25,078,541)	(54,161,158)
<b>Gross profit (loss)</b>		<b>64,727,906</b>	<b>74,002,524</b>	<b>9,893,939</b>	<b>(10,297,044)</b>
Other income	27, 33	177,304,221	16,413,595	215,562,628	41,820,123
Selling and service expenses	29	(16,833,575)	(15,565,965)	(10,411,689)	(8,560,244)
Administrative expenses	29	(221,893,248)	(63,045,964)	(155,616,811)	(51,704,040)
Finance costs	30	(37,558,133)	(59,201,984)	(27,742,434)	(46,205,134)
Share of profit of associated company		1,394,790	1,729,440	-	-
<b>Profit (loss) before income tax</b>		<b>(32,858,039)</b>	<b>(45,668,354)</b>	<b>31,685,633</b>	<b>(74,946,339)</b>
Tax expense	32	(6,120,581)	(3,136,879)	(3,427,829)	-
<b>Profit (loss) for the year</b>		<b>(38,978,620)</b>	<b>(48,805,233)</b>	<b>28,257,804</b>	<b>(74,946,339)</b>
<b>Profit (loss) for the year attributable to</b>					
Equity holders of the Company		(39,268,245)	(52,763,618)	28,257,804	(74,946,339)
Non-controlling interests		289,625	3,958,385	-	-
		<b>(38,978,620)</b>	<b>(48,805,233)</b>	<b>28,257,804</b>	<b>(74,946,339)</b>
<b>Earnings (loss) per share</b>	3				
Basic earnings (loss) per share		(0.0298)	(0.0440)	0.0214	(0.0625)
Weighted average number of ordinary shares					
(Shares)		1,319,538,739	1,200,000,000	1,319,538,739	1,200,000,000
Other comprehensive income (loss)		-	-	-	-
<b>Total comprehensive income (loss)</b>		<b>(38,978,620)</b>	<b>(48,805,233)</b>	<b>28,257,804</b>	<b>(74,946,339)</b>

ADVANCED CONNECTION CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES							
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY							
FOR THE YEAR ENDED DECEMBER 31, 2018							
Baht							
Consolidated financial statements							
Equity attributable to shareholders of the parent							
	Note	Issued and paid-up	Premium on	Retained earnings	Total	Non-controlling	Total
		share capital	ordinary shares	(deficit)		interests	
Balance as at January 1, 2017		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
Increase in ordinary shares	26	35,763,639	48,656,445	-	84,420,084	-	84,420,084
Total comprehensive income		-	-	(39,268,245)	(39,268,245)	289,625	(38,978,620)
Balance as at December 31, 2018		335,763,639	545,231,059	(118,173,365)	762,821,333	36,510,261	799,331,594

ADVANCED CONNECTION CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES					
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY					
FOR THE YEAR ENDED DECEMBER 31, 2018					
					<i>Baht</i>
		Separate financial statements			
	Note	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings (deficit)	Total
<b>Balance as at January 1, 2017</b>		<b>300,000,000</b>	<b>496,574,614</b>	<b>(40,238,835)</b>	<b>756,335,779</b>
Total comprehensive loss		-	-	(74,946,339)	(74,946,339)
<b>Balance as at December 31, 2017</b>		<b>300,000,000</b>	<b>496,574,614</b>	<b>(115,185,174)</b>	<b>681,389,440</b>
Increase in ordinary shares	26	35,763,639	48,656,445	-	84,420,084
Total comprehensive income		-	-	28,257,804	28,257,804
<b>Balance as at December 31, 2018</b>		<b>335,763,639</b>	<b>545,231,059</b>	<b>(86,927,370)</b>	<b>794,067,328</b>

ADVANCED CONNECTION CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES					
STATEMENTS OF CASH FLOWS					
FOR THE YEAR ENDED DECEMBER 31, 2018					
					Baht
		Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
<b>Cash flows from operating activities</b>					
<b>Profit (loss) before income tax</b>		<b>(32,858,039)</b>	<b>(45,668,354)</b>	<b>31,685,633</b>	<b>(74,946,339)</b>
Adjustments to reconcile profit (loss) before income tax to cash					
generated (paid) from operating activities					
Depreciation and amortization		72,063,681	75,548,800	4,003,033	8,137,432
Doubtful accounts		14,157,000	1,727,491	14,000,000	382,491
Gain from sale of assets		(174,841,035)	(6,790,047)	(174,670,044)	(6,790,047)
Unrealized gain from revaluation of investments		(1,160,767)	(362,886)	(415,013)	(362,886)
Loss on impairment of assets (reversal)		144,127,079	(578,000)	105,473,049	11,320,000
Loss from devaluation of inventories		4,830,208	34,826,731	3,803,208	34,826,731
Dividend income		-	-	(33,187,100)	(19,000,000)
Interest income		(4,558,602)	(12,404,386)	(4,405,862)	(12,249,368)
Finance costs		37,558,133	59,201,985	27,742,434	46,205,134
Share of profit of associated company		(1,394,790)	(1,729,440)	-	-
<b>Cash flow before changes in working capital</b>		<b>57,922,868</b>	<b>103,771,894</b>	<b>(25,970,662)</b>	<b>(12,476,852)</b>
<b>Changes in working capital</b>					
Trade and other receivables		12,263,467	647,606	2,884,422	(2,117,920)
Inventories		7,423,079	6,417,998	7,345,893	7,087,693
Cost of project development		7,587,517	25,990,830	-	-
Other current assets		5,561,129	6,956,485	15,245,150	(10,803,705)
Restricted bank deposits		32,046,116	7,322,793	-	-
Other non-current assets		59,047	(1,939,779)	542,277	(780,950)
Trade and other payables		(9,132,697)	582,153	(5,047,296)	(1,793,808)
Other current liabilities		57,276	(7,678,488)	(1,573,764)	882,355
Employee benefit obligations		1,078,892	(1,525,439)	812,640	(1,757,015)
Deposit		(3,613,250)	(3,490,987)	(3,643,000)	509,013
<b>Cash generated (paid) from the operations</b>		<b>111,253,444</b>	<b>137,055,066</b>	<b>(9,404,340)</b>	<b>(21,251,189)</b>
Income tax paid		(5,750,315)	(3,410,326)	(6,812,992)	(1,423,014)
<b>Net cash provided by (used in) operating activities</b>		<b>105,503,129</b>	<b>133,644,740</b>	<b>(16,217,332)</b>	<b>(22,674,203)</b>
<b>Cash flows from investing activities</b>					
Purchase of current investments		(470,137,000)	(200,000,000)	(335,000,000)	(200,000,000)
Sale of current investments		490,137,000	234,240,768	450,000,000	234,240,768
Increase in short-term loans to related parties		-	-	(214,087,683)	(6,750,000)
Proceeds from short-term loans to related parties		-	-	241,887,683	305,178,719
Investing in subsidiaries		-	-	(99,999,985)	(298,000,000)
Sale of other long-term investment		45,000	-	45,000	-
Purchase of investment property		-	(4,974,956)	-	(4,974,956)
Sale of investment property		185,686,558	6,181,677	185,686,558	6,181,677
Purchase of building and equipment		(5,015,027)	(21,474,860)	(115,982)	(800,481)

ADVANCED CONNECTION CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES					
STATEMENTS OF CASH FLOWS					
FOR THE YEAR ENDED DECEMBER 31, 2018					
					<i>Baht</i>
		Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
<b>Cash flows from investing activities</b>					
Sale of building and equipment		41,957,618	1,172,483	41,952,528	1,157,534
Purchase of intangible assets		(420,800)	(156,950)	-	-
Dividend income		1,107,100	-	33,187,100	19,000,000
Interest received		4,558,602	10,175,514	4,717,096	33,833,937
<b>Net cash provided by investing activities</b>		<b>247,919,051</b>	<b>25,163,676</b>	<b>308,272,315</b>	<b>89,067,198</b>
<b>Cash flows from financing activities</b>					
Decrease in short-term loan from financial institutions		-	(22,215,208)	-	(22,215,207)
Proceeds from short-term loan from related parties		1,000,000	2,320,000	-	-
Repayment for short-term loan from related party		(70,000)	-	-	-
Repayment for short-term loans from other parties		-	(10,000,000)	-	(10,000,000)
Proceeds from loans from financial institutions		228,000,000	17,316,364	-	-
Repayment for loans from financial institutions		(258,080,127)	(97,896,238)	-	-
Proceeds from debenture		240,231,953	-	240,231,953	-
Repayment for debenture		(600,000,000)	-	(600,000,000)	-
Repayment for liabilities under finance leases		(1,067,474)	(952,136)	(812,979)	(788,313)
Increase in ordinary shares		84,420,084	-	84,420,084	-
Interest paid		(30,529,674)	(49,571,984)	(20,713,975)	(36,575,134)
<b>Net cash used in financing activities</b>		<b>(336,095,238)</b>	<b>(160,999,202)</b>	<b>(296,874,917)</b>	<b>(69,578,654)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>17,326,942</b>	<b>(2,190,786)</b>	<b>(4,819,934)</b>	<b>(3,185,659)</b>
Cash and cash equivalents at the beginning of the year		28,448,849	30,639,635	14,688,724	17,874,383
<b>Cash and cash equivalents at the end of the year</b>		<b>45,775,791</b>	<b>28,448,849</b>	<b>9,868,790</b>	<b>14,688,724</b>

## ADVANCED CONNECTION CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

**ADVANCED CONNECTION CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED DECEMBER 31, 2018****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, Nhongbon, Prawet, Bangkok.

The Company was listed on the Stock Exchange of Thailand on March 23, 1993.

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

These financial statements have been approved for issue by the Company’s Board of Directors on February 28, 2019.

**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 FAP has issued the notifications, mandating the use of Thai Accounting Standards (“TAS”), Thai Financial Reporting Standards (“TFRS”), Thai Standard Interpretations (“TSIC”), Thai Financial Reporting Interpretations (“TFRIC”) (revised 2017) and Accounting Guidance (“AG”), which are effective for the financial statements, which its accounting period beginning on or after January 1, 2018.

During the year, the Group have adopted new and revised TFRS which are effective for the accounting period beginning on or after January 1, 2018. These TFRS were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision and clarification of interpretations and accounting guidance and disclosures in the financial statement to users of TFRS. The adoption of these TFRS does not have any significant impact on the financial statements of the Group.

The financial statements are presented in Thai Baht, which is the Group’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.

### **New and revised Thai Financial Reporting Standards not yet effective**

During the year, the FAP issued a number of revised and new financial reporting standards and interpretations (revised 2018) including new accounting guidance, which are effective for fiscal years beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards revision and clarification of interpretations and accounting guidance and disclosures in the notes to the financial statements to users of TFRS.

The financial reporting standard TFRS 15 Revenue from Contracts with Customers, which is effective for fiscal years beginning on or after January 1, 2019, and a set of 5 financial reporting standards related to financial instruments, which are effective for fiscal years beginning on or after 1 January 2020. Key principles of these standards are summarised below.

#### **a) TFRS 15 Revenue from Contracts with Customers**

TFRS 15 establishes a comprehensive framework for determining the revenue recognition at an amount that reflects the consideration to which the Group expects to be entitled in exchange for transferring goods or services. Revenue should be recognized when (or as) the Group transfers control over goods or services to a customer, measured at the amount to which the Group expects to be entitled.

This TFRS replaces the existing revenue recognition standards as follows:

- TAS 11 (revised 2017) Construction Contracts,
- TAS 18 (revised 2017) Revenue,
- TSIC 31 (revised 2017) Revenue-Barter Transactions Involving Advertising Services,
- TFRIC 13 (revised 2017) Customer Loyalty Programmes,
- TFRIC 15 (revised 2017) Agreements for the Construction of Real Estate, and
- TFRIC 18 (revised 2017) Transfers of Assets from Customers.

#### **b) Thai Financial Reporting Standards related to financial instruments**

The set of TFRSs related to financial instruments consists of five TAS, TFRS and TFRIC as follow:

- TAS 32 Financial Instruments: Presentation
- TFRS 7 Financial Instruments: Disclosures
- TFRS 9 Financial Instruments
- TFRIC 16 Hedges of a Net Investment in a Foreign Operation
- TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Group's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments.

This TFRS replaces the TAS, TFRS, TSIC and accounting guidance ("AG") as follows:

- TAS 101 Bad and Doubtful Debts
- TAS 103 Disclosures in the Financial Statements of Bank and Similar Financial Institutions
- TAS 104 (revised 2016) Accounting for Troubled Debt Restructuring
- TAS 105 (revised 2016) Accounting for Investment in Debts and Equity securities
- TAS 106 Accounting for Investment Companies
- TAS 107 (revised 2016) Financial Instruments: Disclosure and Presentation

- TSIC for Asset Transferred by Debtors for Debt Settlement
- AG for derecognition of financial assets and financial liabilities
- AG for insurance business to designation of financial instruments at fair value through profit or loss

At present, the management of the Group is evaluating the impact of this standard to the financial statements in the year when it is adopted.

## 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:

			Percent Holding	
			December 31,	
Name	Located in	Business type	2018	2017
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
ACC Capital Co., Ltd.	Thailand	Factoring	100	-
Indirect subsidiaries				
Saraburi Solar Co., Ltd.	Thailand	Production and distribution of electricity from solar power	100	100
Associated company				
W. Solar Co., Ltd.	Thailand	Solar roof power plant	49	49

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

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

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

Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within shareholders' equity in the consolidated statement of financial position.



### **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.

## **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **The measurement bases used in preparing the financial statements**

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

### **Revenues**

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

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

### **Revenue from service of banquet and restaurant**

Revenue from service of banquet is recognized when services are rendered.

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 and there are certainties that rewards has been transferred.

### **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.

## Dividends income

Dividend income is recognized as income when the Group have right to receive dividend.

## 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.

#### Termination benefits

The Group recognizes termination benefits as a liability and expense when the Group terminates the employment of an employee or group of employees before the normal retirement date.

#### 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           | - 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   | - Construction cost consists of <ol style="list-style-type: none"> <li>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.</li> <li>2) The costs of construction of houses are allocated basing on the actual cost for each incurred.</li> </ol> |
| Borrowing cost | - Interest expense and fee on loans funding a property development capitalized before the completion of development, is allocated basing on actual cost of land and construction incurred.   |

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

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

The Group recognizes loss on diminution in value of projects 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 property development 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 disposal is average cost method.

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

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

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

## 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:

	<i>Years</i>
Land improvements	10
Buildings	5 - 40
Utility systems	10
Condominium	20

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

## 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:

<i>Years</i>	
Buildings	5 – 40
Utility systems	10
Machinery and factory equipment	5 -10
Office equipment	5
Vehicles	5

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 earnings (loss) per share**

Basic earnings (loss) per share for year ended December 31, 2018 and 2017 is calculated by dividing profit (loss) for the year attributable to equity holders of the Company by the weighted average number of ordinary shares issued during the year.

For the years ended December 31, 2018 and 2017 were as follow:

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Profit (loss) for the years	(39,268,245)	(52,763,618)	28,257,804	(74,946,339)
<b>Weighted average number of ordinary shares (Share)</b>				
Issued ordinary shares at the beginning of the year	1,200,000,000	1,200,000,000	1,200,000,000	1,200,000,000
Effect of shares issued	119,538,739	-	119,538,739	-
Weighted average number of ordinary shares	1,319,538,739	1,200,000,000	1,319,538,739	1,200,000,000
Basic earnings (loss) per share	(0.0298)	(0.0440)	0.0214	(0.0625)

#### **Diluted earnings (loss) per share**

Diluted earnings (loss) per shares is calculated by dividing the profit (loss) for the year attributable to equity holders of the Company 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, 2018, is lower than the exercise price. Therefore, the Company does not include the result of equivalent ordinary shares for calculating diluted earning (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, 2018 and 2017 were as follows:

*Baht*

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<b>Subsidiaries</b>				
C.E.I. (Chiangmai) Co., Ltd.				
Interest income	-	-	2,114,285	2,814,855
Loss on impairment of investment	-	-	19,090,000	11,320,000
ACC Electric Co., Ltd.				
Dividend income	-	-	32,080,000	19,000,000
Interest income	-	-	1,317,699	1,702,784
Loss on impairment of investment	-	-	81,869,970	-
ACC Landmark Co., Ltd.				
Interest income	-	-	749,178	241,284
Bangpakong Solar Power Co., Ltd.				
Revenue from services	-	-	220,525	202,500
Saraburi Solar Co., Ltd.				
Revenue from services	-	-	2,625,000	1,800,000
<b>Associated company</b>				
W. Solar Co., Ltd.				
Share of profit of associated company (see note 12)	1,394,790	1,729,440	-	-
Dividend income	-	-	1,107,100	-
Interest expense	1,703	6,156	-	-
<b>Related companies</b>				
Prime Mansion Co., Ltd.				
Interest expense	300,411	101,764	-	-
Wyncoast Industrial Park Public Co., Ltd.				
Revenue from sales of electricity	6,613,082	2,715,819	-	-
Cost of rental area	640,646	589,687	-	-
Other service expenses	34,528	-	-	-
Doubtful accounts	14,000,000	-	14,000,000	-

### Key management personnel compensation

Key management personnel compensation for the year ended December 31, 2018 and 2017 consisted of:

*Baht*

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Short-term benefits	11,209,250	12,589,750	9,949,250	10,543,750
Long-term benefits	727,748	696,120	727,748	696,120
Total	11,936,998	13,285,870	10,676,998	11,239,870

### Directors' remuneration

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

Directors' remuneration of the Group for the year ended December 31, 2018 and 2017 in the consolidated financial statement were of Baht 3.63 million and Baht 2.29 million, respectively, and in the separate financial statement, were of Baht 3.44 million and Baht 2.29 million, respectively.

The significant balances of assets and liabilities with related parties as at December 31, 2018 and 2017 were as follows:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<b>Associated company</b>				
Investment in associated company (see note 12)	42,591,110	42,303,420	39,199,980	39,199,980
<b>Subsidiaries</b>				
Investments in subsidiaries (see note 13)	-	-	311,119,925	312,079,910
ACC Electric Co., Ltd.				
Advance receivable	-	-	-	250,000
Saraburi Solar Co., Ltd.				
Other receivable	-	-	160,500	160,500
Advance receivable	-	-	-	12,602,868
Bangpakong Solar Power Co., Ltd.				
Other receivable	-	-	17,698	16,853
Directors				
Other payable	310,203	310,203	-	-
<b>Related companies</b>				
Prime Mansion Co., Ltd.				
Other payable	19,675	317,390	-	-
Wyncoast Industrial Park Public Co., Ltd.				
Trade and other receivables	-	14,233,880	-	14,000,000
Other payables	353,541	635,656	-	-

### 105 Solar Power Co., Ltd.

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 Company will pay for the remaining amount of Baht 5.89 million, when commercial operation date of 105 Solar (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 Wyncoas the intention canceling the investment in 105 Solar and asked Wyncoas paying back the share subscription in 105 Solar. The Company reclassified the account "Advance payment for investment" to "other receivables".

During the year 2018, the Company have not yet received from Wyncoast, therefore, the Company considered to provide the allowance for doubtful account in full amount.

### Short-term loan and accrued interest income to related parties

Short-term loan and accrued interest income to related parties as at December 31, 2018 and 2017 consisted of:

		<i>Baht</i>	
	<i>Percent</i>	Separate financial statements	
	<u>Interest rate</u>	<u>2018</u>	<u>2017</u>
<b>Subsidiaries</b>			
Principal			
C.E.I. (Chiangmai) Co., Ltd.	0.75	280,000,000	290,800,000
ACC Electric Co., Ltd.	0.75	167,200,000	187,200,000
ACC Green Energy Co., Ltd.	-	146,700,000	146,700,000
ACC Landmark Co., Ltd.	7.50	10,750,000	7,750,000
Accrued interest income			
C.E.I. (Chiangmai) Co., Ltd.		178,356	182,359
ACC Electric Co., Ltd.		721,480	1,100,934
ACC Landmark Co., Ltd.		94,672	22,449
Total		<u>605,644,508</u>	<u>633,755,742</u>

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

	<i>Baht</i> Separate financial statements
Beginning balance	41,340,000
<b>Less</b> Transfer out - Investments in subsidiaries	(41,340,000)
Ending balance	-

Movements of short-term loan to related parties for the years ended December 31, 2018 and 2017 were as follows:

	<i>Baht</i> Separate financial statements	
	2018	2017
Beginning balance	632,450,000	930,878,719
Increase	214,087,683	6,750,000
Decrease	(241,887,683)	(305,178,719)
Ending balance	604,650,000	632,450,000

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

### Short-term loan from related parties

Short-term loan from related parties as at December 31, 2018 and 2017 consisted of:

	<i>Baht</i>	
	Consolidated financial statements	
	2018	2017
Prime Mansion Co., Ltd.	4,250,000	3,250,000
W. Solar Co., Ltd.	-	70,000
Total	4,250,000	3,320,000

Movements of short-term loan from related parties for the years ended December 31, 2018 and 2017 were as follows:

	<i>Baht</i>	
	Consolidated financial statement	
	2018	2017
Beginning balance	3,320,000	1,070,000
Increase	1,000,000	2,250,000
Decrease	(70,000)	-
Ending balance	4,250,000	3,320,000

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

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

### Co-guarantee for liabilities with related parties

As at December 31, 2018, related parties had co-guaranteed liabilities as follows:

#### Subsidiary

ACC Electric Co., Ltd. and shareholders of Saraburi Solar Co., Ltd 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 note 22).

C.E.I. (Chiangmai) Co., Ltd. mortgaged its land and buildings and ACC Green Energy Co., Ltd. mortgaged its empty land as collateral against for debentures of the Company without compensation. (see note 24).

### Nature of relationship

Name	Country	Relation	Type of relation
C.E.I. (Chiangmai) Co., Ltd.	Thailand	Subsidiary	Direct holding
ACC Electric Co., Ltd.	Thailand	Subsidiary	Direct holding
ACC Landmark Co., Ltd.	Thailand	Subsidiary	Direct holding
ACC Green Energy Co., Ltd.	Thailand	Subsidiary	Direct holding
Bangpakong Solar Power Co., Ltd.	Thailand	Subsidiary	Direct holding
ACC Capital Co., Ltd.	Thailand	Subsidiary	Direct holding
Saraburi Solar Co., Ltd.	Thailand	Indirect subsidiary	Indirect holding
(The Group of Saraburi Project)			
W. Solar Co., Ltd.	Thailand	Associated company	Direct holding
Prime Mansion Co., Ltd.	Thailand	Related company	The director of the Company is the close relatives to the shareholder and the management of Prime Mansion Co., Ltd.
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
Revenue from services	Stipulate in the agreement
Rental and service expenses	Stipulate in the agreement
Interest income - expenses	Referred to the commercial bank's interest rate

### Additional information

#### Purchase of land held for development

The Board of Directors' Meeting on August 14, 2015 passed a resolution to approve a feasibility study in the investment in land development and approve the deposit for guaranteeing such feasibility in the amount of Baht 150 million.

On August 17, 2015, the Company entered into a memorandum of understanding of feasibility study in the investment in land development with Thai Lanna Food and Cultural Center Co., Ltd. ("Thai Lanna"). The Company pledged the deposit as guarantee in the amount of Baht 150 million, in the case that the study were not satisfy, the Company had right to terminate such memorandum and refund all deposit without any obligation.

The Board of Directors' Meeting held on April 12, 2016 passed a resolution to approve a change in the investment pattern for downsizing their investment.

On April 20, 2016, ACC Landmark Co., Ltd. entered into the purchase agreement on an empty land with Thai Lanna in the agreement valued of Baht 180 million. Later, there was a change in the agreement value to Baht 140 million.

The Board of Directors' Meeting held on August 15, 2016 passed a resolution to approve the termination on purchase of land in according to the termination letter of Thai Lanna. Thai Lanna shall refunded including compensation from such termination in the amount of Baht 18 million.

On October 14, 2016, Thai Lanna had written notified the Company to transfer the ownership on land in according to the purchase agreement dated April 20, 2016.

The Board of Directors' Meeting held on October 18, 2016 passed a resolution to approve to process the memorandum or an agreement notifying Thai Lanna brought land to repay the compensation on the termination.

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

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

The Board of Directors' Meeting held on November 14, 2016 acknowledged and confirmed the debt settlement.

During that period of signing in the memorandum of understanding of feasibility study, an independent director of the Company was a member of family with the director and/or shareholder of Thai Lanna. Later at the period of entering the agreement and transfer the ownership on land, such person was not the director and/or shareholder of Thai Lanna.

Land held for development was appraised with the appraisal value of Baht 228.80 million by Tobtavee Appraisal and Services Co., Ltd., an independent appraiser engaged by the Company, as per their appraisal report dated February 3, 2015.

Land held for development was appraised with the appraisal value of Baht 237.60 million by Tobtavee Appraisal and Services Co., Ltd., an independent appraiser engaged by the Company, as per their appraisal report dated November 27, 2018.



## 5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at December 31, 2018 and 2017 consisted of:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cash	318,518	374,706	64,540	32,009
Cash at banks	45,457,273	28,074,143	9,804,250	14,656,715
Total	45,775,791	28,448,849	9,868,790	14,688,724

## 6. CURRENT INVESTMENTS

Current investments as at December 31, 2018 and 2017 consisted of:

	Consolidated financial statements					
	2018			2017		
	Cost	Fair value	Unrealized gain	Cost	Fair value	Unrealized gain
<b>Investment</b>						
Fixed income fund	149,072,005	150,232,762	1,160,757	167,375,589	168,096,119	720,530

	Separate financial statements					
	2018			2017		
	Cost	Fair value	Unrealized gain	Cost	Fair value	Unrealized gain
<b>Investment</b>						
Fixed income fund	53,905,590	54,320,603	415,013	167,375,589	168,096,119	720,530

Movements of current investments for the year ended December 31, 2018 and 2017 were as follows:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
As at the beginning of the year	168,096,119	199,745,131	168,096,119	199,745,131
Purchases	470,137,000	200,000,000	335,000,000	200,000,000
Disposal	(488,440,584)	(234,240,768)	(448,469,989)	(234,240,768)
Interest income	-	2,228,870	-	2,228,870
Changes in fair value of current investments	440,227	362,886	(305,527)	362,886
As at the end of the year	150,232,762	168,096,119	54,320,603	168,096,119

## 7. TRADE AND OTHER RECEIVABLES

Trade and other receivables as at December 31, 2018 and 2017 consisted of:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Trade receivables	24,422,473	64,915,900	4,910,353	36,026,505
<b>Less</b> Allowance for doubtful accounts	(1,514,790)	(33,816,233)	-	(32,458,443)
Net	22,907,683	31,099,667	4,910,353	3,568,062
Other receivables	14,239,516	18,467,999	14,278,803	18,505,516
<b>Less</b> Allowance for doubtful accounts	(14,058,210)	(58,210)	(14,000,000)	-
Net	181,306	18,409,789	278,803	18,505,516
Trade and other receivables - net	23,088,989	49,509,456	5,189,156	22,073,578

As at December 31, 2018 and 2017, the Group had outstanding balances of trade receivables aged by number of months as follows:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Current	20,409,442	12,185,886	3,618,616	2,186,782
Overdue				
Not over 3 months	3,522,072	19,934,208	1,262,742	1,308,412
Over 3 months up to 6 months	111,170	251,330	-	5,105
Over 6 months up to 12 months	359,589	55,724	8,795	50,244
Over 12 months	20,200	32,488,752	20,200	32,475,962
Total	24,422,473	64,915,900	4,910,353	36,026,505

As at December 31, 2018, the Group had a minimum amount to be received in the future under operating leases, as follows:

Year	Consolidated and separate financial statements
1	132,000

Movements of allowance for doubtful accounts for year ended December 31, 2018 and 2017 were as follows:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Beginning balance	33,874,443	32,529,443	32,458,443	32,458,443
<b>Add</b> Doubtful accounts	14,157,000	1,345,000	14,000,000	-
<b>Less</b> Bad debt	(32,458,443)	-	(32,458,443)	-
Ending balance	15,573,000	33,874,443	14,000,000	32,458,443

## 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, 2018 and 2017 consisted of:

	Consolidated and separate financial statements	
	2018	2017
Principal	76,680,908	76,680,908
Accrued interest income	9,150,754	9,150,754
Total	85,831,662	85,831,662
<b>Less</b> Allowance for doubtful accounts	(85,831,662)	(85,831,662)
Long-term loans and accrued interest income to other party - net	-	-

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

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

The Company's management 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.

In year 2018, the Central Bankruptcy Court had ordered to approve the rehabilitation plan of TRC determining the Company receive debt repayment at the rate of 58.73% of acceptable principal, totaling of Baht 98.37 million, within the 15-year rehabilitation plan as follows:

- For the 1<sup>st</sup> - 15<sup>th</sup> year, the acceptable amount according to the rehabilitation plan was totaling of Baht 5.27 million.
- The final payment was Baht 93.10 million.

## 9. INVENTORIES

Inventories as at December 31, 2018 and 2017 consisted of:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<b>Restaurant and cultural center</b>				
Food and beverage	374,743	518,731	-	-
Supplies	236,075	169,273	-	-
Total	610,818	688,004	-	-
<b>Manufacture and distribution of ceiling fan</b>				
Finished goods	47,958,898	49,048,648	47,958,898	49,048,648
Work in process	4,388,000	10,505,821	4,388,000	10,505,821
Raw materials	1,344,206	1,482,529	1,344,206	1,482,529
Total	53,691,104	61,036,998	53,691,104	61,036,998
Grand total	54,301,922	61,725,002	53,691,104	61,036,998
<b>Less</b> Allowance for devaluation of inventories	(50,089,342)	(46,286,135)	(50,071,032)	(46,267,825)
Inventories - net	4,212,580	15,438,867	3,620,072	14,769,173

Movements of allowance for devaluation of inventories for the year ended December 31, 2018 and 2017 were as follows:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Beginning balance	46,286,134	11,459,404	46,267,824	11,441,094
<b>Add</b> Loss from devaluation of inventories	3,803,208	34,826,731	3,803,208	34,826,731
Ending balance	50,089,342	46,286,135	50,071,032	46,267,825

## 10. COST OF PROJECT DEVELOPMENT

Cost of project development as at December 31, 2018 and 2017 consisted of:

	Consolidated financial statements	
	2018	2017
Project development ready for sale		
Allotted houses	65,009,837	73,624,354

Movement of significant cost of project development for the years ended December 31, 2018 and 2017 were summarized as follows:

	<i>Baht</i>	
	Consolidated financial statements	
	2018	2017
Cost of sales	(7,587,517)	(49,711,686)
Capitalized interest expense	-	239,693

## 11. RESTRICTED BANK DEPOSITS

Restricted bank deposits as at December 31, 2018 and 2017 consisted of:

	<i>Baht</i>				
	Consolidated financial statements		Separate financial statements		Guarantee
	2018	2017	2018	2017	
Cash at banks	15,504,492	47,550,608	9,500,000	9,500,000	Collateral for loan from financial institution (see notes 19 and 22)

## 12. INVESTMENT IN ASSOCIATED COMPANY

Investment in associated company as at December 31, 2018 and 2017 consisted of:

Associated company	Business type	<i>Percent</i>		Paid-up share capital					<i>Baht</i>
		Percentage of investment	Equity method		Cost method	Dividend			
							2018	2017	
W. Solar Co., Ltd.	Solar roof power plant	49	80,000,000	42,591,110	42,303,420	39,199,980	39,199,980	1,107,100	-

Summary financial information about material associate for the years ended December 31, 2018 and 2017 were as follows

Year	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Net assets	Revenues	Profit	Share of net assets	Goodwill	<i>Baht</i>
										Carrying amounts of associate based on equity method
2018	8,597,131	73,003,378	990,506	3,432	80,606,571	10,414,689	2,846,510	39,497,220	3,093,890	42,591,110
2017	6,157,463	76,344,587	2,488,405	5	80,013,640	10,694,481	3,529,469	39,209,530	3,093,890	42,303,420

### 13. INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries as at December 31, 2018 and 2017 consisted of:

Subsidiaries	Percent		Baht								
	Percentage of investments	Paid-up share capital		Cost		Allowance for impairment		Book value		Dividend	
		2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
C.E.I. (Chiangmai) Co., Ltd.	100	200,000,000	200,000,000	199,999,970	199,999,970	(72,749,970)	(53,659,970)	127,250,000	146,340,000	-	-
ACC Electric Co., Ltd.	100	100,000,000	100,000,000	99,999,970	99,999,970	(81,869,970)	-	18,130,000	99,999,970	32,080,000	19,000,000
ACC Landmark Co., Ltd.	75	50,000,000	50,000,000	37,499,990	37,499,990	-	-	37,499,990	37,499,990	-	-
ACC 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	-	-
ACC Capital Co., Ltd.	100	100,000,000	-	99,999,985	-	-	-	99,999,985	-	-	-
Total				465,739,865	365,739,880	(154,619,940)	(53,659,970)	311,119,925	312,079,910	32,080,000	19,000,000

Movements of allowance for impairment of investments in subsidiaries for the year ended December 31, 2018 and 2017 was as follows:

	<i>Baht</i>	
	Separate financial statements	
	2018	2017
Beginning balance	53,659,970	999,970
<b>Add</b> Loss on impairment of investments	100,959,970	11,320,000
<b>Transfer in</b> - short-term loan and		
accrued interest income to related parties (see note 4)	-	41,340,000
Ending balance	154,619,940	53,659,970

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

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

#### **ACC Capital Co., Ltd.**

The Board of Directors’ Meeting held on March 27, 2018, passed the resolution to approve the establishment of a subsidiary “ACC Capital Company Limited” with the authorized share capital in the amount of Baht 200 million, divided into 20 million ordinary shares at the par value of Baht 10 each, which the Company holds 100% shareholding. The subsidiary has called for its share subscription of Baht 5 each, totaling of Baht 100 million.

The establishment of such subsidiary was registered with the Ministry of Commerce on April 9, 2018.

#### **ACC Green Energy Co., Ltd.**

On February 27, 2019, the Company entered into the purchase and sale agreement on shares of subsidiary who process land held for development (see note 14) with other party (see note 38).



Details of investments in subsidiaries that have material non-controlling interests as at December 31, 2018 and 2017 were as follows:

	<i>Percent</i>			<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 year	Dividend paid to non-controlling interests during the year
Subsidiaries	interests	interests	the year	the year
<b>ACC Landmark Co., Ltd.</b>				
Year 2018	25	11,791,114	(1,315,400)	-
Year 2017	25	13,106,514	4,368,531	-
<b>Bangpakong Solar Power Co., Ltd.</b>				
Year 2018	49	24,719,147	1,605,025	-
Year 2017	49	23,114,122	(410,146)	-

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, 2018 and 2017 were as follows:

	<i>Baht</i>			
	ACC Landmark Co., Ltd.		Bangpakong Solar Power Co., Ltd.	
	2018	2017	2018	2017
Current assets	68,476,006	74,943,773	7,358,159	2,772,304
Non-current assets	806,752	905,533	43,598,177	45,452,011
Current liabilities	21,515,501	15,723,220	509,096	1,052,637
Non-current liabilities	602,801	7,700,028	-	-

Summary information about comprehensive income for the years ended December 31, 2018 and 2017 were as follows:

	<i>Baht</i>			
	ACC Landmark Co., Ltd.		Bangpakong Solar Power Co., Ltd.	
	2018	2017	2018	2017
Revenues	12,135,719	80,837,380	6,624,671	2,499,566
Profit (loss) for the years	(5,261,602)	17,474,126	3,275,562	(837,033)
Other comprehensive income (loss)	-	-	-	-
Total comprehensive income (loss)	(5,261,602)	17,474,126	3,275,562	(837,033)
<b>Summary of cash flows</b>				
Cash flows from operating activities	6,914,218	34,501,871	5,059,176	1,988,850
Cash flow from investing activities	955	50,916	(18,211)	(935,252)
Cash flow from financing activities	(4,320,990)	(36,548,583)	(77,859)	-
Net increase (decrease) in cash and cash equivalents	2,594,183	(1,995,796)	4,963,106	1,053,598

#### 14. LAND HELD FOR DEVELOPMENT

Land held for development as at December 31, 2018 and 2017 consisted of:

	<i>Baht</i> Consolidated financial statements
<b>Cost</b>	
At January 1, 2017	146,807,352
Increase	-
Decrease	-
At December 31, 2017	146,807,352
Increase	-
Decrease	-
At December 31, 2018	146,807,352

ACC Green Energy Co., Ltd., had their purpose is processing on land to be the allocated land and sell in the future. At the present, the Group has postponed such development on land due to the property in Phuket is slowing down.

During the year 2018, ACC Green energy Co., Ltd. mortgaged such land as collateral for debentures of the Company (see note 24).

On February 27, 2019, the Company entered into the purchase and sale agreement on share of ACC Green Energy Co., Ltd. (see note 13) who process land held for development (see note 38).

#### 15. OTHER LONG-TERM INVESTMENT

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

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

Movements of allowance for impairment of other long-term investment for the year ended December 31, 2018 were as follows:

	<i>Baht</i>
	Consolidated and separate financial statements
Beginning balance	49,950,000
<b>Less</b> Reversal loss on impairment of investments	(49,950,000)
Ending balance	-

On March 27, 2018, the Company had entered into the agreement for selling the mentioned investment to other company, in the amount of 45 million shares at the value of Baht 0.001 each, totaling of Baht 45,000.

## 16. INVESTMENT PROPERTY

Movements of investment property for the years ended December 31, 2018 and 2017 as as follows:

<i>Baht</i>						
Consolidated financial statements						
		Land and	Buildings and		Constuction	
	Note	land improvement	utility systems	Condominium	in progress	Total
<b>Cost</b>						
At January 1, 2017		215,237,501	382,765,454	28,153,334	6,068,785	632,225,074
Increase / transfer in		-	10,824,731	-	224,956	11,049,687
Transfer out - Plant, property and equipment	17	(194,652,212)	(302,838,633)	-	-	(497,490,845)
Disposals / transfer out		-	-	(6,105,504)	(6,293,741)	(12,399,245)
At December 31, 2017		20,585,289	90,751,552	22,047,830	-	133,384,671
Increase / transfer in		-	-	-	-	-
Disposals / transfer out		(20,585,289)	(90,742,752)	(2,290,410)	-	(113,618,451)
At December 31, 2018		-	8,800	19,757,420	-	19,766,220
<b>Accumulated depreciation</b>						
At January 1, 2017		6,482,789	113,232,143	26,243,678	-	145,958,610
Depreciation / transfer in		566,525	9,961,528	410,994	-	10,939,047
Transfer out - 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		-	64,686,636	20,834,307	-	85,520,943
Depreciation / transfer in		-	975,269	228,971	-	1,204,240
Disposals / transfer out		-	(65,657,086)	(1,847,650)	-	(67,504,736)
At December 31, 2018		-	4,819	19,215,628	-	19,220,447
<b>Net book value</b>						
At December 31, 2017		20,585,289	26,064,916	1,213,523	-	47,863,728
At December 31, 2018		-	3,981	541,792	-	545,773

**Baht**

	Separate financial statements				
	Land and land improvement	Buildings and utility systems	Condominium	Building under construction	Total
<b>Cost</b>					
At January 1, 2017	20,585,289	79,926,821	28,153,334	6,068,785	134,734,229
Increase / transfer in	-	10,824,731	-	224,956	11,049,687
Disposals / transfer out	-	-	(6,105,504)	(6,293,741)	(12,399,245)
At December 31, 2017	20,585,289	90,751,552	22,047,830	-	133,384,671
Increase / transfer in	-	-	-	-	-
Disposals / transfer out	(20,585,289)	(90,742,752)	(2,290,410)	-	(113,618,451)
At December 31, 2018	-	8,800	19,757,420	-	19,766,220
<b>Accumulated depreciation</b>					
At January 1, 2017	-	60,142,229	26,243,678	-	86,385,907
Depreciation / transfer in	-	4,544,407	410,994	-	4,955,401
Disposals / transfer out	-	-	(5,820,365)	-	(5,820,365)
At December 31, 2017	-	64,686,636	20,834,307	-	85,520,943
Depreciation / transfer in	-	975,269	228,971	-	1,204,240
Disposals / transfer out	-	(65,657,086)	(1,847,650)	-	(67,504,736)
At December 31, 2018	-	4,819	19,215,628	-	19,220,447
<b>Net book value</b>					
At December 31, 2017	20,585,289	26,064,916	1,213,523	-	47,863,728
At December 31, 2018	-	3,981	541,792	-	545,773

**Millions Baht**

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Depreciation were included in cost of sales and services	1.20	10.94	1.20	4.96
As at December 31				
The gross carrying amount fully depreciated that is still in use.	16.71	16.71	16.71	16.71

**The Company**

On January 18, 2018, the Company had entered into the sale agreement of land and factory building, comprising investment property with the carrying amount of Baht 45.67 million and property, plant and equipment with the carrying amount of Baht 7.67 million (see note 17), with other company ("The Buyer") in the agreement valued of Baht 240 million. The Buyer had already paid in full amount and the Company had already transferred the ownership of mentioned land and factory building. The Company recognized gain on sale of such assets net the related expenses in the amount of Baht 172.32 million in the profit or loss.

In year 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.

In year 2018, investment property of the Company with its carrying amount of Baht 0.55 million were appraised with the appraisal value of Baht 28.41 million by Southeast Asia International Co., Ltd., an independent appraiser engaged by the Company. The appraisal was based on market comparison for building in accordance with professional standards of the Valuers Association of Thailand as per their appraisal reports dated December 13, 2018.

### **Subsidiaries**

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

## 17. PROPERTY, PLANT AND EQUIPMENT

Movements of property, plant and equipment for the years ended December 31, 2018 and 2017 were as follows:

*Baht*

Consolidated financial statements								
		Land	Buildings and utility systems	Machinery and factory equipment	Office equipment	Vehicles	Comstuction in progress	Total
<b>Cost</b>	<b>Note</b>							
At January 1, 2017		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
Increase / transfer in		-	6,164,862	8,888	2,045,422	-	3,712,511	11,931,683
Disposals / transfer out		(4,698,043)	(17,423,192)	(67,495)	(99,447)	-	(130,738)	(22,418,915)
Transfer / adjust		-	-	-	-	-	(6,785,918)	(6,785,918)
At December 31, 2018		194,652,212	552,502,714	478,056,624	50,584,391	7,450,438	-	1,283,246,379
<b>Accumulated depreciation</b>								
At January 1, 2017		-	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
Depreciation / transfer in		2,297,576	33,649,309	22,594,839	9,695,258	993,488	-	69,230,470
Disposals / transfer out		-	(14,500,714)	(13,527)	(63,633)	-	-	(14,577,874)
At December 31, 2018		11,077,940	162,165,538	140,043,691	40,516,928	4,184,408	-	357,988,505

*Baht*

## Consolidated financial statements

	Land	Buildings and utility systems	Machinery and factory equipment	Office equipment	Vehicles	Comstuction in progress	Total
<b>Allowance for impairment</b>							
At January 1, 2017	-	-	-	6,764,000	-	-	6,764,000
Reversal of loss from impairment of assets	-	-	-	(578,000)	-	-	(578,000)
At December 31, 2017	-	-	-	6,186,000	-	-	6,186,000
Loss from impairment of assets	-	-	139,614,000	-	-	-	139,614,000
Reversal of loss from impairment of assets	-	-	-	-	-	-	-
At December 31, 2018	-	-	139,614,000	6,186,000	-	-	145,800,000
<b>Net book value</b>							
At December 31, 2017	190,569,891	420,744,101	360,652,852	11,567,113	4,259,518	3,204,145	990,997,620
At December 31, 2018	183,574,272	390,337,176	250,112,933	3,881,463	3,266,030	-	779,457,874

*Baht*

## Separate financial statements

	Land	Buildings and utility systems	Machinery and factory equipment	Office equipment	Vehicles	Construction in progress	Total
<b>Cost</b>							
At January 1, 2017	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
Increase / transfer in	-	-	-	185,745	-	60,976	246,721
Disposals / transfer out	(4,698,043)	(17,220,589)	(60,795)	(93,346)	-	(130,738)	(22,203,511)
At December 31, 2018	-	5,623,567	1,922,929	3,055,169	6,051,438	-	16,653,103
<b>Accumulated depreciation</b>							
At January 1, 2017	-	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
Depreciation / transfer in	-	1,154,466	85,989	591,508	773,688	-	2,605,651
Disposals / transfer out	-	(14,298,115)	(6,828)	(58,031)	-	-	(14,362,974)
At December 31, 2018	-	3,361,020	1,254,315	1,783,211	3,798,402	-	10,196,948
<b>Net book value</b>							
At December 31, 2017	4,698,043	6,339,487	808,570	1,713,036	3,026,724	69,762	16,655,622
At December 31, 2018	-	2,262,547	668,614	1,271,958	2,253,036	-	6,456,155



	<i>Millions Baht</i>			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Depreciation, were included in				
- Cost of sales and services	63.70	58.68	0.02	0.12
- Selling and administrative expenses	5.53	3.57	2.58	2.87
Total	69.23	62.25	2.60	2.99
As at December 31				
The gross carrying amount fully depreciated that is still in use.	2.24	2.19	2.24	2.19
The net book value of asset under finance lease agreements				
- Vehicles	2.81	3.85	2.00	2.62

### Saraburi Solar 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 22).

At December 31, 2018				
	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	-

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

C.E.I. (Chiangmai) Co., Ltd. mortgaged its land as collateral against for debentures of the Company (see note 24).

### Saraburi Solar Co., Ltd.

During the year 2018, the Group had recognized loss from impairment of assets used in the alternative energy solar farm in the amount of Baht 139.61 million.

## 18. DEFERRED TAX

Deferred tax as at December 31, 2018 and 2017 consisted of:

	<i>Baht</i>			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Deferred tax assets	15,300	148,137	-	-
Deferred tax liabilities	(12,689,447)	(11,366,970)	-	(1,237,439)

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

*Baht*

	Consolidated financial statements				
	January 1, 2017	Profit (Loss)	December 31, 2017	Profit (Loss)	December 31, 2018
<b>Deferred tax assets</b>					
Provision	-	148,137	148,137	(148,137)	-
Loss carry forward	-	-	-	15,300	15,300
Total	-	148,137	148,137	(132,837)	15,300
<b>Deferred tax liabilities</b>					
Current investments	-	-	-	(101,685)	(101,685)
Property, plant and equipment	(9,134,477)	(2,232,493)	(11,366,970)	(1,220,792)	(12,587,762)
Total	(9,134,477)	(2,232,493)	(11,366,970)	(1,322,477)	(12,689,447)

*Baht*

	Separate financial statements				
	January 1, 2017	Profit (Loss)	December 31, 2017	Profit (Loss)	December 31, 2018
<b>Deferred tax liabilities</b>					
Property, plant and equipment	(1,237,439)	-	(1,237,439)	1,237,439	-

## 19. SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

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

Financial institutions	Type of credit	<i>Percent</i>	
		<i>Millions Baht</i> Credit lines	Referred interest rate
Commercial Bank	Promissory notes / credit facilities for import	30	MLR
Commercial Bank	Letter of guarantee	3	-

Cash at bank in the amount of Baht 15.50 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, 2018 and 2017 consisted of:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Trade payables	4,364,868	5,178,327	484,257	732,400
Other payables				
Payables from purchases of assets	1,582,138	3,507,024	977,344	-
Accrued dividend	2,602,644	2,602,644	2,602,644	2,602,644
Accrued expenses	10,474,023	16,026,495	6,779,833	11,714,450
Total	14,658,805	22,136,163	10,359,821	14,317,094
Grand total	19,023,673	27,314,490	10,844,078	15,049,494

## 21. CURRENT PORTION OF LIABILITIES

Current portion of liabilities as at December 31, 2018 and 2017 consisted of:

		Consolidated financial statements		Separate financial statements	
	Note	2018	2017	2018	2017
Loan from financial institution	22	48,835,284	40,387,500	-	-
Liabilities under finance lease	23	847,850	1,000,616	583,970	748,406
Debenture	24	-	597,414,411	-	597,414,411
Total		49,683,134	638,802,527	583,970	598,162,817

## 22. LOAN FROM FINANCIAL INSTITUTIONS

Loan from financial institutions as at December 31, 2018 and 2017 consisted of:

	Consolidated financial statements	
	2018	2017
Loan from financial institutions	192,466,715	222,546,843
Less Current portion	(48,835,284)	(40,387,500)
Long-term loan from financial institutions	143,631,431	182,159,343

The details of the loans were as follows:

No.	Financial institutions	Credit line		Principal		Repayment period	Referred interest rate	Repayment
		2018	2017	2018	2017			
1	Commercial Bank	228	-	192.47	-	Mar. 2018 - May. 2022	MLR	Monthly principal repayment Period 1-49 monthly principal repayment of Baht 4.70 - 5.20 million. Period 50 repayment for the remainder.
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 amount.
3	Commercial Bank	68	68	-	6.96	3 years	MLR	Monthly interest payment and principal repayment when the mortgage are released.
Total				192.47	222.55			

Movements of loan from financial institutions for the year ended December 31, 2018 and 2017 were as follows:

	Baht	
	Consolidated financial statements	
	2018	2017
Beginning balance	222,546,843	303,126,717
Increase	228,000,000	17,316,364
Decrease	(258,080,128)	(97,896,238)
Ending balance	192,466,715	222,546,843

### 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. and shareholder of Saraburi Solar 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") had mortgaged land including existing construction of project development and saving account, as collateral against for loan from a financial institution. Moreover, the loan had been guaranteed by the Company, shareholder of Prime Mansion Co., Ltd. and Prime Mansion Co., Ltd. without compensation (see note 4). During the year 2018, the subsidiary repaid all of its loan from financial institution.

## 23. LIABILITIES UNDER FINANCE LEASES

Liabilities under finance leases as at December 31, 2018 and 2017 consisted of:

							<i>Baht</i>
Consolidated financial statements							
2018				2017			
Year	Present value	Deferred interest	Minimum lease payment	Present value	Deferred interest	Minimum lease payment	
1	847,850	25,786	873,636	1,000,616	66,724	1,067,340	
2 - 5	366,802	16,275	383,077	1,281,510	39,774	1,321,284	
Total	1,214,652	42,061	1,256,713	2,282,126	106,498	2,388,624	
							<i>Baht</i>
Separate financial statements							
2018				2017			
Year	Present value	Deferred interest	Minimum lease payment	Present value	Deferred interest	Minimum lease payment	
1	583,970	2,338	586,308	748,406	31,607	780,012	
2 - 5	-	-	-	648,543	2,337	650,880	
Total	583,970	2,338	586,308	1,396,949	33,944	1,430,892	

The Company entered into the finance lease agreements for purchase vehicles, payable monthly in the amount of Baht 0.09 million (Year 2017: Baht 0.09 million) in the consolidated financial statements and Baht 0.07 million (Year 2017: Baht 0.07 million), in the separate financial statements. As at December 31, 2018, the current portion of liabilities under the finance leases in the amount of Baht 0.85 million (Year 2017: Baht 1 million) in the consolidated financial statements and Baht 0.58 million (Year 2017: Baht 0.75 million), in the separate financial statements was presented under current liabilities.

## 24. DEBENTURE

Debenture as at December 31, 2018 and 2017 consisted of:

	<i>Baht</i> Consolidated and separate financial statements	
	2018	2017
Debenture: Par value		
Debenture - No. 1/2016	-	600,000,000
Debenture - No. 1/2018	255,200,000	-
<b>Less</b> Deferred underwriting fee for debenture	(10,525,177)	(2,585,589)
Debenture	244,674,823	597,414,411
<b>Less</b> Current portion	-	(597,414,411)
Long-term debenture	244,674,823	-
Deferred underwriting fee for debenture	17,553,636	12,215,589
<b>Less</b> Amortized	(7,028,459)	(9,630,000)
Net	10,525,177	2,585,589

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 Capital Market Supervisory Board. 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 and to be the working capital for developing the current and new projects, including support the Company's business expansion.

On April 9, 2018, the Company redeemed all of its debentures.

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.

On April 2 - 4, 2018, the Company offered the secured debenture No. 1/2018, in the amount of 300,000 units at par value of Baht 1,000 per unit, totaling of Baht 300 million, for offering to the investor following the notification of the Capital Market Supervisory Board. The maturity period of debentures is 2 years and 6 months, due on October 5, 2020, with interest charged at the rate of 5.8% per annum, payable every 3 months. The issuance of such debentures is aimed to repay the existing debt. C.E.I. (Chiangmai) Co., Ltd. mortgaged its land and buildings and ACC Green Energy Co., Ltd. mortgaged its empty land as collateral against for debentures of the Company.

## 25. EMPLOYEE BENEFITS OBLIGATIONS

Employee benefit obligations as at December 31, 2018 and 2017 consisted of:

	<i>Baht</i>			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<b>Post-employment benefit plan</b>				
Present value of obligations	4,079,734	3,842,722	2,971,323	3,000,563
Employee benefit obligations	4,079,734	3,842,722	2,971,323	3,000,563

Movements of the present value of employee benefits obligations for the years ended December 31, 2018 and 2017 were as follows:

	<i>Baht</i>			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<b>Post-employment benefit plan</b>				
Employee benefit obligations				
at the beginning of the year	3,842,722	2,848,857	3,000,563	2,238,275
Included in profit or loss:				
Current service cost	932,991	879,183	684,403	661,380
Interest cost	145,901	114,682	128,237	100,908
Benefits paid for retirement	(841,880)	-	(841,880)	-
Employee benefit obligations at the end of the year	4,079,734	3,842,722	2,971,323	3,000,563

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, 2018 and 2017 (expressed as weighted averages) as follows:

	<i>Percent</i>			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Discount rate	0.5 - 3.48	1.86 - 3.48	3.48	3.48
Salary increase rate	0.5 - 8.76	4 - 8.76	8.76	8.76
Turnover rate	0 - 10	0 - 15	0 - 11	0 - 11
Mortality rate	Mortality table in year 2008 and 2017	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, 2018 are summarised below:

*Baht*

	Consolidated financial statements		Separate financial statements	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% Movement )	(153,750)	164,252	(106,120)	113,330
Salary increase rate (0.5% Movement)	175,427	(162,176)	121,431	(114,906)
Turnover rate (0.5% Movement)	(154,639)	96,838	(132,320)	75,825

## 26. SHARE CAPITAL AND WARRANTS

### Share capital

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.

During the year 2018, the Company received the mentioned subscription shares, totaling of Baht 84.42 million (the expenses regarding the increase share capital of Baht 1.41 million were recorded by netting with the share premium account).

The Company registered the change in its paid-up share capital with the Ministry of Commerce on March 12, 2018.

### 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.

## 27. DIVIDEND PAYMENT

### Associated company

The Board of directors' Meeting of W. Solar Co., Ltd. held on July 18, 2018, passed a resolution to approve the interim dividend payment at the rate of Baht 0.2019 per share, totalling Baht 1.62 million.

### Subsidiary

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

The Board of directors' Meeting of ACC Electric Co., Ltd. held on June 4, 2018, passed a resolution to approve the interim dividend payment at the rate of Baht 3.208 per share, totalling Baht 32.08 million and set a legal reserve in the amount of Baht 2.10 million.

## 28. 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

## 29. EXPENSES BY NATURE

Significant expenses by nature for the years ended December 31, 2018 and 2017 consisted of:

			<i>Baht</i>	
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Changes in inventories and work in process	6,312,892	4,690,048	7,207,570	5,359,742
Purchases of goods and supplies	8,389,754	20,776,156	3,666,062	1,902,720
Salary and wages	59,337,939	54,357,725	26,312,117	26,524,978
Depreciation and amortization	72,063,681	75,548,800	4,003,033	8,137,432
Devaluation of inventories	3,803,208	34,826,731	3,803,208	34,826,731
Impairment of investments	-	-	100,959,970	11,320,000
Impairment of assets	144,127,079	-	4,513,079	-
Doubtful accounts	14,157,000	1,727,491	14,000,000	382,491
Consulting and legal and finance fees	1,915,254	3,626,315	1,501,224	3,549,275

## 30. FINANCE COSTS

Finance costs for the years ended December 31, 2018 and 2017 consisted of:

			<i>Baht</i>	
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Interest expenses	30,529,673	49,755,996	20,713,974	36,519,453
Arranger fee	7,028,460	9,685,681	7,028,460	9,685,681
Total	37,558,133	59,441,677	27,742,434	46,205,134
Less Interest expense had capitalized	-	(239,693)	-	-
Net	37,558,133	59,201,984	27,742,434	46,205,134

## 31. 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 2018, the Company contributed in the amount of Baht 0.73 million (Year 2017: Baht 0.61 million).

## 32. INCOME TAX

Corporate income tax of the Group for the years ended December 31, 2018 and 2017 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.

Tax expense for the years ended December 31, 2018 and 2017 was summarized as follows:

	<i>Baht</i>			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<b>Current tax</b>				
Current year	4,665,267	1,052,523	4,665,268	-
<b>Deferred tax</b>				
Movements in temporary differences	1,455,314	2,084,356	(1,237,439)	-
Tax expense	6,120,581	3,136,879	3,427,829	-
Reconciliation of effective tax rate				
	Consolidated financial statements			
	2018		2017	
	%		%	
	Tax rate	<i>Baht</i>	Tax rate	<i>Baht</i>
Loss before income tax		(32,858,039)		(45,668,354)
<b>Add</b> Promotional privileges from BOI		(18,535,998)		(31,587,147)
		(51,394,037)		(77,255,501)
Income tax using the corporate tax rate	20	(10,278,807)	20	(15,451,100)
Expenses not deductible for tax purposes		34,622,587		8,456,133
Revenues treated as revenues under the Revenue Code		4,599,385		6,288,578
Revenues granted income tax exemption		(214,782)		-
Addition expenses deductible for tax purposes		(19,589,902)		(278,884)
Current period losses for which deferred tax assets was recognized.		(3,085)		-
Current period losses for which no deferred tax assets was recognized.		(4,342,723)		847,684
Effects of elimination entries on consolidation		(127,406)		1,190,112
Current tax	-	4,665,267	-	1,052,523
Movement in temporary differences		1,455,314		2,084,356
Tax expense	12	6,120,581	4	3,136,879

Separate financial statements				
2018		2017		
%		%		
Tax rate	<i>Baht</i>	Tax rate	<i>Baht</i>	
Profit (loss) before income tax	31,685,633		(74,946,339)	
Income tax using the corporate tax rate	20	6,337,127	20	(14,989,268)
Expenses not deductible for tax purposes		26,296,307		7,251,107
Revenues treated as revenues under the Revenue Code		4,572,357		5,724,252
Revenues granted income tax exemption		(6,637,420)		-
Addition expenses deductible for tax purposes		(16,936,465)		(278,884)
Current period losses for which no deferred tax assets was recognized.		(8,966,638)		2,292,793
Current tax	-	4,665,268	-	-
Movement in temporary differences		(1,237,439)		-
Tax expense	11	3,427,829	-	-

### 33. SEGMENT INFORMATION

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

The Group operated the business primarily in manufacturing and distributing ceiling fan, renting property, 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, 2018 and 2017 were classified as follow:

	<i>Thousands Baht</i>											
	Ceiling fan		Renting property		Banquet and restaurant		Property development		Alternative energy		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Revenues	28,725	17,091	6,248	34,715	88,520	72,808	11,850	80,786	96,299	92,616	231,642	298,016
Operations												
Gross profit (loss)	6,109	(27,781)	3,785	17,855	2,352	5,875	3,235	31,075	49,247	46,979	64,728	74,003
Other income											177,304	16,414
Selling and service expenses											(16,834)	(15,566)
Administrative expenses											(221,893)	(63,046)
Finance costs											(37,558)	(59,202)
Share of profit of associated company									1,395	1,729	1,395	1,729
Loss before income tax											(32,858)	(45,668)
Tax expense											(6,121)	(3,137)
Loss for the year											(38,979)	(48,805)

Significant assets and liabilities as at December 31, 2018 and 2017 were are follows:

	Ceiling fan		Renting property		Banquet and restaurant		Property development		Alternative energy		Factoring		<i>Thousands Baht</i> Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
<b>Assets</b>														
Current investments	-	-	-	-	-	-	-	-	54,321	168,096	95,912	-	150,233	168,096
Trade and other receivables	5,011	21,897	-	-	2,317	3,205	-	510	15,761	23,897	-	-	23,089	49,509
Inventories	3,620	14,769	-	-	593	670	-	-	-	-	-	-	4,213	15,439
Cost of project development	-	-	-	-	-	-	65,010	73,624	-	-	-	-	65,010	73,624
Restricted bank deposits	9,500	9,500	-	-	-	-	-	1	6,004	38,050	-	-	15,504	47,551
Investment in associated company	-	-	-	-	-	-	-	-	42,591	42,303	-	-	42,591	42,303
Land held for development	-	-	-	-	-	-	146,807	146,807	-	-	-	-	146,807	146,807
Investment property	-	-	546	47,864	-	-	-	-	-	-	-	-	546	47,864
Property, plant and equipment	6,456	16,655	-	-	395,930	430,333	100	140	376,972	543,870	-	-	779,458	990,998
Total assets													<u>1,286,158</u>	<u>1,633,961</u>
<b>Liabilities</b>														
Trade and other payables	10,844	15,049	-	-	5,122	9,191	339	632	2,689	2,442	30	-	19,024	27,314
Current portion of liabilities	-	-	-	-	-	-	-	-	49,683	638,803	-	-	49,683	638,803
Long-term loan from financial institutions	-	-	-	-	-	-	-	6,959	143,631	175,200	-	-	143,631	182,159
Debenture	-	-	-	-	-	-	-	-	244,675	-	-	-	244,675	-
Deposit	-	-	61	3,704	30	-	-	-	-	-	-	-	91	3,704
Total liabilities													<u>486,827</u>	<u>880,071</u>

### Information about major customer

For the year ended December 31, 2018, the Group has revenue from 2 major customers in the amount of Baht 2.35 million from renting property sector (year 2017: in 2 major customers total amount of Baht 12.50 million) and from 2 major customer in the amount of Baht 96.30 million from the alternative energy sector (year 2017: in 2 major customers total amount of Baht 92.62 million).

### 34. COMMITMENTS AND CONTINGENT LIABILITIES

As at December 31, 2018, the Group had commitments and contingent liabilities as follows:

#### The Company

- 34.1 Commitments for payment under operating lease agreements in respect of the lease of building with a monthly rental of Baht 0.38 million.

	<i>Thousands Baht</i>		
	Year		Total
	1	2-5	
Minimum rental	4,378	900	5,278

#### Subsidiaries

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

- 34.3 Commitments for payment under agreements as follows:

34.3.1 Service agreements in the amount of Baht 0.14 million.

34.3.2 Purchase goods and equipment in the amount of Baht 0.30 million.

#### Saraburi Solar Co., Ltd.

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

	<i>Thousands Baht</i>		
	Year		
	1	2-5	More than 5 year
Minimum rental	50	200	1,200
			Total
			1,450

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

	<i>Thousands Baht</i>		
	Year		
	1	2-5	More than 5 year
Minimum rental	10,119	33,901	3,129
			Total
			47,149

**ACC Landmark Co., Ltd**

Operating lease agreements in respect of the lease of building with a monthly rental of Baht 0.13 million.

***Thousands Baht***

	Year		Total
	1	2-5	
Minimum rental	1,529	1,211	2,740

**Bangpakong Solar Power Co., Ltd.**

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

**35. PROMOTIONAL PRIVILEGES****Saraburi Solar Co., Ltd. and Bangpakong Solar Power Co., Ltd.**

The Company received a promotion certificate under the Investment Promotion Act B.E.2520 for its business involving produced of electricity from solar power. The major privileges granted to the Company are as follows:

- 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.



### 36. FAIR VALUE HIERARCHY

As at December 31, 2018, the Group had the financial 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
<b>Assets measured at fair value</b>				
<b>The Company</b>				
Investment in investment unit	-	54,320,603	-	54,320,603
<b>Subsidiary</b>				
Investment in investment unit	-	95,912,159	-	95,912,159
<b>Assets for which fair value are disclosed</b>				
<b>The Company</b>				
Investment property				
The carrying amount of Baht 0.55 million	-	28,406,000	-	28,406,000

#### Valuation techniques and inputs to Level 2 valuation

The fair value of investment in investment unit is determined by using the net asset value at the reporting date.

The fair value of condominium is determined by independent valuers, basing on Market Approach.

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

### 37. 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, 2018 and 2017, the Group had assets and liabilities in foreign currencies as follows:

Currency	Consolidated and separate financial statements			
	2018		2017	
	Assets	Liabilities	Assets	Liabilities
US Dollars	0.01	-	0.01	0.02

## 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, 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.

## 38. EVENT AFTER REPORTING PERIOD

On February 27, 2019, the Company entered into the purchase and sale agreement on ordinary shares of ACC Green Energy Co., Ltd. ("ACC Green Energy") (see note 13) who possess land held for development (see note 14) with other party ("the Buyer") in the amount of 1,000,000 shares, equivalent to 100% shareholding, and the agreement value of Baht 185 million, which divided into 2 parts as follow:

- 1) Purchase price of shares in the amount of Baht 38.30 million;
- 2) The liabilities which ACC Green Energy obliged to the Company in the amount of Baht 146.70 million.

The Buyer agrees to pay a deposit in the amount of Baht 37 million, which has a payment term as follow:

- 1) The Buyer pay a deposit of Baht 10 million at the date of purchase and sale agreement;
- 2) The Buyer agrees to pay a deposit of Baht 27 million within 30 days since the date of purchase and sale agreement.

The Buyer agrees to pay the remaining of Baht 148 million within 120 days since the date of purchase and sale agreement including transfer the ownership of shares purchased and sale.

The parties agree that the duty of the Company in transferring the ownership of shares purchased and sale depends on the completion of all condition as follow:

- 1) The Company has already complied with the requirements by the rights and duties of the debenture issuer and the debenture holders.
- 2) The Board of Directors' Meeting pass a resolution to approve the Company sell shares including land held for development to the Buyer.

## Other Information

### Details of Directors in Subsidiaries and Related Companies

Subsidiaries	Authorized Director of the Company
C.E.I. (Chiangmai) Company Limited	Mr. Ekawat Swetarat and Mr. Sarin Ruangsorn
ACC Electric Company Limited	Mr. Ekawat Swetarat and Mr. Sarin Ruangsorn
ACC Landmark Company Limited	Mrs. Ngamnij Ruangsorn and Mr. Ekawat Swetarat
ACC Green Energy Company Limited	Mr. Ekawat Swetarat and Mr. Sarin Ruangsorn
W.Solar Company Limited	Miss Yupaporn Yuchoukan or Mrs.Wanlaporn Chuencharnru and Mr. Ekawat Swetarat or Mr. Pavint Ruangvoraboon
Bangpakong Solar Power Company Limited	Miss Yupaporn Yuchoukan or Mr.Athawit Loun-udomkul and Mr. Ekawat Swetarat or Mr. Pavint Ruangvoraboon
Saraburi Solar Company Limited	Mr. Ekawat Swetarat and Mr. Sarin Ruangsorn

# Annual Report 2018

รายงานประจำปี 2561





**ADVANCED CONNECTION CORPORATION  
PUBLIC COMPANY LIMITED**

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32 Srinagarindra Road, Nongbon, Praves, Bangkok 10250  
Tel. (662) 748-2400 Fax : (662) 748-2402 [www.acc-plc.com](http://www.acc-plc.com)