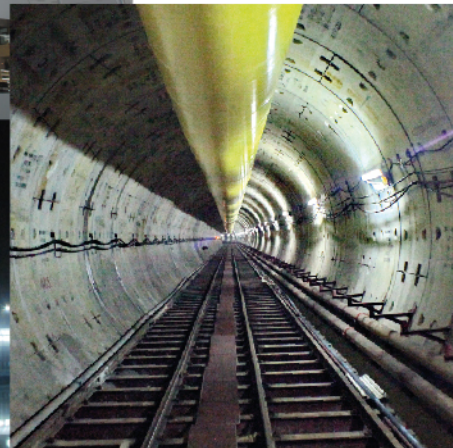




**NAWARAT**



# ANNUAL REPORT

## 2015

Nawarat Patanakarn Public Company Limited



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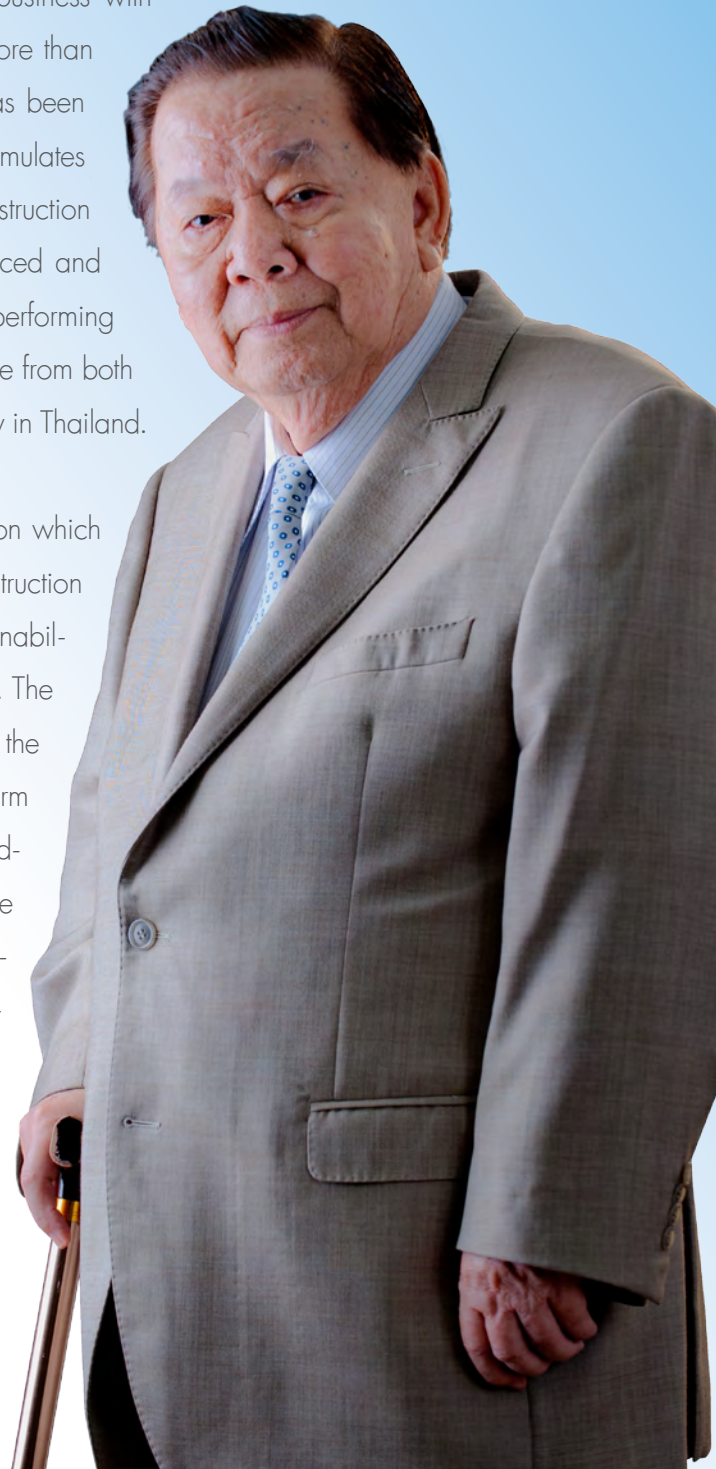
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## Message from Chairman

In the year 2015, Thailand's overall economy had growth rate of 2.9 percent which were more than the year 2014 that had growth rate of 0.9 percent. However, it is still considered lower than the rate expected. This resulted from several important factors both internal, such as the delay of the state sector's policy, the weaker demand than expected of the private sector, political uncertainty, and the external factors, such as fluctuation of global financial markets, the devaluation of the developed countries and the new emerging markets countries. For the construction industry, business operation was quite slow down than the previous year and expanded lower than expected as a result of the delay of projects investment in large infrastructure of the government and delay the private sector's investor.

Even in such situation the Company could manage its business with stability and had turnover at an acceptable level. With more than 39 years of experience since 1976 that the Company has been conducting the construction business, the Company accumulates experience and has ability to perform various types of construction works. In addition, the Company has employed experienced and expertise engineers and staff who has high potential in performing of complicated works. This makes the Company acceptable from both public and private sector as a leading contracting company in Thailand.

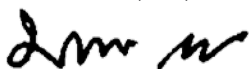
In the preceding year, the Company established new vision which aims "to be one of Thailand's top ve largest general construction contractors with international standard, stability and sustainability together with responsibility to society and environment". The Board of Directors is committed to create the growth of the organization continuously and the stability in long - term period, generate satisfactory return to shareholders, stakeholders and all related parties and build positive impact on the overall economy of the country. The Board is also committed to conduct the business in accordance with the guideline of sustainable development in terms of economy, society and environment under the good corporate governance principles. The Board regularly oversees and



monitors the Management to perform their duties with carefulness, prudence and responsibilities to all stakeholders as well as provides from time to time recommendation on management of surrounding factors challenging the business operation in order to minimize risks to stay at an acceptable level.

For the direction of the Company, the Company remains operating construction business focusing on large projects of the government and the private sector returning high profit margin. For the property development business, the Company continues operation as planned. In the year 2016, the Company will develop the organization to have potential at international level to strengthen foundation for support of the economic recovery and the intensive competition by improving management in all aspects, managing risks more efficiently and effectively, controlling construction and labor cost together with quality of materials and equipment, enhancing efficiency and effectiveness of working to get quality and standard meeting the customer's satisfaction while the Company can optimize return on profit, developing personnel who are valuable resource and key assets of sustainable growth, both technical and management on a continuous basis and cultivating awareness of social and environmental responsibility.

The Board of Directors, the executives, the employees and the associated companies of Nawarat Patanakarn Public Company Limited would like to show our gratitude to all shareholders, bondholders, business partners, customers, all related parties, public and society for your support and trust in the Company as always. We do hope that we will continue receiving honor, trust and good support. Kindly believe that we will keep on our commitment and dedication to conduct business with prudence, caution, transparency and in conformance with the principles of good corporate governance and the framework of sustainability development for the utmost benefit of all parties concerned and for becoming organization with stable and sustainable growth in Thailand as the Company's vision.



Mr. Mana Karnasuta  
Chairman

## Message from President

In the preceding year 2015, the business operation of the construction industry confronted many challenges, like the delay of the state sector's investment, the contraction of private sector's investment, the delay of bidding of construction projects in both public and private sector and price competition between contractors increased considerably. Nevertheless, Company's turnover growth was higher than the previous year. In the year 2015, the Company's total revenue was 7,673 million baht increasing to 11 percent compared to the year 2014 and had net loss amounted 174 million baht as result of a record of doubtful debt up to 210 million baht and adjustment to increase cost budget of some projects causing decrease of gross margin; however, the Company, has constant income from the remaining value of the existing construction projects. In addition, drop of materials and fuel price, low increase of labor cost, decrease of nancial cost as a result from low interest rate and debentures issuance enable the company to balance its nancial status and have liquidity enough for future operation and investment.

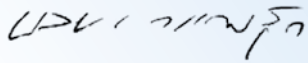
The Company foresees that the turnover will grow better in the year 2016 due to the drive of the state agencies for large-scale investment projects and the support of private sector that will make the Company has chance to get new jobs more. The Company, moreover, has currently a backlog for about 13,000 million baht that will be continuously recognized and expected to generate income to the Company in the year 2016 at around 35 percent, and has jobs waiting for tendering of approximately 35,0000 million baht that is expected to be of the Company by 10 – 15 percent. In addition, the inauguration of the ASEAN Economic Community (AEC) at the end of the year 2015 provides an opportunity to expand the business to other countries in South East Asia. This creates advantages for the Company, which has personnel ready to works, to get more various jobs.

The Company aims to enhance the organization for sustainable growth focusing on management and operation with efficiency in compliance with the best practice of the good corporate governance in terms of transparent and accountable operation, anti – fraud and corruption, fair treatment to labors, respect of human rights, environmental conservation and responsibility to all stakeholders, and to take part in drive of communities and society on a continuous basis.

On behalf of the Management of Nawarat Patanakarn Public Company Limited, I would like to sincerely thank all concerned parties namely employees, shareholders, business partners, customers, governmental agencies, private partners, stakeholders and nancial institutes for your kind helps and good supports for the Company's operations of various aspects



throughout 39 preceding years. I give you my word that we will continue operating our business professionally, adhere to the good corporate governance principles with social responsibility and environmental conservation, create performance to meet with the customers' satisfaction, maintain utmost benefits and add value to all stakeholders, in order to become one of the best construction and engineering companies and to drive the society to stably and sustainably grow together.



Mr. Polpat Karnasuta  
President

# VISION

“To be one of Thailand’s top ve largest general construction contractors with international standard, stability and sustainability together with responsibility to society and environment”

# MISSION

1. Comprehensively conduct construction business and related engineering works and have stable profitability.
2. Manage business professionally with modern technology for sustainable growth
3. Enhance image of being Thai corporate which has potential and standard at international level.
4. Manage business under the corporate governance principle and operate with impartiality under the code of conduct to all stakeholders.
5. Deliver works and services in time with quality and standard, and meet customers' requirement.
6. Recognize the importance of the employees' life quality, encourage development of competency and cooperation among employees at all levels by establishing of tangible motivation systems.
7. Have social and environmental responsibility on a continuous and consistent basis

A low-angle, upward-looking photograph of a modern building's facade, featuring a complex arrangement of balconies and architectural details. The image is partially covered by a semi-transparent blue rectangular overlay on the left side, which serves as a background for the text.

# Board of Directors

## Board of Directors



Mr. Mana Karnasuta

Chairman

Age : 82 Years

Shareholding :

5,598,695 shares as of March 1, 2016

Meeting Attendance :

7 of 13 Board of Director's Meetings in 2015

Education :

- Bachelor Degree in Electrical Engineer, Chulalongkorn University
- DAP' 55/2006

Experience :

Present

- Chairman Nawarat Patanakarn Public Company Limited
- Director Mana Patanakarn Company Limited
- Director Kao Chamao Hilly Resort Company Limited
- Director Bua Company Limited
- Director Tanina Company Limited



Mr. Prasertphand Pipatanakul

Independent Director, Deputy Chairman,

Chairman of the Audit Committee,

Chairman of the Corporate Governance Committee and Chairman of the Code of Conduct Committee

Age : 81 Years

Shareholding : None

Meeting Attendance :

13 of 13 Board of Directors' Meetings in 2015

12 of 12 Audit Committee Meetings in 2015

Education :

- Master Degree of Business Administration, Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Bachelor Degree in Engineering, Chulalongkorn University
- DAP 55/2006
- Finance for Non-Finance

Experience :

Present

- Independent Director and Chairman of the Audit Committee Nawarat Patanakarn Public Company Limited

## Board of Directors



**Mr. Niyom Niyamanusorn**

Independent Director, Member of the Audit Committee, Member of the Corporate Governance Committee and Chairman of the Nomination and Remuneration Committee

Age : 84 Years

Shareholding : None

**Meeting Attendance :**

13 of 13 Board of Directors' Meetings in 2015

12 of 12 Audit Committee Meetings in 2015

**Education :**

- Master Degree, N.S.W. University at Australia
- Bachelor Degree in Engineering, Chulalongkorn University
- DAP' 55/2006
- Finance for Non-Finance 2006

**Experience**

Present :

Independent Director and Member of Audit Committee  
Nawarat Patanakarn Public Company Limited



**Mr. Apichart Dharmasaroja**

Independent Director, Member of the Audit Committee, Member of the Corporate Governance Committee, Member of the Code of Conduct Committee, Chairman of the Risk Management Committee, Member of the Nomination and Remuneration Committee and Chairman of the Corporate Social Responsibility Committee

Age : 64 Years

Shareholding : None

**Meeting Attendance :**

12 of 13 Board Meetings in 2015

11 of 12 Audit Committee Meetings in 2015

**Education :**

- MBA (Marketing, Finance and International Business), Northwestern University, USA
- DAP' 64/2007
- Director Forum' 1/2009
- DCP' 93/2007

**Experience**

Present :

Independent Director and Member of Audit Committee  
Nawarat Patanakarn Public Company Limited

## Board of Directors



**Mr. Polpat Karnasuta**  
 Director, President, Member of the Corporate Governance Committee, Member of the Nomination and Remuneration Committee, and Chairman of the Executive Committee  
 Age : 56 Years

**Shareholding :**  
 272,410,285 shares as of March 1, 2016

**Meeting Attendance :**  
 13 of 13 Board of Directors' Meetings in 2015

**Education :**

- Bachelor Degree in Business Administration, Oregon University, USA
- DAP' 7/2004

### Experience

**Present :**

- Director and President Nawarat Patanakarn PLC.
- Director Advance Prefab Company Limited
- Director Mana Patanakarn Company Limited
- Director Banpulom Company Limited
- Director C.I.N. Estate Company Limited
- Director VSPN Property Company Limited
- Director Bua Company Limited
- Director Tanina Company Limited
- Director E.G.G. Enterprise Company Limited



**Mrs. Wattana Samanawong**  
 Director, Senior Vice President, Member of the Corporate Governance Committee, Member of the Code of Conduct Committee, Member of the Nomination and Remuneration Committee, and Member of the Executive Committee  
 Age : 63 Years

**Shareholding :**  
 1,694 shares as of March 1, 2015

**Meeting Attendance :**  
 13 of 13 Board of Directors' Meetings in 2015

**Education :**

- Master of Accounting, Faculty of Commerce & Accountancy, Thammasart University
- Diploma Certificate in Auditing, Faculty of Commerce & Accountancy, Chulalongkorn University
- Bachelor of Accounting, Faculty of Economics, Kasetsart University
- Accounting for Non-Accounting Audit Committee
- DAP' 7/2004

### Experience

**Present :**

- Director and Senior Vice President of Finance and Administration Department Nawarat Patanakarn PLC.
- Director Mana Patanakarn Company Limited
- Director Utility Business Alliance Company Limited
- Director C.I.N. Estate Company Limited

## Board of Directors



Mr. Sook Sueyanyongsiri

Director, Senior Vice President, Member of the Corporate Governance Committee, Member of the Code of Conduct Committee, Member of the Risk Management Committee, Member of the Corporate Social Responsibility Committee, and Member of the Executive Committee

Age : 63 Years

Shareholding : None

Meeting Attendance :

13 of 13 Board of Directors' Meetings in 2015

Education :

- Master Degree of Engineering, Asian Institute of Technology
- DAP' 35/2005

Experience

Present :

- Director and Senior Vice President of Operation Department  
Nawarat Patanakarn Public Company Limited
- Director Mana Patanakarn Company Limited
- Director Advance Prefab Company Limited

The background of the page is a photograph of a modern building's exterior, featuring a complex arrangement of balconies and windows. A semi-transparent blue rectangular overlay covers the majority of the image, starting from the top and extending down to the bottom. The text "General Information" is centered within this blue area in a white, sans-serif font.

# General Information

## 1. General Information

Nawarat Patanakarn Public Company Limited has conducted Construction Business and produced Pre-stressed Concrete Piles since 1976. Currently, the Company primarily operates the Contracting Business providing all types of civil engineering construction services and manufacturing pre-stressed concrete piles, other kinds of concrete products and processed steel used in its construction businesses and for sale.

- Nawarat Patanakarn Public Company Limited was registered on May 31, 1976 with the registered capital of Baht 4 million. The capital has been gradually increased.
- In 1995, the capital was increased from Baht 400 million to Baht 500 million by way of shares distribution to domestic and overseas investors.
- On September 27, 1995, the Company was incorporated as a listed company on the Stock Exchange of Thailand. The Company changed its registered capital three times as follows:- in 2012, the Company has its registered capital of Baht 2,217,950,679 and paid-up capital of Baht 1,552,901,24, in 2013, the Company has its registered capital of Baht 2,221,587,311 and paid-up capital of Baht 1,974,801,416, and
- At present as at December 31, 2015 the Company has its registered capital of Baht 2,585,481,515 and paid-up capital of Baht 2,585,481,515 divided to 2,585,481,515 common shares at the par value of Baht 1 per share.



## Head Office

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Location	Bangna Towers A, 18th - 19th Floor, No. 2/3 Moo 14 Bangna-Trad Road Km. 6.5 Bangkaew, Bangplee, Samutprakarn 10540
Tax ID No.	3101090413
Company Registration Number	0107538000096 (previously no. Bor Mor Jor 532)
Website	<a href="http://www.nawarat.co.th">www.nawarat.co.th</a>
Telephone	(662) 730-2100
Fax	(662) 751-9484-90
Company Secretary	Mrs. Wattana Samanawong Tel. (662) 730-2193
Investor Relation Section	Mr. Praty Mankong Tel. (662) 730-2178

## Branch Offices

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Location	1796 Bangna-Trad Road Km. 4.5, Bangna, Bangkok
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## Pre-stressed Concrete Piles, Pre-cast Concrete Products and Processed Steel Plant

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Location	1796 Bangna-Trad Road Km. 4.5, Bangna, Bangkok  53/4 Moo 9, Prong Akat, Bang Nampreaw, Chachoengsao
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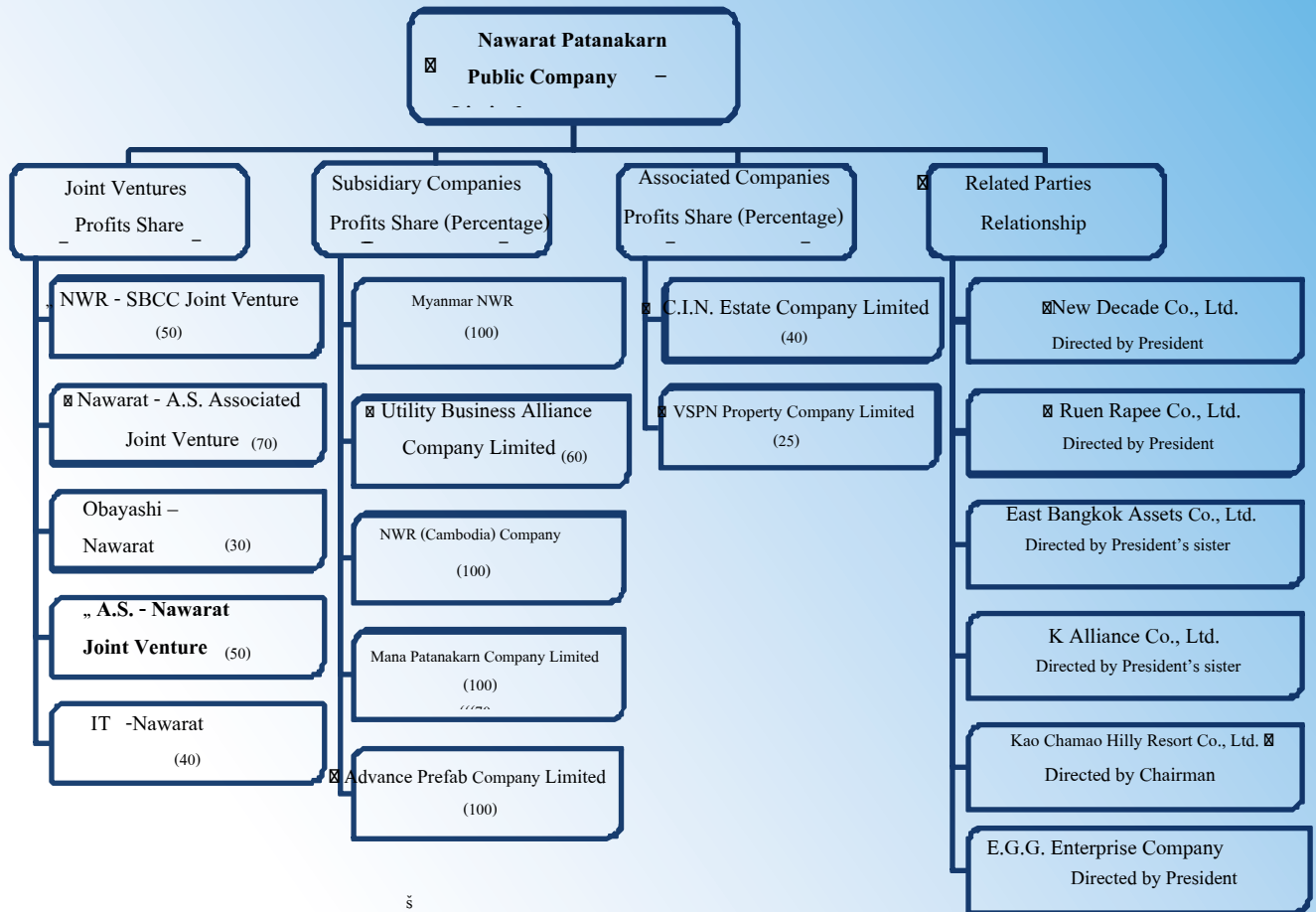
## Pre-cast Concrete Jacking Pipes and Pre-cast Concrete Shaft Plant

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Location	31/13 Moo 2, Rama II Road Km. 33.5 Bang Krachao, Muang District, Samutsakhon
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## The Company's Shareholding Structure

as of December 31, 2015.



## Joint Ventures, Subsidiary Companies, Associated Companies and Related Parties (Still operating as of December 31, 2015)

Joint Ventures	Address	Nature of Business	Share of Prots (Percent)
NWR – SBCC Joint Venture	2034/132-161 Italthai Tower, 34th Floor, Bangkapi, Huaykwang, Bangkok 10310	Construction – excavation and removal of earth and coal	50
Nawarat – A.S. Associated Joint Venture	8/24-25 Soi Ladprao 8, Ladprao Road, Chomphon, Chatuchak, Bangkok 10900	Construction	70
Obayashi — Nawarat Joint Venture	2/3 Moo 14, Bangna Towers A, 18th-19th Floor, Bangna-Trad Road Km. 6.5, Bangkaew, Bangplee, Samutprakarn 10540	Construction	30
A.S. – Nawarat Joint Venture	2/3 Moo 14, Bangna Towers A, 18th-19th Floor, Bangna-Trad Road Km. 6.5, Bangkaew, Bangplee Samutprakarn 10540	Construction	50
ITD – Nawarat (L.L.C.)	Office No.003, M Floor, Grosvenor Commercial Tower Bldg Sheikh Zayed Road, Dubai, UAE	Construction	40

Currently, ITD — Nawarat (L.L.C.) is under the process of liquidation

Subsidiary Companies	Address	Nature of Business	Share of Prots (Percent)
Myanmar NWR Company Limited	32, Hlaing Myint Moh Street 4, Ward 10, Hlaing Township, Yangon, Myanmar	Construction	100
Utility Business Alliance Company Limited	21 Viphavadi-Rangsit Road, Chomthong, Chatuchak, Bangkok	Wastewater Treatment	60
NWR (Cambodia) Company Limited	217, Group 1, Smach Meanchey Commune, Smach Meanchey District, Kohkong Province, Cambodia	Manage and Control Construction Project	100
Mana Patanakarn Company Limited	2/3 Moo 14, Bangna Towers A, 18th Floor, Bangna- Trad Road Km. 6.5, Bangkaew, Bangplee, Samut- prakarn 10540	Real-estate Develop- ment, resident houses	100
Advance Prefab Company Limited	2/3 Moo 14, Bangna Towers A, 18th Floor, Bangna- Trad Road Km. 6.5, Bangkaew, Bangplee, Samut- prakarn 10540	Produce and distribute pre-cast concrete products	100

Related Parties (Relationship)	Address	Nature of Business	Share of Prots (Percent)
New Decade Company Limited (with Mrs. Suthasanee Karnasuta, a younger sister of Mr. Polpat Karnasuta, President of the company, taking the position of director)	19 Soi 7, Seiree 7 Road, Suan Luang Bangkok 10260	Construction	0.00
Ruen Rapee Company Limited (with Mrs. Suthasanee Karnasuta, a younger sister of Mr. Polpat Karnasuta, President of the company, taking the position of director)	19 Soi 7, Seiree 7 Road, Suan Luang, Bangkok 10260	Property trade	0.00
East Bangkok Assets Company Limited (with Mrs. Suthasanee Karnasuta, a younger sister of Mr. Polpat Karnasuta, President of the company, taking the position of director)	19 Soi 7, Seiree 7 Road, Suan Luang, Bangkok 10260 1111 Moo 6, Samrongnua, Muang District Samutprakarn 10270	Property trade	0.00
K Alliance Company Limited (with Mrs. Suthasanee Karnasuta, a younger sister of Mr. Polpat Karnasuta, President of the company, taking the position of director)	9/3 Moo 3, Khaowongkot, Kaenghang maeo, Chantaburi 22160	Mining business	0.00
Kao Chamao Hilly Resort Company Limited (with Mr. Mana Karnasuta, Chairman, taking the position of director)	19 Soi 7, Seiree 7 Road, Suan Luang, Bangkok 10260	Agricultural business	0.00
E.G.G. Enterprise Company Limited (with Mr. Polpat Karnasuta, President, taking the position of director)		Furniture business	0.00

## Subsidiary Companies

### 1. Myanmar NWR Company Limited

In 2000, the Company invested in Myanmar NWR Company Limited, which is situated at International Business Center, 32, Hlaing Myint Moh Street 4, Ward 10, Hlaing Township, Yangon, Myanmar. The Company holds 100 percent of the shares for the purpose of supporting expansion of its construction contracting in the Union of Myanmar. The Company has its registered capital of Kyat 1,000,000, the paid-up capital of Kyat 500,000 or three million Baht approximately. The subsidiary has not started operating yet because the overall economy of the Union of Myanmar and the legal system is not feasible.

## 2. Utility Business Alliance Company Limited

In 2001, the company invested in Utility Business Alliance Co., Ltd. to conduct the business of waste water treatment plant management with investment portion of 50 percent. On November 11, 2003, the company sold some parts of its investment to persons outside causing the proportion of the investment reduces to 33.33%. However, in the third quarter of 2006, the company repurchased the investment from the outsider resulting in the Company currently invests in the proportion of 60 percent of the total registered capital of 40 million baht. The Company has now the paid-up capital of 40 million baht. For other shareholders of 40 percent, they are juristic persons that are not associated with the company, both in terms of directors or shareholders.

## 3. NWR (Cambodia) Company Limited

In the year 2007, the company established NWR (Cambodia) Company Limited in Cambodia, in which the company holds 100 percent of its shares to facilitate operations and supervision of construction services in Cambodia with the registered capital of 20 million Riel (or approximately 200,000 baht) and the paid-up capital of 17,000 baht. The company started its work as the supervisor of the construction project of Tonle Sap Bridge, awarded to the private enterprise of L.Y.P. Group Co., Ltd. with the project value of US\$2 million. Currently, the project has been completed.

## 4. Mana Patanakarn Company Limited

On October 30, 2014, the extraordinary meeting of the shareholders of Mana Patanakarn Company Limited had resolutions to increase its registered capital from the existing 200 million baht (2,000,000 ordinary shares at a par value of 100 baht per share) to 600 million baht (6,000,000 ordinary shares at a par value of 100 baht per share) by issuing of 4,000,000 ordinary shares at a par value of 100 baht per share. The Company still holds shares in such Subsidiary at 100 percent and paid the investment in the capital increase at the amount of 372 million baht or 93 percent of paid-up capital. The Subsidiary registered its capital increase with the Ministry of Commerce on November 6, 2014.

On October 25, 2015, the extraordinary meeting of the shareholders of Mana Patanakarn Company Limited had resolutions to increase its registered capital from the amount of 600 million baht (6,000,000 ordinary shares at a par value of 100 baht per share) to 800 million baht (8,000,000 shares at a par value of 100 baht per share) by issuing of 2,000,000 ordinary shares at a par value of 100 baht per share. The Company still holds 100 percent share in the subsidiary company. The Subsidiary registered its capital increase with the Ministry of Commerce on October 6, 2015.

During the current year, the Company paid the investment in the capital increase of Mana Patanakarn Company Limited at the amount of 228 million baht resulting in the paid-up capital of the subsidiary company increases from 93 percent to 100 percent.

At present, Mana Patanakarn Company Limited is operating three development projects of residential houses for sale, which are divided into two horizontal projects and one condominium project. The first project is 2-storey detached house on Romkloa Road named Baranee Park Romklao Project. The project nature is to develop 2 — storey detached

house of 86 units on a total area of 22-3-84 rai with project value of 898.81 million baht. The project started in October 2013 and is scheduled to end in March 2016. The task is now at 90 percent of completion. The second project is for 140 units of 2 — storey detached house named Baranee Resident (formerly named Baranee Garden). The project is located at Rangsit Klong 3 on the total area of area of 34-1-34 rai with the value of 759.88 million baht. The project started in November 2014 and is scheduled to end in December 2016. The task is now 35 percent of completion. The last project is 1,448-unit condominium named “Aspen Condo”. The project is located in Soi Sukhumvit 105 Road (Lasalle) on the total area of 15-1-48 rai with the value of 2,640.95 million baht. The project started in May 2015 and is scheduled to end in December 2019.

## 5. Advance Prefab Company Limited

In the month of January 2014, the registered capital of Advance Prefab Company Limited was increased from 1 million baht (10,000 ordinary shares at a par value of 100 baht per share) to 100 million baht (1,000,000 ordinary shares at a par value of 100 baht per share) by issuing of 990,000 ordinary shares at a par value of 100 baht per share. The Company purchased and paid the capital increase in the amount of 100 million baht calculating to 100 percent of the Subsidiary’s registered capital. The Subsidiary registered the capital increase with the Ministry of Commerce on January 8, 2014.

In November, 2014, the registered capital of Advance Prefab Company Limited was increased from 100 million baht (1,000,000 ordinary shares at a par value of 100 baht per share) to 200 million baht (2,000,000 ordinary shares at a par value of 100 baht per share) by issuing of 1,000,000 ordinary shares at a par value of 100 baht per share. The Company still holds 100 percent of shares and paid the capital increase in the amount of 50 million baht or 50 percent of the paid-up capital. The Subsidiary registered its capital increase with the Ministry of Commerce on November 6, 2014.

During the current year, the Company paid the capital increase of Advanced Prefab Company Limited at the amounts of 50 million baht resulting in its paid-up capital increases from 50 percent to 100 percent.

At present, Advance Prefab Company Limited has established the plant to produce and distribute Precast Concrete Products. The factory is located at No. 8 Moo 7, Nhong-I-Run, Banbueng District, Chonburi with production capacity of 10,000 cubic meter per year and is expected to start manufacturing and distribution in July 2016.

## Associated Companies

### 1. C.I.N. Estate Company Limited

In September, 2006, the Company invested in C.I.N. Estate Company Limited to procure a land and develop it into a 47-storey condominium for the purpose of own residence and forward sale. The 561-unit condominium named “The Issara Ladprao” is located on Ladprao Road, between soi 12 and 14 and has project value of Baht 2,700 million. The construction started in January 2007 and finished in September 2011. At present, the company is launching another development project called “Issi Condo Suksawat” located adjacent to Suksawat Road and close to entrance and exit of Suksawat Ex-

pressway and to the MRT Purple Line station with project value of 2,000 million baht for 892 units. The project started in June 2013 and finished at the end of the year 2015. The Company's invested in the proportion of 40 % of the C.I.N Estate Company Limited's registered capital amounting to 100 million baht.

In 2013, the Company obtained the dividend in the amount of 16 million baht from this associated company and recorded the profit share to increase in "investment in associated company" amounting to 26.72 million baht(in 2013), 15.02 million baht (in 2014), and 47.92 million baht (in 2015).

In September, 2015, the company sold the entire investment in C.I.N Estate Company Limited, which is its associated company, in a total number of 999,997 shares amounting to 161 million baht to Mana Patanakarn Company Limited, which is its subsidiary company. However, the Company still has significant influence the same in the proportion of investment in the associated company for the same investment proportion in such a company. Therefore, such investment is still categorized in the consolidated financial statements as "investments in associated companies".

## 2. VSPN Property Limited

In February 2007, the Company invested in VSPN Property Limited to develop a land in Banglamung District, Chonburi, in the area of 20 rai and 33 sq. wa into a seaside village of 45 units for sale under the name "Sea Breeze Villa Pattaya" with the project value of 525 million baht approximately. The project started in June 2007 and is scheduled to be completed in December 2016. The task is now 97 percent of completion. The Company invested in the proportion of 25 percent of VSPN Property Limited's registered capital, which is equivalent to 25 million baht. Presently, 40 units has been passed through the sales contract; 36 units have been transferred; whereas, 9 of 45 units has not been transferred.

In 2013 and 2014 and 2015, the Company recorded profit share (loss) from this company to increase in "investments in associated companies" amounting to 0.920 million baht (in 2013), -0.320 million baht (in 2014), and 0.18 million baht (in 2015).

## Joint Ventures

### 1. กิจการร่วมค้า เอ็นดับเบิลยูเอ-เอสบีซี

In 2008, the Company in cooperation with Saraburi Coal Co., Ltd. has formed a joint venture called NWR-SBCC Joint Venture with the investment proportion of 50 percent to undertake the project of excavation and removal of earth and coal at Mae Moh Mine of the Electricity Generating Authority of Thailand in Mae Moh District, Lampang. The project values 16,674.45 million baht (excluding the electrical charge) and has the contract term of 9 years from February 18, 2009 to March 5, 2018. As of December 31, 2015, the joint venture delivered work in the amount of 11,288.11million baht, which is equivalent to 67.70 percent of total contracted project value.

According to the Financial Reporting Standard No. 11 on Joint Works, it is stipulated that any company performing investment in any business must consider whether or not it has performed Joint Control with other investors in such business. Thereafter, by its sole discretion, such business is required to determine whether it is Joint Operation or Joint Venture, then record interests from the investment to suit the type of the joint work.

Hence, the Company has changed the recording method of the investment accounts of NWR-SBCC Joint Venture from the method of proportional consolidation to the equity method. With this, the Company has also retrospectively adjusted the financial statements for the year 2014 to reflect the outcome of the change.

At present, other Joint Ventures which have already delivered work but still have had some financial movements, such as borrowings, loans are as follows:

Joint Venture	Percent of profit sharing
- Nawarat - A.S. Associates Joint Venture	70
- Obayashi - Nawarat Joint Venture	30
-ITD-Nawarat(L.L.C.)	40

## Reference

Positions	ชื่อ / ที่อยู่
Share registrar	Thailand Securities Depository Company Limited The Stock Exchange of Thailand Building, 62 Rachadapisek Road Klongtoey, Bangkok 10110 Tel. 0-2229-2800
Auditor	EY Office Limited (Formerly Ernst & Young Office Limited) Mr. Kritsada Lerdwana Certified Public Accountant (Thailand) No. 4958 33 rd Floor, Lake Rajada Office Complex 193/136-137 Rajadapisek Road, Bangkok 10110 Tel. 0-2264-0777, 0-2661-9190
Legal Advisor	Weerawong, Chinnavat & Peangpanor Limited 22nd Floor, Mercury Tower, No. 540 Pleonchit Road, Lumpini, Pathumwan, Bangkok, 10330 Tel. 0-2264-8000
Financial Institution in regular contact	Siam Commercial Bank Public Company Limited Head Office No. 9 Ratchadapisek Road Jatuchak, Bangkok 10900 Tel. 0-2777-7777

The background of the slide features a low-angle, upward-looking photograph of a modern building's exterior. The building has a complex, geometric facade with many windows and structural elements. A semi-transparent blue rectangular overlay covers the left and central portions of the image, providing a background for the text.

# Summarized Corporate Financial Highlights

## 2. Summarized Corporate Financial Highlights

(Unit : Million Baht)

Consolidated Financial Statements	31 December 2015	31 December 2014	31 December 2013*
Total assets	11,434.84	9,444.83	8,988.00
Total liabilities	7,752.11	5,571.16	5,960.10
Shareholders' equity	3,682.73	3,873.67	3,027.90
Fully paid common stocks	2,585.48	2,585.48	1,974.80

Note \*Consolidated Financial Statements for the year ended December 31, 2013 has not yet been retrospectively adjusted against the effect from change of the accounting policy due to the implementation of the Financial Reporting Standard No.11 regarding "Joint Work".

(Unit : Million Baht)

Consolidated Financial Statements	31 December 2015	31 December 2014	31 December 2013*
Total revenues	7,672.81	6,893.79	6,820.76
Net Profit Shareholders Equity	(173.84)	8.29	58.36

Note \*Consolidated Financial Statements for the year ended December 31, 2013 has not yet been retrospectively adjusted against the effect from change of the accounting policy due to the implementation of the Financial Reporting Standard No.11 regarding "Joint Work".

Financial Ratios	31 December 2015	31 December 2014	31 December 2013*
Net profit (loss) margin (%)	(2.27)	0.12	0.86
Return on equity (%)	(4.65)	0.24	2.35
Return on assets (%)	(1.67)	0.10	0.79
Book value (Baht)	1.51	1.50	1.53
Net profit (loss) / share (Baht)	(0.0672)	0.0040	0.0317
Current ratio (times)	2.30	2.16	1.46
Debt-equity ratio (times)	2.10	1.44	1.33
Dividend yield (%)	-	-	-

Note \*Consolidated Financial Statements for the year ended December 31, 2013 has not yet been retrospectively adjusted against the effect from change of the accounting policy due to the implementation of the Financial Reporting Standard No.11 regarding "Joint Work".





# Nature of Business

### 3. Nature of Business

Nawarat Patanakarn Public Company Limited has provided construction services and manufactured pre-stressed concrete piles since 1976. In 1995, it was changed to a public company limited and changed its name from Nawarat Patanakarn Company Limited to Nawarat Patanakarn Public Company Limited. On February 17, 1995, the Company increases its capital and registered its paid-up capital to the amount of Baht 500 million by offering its shares to the public and listed on the Stock Exchange of Thailand on August 31, 1995. On September 27, 1995, the Company was incorporated as a listed company in the Stock Exchange of Thailand. As of December 31, 2015, the Company had the registered capital of 2,585,481,515 baht and the paid-up capital of 2,585,481,515 baht.

#### Construction Contracting Business

Nawarat Patanakarn Public Company Limited is involved in the construction contracting business providing construction services to the government sectors, state enterprises, as well as private sectors. It undertakes works of construction as a main contractor, a sub-contractor, or through a Joint Venture business. The Company is considered a leading contractor by several entities; for example, it has been designated a Category 1 A contractor by Department of Highways having the right to make bids in all sorts of the Department's road construction regardless of the distance and price. Also, the Company has already registered with various government agencies such as Royal Irrigation Department, Public Works Department, Communication Authority of Thailand, Metropolitan Waterworks Authority, and Provincial Waterworks Authority. The Company acquires construction projects by way of bidding and direct contact with the project owners, with its reputation and impressive track record being the main factors of building its customers' trust. At present, it is able to undertake various types of works including:

- Buildings
- Warehouses and Industrial Plants
- Public Works and Utilities
- Ports, Berths and Jetties
- Power Plants, electricity generating dam
- Dams, Reservoirs and Irrigation Works
- Wastewater Treatment Systems, Wastewater Treatment Plants
- Tunneling and Pipe Jacking Works

#### Pre-stressed Concrete Piles and Precast Concrete Products Business

The Company established its precast concrete product factories to supply its construction projects and also sell to the public both by bidding and direct employment. The Company's products include pre-stressed concrete piles, pre-stressed concrete girders and precast concrete pipes for construction of wastewater treatment projects, parapets, concrete pre-cast slabs and sheet pile to protect from land subsidence, with the ratio of production for supplying its own projects to that for selling to the outside people being 32:68 in 2013, 62:38 in 2014 and 77:23 in 2015.

## Steel Structure Fabrication Business

The Company has manufactured fabricated steel product for supplying its construction projects and selling to the outside people, with the ratio of production for supplying its own projects to that for selling to the outside people being 91:09 in 2013, and 94:06 in 2014, and 72:28 in 2015.

## Revenues by segment as per the consolidated financial statements of the company

Revenue Type	2015		2014		2013*	
	Million Baht	%	Million Baht	%	Million Baht	%
Construction Business	7,202.21	93.87	6,358.52	92.23	5,157.07	75.61
Sales and services	238.75	3.11	244.10	3.54	1,049.96	15.39
Concrete Products Business	145.43	1.90	223.35	3.24	519.59	7.62
Interest Income	14.06	0.18	15.61	0.23	14.60	0.21
Other Revenues	72.36	0.94	52.21	0.76	79.54	1.17
Total Revenues	7,672.81	100.00	6,893.79	100.00	6,820.76	100.00

Note \*Consolidated Financial Statements for the year ended December 31, 2013 has not yet been retrospectively adjusted against the effect from change of the accounting policy due to the implementation of Financial

### Separation of income in 2015

1. Income from construction business at total 7,202.21 million baht. This consists of the Company's own income at 6,802.91 million baht and of Utility Business Alliance Company Limited at 399.30 million baht.
2. Income from sale of real estate and services which is sale of the Company's low-rise detached house at 238.75 million baht.
3. Income from concrete products manufacturing business at total 145.43 million.
4. Income from gain interest, such as gain interest from financial institutions, joint ventures and other companies.
5. Others incomes, i.e. profits from sale of assets, project management and profits from exchange rates of the Company.

## Marketing and Competition

### 1. Marketing Strategies

Important competitive strategies: Nawarat Patanakarn Public Company Limited has conducted its business for a long time. The Company has enjoyed its experiences and expertise in many different types of construction works with experienced and qualified personnel and plenty of equipment and machinery. These enable the Company to fully support various types of works both from the government sector and private sector.

Strength: Nawarat Patanakarn Public Company Limited has the capacity to execute multiple types of work. The Company has experience and expertise in civil engineering works, such as roads, bridges, expressways, power plants, buildings, industrial plants, ports, hydroelectric dams, and underground tunnels, etc. which enables the Com-

pany to continuously execute works. In case any types of construction work drop, the Company can undertake other types of works. In addition, the Company possesses equipment, machinery and personnel ready to execute mega-projects and has good relationship with clients and sub-contractors; this makes the Company can get new works from them.

At present, the Company has the expertise in construction of large-scale utilities, such as, roads, express ways, bridges, large-scale wastewater treatment systems, power plants, ports, large-scale tunnels, with projects in progress of execution utilizing lots of machinery and equipment.

Weakness: Nawarat Patanakarn Public Company Limited has invested in machinery and equipment which are appropriate for executing large-scale projects. These make the Company bears higher costs and operational expenses than small contractors if the Company obtained small-sized projects. (This is not the policy of the Company at present). Besides, for mega-projects which require qualifications of the contractors especially experience and capital sources, such as large-scale utilities that domestic contractor have never had experience before, the Company may have to cooperate with foreign companies or specialists in execution of works causing the Company has higher costs and expenses on operation and management.

Target customers: Target customers of the Company are government and private sectors including state enterprises both inside and outside the country, especially governmental works receiving financial support from Bank of Economic Development or World Bank for construction of utilities such as roads, expressways, power plants, wastewater treatment systems, etc.

Pricing policy: When quoting price for construction project and for precast concrete Piles, calculation will be based on cost and expenses of project and will have to secure gross profit of 10-15 percent according to project type and the competitive condition.

Investment: The Company expands its investments to businesses related to the Company's current business and other construction projects generating good outcomes in order to optimize the Company's growth and returns on investment both in short and long terms.

Human resources development: develop knowledge and ability of employees to have competitive potential as well as ethics to conduct business and improve management structure to suit and facilitate future development and expansion.

Marketing aspect: encourage potential of proactive marketing by using the Company's network and information system. Create good relationship with clients by treating them with high responsibility and good planning to deliver on-time good quality. Expand scope of business to work in overseas, especially in Asia and the Middle East. For domestic work, still focus on works from the government sector, whether construction of roads, bridges, water transmission tunnels, power plants, wastewater collection and treatment systems. In addition, the Company operates the manufacturing plants for concrete products and processed steel; this helps the Company to reduce construction cost and to control quality work quality.

Production and services: Nawarat Patanakarn Public Company Limited manufactures and provides quality products and services with the concern of maintaining leadership of quality with no environmental and social impact. The Company also keeps seeking for new technologies to facilitate construction works and to manage systematic-

cally, to prevent negative impact on the environment, and to comply with the law on environmental protection as the Company's policy.

Use of technologies: use modern technologies for construction and manufacture concrete products to be used as materials for construction and to reduce cost in long term.

## 2. Sale and distribution channels

Receipt of construction works: the Company directly contacts the employer either through tendering or negotiating. In this, the Company buys the bidding documents to make a calculation of a price proposal according to the requirements. Sometimes, the Company got a contact from employer, designer, or work supervisor due to its experience and apparent reputation in experience and potential to operate works and in quality of work that allows the employer to trust in the Company and let the Company to offer additional services.

Distribution of concrete piles: the Company directly contacts the employer either through tendering or negotiating, as in the case of construction, The deal may limit to only supplying and driving piles or include a mere portion of the whole project. In addition, the Company also conducts direct sales to purchasers and contractors according to their required specifications. By this way, the Company would start manufacturing the products upon receiving the purchase order and the specifications from the client since they are products that need to be manufactured to the size and the weight tolerance as specified by the client.

Distribution of processed steel: the Company mainly manufactures processed steel for use in the construction work of the Company, like use as structure of beams for bridge or use as structure for large buildings in order to reduce the construction cost. Generally in the past five year, the proportion of manufacturing for own use and for sale was 80:20. However, in case there is sufficient capacity, the Company would manufacture the products as per order and requirement of clients.

## 3. Nature of clients

Nature of clients and relationship between clients and the Company or its subsidiaries can be divided as follows:

Construction Services: the group of clients consists of:

1. Private sector consists of the following types of work: office buildings, industrial plants, shopping malls, real estate projects, etc.
2. Public sector consists of government agencies and state enterprises such as Department of Highway, the Electricity Generator Authority of Thailand (EGAT), BMA

The revenue proportion between the private and government sectors was below:

Year 2013

Private Sector	21	percent of total revenue
Government Sector	79	percent of total revenue

Year 2014

Private Sector	10	percent of total revenue
Government Sector	90	percent of total revenue

Year 2015

Private Sector	41	percent of total revenue
Government Sector	59	percent of total revenue

The Company believes the income from the government sector will be increased since the Government is focusing on construction of various projects of utilities and infrastructure. Clients from the state section are BMA, Department of Highway, EGAT, public universities, public hospitals, state enterprises, etc. Clients from the private sector consist of industrial factories, hotels, real estate development projects, etc.

Sales of pre-stressed concrete piles and concrete products: the Company's clients for the sale of pre-stressed concrete piles and concrete products can be divided to both private and public sectors, same as the construction service, like the Electricity Generator Authority of Thailand (EGAT). In addition, some concrete products is produced for use in construction projects executed by the Company itself.

Sale of processed steel: the Company's clients for the sale of processed steel are the private and the government sectors, same as the construction services. Clients from the government sector are Department of Highway, Department of Public Work, EGAT, etc. In addition, the processed steel is also mainly used for projects executed by the Company itself.

Debt Collection Policy: in case any client does not make payments in a timely manner, the Company shall calculate the interest for the debt amount with delayed payment based on the payment due date. This is the standard obliged to apply for account receivables of both the Company and its related parties. However, with current economic condition, the Company shall not charge the interest from some account receivables making a bit late payment.

When considering of account receivables--unrelated parties, the Company has 12-month overdue account receivables before deduction of doubtful debts as of December 31, 2015 in the amount of 235.07 million baht, increase to 50.11 million baht from the amount as of December 31, 2014 (readjusted).

In 2015, the Company recorded the doubtful debts of all account receivables who have overdue payment for more than one year according to the Company's criteria and policy.

Unit: Million baht			
Transactions	Year 2013	Year 2014	Year 2015
Payment receipt from account receivables who were recorded for doubtful debts (reversed bad debts)	111.08	27.93	8.21
Additional record of periodic doubtful debts	3.79	3.73	218.43

#### Summary of reserved recordings of doubtful debts

1) Marubeni Corporation: the Company is its sub-contractors for three construction projects of EGAT. The balance amount as of December 31, 2015 was 378.66 million baht. Three projects include:

1. Wangnoi Combined Cycle Power Plant Block 4 Project, Ayutthaya
2. Chana Combined Cycle Power Plant Block 2 Project, Songkhla
3. Mae Moh Power Plant Units 4 — 7 Replacement Project, Lampang

2) Department of Drainage and Sewerage, BMA: the construction projects of Kor. Sor. Lor. Klongsawasdi Dam from the area of Thawi Wattana Palace to the area of Soi Canal and of Kor. Sor. Lor. Klongsawasdi Dam from the area of Thawi Wattana Palace to the area of Baromratchonnani Road. The balance amount as of December 31, 2015 was 114.01 million baht.

3) The Construction Project of ZPELL, Future Park Rangsit owned by Rangsit Plaza Company Limited. The balance amount as of December 31, 2015 was 86.58 million baht.

Duration of debt collection: for governmental works, payments will be made in accordance with the criteria stipulated by each government agencies, approximately 45 - 60 days. For the private sector, the Company established the condition for payment within 30 days. Currently, the Company's clients arrange payments in accordance with the defined terms of payment or sometimes a little bit delay with an acceptable reason. However, for the debtors from the private sector, who have not made overdue payments for some construction projects already delivered due to lack of liquidity, the Company has still continued following up their payment. In case such overdue payments have not been made for a long time, the Company will file lawsuits against the debtors to recover its debts from them.

#### 4. Competitive condition within the industry

The construction industry is viewed as highly competitive. The competition is both between Thai contractors ourselves and also between Thai and foreign contractors. Due to the economic downturn in recent years, a lot of small-scale contractors have had to quit operating their businesses while at the same time the amount of domestic construction is starting to increase. In addition, there are factors not contributing to conducting the business. For example, the rigidity of financial institution in granting loans has made contractors face the problem of financial liquidity and the prices of construction materials has a tendency to increase making construction cost continue to rise.

For receipt of the construction works from both the government and private sectors, the Company usually uses the method of tendering. In this, a suitable contractor who make the lowest price proposal and has the qualifications as required would be selected. Provided there are more than one contractors participating in the price proposal session, the owner would have more chances to select his right contractor. On the other hand, contractors themselves also have chances to select their desirable project and make the price proposal. Since it is a free market, the employer and the employee have their rights to negotiate. However, the owner would be the one who define the qualifications of the contractors participating in the bidding session and has his own right to select any contractor viewed as meeting the required criteria.

From the competitive condition every company in this business has faced, if any company is able to accept various kinds of works and has experiences and expertise in several working areas it is considered as more advantageous than any other companies since if there is a decrease in the amount of construction work we can accept any other type of work to compensate for the reduction. The important factor is to carry out work within the limitation of time.

## Procurement of Products or Services

Production: for construction business, a construction site is situated at the project area in which the Company performs works. For the production business of pre-stressed concrete products and processed steel, the Company has three supporting plants, one located on Bangna-Trad K.M. 4, one located in Bangnampriew District, Chachoengsao (the plants for manufacturing of processed steel and pre-stressed concrete steel are located in the same area) and another one located on Rama 2 Road, Muang District, Samut Sakorn for manufacturing of concrete pipes

### 1. Manufacturing capacity and production volume

Construction contracting business: the Company's productivity is limited by:

1. Number of personnel who specialize in specific working areas such as skilled labor, especially construction laborers of special types/ architectural workers
2. Amount of investment money
3. Number of equipment and machinery

At present, Nawarat Patanakarn Public Company Limited is able to take responsibilities for 15 to 20 projects at the same time, with the average project value of 500 million baht each depending on the type of work, staff, equipment, machinery and investment money to support the project.

Manufacture of pre-stressed concrete piles and concrete products:

	2015 cu.m/year	2014 cu.m/year	2013 cu.m/year
Productivity *			
- Bangna-Trad Plant, KM 4	30,000	30,000	30,000
- Bangnampriew Plant, Chachouengsao	48,000	48,000	48,000
- The manufacturing Plant for concrete pipe and precast concrete products	20,000	20,000	20,000
Total	98,000	98,000	98,000
Actual production			
- Bangna-Trad Plant, KM 4	17,893	22,810	27,059
- Bangnampriew Plant, Chachouengsao	22,876	39,370	42,146
- The manufacturing Plant for concrete pipe and precast concrete products	15,217	11,533	9,192
Total	55,986	73,713	78,397
Percent of productivity	57.13	75.22	80.00
Percent of increase of production	-24.05	-5.97	20.63

Note \* Manufacturing capacity means the highest degree in the ability to manufacture concrete piles in standard size. Normally, piles are manufactured in various sizes which, when compared to the standard manufacturing capacity, make the manufactured quantity decrease.

\* The Company manufactures concrete pipes to supply the wastewater treatment project. They are manufactured at the Work Site on Rama 2 Road established for the manufacture of concrete pipes to supply the nearby project; this is to save transportation costs

Manufacture of processed steel: Nawarat Patanakarn Public Company Limited has productivity of processed steel of approximately 8,000 tons per year and is now in preparation for future productivity expansion. In this, the Company is expanding its capacity in proportion to the increasing work.

	2558(ตัน)	2557(ตัน)	2556(ตัน)
กำลังการผลิต	8,000	8,000	8,000
ปริมาณการผลิต	4,659	7,053	6,120
ร้อยละของการใช้กำลังการผลิต	58.24	88.16	76.50
ร้อยละอัตราเพิ่ม(ลด)ของปริมาณการผลิต	-33.94	15.25	- 15.53

Since the Company's nature of business, be it the construction business, the manufacture of concrete piles and products, or processed steel, deals with operations to meet construction plans but there is no specific number of shifts in each construction phrase, the capacity and manufactured quantity is thus represented according to the authentic work outcomes against the manufacturing capacity.

## 2. Construction materials and suppliers

The main types of construction materials: the construction materials used for the Company's business operation comprise cement, steel, concrete, sand, stone, wood and others.

The source of construction materials: the construction materials are ordered from domestic manufacturers or suppliers. In some cases, the Company may order them from abroad if considered better than purchasing from the domestic suppliers or sellers. At present, almost all of the Company's construction materials are provided by domestic sources.

The use of renewable materials: In executing construction projects, some construction materials may be specified, for example concrete with compressive strength of 350 kilograms per square centimeter or equivalent, which can be available from several domestic manufacturers. By this way, the Company would forward the specifications of construction materials to the work owner to be approved. Or in case there are no specifications required, the Company would give the first priority to ones domestically manufactured with quality standard and reasonable prices.

Technological change and use of construction materials: since the execution of Works must be in compliance with the Contract. In spite of using differing construction technologies, the materials as specified in the Contract shall mostly be used.

Problems related to construction materials: in some time, there may be a shortage of construction materials. Or maybe there is a price adjustment. In case the need for use is in high quantity, the Company would probably consider purchasing directly from the manufacturer or importing it from abroad. Since the Company has been in the business for such a long time and has had strong relationship with groups of suppliers and manufacturers of construction materials, there can be confidence in quality, prices and quantity that will be enough for continuous use in each project. In case there are fluctuations in price of materials, the Company would get into a contract and make the order in advance, including making a fixed-price contract in case there is no information on the specific number of materials.

The number of construction material suppliers: the construction material suppliers such as cement, steel, concrete and other materials are plenty and are available in various business types such as The Siam Industrial Wire Co., Ltd., Cement Thai Sales and Marketing Co., Ltd., Chue Chin Hua Co., Ltd., The Bangkok Iron Steel Works Co., Ltd. The Company has conducted the construction business for a long time and has had strong relationship with plenty of suppliers and manufacturers who have consistently maintained good business contact with the Company. Thus, there are not any problems in material supply.

Proportion of material purchase in and outside of the country: The construction materials the Company use are mainly provided by domestic suppliers. The quantity and type of material used each year depends on types of construction the Company receive. For example, road construction requires the use of a large amount of sand, gravel, asphalt and Building construction may require plenty of concrete and steel rods. No construction material type is to be used more than 50 percent of the overall production cost. The purchase balance for main construction materials (such as cement, concrete, steel rods, stone, sand) the Company make for each domestic supplier is no higher than 30 percent of the overall purchasing value for each year. Also, there is no binding agreement in purchasing construction materials from any specific manufacturers or suppliers. Change in price of construction materials in a given period of time is according to market mechanism and condition during that time. Prices for part of materials are under government control.



# Risk Factors

## 4. Risk Factors

Internal and external risk factors affecting the Company's operation are summarized as follows:

1. The Economy and Economic Growth The construction contracting business directly relates to the country's economy and economic growth. The Company's operation, inevitably, has been affected by the recession. However, the corporate diversified supporting businesses allow diversification of risk. The state of the economy adjusted positively in a short-time period resulting in a little increase in the Company's expansion rate. However, the downturn had finally made a comeback. To survive in the industry, the Company has tried to acquire Works in the field it mostly specializes with fewer competitors. That includes works such as Jacking Pipes, Underground Tunnel, Sewage System and the like. In addition, the Company has become interested in tendering for more foreign projects either in the form of individual or joint-venture company. Still, dealing with those in private sector is risky in terms of the Employers' liquidity; as a result, much more care has to be taken in signing various projects whether within or outside of the country. At present, domestic works make up 94 % and another 6% goes to those from overseas which is the construction of road (BAN HUAG (PHAYAO)-MUANG KHOB-MUANG XIANG HONE ROUTE and MUANG KHOB-BAN PAKKHOB-BAN KONETEUN ROAD IMPROVEMENT PROJECT contracted to the Government of Laos PDR, with the project value amounting 613 million baht. The project duration is from May 2014 to November 2016. Since it is a short-term project and the project price is in Thai Baht, there is no risk in exchange rate.
2. Changes in material prices The cost from materials is considered the most important when it comes to calculating costs for tendering. A change in material price has a direct effect to the company's profit, especially the prices of oil. The rise in oil prices, which make up 20% of the overall construction cost, directly affects any construction of road and will also have an effect on the transportation cost for other materials. Even though the prices of oil and such main materials as steel have at some level gone down in the past years, there cannot be a confidence that it will not be bounced back to the same level, a circumstance which is likely to be risky when proposing construction prices at tendering. In addition, the costs of imported materials will also depend on the adjusted exchange rates. However, the company has arranged for the protection of any risks posed by the adjustment in construction material prices. This is, in a way, by implementing the policy of effectively keeping the stock of construction materials. This means the company provides its employees with the training on stock control and auditing. The auditing team works regularly at every project in every month; in this, some computer programs are used in effectively listing and recording inventories. This saves the company the expenses it would otherwise pay for keeping too much stock. If, at the same time, the price drastically went down—such as that of structure steel in the past year which decreased from an average price of 22,000 baht per ton to 17,000 baht per ton in early 2014—the company would immediately undertake the purchase for the sake of stock management and to reduce price risk. For another thing, in terms of selecting Works to serve the need for management of price adjustment risk, the Company divides the clients into:

1. Works from the private sector which comprise office buildings, factories, shopping centers and various real estate development projects, for example
2. Works from the Government sector which comprise government agencies, state enterprises such as Department of Highways, EGAT, BMA, for example

In this, the company has tried to increase the proportion of government work since some of its projects are with the contracts that allow for adjustable material prices. The proportion of income for Works from the private and government sectors has been as follows:

Year 2013

Private sector	21% of total revenue
Government sector	79% of total revenue

Year 2014

Private sector	10% of total revenue
Government sector	90% of total revenue

Year 2015

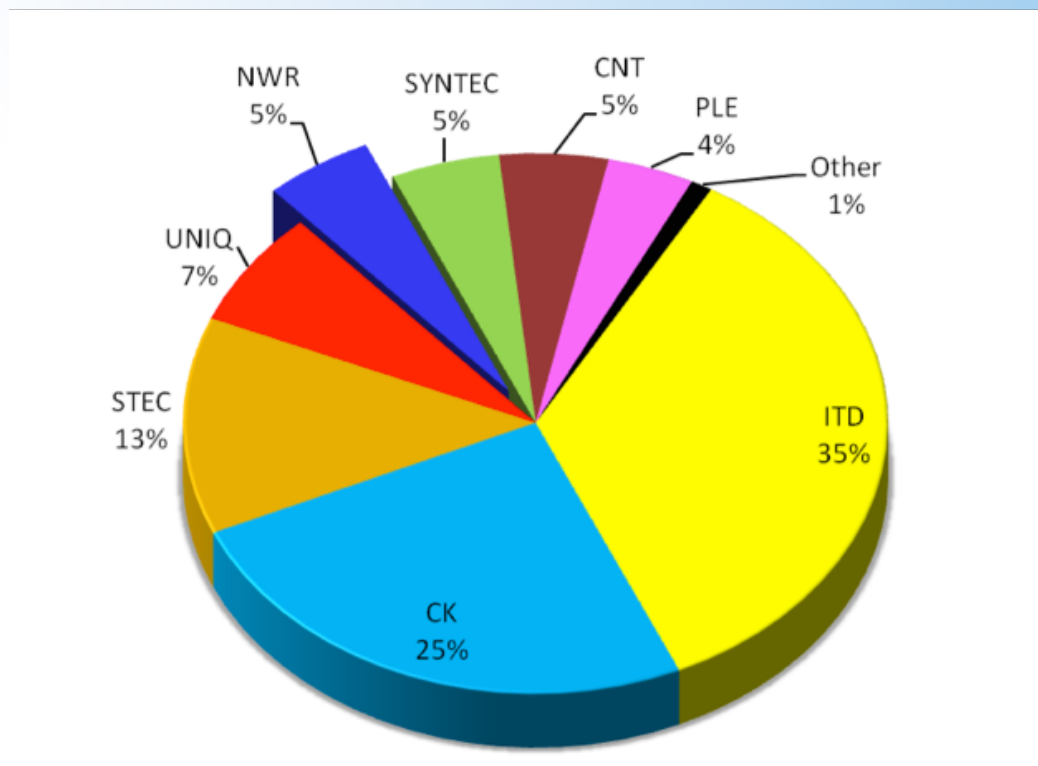
Private sector	41% of total revenue
Government sector	59% of total revenue

3. Lack of the Construction Workforce The recovering of real estate segment results in competitions among contractors over labors. Generally, there are no sufficient labors during important holidays such as New Year's and Songkran holidays. An incentive in the form of increased overtime is necessary to improve such situation. The operation cost consequently increases in certain times of the year. In general, we do not usually have problem with unskilled labors; on the other hand, when it comes to more expertly skilled labors it becomes more problematic. Some construction projects such as high-priced housing estates are always in need of those highly skilled labors at the same time resulting in competing for such labors among contractors. Therefore, in case the Company is awarded with this kind of project a good planning needs to be done in addition to the negotiation in advance with the highly skilled. However, the company has currently recruited foreign laborers to supplement its workforce to help ease the problem of labor shortage. This has been in compliance with the Department of Labor's regulations. Normally, the labor cost including the company's contractors is no higher than 15 % of the overall cost. Although foreign labor, which has been inevitably increased, is heightening the labor cost, the company has its ways of effectively managing the risk of labor. For example, the company hires an agent who takes responsibilities for supplying, importing and training foreign laborers to be in good order and in line with regulations and to provide them with welfare. All those together with the effectively imposed punishment system make the foreign labor management highly efficient and worth investing. Now there are approximately 1,200 foreign laborers with the rate of 1: 2.08 in proportion to their Thai counterparts (there are around 2,500 Thai laborers).

4. Unpredictable Difficulty Although contingency costs are explicitly part of the total cost estimate, limitations in terms of time or unpredictable problems such as floods or other natural catastrophes still adversely affect projects and no compensation can be sought from clients.
5. Free Trade in Service Sector The policy of opening up a Free-Trade Zone in the service Sector that covers works of construction leads to the increase in the number of foreign competitors. In this, the Company realizes the need to develop its manpower, construction equipment and techniques to be able to compete with other companies in the long run.

From the Year 2015's rankings of construction companies listed on the Stock Exchange of Thailand and with each earning more than 5,000 million baht per year, the Company is ranked 5th out of 8 companies with a 5 percent market share.

Market Share of Construction Company listed on the Stock Exchange of Thailand in 2015



6. Factors of capital and interest rates The construction business requires high working capital, especially for projects with high investment in machinery. Therefore, if the Company face the difficulty finding sources of financial support, the project operation can be in trouble. As a result, the Company plans to fix the problem by obtaining more loans from commercial banks and other financial institutions in order to reserve for the expansion of the company's work. Also, to create more options, the Company has issued the three-year bonds for use in investments and as its working capital. In addition, risk of potential fluctuations in interest rate may affect the Company's operation and cash flow as well. The Company does not use derivative financial instruments to hedge such risk.

There are two interest rates for loans granted from financial institutions to the Company:

1. Fixed interest rate goes to three-to-nine-month draft loan, with the interest rate of 4.10 percent per year (As of December 31, 2015, the Company's loan balance was equal to 200 million baht) and to loans from financial institutions under the lease period of 48 months, with the flat interest rate of approximately 2.4-2.5 per year (As of December 31, 2015, the Company's own balance was equal to 409 million baht and the total loan balance for the whole group of companies was equal to 418 million baht).
  2. The interest rate is not fixed based on the Minimum loan rate (MLR) or Minimum overdraft rate (MOR) of commercial banks, the lenders, which is equal to 6.525 percent per year and MOR is 7.370 - 7.375 per year. As of December 31, 2015, the loan balance of the Company itself was equal to 49.76 million baht and the total balance for the whole Company's group was equal to 906 million baht.
7. The risk of being unable to meet the needs of clients in real estate. The company has expanded its business in the field of real estate development investment through joint venture with other three developers for the past 5 years. But at present the Company is by itself operating 4 of the projects namely Ruenrapee, De Ville, Neo De Siam, and Villa Baranee which is a low-rise housing project. The company has at all time received good response from clients. But if the market fluctuated, the Company would be engaged in marketing research to help with the decision to further invest in order to reduce the risk of such investments.

	(Unit: Million baht)			
	Year 2015	Year 2014	Year 2013	Year 2012
Revenue from construction	7,202.21	6,358.52	5,157.07	5,672.99
Revenue from property development	238.75	244.10	112.68	63.38
Revenue in proportion to construction (%)	<b>3.31%</b>	<u>3.84 %</u>	<u>2.18 %</u>	<u>1.12%</u>

8. Joint Venture Companies' ability or inability to comply with Joint Venture agreements Sometimes, the Company is obliged to get into bidding under the name "Joint Venture" working hand in hand with other Joint-Venture companies. Whether working in such form becomes successful or not depends on both the abilities of the Company itself and those of other Joint Venture companies. In case other parties happens to face problems whether it be finance or operation or in other words if they cannot perform their duties in accordance with the Contract, all parties involved will each suffer bad effects from the operation. If, however, they are able to tackle the problem well enough and continue working together, there will not be much effect to the Company. On the other hand, in case their problems cannot be solved, the Company may have to help resolve them by putting more investment money in the Project to prolong their work operation (if the problem is about money) or by sending an expert to them if they are facing operation difficulty. Until the present time, the company has never faced any problems working with any other parties on behalf of "Joint Venture".

However, to set up a risk management system and to minimize the number of potential causes for every chance of

damage to the business, the company has established the committee for risk management to make its risk management policy and to also make a risk management manual. The purpose of establishing of the risk management manual is to get all employees to see the importance of risk management and to get them informed of the company's policy and approach to risk management according to the international standard. Employees will also be informed of their duties and the methods for accurately dealing with risks in order to minimize the number of problems in different sections of work and produce different aspects of good results to all interested parties, all employees, the company and to the society as a whole. The Risk Management Committee regularly holds meetings to set up the risk management policies. Moreover, the Committee is one who directs, oversees, follows up and supports the implementation of the risk management system to effectively get it across the organization. Its responsibility also includes the consideration of different budgets and expenses to keep on training the employees to continuously have them gain knowledge for running the system.

The company's risk management manual contains the policy on risk management as follows:

1. Risk management will be practiced as an organizational culture in which all employees have chances to learn, get to understand, realize its importance and continually practice it.
2. Risk management will be run as a single-standard process for the whole company.
3. Risk management will be regarded as a tool for assisting the company's business operation to achieve the goals according to the objectives set.

9. Risk from the Requirements governing the rights and obligations of the bond issuers and bond holders,

"Unsecured bonds of Nawarat Patanakarn Public Company Limited No. 1/2015 shall be due in 2018" is not in compliance with the Office of SEC. The regulations on the rights and obligations of the bond issuer and the bond holder are an important document to enforce the repayment of bonds. According to the stipulation of conditions binding between the bond issuers and the bond holders, it is announced that the common issuance and sale of bonds must include the regulations on all rights basically detailed as per Section 42 of the Securities and Exchange Act. Nevertheless, the Requirements governing the rights and obligations of the bond issuers and bond holders "unsecured bonds of Nawarat Patanakarn Public Company Limited No. 1/2015 shall be due in 2018" ("the Rights Requirement") differs from the Office of SEC's standard requirements of rights. For instance:

- (1) Articles 6.3 to 6.15 of the Rights Requirement defines the Company's obligations in addition to the Standard Rights Requirement, for instance: taking the best effort in conducting appropriate and effective business and complying with the law on Securities and Stock Market and other related laws; taking the best effort in maintaining the status of being a listed company in the Stock Exchange of Thailand; maintaining the Net Debt to Equity Ratio, the obligations of not selling or transferring any part or all of the bond issuer's assets essential for conducting his business except that the said action shall not significantly pose any negative effect the bond issuer's ability to make the repayment of bonds to the bond holders; the bond issuer's cancellation of dividend payment in cash to

the shareholder in case the bond issuer's default in payment of interest or any other payments relating to bonds in pursuant to the Rights Requirement; and forwarding the copy of the financial statements, reports and documents to the bond holder's representative.

- (2) Article 7.1 to 7.3 of the Rights Requirement defines the Company's obligations in addition to the Standard Rights Requirement, for instance: the bond issuer is a juristic person in the category of Public Company Limited that has registered in compliance with the Law of Thailand and listed on the Stock Exchange of Thailand and is granted the legal rights to fulfill its business objectives. The bond issuer guarantees each of the bond holders that the issuance and offer to sale of bonds or any actions performed by the bond issuer relating to the issuance of bonds are lawful actions and are in conformity to the objectives, requirements set and to the shareholders' meeting resolution and all the rules and regulations of the Office of SEC. Also, it is not considered as breaching or avoiding any obligations, commitments, certifications or any agreements made by the bond issuer or entered into with any other persons as of the date of bond issuance. According to facts and information the bond issuer knows or should know of, no arbitration process or court proceeding has been conducted and no one has filed a lawsuit against the bond issuer, seized, or sequestered any assets or rights of the bond issuer, which shall significantly give a negative effect to the bond issuer's financial status and his ability to make the repayment of bonds.
- (3) Article 11.1 of the right requirement which indicates the default in which the Company has not made repayment of the bonds states the attenuation on the period of time in case the Company cannot repay the bonds as required due to the delay of money transferring system and the default is allowed to for a period of three working days from the repayment due date. Such right requirement differs from the standard right requirement in that article 4 of the Standard Rights Requirement has on attenuation on the period of time in case of the delay of money transfer system. the Rights Requirement indicating the cause of default of repayment of any debts more than the overall amount stipulated in the Rights Requirement states the nature that shall be deemed as the default as said in Article 4, in addition to the Rights Requirement. the Rights Requirement indicating the cause of the default in case the Company faces final court judgment or final arbitral ruling that it make the payment at one or more times in the amount of higher than 300,000,000 baht (or other equivalent currencies) states an additional condition that in case the bond issuer has the ability to repay such debt in all amount within the time period required by the final court verdict or arbitral ruling and the repayment of debt has no effect to the bond issuer's ability to make the repayment of bonds, this shall not be deemed a default, which differs from the Standard Rights Requirement because Article 4 of the standard right requirement has no mention of the said additional condition. the Rights Requirement ,therefore, deems other events as causing a default in accordance with the right requirement, which is not determined by the Standard Rights Requirement.

(4) Article 12.3 of the Rights Requirement states more apparent details on the Shareholders' Meeting than the Standard Rights Requirement.

In addition to the above said matters, there still be others requirements in the Rights Requirement which differ from those indicated in the Standard Rights Requirement, for example, the Company's statement of testimony, the transfer of bonds, the amendment of the Rights Requirement, and the appointment contract for the bond holder's representative. Please study more additional information on the different and similar contents-- for the sale of bonds offered this time-- between the requirements on the bond issuer as well as the bond holders' rights and obligations against the Office of SEC's Standard Rights Requirement in Attachment 6, labeled "Summary of the Differences between The Company's the Rights Requirement and the Office of SEC's Standard Rights Requirement".

10. Complying with terms and conditions for the company's bonds The company is required to maintain "Net Debt to Equity Ratio" through the age of bonds at a maximum ratio of 2.5 to 1 as of the company's end of accounting quarter /fiscal year.

Nevertheless, "Net Debt to Equity Ratio" is defined, according to the Regulations governing the rights and obligations of the bond issuers and bond holders, as follows:

"Net Debt" means the gross number of debts declared in the bond issuer's consolidated financial statement Less cash and cash equivalents.

"Equity" means the equity of the issuer as declared in the consolidated financial statement.

"Cash and cash equivalents" mean the amount of cash and cash equivalents according to the figures reported in the bond issuer's consolidated financial statements.

As of December 31, 2015, the company recorded the ratio of 1.93:1.

If, during the 3-year age of bond, there found to be a tendency that the ratio of Net Debt to Equity is more than that of 2.5:1, the company would amend this by reducing other loan burdens or increasing the shareholder's equity to a sufficient level.





# Shareholding Structure and Management

## 5. Shareholding Structure and Management

### Shareholders

The top ten shareholders as of March 1, 2016 are as follows:

Shareholder	Nationality	As of March 1, 2016	
		Number of Shares	%
1. The Karnasuta (See Note)	Thai	295,134,554	11.415
2. Thai NVDR Company Limited	Thai	106,356,122	4.114
3. Mr. Suthep Satebunsang	Thai	61,100,057	2.363
4. Mr. Pravit Poonphetkul	Thai	44,358,100	1.716
5. Mr. Vichit Chinnawongworakul	Thai	26,000,000	1.005
6. Mr. Nattapong Phanrattanamongkol	Thai	25,950,300	1.004
7. Mr. Natthaphat Rangson	Thai	16,700,000	0.646
8. Mr. Suwat Lertpanyarot	Thai	16,057,182	0.621
9. Mrs. Narumpa Kuntangwattana	Thai	15,285,713	0.591
10. Mr. Ratchaphon Napanopparatkaew	Thai	14,997,735	0.580
11. Other Shareholders		1,963,541,752	75.945
Total		2,585,481,515	100.000

NOTE: The Karnasuta shareholders include:

1. Mr. Mana Karnasuta	amount	5,598,695 shares
2. Mrs. Nawarat Karnasuta	amount	443 shares
3. Mr. Polpat Karnasuta	amount	272,410,285 shares
4. Mrs. Sutasanee Karnasuta	amount	6,580 shares
5. Mr. Wasin Phuttharee	amount	1,196,700 shares
6. Mrs. Sutheera Phuttharee	amount	9,650,000 shares
7. Mr. Apathorn Karnasuta	amount	7,253,573 shares
8. Mrs. Anatchanit Karnasuta	amount	18,278 shares
Total	amount	295,134,554 shares



## Organization Structure

The Management structure of the Company consists of the Board of Directors, Audit Committee, Executive Committee and the executives.

### Board of Directors

The Annual General Meeting of Shareholder in the year 2015 held on April 30, 2015 resolved to approve the composition of the Board of Directors consisting of 7 directors as follows:

1. Mr. Mana Karnasuta	Chairman
2. Mr. Prasertphand Pipatanakul	Independent Director and Chairman of the Audit Committee
3. Mr. Niyom Niyamanusorn	Independent Director and Member of the Audit Committee
4. Mr. Apichart Dharmasaroja	Independent Director and Member of the Audit Committee
5. Mr. Polpat Karnasuta	Director and President
. Mr. Sook Sueyanyongsiri	Director and Senior Vice President
7. Mrs. Wattana Samanawong	Director and Senior Vice President

### Responsibilities of the Board of Directors

According to the Articles of Association, the directors are responsible for managing the Company in line with objectives, regulations and resolutions of shareholders' meetings with integrity as well as maintain the Company's benefit. The Board may assign a director or directors or any other persons to undertake any works on behalf of the Board, except for matters required by law for adoption of the resolutions before working such as the sale or transfer of the entire business or significant part of it to others, increase or decrease of the Company's capital.

### Signing and binding by Directors

Two directors sign and affix the corporate seal with no exception. Independent directors or member of Audit Committee are prohibited to sign. Every director can sign.

### Composition and Appointment of the Board of Directors

The Board of Directors consists of not less than five persons appointed by the meeting of shareholders. Not less than one - half of all directors shall have residences in the kingdom.

In the election of directors, a shareholder has one vote for each share held. Each shareholder is required to exercise all their votes to elect one or several persons as director(s), but he/she may not allot his/her votes to any person in any number. The persons receiving the highest votes shall be elected as directors in respective order of the votes for the number of directors of the Company, or for the number of directors which should be elected at such election. In case of tie votes causing the number of person elected to be in excess of the number to be elected at such meeting, the chairman shall have a casting vote.

At every annual ordinary meeting of shareholders, one-third (1/3) of the directors of the Company shall retire from the office. If the number of directors cannot be divided into a multiple of three, the number of directors nearest to one-third (1/3) shall retire. The directors to be retired from office in the first and second year following the registration of the Company shall be made by drawing lots. For subsequent years, the director who has held office longest shall retire. The retiring directors shall be entitled to be re-elected.

## Audit Committee

The meeting of the Board of Directors No.1/2006 on February 9, 2006 resolved to appoint the Audit Committee with office term of three years. Names of the Audit Committee's members who are independent directors are as follows:

- |                                 |                                  |
|---------------------------------|----------------------------------|
| 1. Mr. Prasertphand Pipatanakul | Chairman of the Audit Committee  |
|                                 | Office term ending in April 2016 |
| 2. Mr. Niyom Niyamanusorn       | Member of the Audit committee    |
|                                 | Office term ending in April 2016 |
| 3. Mr. Apichart Dharmasaroj     | Member of the Audit committee    |
|                                 | Office term ending in April 2017 |

### Duties and responsibilities of the Audit Committee

1. Ensure the accuracy, completeness, reliability and timely information disclosure of the financial statements report.
2. Ensure that the Company has sufficient, appropriate and effective internal control and internal audit system
3. Ensure that the Company has duly complied with the rules and regulations of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET), and other regulations and laws related to the Company's businesses.
4. Consider, select and nominate an independent person to be the Company's auditor and propose such person's remuneration.
5. Consider the Company's disclosure on the related transactions or the transactions may lead to conflicts of interest with accuracy and completeness.
6. Prepare the Audit Committee's annual performance report and disclose it in the Company's annual report. Such report must be signed by the Chairman of the Audit Committee.
7. Review the related transactions or the transactions that may lead to conflicts of interests of the Company and its subsidiaries to make sure that they are in compliance with the law and regulations stipulated by the Stock Exchange of Thailand.
8. Ensure that the Company has sufficient, appropriate and effective risk management systems
9. Review and provide opinions to the Internal Audit Department, performance of the Audit Department and cooperation with the external auditors

10. Approve the appointment, transfer, and dismissal and evaluate performance of the head of the internal audit office or related parties.
11. Report performance of the Audit Committee to the Board at least 4 times a year.
12. Execute other duties as assigned by the Board of Directors. If the audited items concern an Audit Committee member or persons who gain or lose any interest or have conflict of interest with the Company and/or subsidiary companies, the committee member who is involved with the said matters is deemed to have no rights to approve the items.

## Executive Committee

The meeting of the Board of Directors No. 3/2015 on March 13, 2015, resolved to appoint the Executive Committee consisting of:

1. Mr. Polpat Karnasuta	Chairman of the Executive Committee
2. Mr. Sook Sueyanyongsiri	Member of the Executive Committee
3. Mr. Mongkol Peerasantikul	Member of the Executive Committee
4. Mrs. Wattana Samanawong	Member of the Executive Committee
5. Mr. Pasan Swasdiburi	Member of the Executive Committee
6. Mr. Apathorn Karnasuta	Member of the Executive Committee
7. Mr. Nicolino Pasquini	Member of the Executive Committee

## Duties and responsibilities of the Management Committee

1. Formulate the Company's business strategies and business operation plan; oversee and monitor the compliance of the corporate governance principles and the operating results of the Company to be the most effective and efficient.
2. Review the Company's operational performance from time to time to find prompt solutions to achieve the planned business targets.
3. Review and endorse annual budgets and large scale of investment projects of the Company before submitting to the Board of Director for approval.
4. Set up organizational structure and carry out efficient management covering recruitment, trainings, employment, termination of employment and compensation of executives and staff members.
5. Under power of attorney to act as a representative to exercise business transactions on behalf of the Company within the limits of authority defined in the Corporate Governance Policy and the Company's regulation.
6. Provide advice to the Board of Directors for making decisions on important issues.
7. Execute other duties as assigned by the Board of Directors

## Scope of duties of the President

The Board of Director's Meeting No. 6/2006 held on July 3, 2006 resolved the approval to authorize the President to manage and oversee the Company's business operation in accordance with the Company's policy and the requirements stipulated in the Memorandum of Association covering but not limited to the following authorities:

1. To govern/manage the day-to-day running of the Company. Monitor and evaluate the Company's operation regularly to prevent risks from internal and external factors and to report to the Board of Directors the operation results including the cooperation with external agencies in compliance with the law and procurement associated with the Company's normal operation activities.
2. To have the authority to consider the employment of the personnel, appoint, transfer, change the employee's field of work/section/department or dismiss the employee from his/her job, determine salaries, remunerations, bonus payments and fringe benefits for all corporate employees.
3. To have the authority to take legal actions, withdraw charges, carry out legal executions, proceed the process of arbitration, report or withdraw complaints on criminal cases, file petitions and appeal to the bureaucracy, take any action to maintain the Company's proper rights.
4. To open/close and deposit/withdraw from saving accounts with finance institutes both inside and outside of the country.
5. To undertake or cancel transactions and to bid in tendering sessions, enter into Joint Venture agreement, perform juristic act to sign and bind the Company (with the scope of liability not over Baht 1,000 million per transaction for contingent liability) whether inside or outside of the country based on the consideration of the Company's liability values as follows:

Direct Liabilities

Contingent Liabilities

6. To apply for a credit, mortgage or put up other securities (with the scope of liability not over Baht 500 million per one deal for direct liabilities and not over Baht 1,000 million per one deal for contingent liabilities) whether inside or outside of the country.
7. To invest and buy/sell investment units (not exceeding Baht 100 million per one time) both inside and outside of the country.
8. To invest and sell investments in other companies (not exceeding Baht 100 million per one time) both inside and outside of the country.
9. To buy/sell fixed assets such as land and machinery (not exceeding 100 million Baht of the book value per transaction) both inside and outside of the country.
10. To perform any matter as assigned by the Board of Directors not in conflict with the Stock Exchange of Thailand and Securities and Exchange Commission's regulations.

However, the authorities and authorization granted to suitable persons do not include the authorities and/or authorization in approving any matters that he or any persons who may have conflict or indirectly get

involved in the conflict of interest with the Company and/or subsidiary companies according to the regulation of the Stock Exchange of Thailand and/or the Securities and Exchange Commission's announcements. Such transactions are required to be proposed to the Board of Directors' meeting and/or the shareholders' meeting for consideration and approval as specified by the Company's regulations or applicable laws.

The Company's executives as of July 01, 2015 are as follows:

- |                                |  |
|--------------------------------|--|
| 1. Mr. Polpat Karnasuta        | President  |
| 2. Mrs. Wattana Samanawong     | Senior Vice President of Finance & Administration Department   |
| 3. Mr. Sook Sueyanyongsiri     | Senior Vice President of Operation Department<br>& Acting Vice President of Project Management Department 1, 4<br>and Machinery Department |
| 4. Mr. Apathorn Karnasuta      | Senior Vice President of Procurement & Transportation Department   |
| 5. Mr. PasanSwasdiburi         | Senior Vice President of New Business & Strategic Planning Department  |
| 6. Mr. Mongkol Peerasantikul   | Senior Vice President of Marketing Department  |
| 7. Mr. Nicolino Pasquini       | Senior Vice President of Corporate Integral Management Department  |
| 8. Mr. Nivate Ienghong         | Vice President of Factory Department   |
| 9. Mr. Somchai Chaithaniyachat | Vice President of Estimate Department  |
| 10. Mr. Somchai Woonpresert    | Vice President of Project Management 3 Department  |
| 11. Ms. Pakatip Lopandhsri     | Vice President of Finance & Accounting Department  |
| 12. Mr. Mitporn Tansrisuk      | Vice President of Administration Department  |
| 13. Mr. Visut Suwanwitwaj      | Vice President of New Business & Strategic Planning Department   |

The first seven names and the 11th name are executives according to the definition of the Securities and Exchange Commission.

## Employees

As at December 31, 2015 / 2014 / 2013, the Company had employees of 3,563 / 4,357 / 3,543 respectively with full time 350 / 290 / 277 engineers, 676 / 639 / 219 other monthly - paid employees and 2,537 / 3,428 / 3,047 workers receiving daily wages. Total Employees' compensation including salaries, wages, overtimes, allowances and bonuses in 2015, 2014 and 2013 were Baht 870,933,115.44 / 795,887,737.81 / 717,821,689.87 respectively.

The higher number of employees resulted in the increase of the compensation expenses, but it remained in the proportion of the increasing incomes. According to the Company's single financial statement, the incomes for the years 2015 / 2014 / 2013 were Baht 7,696,599,022 / 6,544,067,415 / 5,473,565,478 respectively.

The Company has a policy to develop employees providing them both academic seminars and on-the-job training relating to their work responsibilities and sponsor a scholarship for the fields enhancing work effectiveness.

## Dividend Payment Policy

1. The Company has the policy to pay dividends of not less than 50 percent of the net profit, except the case that the Company requires using of money as working capital, business expansion or other factors relating to its management.
2. Subsidiaries and associated companies havenot set up the dividend payment policy yet.
3. Profit shares in Joint Ventures are allocated year by year or upon completion of work or according to determination of the Joint Ventures.

## Bonds and Drafts

As of December 31, 2015	the Company's total outstanding debt of bond was 3,000 million baht.
As of December 31, 2015,	the Company's total outstanding debt of draft was 200 million baht.

The background of the slide is a photograph of a modern building with a complex, angular facade. The building is partially obscured by a large, semi-transparent blue rectangular overlay that covers most of the frame. The text 'Related Party Transactions' is written in white, sans-serif font within this blue area.

# Related Party Transactions

## 6. Related Party Transactions

NawaratPatanakarn Public Company Limited had significant business transactions between its subsidiary companies, associated companies, joint ventures, related party and executive as follows:

Unit: Million Baht

Person / Juristic Person	Type of transaction in the profit & loss statement	Amount in 2015	Amount in 2014	Balance as of December 31, 2015		Remark
				Transaction in the balance sheet	Amount	
1. Nawarat - A.S. Associated Joint Venture				Revenue not claimed for payment	8	The company jointly invested with A.S. Associated Engineering (1964) Co., Ltd. in the joint venture at 70:30 to construct the water tunnel from Taksin-Petchkasem Ring Road to Rama 2 Road for the Metropolitan Water Authority at 661million baht. The project was completed in January 2007 and the construction warranty period ended on August 2009.
				Less Allowance on doubtful accounts	(8)	
					0	
2. Obayashi - Nawarat Joint Venture				Joint-venture Investment	1	The company made an investment jointly with Obayashi Corporation Co., Ltd. (Bangkok Branch) at 30:70in the joint venture to construct the underground power line for the Metropolitan Electricity Authority in conjunction with Sojitsu Corporation and Exim Corporation under NEON Consortium. The project value is consisting of two currencies, 4,511 million yenand 1,297 million baht.The project ended April 2009 and the construction warranty period ended on September 2016.
				Less Allowance for diminishing in value of assets	(1)	
					0	
3. A.S. - Nawarat Joint Venture	Interest expense	-	1	Accrued interest expenses	5	The company made an investment jointly with A.S. Associate Engineering (1964) Co., Ltd. at 50:50 in the joint venture to jointly undertake the construction of Ua Arthorn Project of the National Housing Authority.
				Joint-Venture investment	5	
				Less Allowance for diminishing in value of assets	(5)	
					0	

Unit: Million Baht

Person / Juristic Person	Type of transaction in the profit & loss statement	Amount in 2015	Amount in 2014	Balance as of December 31, 2015		Remark
				Transaction in the balance sheet	Amount	
4. Myanmar NWR Company Limited	Interest income	2	2	Short-term loans	52	1. The company invested in Myanmar NWR Company Limited at 100%. 2. The loan interest rate was 5.0% per year.
				Accrued interest income	11	
				Less Allowance on doubtful accounts	(63)	
					0	
				Investment in subsidiary companies	3	
5. Utility Business Alliance Co., Ltd.	Contract revenues	1	<0.5 MB	Accounts receivable	1	1. The company has held shares of Utility Business Alliance Co., Ltd. for 60%. 2. The loan interest rate is 8 percent per year.
	Construction cost	<0.5 MB	2	Short-term loans	58 MB	
	Dividend income	-	-	Investment in subsidiary companies	28	
	Interest income	6	2			
6. C.I.N. Estate Co., Ltd.	Management income	7	7	Short-term loans	12	1. It is the former joint investment between Nawarat Patanakarn Public Co., Ltd. and Cham Issara Development Public Co., Ltd. at the portion of 40:60 to undertake the construction of a condominium at Ladprao Road between Soi12-14 called "The Issara Ladprao" and the other one at Suksawat Road called "ISSI". Later, in September 2015 the Company sold this company's total number of 999,997 shares amounting 161 million baht to Mana Patanakarn Company Limited, the Company's subsidiary company conducting the real estate business. 2. The loan interest rate is according to MLR at Krungthai Bank PCL.
	Interest income					
	Dividend income	1	<0.5 MB			
		-	-			

Unit: Million Baht

Person / Juristic Person	Type of transaction in the profit & loss statement	Amount in 2015	Amount in 2014	Balance as of December 31, 2015		Remark
				Transaction in the balance sheet	Amount	
7.VSPN Property Co., Ltd.	Service income	<0.5 MB	<0.5 MB.	Accounts receivable	1	1. This associated company is 25% owned by the company to develop the residential housing units in Banglamung District, Chonburi. It is now under construction. 2. The loan interest rate is 19 percent per year.
	Management Income	<0.5 MB.	1	Short-term loans	7	
	Interest income	<0.5MB.	1	Investment in associated companies	25	
8. K Alliance Co., Ltd.	Sale revenue and rental/service revenue	16	16	Accounts receivable Less Allowance on doubtful accounts	22 (4)	1. Mrs. Sutasanee Karnasuta and Mrs. Sutheera Phuttharee, daughters of Mr. Mana Karnasuta are the authorized directors and the shareholders of K Alliance Co., Ltd, with Mr. Mana Karnasuta taking the position of Chairman of the Board of Directors and Mr. Polpat Karnasuta holding the position of President and director. 2. The main business of K Alliance Co., Ltd. is mining business. 3. The accounts receivable have been incurred since the company had repaired the machine resulting in wage and service expenses for works at the mine of K Alliance Co., Ltd.
	Cost of sales and rent	-	<0.5 MB		18	
	Profit(loss) from disposal of assets	-	<0.5 MB			
	Interest expenses	-	<0.5 MB			
9. E.G.G. Enterprise Co., Ltd.	Sale revenue and rental revenue	1	1	Accounts receivable	1	1. Mr. Polpat Karnasuta, the Company's President and Director, is the authorized director and shareholder of E.G.G. Enterprise Co., Ltd. 2. The company has gained rental revenues from having its office building, land and warehouses rented by E.G.G. Enterprise Co., Ltd.
				Deposit Rental Buildings	<0.5 MB	

Unit: Million Baht

Person / Juristic Person	Type of transaction in the profit & loss statement	Amount in 2015	Amount in 2014	Balance as of December 31, 2015		Remark
				Transaction in the balance sheet	Amount	
10. RuenRapee Co., Ltd.	Other revenues	-	-	Accounts receivable	41	<p>1. Mrs. Sutasanee Karnasuta and Mrs. Sutheera Phuttharee, the daughters of Mr. Mana Karnasuta and the younger sisters of Mr. Polpat Karnasuta, are the authorized directors and the shareholders of Ruen Rapee Co., Ltd. with Mr. Mana Karnasuta taking the position of Chairman of the Board of Directors and Mr. Polpat Karnasuta holding the position of the Company's President and Director.</p> <p>2. The main business of Ruen Rapee Co., Ltd. is real estate development business and the project handled and constructed by the company is called "Ban Baranee" Project located at Klong 3, Rangsit.</p> <p>3. By the third quarter of 2008, Ruen Rapee Co., Ltd. transferred to the company part of the houses and land in "Ban Baranee" Project amounting to 24.51 million baht as partial repayment of its debt to the company. Also, in the second quarter of 2009, more houses and land in the Project with an amount of 57.48 million baht were transferred to the company as another repayment of such a debt.</p> <p>4. As of December 31, 2015, the shareholders of Ruen Rapee Co., Ltd. consists of:</p> <p>Mrs. Sutasanee Karnasuta 590,998 shares</p> <p>Mrs. Sutheera Phuttharee 1 share</p> <p>Miss Benja Yiemphu 1 share</p> <p>(Please see Additional Notes at end of the table)</p>
	Bad debt recoveries	4	23	Less Allowance on doubtful accounts	(41)	
					0	

Unit: Million Baht

Person / Juristic Person	Type of transaction in the profit & loss statement	Amount in 2015	Amount in 2014	Balance as of December 31, 2015		Remark
				Transaction in the balance sheet	Amount	
11. East Bangkok Assets Co., Ltd.	Construction revenue	-	<0.5 MB	Accounts receivable	26	1. Mrs. Sutasanee Karnasuta and Mrs. Sutheera Phuttharee, the daughters of Mr. Mana Karnasuta and the younger sisters of Mr. Polpat Karnasuta, are the authorized directors and the shareholders of East Bangkok Assets Co., Ltd., with Mr. Mana Karnasuta taking the position of Chairman of the company's Board of Directors and Mr. Polpat Karnasuta, the Company's President and Director.  2. The main business of East Bangkok Assets Co., Ltd. is real estate development business. There are two projects handled and constructed by the company. The first one is "De Ville" Project located at Soi Patana Chumchon, Sri Nakharin Road and the other is called "De Siam" Project located at Soi Chaloemphrakiat Ror 9, No. 38.  3. The fourth quarter of 2009, East Bangkok Assets Co., Ltd. transferred to the company the land at "De Siam" Project amounting 34.5 million baht as partial repayment of its debt to the company.  4. As of December 31, 2015, shareholders of East Bangkok Assets Co., Ltd. comprise: Mrs. Sutasanee Karnasuta 399,998 shares Mrs. Sutheera Phuttharee 1 share Mrs. Benja Yiemphu 1 share (Please see Additional Notes at end of the table)
				Less Allowance on doubtful accounts	(26)	
					0	

Unit: Million Baht

Person / Juristic Person	Type of transaction in the profit & loss statement	Amount in 2015	Amount in 2014	Balance as of December 31, 2015		Remark
				Transaction in the balance sheet	Amount	
12. New Decade Co., Ltd.	Construction revenue	2	1	Accounts receivable	98	1. Mrs. Sutasanee Karnasuta, the daughter of Mr. Mana Karnasuta and the younger sister of Mr. Polpat Karnasuta, is the authorized director of New Decade Co., Ltd.  2. Mrs. Sutheera Phuttharee, the daughter of Mr. Mana Karnasuta and the younger sister of Mr. Polpat Karnasuta, is the authorized director and the shareholder of New Decade Co., Ltd., with Mr. Mana Karnasuta taking the position of Chairman of the company's Board of Directors and Mr. Polpat Karnasuta the Company's President and Director.  3. The main business of New Decade Co., Ltd. is the construction business, with works subcontracted from the Company for construction of bridge at Koh Yor and construction of road, Chonburi- Pattaya Route, Section 3. In executing those projects, there were some items of construction materials which could not be purchased under good conditions and at reasonable prices. The purchase of such materials was, therefore, made with the Company.  4. As of December 31, 2015, shareholders of New Decade Co., Ltd. comprise: Mrs. Sutheera Phuttharee 220,000 shares Mr. Wasin Phuttharee 10,000 shares Mr. Satta Chavarit 10,000 shares Mr. Kantarit Tamanruksat 20,000 shares Mr. Rangsan Bootaem 10,000 shares Mr. Kasemsuk Paisansrisin 20,000 shares Ms. Aurathip Muangchareon 10,000 shares (Please see Additional Notes at end of the table)
	Sale revenue	-	1	Less Allowance on doubtful accounts	(95)	
	Profit(loss) from disposal of assets	<0.5 MB	5		3	
	Construction cost	9	9	Accounts payable	2	

Unit: Million Baht

Person / Juristic Person	Type of transaction in the profit & loss statement	Amount in 2015	Amount in 2014	Balance as of December 31, 2015		Remark
				Transaction in the balance sheet	Amount	
13. ManaPatanakarn Co., Ltd.	Type of transaction in the profit & loss statement	271	167	Accounts receivable	208	1. Mana Patanakarn Company Limited was set up as a registered company on April 5, 2013, with a registered capital of 200 million baht. As of December 31, 2015, the paid-up capital was equal to 800 million baht. The Company has made a 100% investment in this company.
		-	-	Accrued incomes	101	
	Construction revenue	-	<0.5 MB	Investment in associated companies	800	
	Interest income	5	-	Other creditors		2. The main businesses of Mana Patanakarn Co., Ltd. are real estate business and construction of condominiums. The projects handled are: 1. Baranee Park Romklao" on Romklao Road, Bangkok 2. Baranee Garden on Rangsit Klong 3 Road, Pratumthani 3. ASPEN Condominium in Soi Lasalle, Sukhumvit Road (Soi 105)
	Interest expenses					
	Management expenses	60	-		2	
	Profit from sales of CIN Estate's shares					
14. Advance Prefab Co., Ltd.	Interest income	4	<0.5 MB	Accounts receivable	108	1. Advance Prefab Co., Ltd. was set up as a registered company on December 12, 2013, with the starting registered capital of 1 million baht. As of December 31, 2015, the paid-up capital was equal to 200 million baht. The Company has made a 100% investment in this company.
	Construction Revenue	34	9	Accrued incomes	<0.5 MB	
	Sale revenues, rental and service gains	59	-	Investment in subsidiaries	200	
	Profit(loss) from disposal of assets	<0.5MB	-	Accrued interest income	4	2. The main business of Advance Prefab Co., Ltd. is the manufacture of concrete products.
	Construction cost	1	-	Accounts payables	1	
	Loans			Short-term loans	190	

Unit: Million Baht

Person / Juristic Person	Type of transaction in the profit & loss statement	Amount in 2015	Amount in 2014	Balance as of December 31, 2015		Remark
				Transaction in the balance sheet	Amount	
15. ITD — NAWARAT (L.L.C)	Bad debt recovery	-	-			1. A Joint Venture company registered in The United Arab Emirates to undertake the construction Works in Dubai and is 40% owned by the company. 2. The Joint Venture is now in process of liquidation to go out of the business.
16. The Company's directors	Construction revenues	-	-	Other creditors House deposit and installment payment	1 <0.5 MB	Transactions between the company and the directors are performed in accordance with the usual terms and conditions of commerce implemented with general customers.

## Summary of Summary Related Party Loans and Advances (Unit: million baht)

Person/Juristic Person (Debtor)	Balances of Loans, Advances and Accrued interest income as of the final date			
	As of December 31,2015		As of December 31,2014	
	Loan Principal	Accrued interest income	Loan Principal	Accrued interest income
1. ITD-NAWARAT (LLC)	-	-	152	29
2. Myanmar NWR Company Limited	52	11	40	8
3. C.I.N. Estate Co., Ltd.	12	-	12	-
4.VSPN Property Co., Ltd.	7	-	2	<0.5 MB
5. Advance Prefab Co., Ltd.	190	4	-	-
6. Utility Business Alliance Co., Ltd.	58	-	51	<0.5 MB

## Movement of Related Party Loans and Advances (Unit: Million Baht)

Person / Juristic Person (Debtor)	Balance as of Dec 31, 2013	Increased amount during 2014	Decreased amount during 2014	Balance as of Dec 31, 2014	Increased amount during 2015	Decreased amount during 2015	Balance as of Dec 31, 2015
1. ITD-NAWARAT (LLC)	177	4	-	181	-	-181	-
2. Myanmar NWR Company Limited	40	8	-	48	15	-	63
3. C.I.N. Estate Co., Ltd.	-	12	-	12	-	-	12
4. VSPN Property Co., Ltd.	6	1	-5	2	7	-2	7
5. Advance Prefab Co., Ltd.	26	-	-26	-	194	-	194
6.Utility Business Alliance Co., Ltd.	-	51	-	51	58	-51	58
7. ManaPatanakarn Co.,Ltd.	-	<0.5 MB	-<0.5 MB	-	-	-	-

## Summary of Related Party Loans (Unit: Million Baht)

Person / Juristic Person (Creditor)	Balances of Loans and Accrued interest expenses as of the final date			
	As of December 31, 2015		As of December 31, 2014	
	Principle	Accrued interest expenses	Principle	Accrued interest expenses
1. A.S. - Nawarat Joint Venture	-	5	-	5
2. K Alliance Co., Ltd.	-	-	-	-
3. VSPN Property Co., Ltd.	-	-	-	-

## Movement of Related Party Loans (Unit: Million Baht)

Person / Juristic Person (Debtor)	Balance as of Dec 31, 2013	Increased amount during 2014	Decreased amount during 2014	Balance as of Dec 31, 2014	Increased amount during 2015	Decreased amount during 2015	Balance as of Dec 31, 2015
1. A.S. - Nawarat Joint Venture	23	1	-19	5	-	-	5
2. K Alliance Co., Ltd.	-	20	-20	-	-	-	-
3. VSPN Property Co., Ltd.	-	-	-	-	0	-	-

## Additional Notes Concerning Related Party

### 1. Ruen Rapee Co., Ltd("Ruen Rapee")

Ruen Rapee Co., Ltd. was established on February 6, 2003. Currently, Mrs. Sutasanee Karnasuta and Mrs. Sutheera Phuttharee are directors and shareholders. Mrs. Sutasanee Karnasuta and Mrs. Sutheera Phuttharee are the daughters of Mr. Mana Karnasuta who is Chairman of the Board of Directors of Nawarat Patanakarn Public Company Limited and the younger sisters of Mr. Polpat Karnasuta, the President and Director of Nawarat Patanakarn Public Company Limited. Ruen Rapee conducts the real estate business is now launching the project at Rangsit Klong 3 called "Ban Baranee", consisting of 205 units of detached houses on the area of 56rai of land with the price range between 2.5 and 3.5 million baht. The Company has undertaken the construction of the buildings and the utility systems for Ruen Rapee.

Summary of Related Transactions between Nawarat Patanakarn Public Company Limited and Ruen Rapee Company Limited (Unit: Million Baht)

Transactions	As of 31-12-15	As of 31-12-14	As of 31-12-13	As of 31-12-12	As of 31-12-11	As of 31-12-10	As of 31-12-09	As of 31-12-08	As of 31-12-07
Accounts receivable	41	45	67	77	78	86	82	126	152
<u>Less</u> Allowance on doubtful accounts	(41)	(45)	(67)	(77)	(76)	(83)	(87)	(105)	(145)
Revenue not claimed for payment	-	-	-	-	-	-	-	2	10
Retention Receivables	-	-	-	-	-	-	5	5	4
Accounts payable	-	-	-	<0.5 MB	1	2	1	-	-

## Guidelines for Tackling Unpaid Debts

In the third quarter of 2008, Ruen Rapee made a transfer of assets comprising 12 house and land title deeds at “Ban Baranee” project amounting to 24.505 million baht to partially repay its debt to the company and also, during the second quarter of 2009, it transferred another 24 house and land title deeds including 22 deeds for vacant plots of land amounting to 57.480 million baht for more repayment of the debt. Thus, all of the 58 building and land deeds transferred for such debt repayment total 81.985 million baht.

(Note: In the third quarter of 2008, the assets transferred amounted to 39.073 million baht; however, after value reappraisal it was found that the forced sale value was only 24.505 million baht. Thus, the price difference of 14.568 million baht was deducted out of the forced sale value from the second transfer of assets which equaled 57.480 million baht resulting in the trade value of 42.912 million baht for the second quarter of 2009). Ruen Rapee will repay the total outstanding debts by installments according to the business’s net cash flow. 2. บริษัท อีสท์ แบงค็อก แอสเซ็ทส์ จำกัด (“อีสท์ แบงค็อก”)

อีสท์ แบงค็อก ก่อตั้งเมื่อวันที่ 12 พฤษภาคม 2546 โดยปัจจุบันมีนางสุทัศนีย์ กรวรรณสุต และนางสุธีรา พุทธาริ เป็นกรรมการและผู้ถือหุ้น นางสุทัศนีย์และนางสุธีราเป็นบุตรสาวของนายมานะ กรวรรณสุต ซึ่งเป็นประธานกรรมการของ บริษัท เนาวรัตน์พัฒนาการ จำกัด (มหาชน) และเป็นน้องสาวของนายพลพัฒน์ กรวรรณสุต ซึ่งเป็นกรรมการและกรรมการผู้จัดการของ บริษัท เนาวรัตน์พัฒนาการ จำกัด (มหาชน)

## 2. East Bangkok Assets Co., Ltd. (“East Bangkok”)

East Bangkok Assets Co., Ltd. was set up on May, 12 2003. Currently, Mrs. Sutasanee Karnasuta and Mrs. Sutheera Phuttharee are directors and shareholders. Mrs. Sutasanee Karnasuta and Mrs. Sutheera Phuttharee are the daughters of Mr. Mana Karnasuta who is Chairman of the Board of Directors of Nawarat Patanakarn Public Company Limited and the younger sisters of Mr. Polpat Karnasuta, the President and Director of Nawarat Patanakarn Public Company Limited.

East Bangkok has operated the business of real estate with its 2 projects in progress as follows:

1. The project called “De Ville” located at Soi Patana Chumchon, Srinakarin Road, the construction project for 50 units of detached houses for which the company is undertaking works of the utility system.
2. The project called “De Siam” located at Soi Chalermprikiet Ror Kao, Soi 38, the construction project for 80 townhomes for which the company is constructing the buildings and the utility system.

## Summary of Transactions between Nawarat Patanakarn Public Company Limited and East Bangkok Assets Co, Ltd., (Unit: Million Baht)

Transactions	As of 31-12-15	As of 31-12-14	As of 31-12-13	As of 31-12-12	As of 31-12-11	As of 31-12-10	As of 31-12-09	As of 31-12-08	As of 31-12-07
Accounts receivables	26	26	25	24	25	25	27	56	53
<u>Less</u> Allowance on doubtful accounts	(26)	(26)	(25)	(24)	(23)	(25)	(27)	(55)	(53)
Revenue not claimed for payment	-	-	-	-	1	2	-	-	-
<u>Less</u> Allowance on doubtful accounts	-	-	-	-	-	(2)	-	-	-
Retention Receivables	-	-	-	-	-	-	1	1	3
<u>Less</u> Allowance on doubtful accounts	-	-	-	-	-	-	-	-	(3)
Trade payables	-	-	-	-	1	-	-	-	-

### Guidelines for Tackling Unpaid Debts

In the fourth quarter of 2009, East Bangkok made the transfer of assets to repay its debts; this is with 50 plots of land at “De Siam” with the value amounting to 34.500 million Baht.

(Note: The company was responsible for the transfer fee of 1.203 million baht; thus, the value of land recorded was equal to 35.703 million baht)

East Bangkok will pay the total outstanding debts by installments according to the business’s net cash flow.

## 3.3. New Decade Co., Ltd. ("New Decade")

New Decade was set up on May 6, 2003. Currently, Mrs. Sutasanee Karnasuta and Mrs. Sutheera Phutharee are directors. Mrs. Sutasanee Karnasuta and Mrs. Sutheera Phutharee are the daughters of Mr. Mana Karnasuta who is Chairman of the Board of Directors of Nawarat Patanakarn Public Company Limited and the younger sisters of Mr. Polpat Karnasuta, the President and Director of Nawarat Patanakarn Public Company Limited. Mrs. Sutheera Phutharee is also a shareholder of "New Decade". In 2003, New Decade undertook the construction of the bridge at Koh Yoh, Songkhla, under a subcontract. During that time, the Company was in its third year of operation under the rehabilitation plan (the period from 2000 until 2005) in which it became so tough for the Company to apply for loans and supply itself with enough working capital for various operations; this also includes 50% personnel reduction. However, to maintain the company's market share, it was necessary to subcontract the then- awarded works such as the above one. This is under the agreement that the purchases of main materials had to be made with the company for the sake of quality control. However, in early 2004, prices of construction materials rapidly went up, especially steel and cement which became highly expensive. The rise of oil prices in the world market was as high resulting in much higher construction cost. This made New Decade face loss and put a hold on its payments for materials and machine rental, which was supposed to be partly made to the company.

Summary of Related Transactions between Nawarat Patanakarn Public Company Limited and New Decade Co, Ltd., (Unit: Million Baht)

Transactions	As of 31-12-15	As of 31-12-14	As of 31-12-13	As of 31-12-12	As of 31-12-11	As of 31-12-10	As of 31-12-09	As of 31-12-08	As of 31-12-07
Accounts receivable	98	109	90	92	100	107	144	176	160
Less Allowance on doubtful accounts	(95)	(90)	(90)	(93)	(97)	(107)	(144)	(154)	(154)
Revenue not claimed for payment	-	-	-	-	<0.5 MB	-	-	-	-
Accrued income	-	-	-	-	-	-	-	-	5
Advance payment for subcontractor	-	-	-	-	-	24	26	37	42
Trade payables	2	8	<0.5 MB	<0.5 MB	5	2	1	24	23
Retention payables	-	-	-	-	-	-	6	16	13

Guidelines for Tackling Unpaid Debt

After estimating New Decade's expenses and income to further estimate its debt repayment to the company, it was found that:

1. New Decade would attend bidding sessions held by both government and private sectors; however, if its qualifications were considered not meeting requirements of any session the bidding would take the form of a joint venture instead. This is to try to earn enough income to further repay the debt. New Decade had joined Samcon Company Limited and launched the project for purchase and sale of equipment and machinery including their installation. The project site was at Waste Transfer Station (new system) at Sai-mai Waste Disposal Center, with the project value amounting to 735 million baht; the project was run under the name "Samcon-New Decade Joint Venture" and ended in March, 2011. During the project, New Decade agreed to repay the debt by installments according to the net cash flow (no less than 200,000 baht per month).
2. New Decade would contact renowned contractors with solid financial status to seek for subcontracted Works of construction, which is also technically beneficial, and is regarded as enhancing the competency of New Decade for future work opportunities.
3. New Decade is going to take on the role of a consultant for construction projects both inside and outside of the country.

Loan policy for Joint Ventures to be implemented in the future

The company will grant loans only when deemed necessary and will base the loan interest rate on the market rate. In this, the shareholders' meeting No. 1/1997 held on April 29, 1997 considered approving related-party transactions with regard to the practice of granting and receiving financial support, which has been held until now according to the detail below:

Since the company's and the related parties' financial management is thought of as the collective one for the utmost benefit and effectiveness in terms of liquidity and for more ability to negotiate with financial institutions, the company has set up guidelines for providing financial support to related parties which are divided into 3 groups as follows:

1. The group of Joint-Venture companies in which Nawarat Patanakarn Public Company Limited co-invests at the rate of less than 90%
2. The group of co-invested companies in which Nawarat Patanakarn Public Company Limited invests at the rate of less than 90%
3. The group of companies falling into Group 1 and 2 above which will make an investment in the future

The granting of loans takes forms of promissory notes, loan guarantees as well as other financial burdens with returns disbursed at the interest rate close to that offered to premier customers at leading commercial banks, but only for the transaction size which is no higher than 25% of the overall assets according to the consolidated financial statement figures in each quarter starting from the month of April 1997 until there is change.

## Future construction policy established for related party

If employed to perform Works of another company in the same group whether it be construction of factories, office buildings, or works of the company running the project of real estate development, the project price must be an appropriate market price with reasonable profit and not leaving too much cost to the employer.

## Operation policy in case of tendering with the company's affiliate and related parties

The company's independent director would appoint an independent engineer for verifying the drawing and the construction value and would report it to the company's Board of Directors (including independent directors) immediately after the bidding and would also make his comments on the annual report.

### Summary of Related Party Transactions

1. In case of trading transactions, the price of employment would be that of the market price equaling to the one offered to the outside people as a general trading business practice or as the sale of product at the same price as one offered to the outside customers. As for the related Party Transactions, there would be contracts with all details as ones entered into with the outside people.
2. In case of Related Party Loans, the interest rate charged would be the one according to the cost of capital or in accordance with the contract entered into. The interest rate charged would not be according to the market rate because the cost of capital is firstly considered, not defined by the rate any general business stake charge of others. In this, the company considers that if the loan interest rate is defined according to the market rate it is not fair and unreasonable. This is because it is possible that the cost of loan may be higher than the market rate; thus, it is more appropriate to be concerned with the cost of loan. Likewise, if the cost of loan was low, the company would compare it with MLR (Minimum Loan Rate) and MOR (Minimum Overdraft Rate) of commercial banks and consider granting loans at MLR or MLO. In addition, the company would grant loans to other businesses in the form of Related Party Transaction only if such businesses have shown their reasons and necessities for taking the loan. The company would not consider granting any loan if it is not for operating the business, and the loan needs to produce utmost benefit to the company, too.
3. The collection of debts from account receivables in subsidiary companies, Joint-Venture companies and Related Parties would be performed in the same way as that from general account receivables.

In this, the audit committee has an opinion that the company has observed the rule and regulations of The Stock Exchange of Thailand with regard to related party transaction when revealing all the data in the financial statements and has complied with the SET's criteria since the first transaction.

The background of the page is a photograph of a building under construction, viewed from a low angle looking up. The building's steel framework, including beams and scaffolding, is visible. A large, solid blue rectangular overlay covers the left and central portions of the image, creating a semi-transparent effect. The title text is positioned within this blue area.

# Report of the Corporate Governance Committee

## 7. Report of the Corporate Governance Committee

To the Shareholders

The Corporate Governance Committee of Nawarat Patanakarn Public Company Limited consists of six directors of the Board and at least half of the total members must be independent directors. The Corporate Governance Committee has the responsibilities to oversee and monitor the Company's corporate governance in compliance with the good principles of the Stock Exchange of Thailand, Thailand Institute of Directors (IOD) and the Organization for Economic Cooperation and Development (OECD).

In 2015, the Corporate Governance Committee convened two meetings to monitor the operation under the good corporate governance plan and reported its performance to the Board of Directors as summarized below:-

1. Set out the Corporate Governance Policy Handbook detailing guidelines for good corporate governance, roles of the Board of Directors, guidelines for management and internal control in line with the guideline of good corporate governance of the Stock Exchange of Thailand, Thailand Institute of Directors (IOD) and the Organization for Economic Cooperation and Development (OECD) and propose to the Board of Director's meeting for consideration and approval. The Board approved the Corporate Governance Policy as proposed.
2. Established charter of the Board of Directors and charters of the sub-committees to define qualifications, composition, duties and responsibilities of the Board of Directors and of the sub-committees; and proposed them to the Board of Directors for considerations and approval. The Board approved the charters as proposed.
3. Ensured the Company has full compliance with the corporate governance according to the guideline of the Stock Exchange of Thailand and the corporate governance principles of the Organization for Economic Cooperation and Development (OECD) in 5 chapters as follows:
  - 1) Rights of shareholders
  - 2) Equitable treatment of shareholders
  - 3) Roles of stakeholders
  - 4) Disclosure of Information and Transparency
  - 5) Responsibilities of the Board

4. Encouraged directors, executives and all employees to acknowledge, understand, realize and correctly comply with the principles of good corporate governance through various communication channels such as e-mail, intranet and the Company's website.
5. Disseminated the Corporate Governance Policy to shareholders and all stakeholders via [www.nawarat.co.th](http://www.nawarat.co.th).

The Company still remains committed to comply with the defined Good Corporate Governance Policy and shall advocate improvement and development of such policy. The Company shall also disclose the operation on the corporate governance on a continuous and proper basis which will reflect effectiveness, transparency, trustworthy and verifiability of management.



Prasertphand Pipatanakul

Chairman of the Corporate Governance Committee

A low-angle, upward-looking photograph of a modern building's facade, featuring a grid of windows and structural elements. The image is partially covered by a semi-transparent blue rectangle on the left side, which serves as a background for the title text.

# Report of the Business Code of Conduct Committee

## 8. Report of the Business Code of Conduct Committee

To the Shareholders

The Business Code of Conduct Committee of Nawarat Patanakarn Public Company Limited consists of four directors of the Board and at least half of the total members must be independent directors. The Chairman of the Business Code of Conduct Committee must be independent director. The Business Code of Conduct Committee has duty to oversee and monitor the Company's business operation to base on integrity, transparency, morality, ethics and responsibilities to all stakeholders.

In 2015, the Business Code of Conduct Committee convened two meetings and reported its performance to the Board of Directors as summarized below:

1. Considered, reviewed, and updated the Business Code of Conduct Handbook (1st time) to make it modern, up-to-date and in accordance with the Company's best practice and the Corporate Governance Policy; defined it as a part of work regulations that directors, executives, and employees at all levels must strictly observe; and proposed it to the Board of Directors for consideration and approval. The Board approved this revision as proposed.
2. Set up the Business Code of Conduct Working Group for monitoring and promoting the Company's operation on activities in respect of Business Code of Conduct to be efficient and effective; and defined roles, duties, and responsibilities of the Business Code of Conduct Working Group as follows:
  - 1) Organize activities to promote business code of conduct in various aspects.
  - 2) Propose budgets to effectively drive on activities to promote the business code of conduct
  - 3) Monitor and report its performance to the Business Code of Conduct every 6 month.
3. Took actions to express the Company's commitment in resisting of fraud and corruption by establishing anti — corruption guidelines and policy covering offering and acceptance of bribe, offering and acceptance of gifts, assets, hospitality or other benefits, political contributions and charitable contribution, encouraging directors to attend training courses regarding anti-corruption organized by Thailand Institute of Directors, and applying a membership with PACT Network with the purpose to prepare the Company to be ready for declaration of intent with the Thailand Private Sector Collective Action Coalition Against Corruption (CAC).

4. Encouraged directors, executives and all employees to acknowledge, understand and realize the importance of the Business Code of Conduct and conform to it appropriately through a variety of communication channels like e-mail and intranet.
5. Disseminated the Business Code of Conduct to the shareholders and all stakeholders to know and comply with on the company's website ([www.nawarat.co.th](http://www.nawarat.co.th))

The Business Code of Conduct Committee has its decisive intention and commitment to promote and develop of the Company's business administration in accordance with the Business Code of Conduct to be more efficient in order to reinforce the confidence of shareholders and all stakeholders.



Mr. Prasertphand Pipatanakul

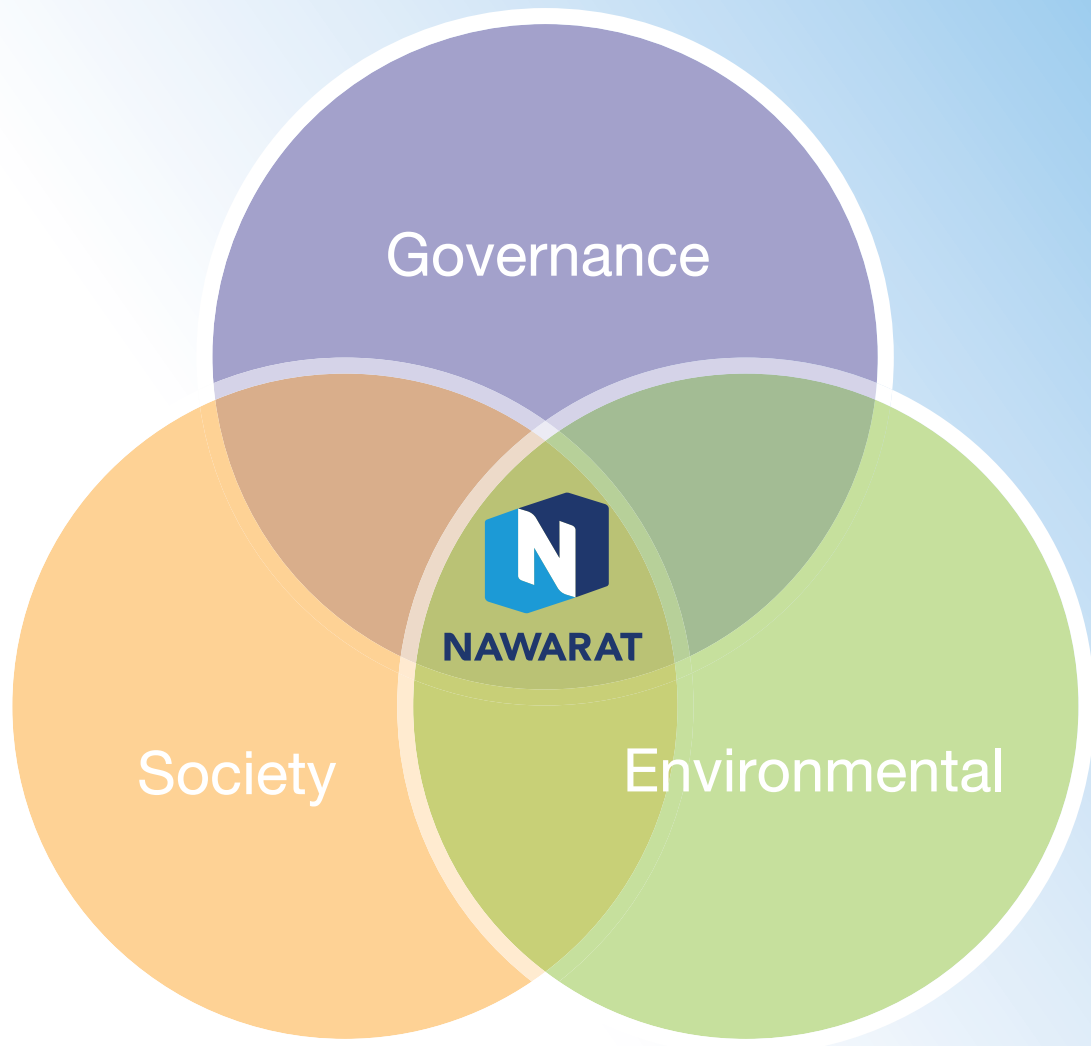
Chairman of the Business Code of Conduct Committee

The background of the slide is a photograph of a modern building's exterior, featuring a complex arrangement of balconies and architectural details. A semi-transparent blue rectangular overlay covers the majority of the image, creating a clean backdrop for the text.

# Sustainability Development

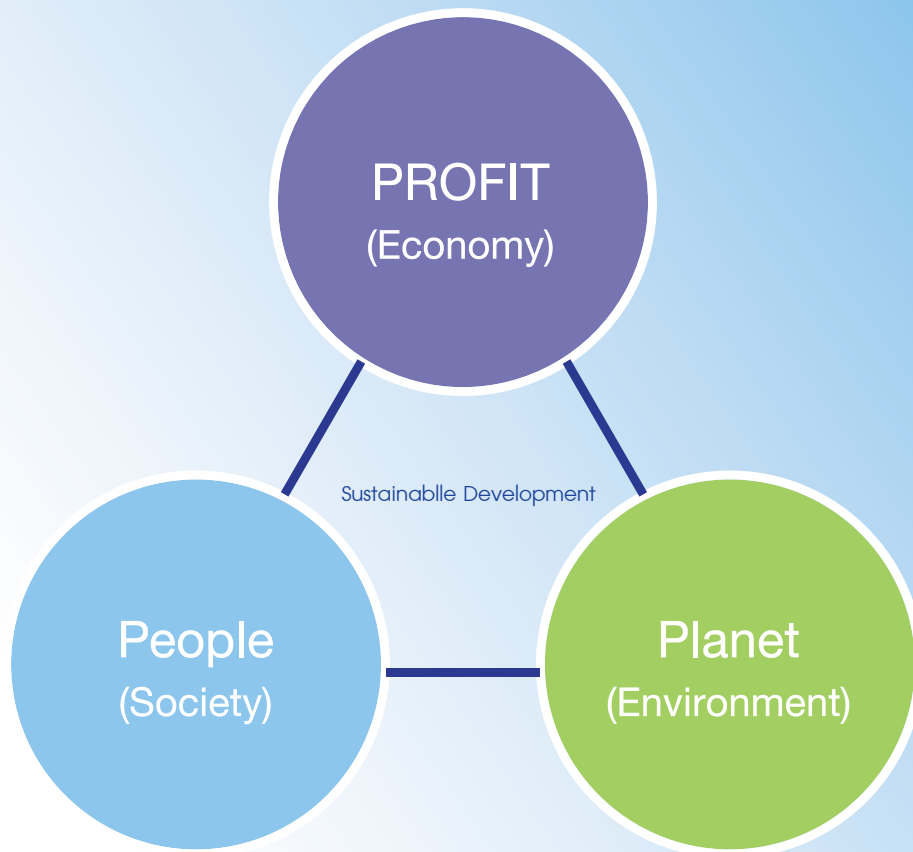
## 9. Sustainability Development

With the Company's vision "to be one of Thailand's top-five largest general construction contractors with international standard, stability and sustainability together with responsibility to society and environment" the Company, therefore, proceeds with its missions to create the organizational growth based on the corporate governance principles and the sustainability development framework. The Company mainly conducts the construction business. In addition to maintaining the quality and standard of construction in order to deliver quality products and services in a timely manner, the Company also gives the importance to operate its business that is friendly to environment, has responsibility towards society and all stakeholders with fair and equitable treatment and administer transparently, verifiably and ethically in complying with the principles of good corporate governance (Environmental, Social and Governance: ESG).



## Principle of Sustainable Development

The Company has applied the principles of organizational sustainability development or Triple Bottom Line (TBL) which covers three core aspects of business in the establishment of strategy and operation of the Company. The dimension of sustainability according to Triple Bottom Line includes:



### Society

The Company conducts its business with ethics and adheres to social responsibilities. The Company is committed to fair management and development of human resources, respect of human rights, anti-corruption and recognition of all stakeholders and external society.

### Economy

The Company has set objectives to develop the organization for constant growth and long-term security, maximize returns to shareholders, executives and employees and create positive result to the overall economy of the country.

### Environment

The Company understands and gives value of being part of the environment. The Company has policy to operate business and work processes with awareness of environment, enhance efficiency of resources utilization and build good consciousness of environmental conservation in both work place, community and society to employees.

## Good Corporate Governance

The Board of Directors of Nawarat Patanakarn Public Company Limited realizes the importance of good corporate governance with awareness of responsibility in creating confidence towards shareholders, investors, stakeholders and all related parties as their representative, that the Company has efficient management system with transparency, accountability and unity with community, society and environment that will lead to success of business operation and sustainable growth, increase competitiveness and can add value to the Company.

In 2015, the Board of Directors appointed six sub-committees, namely 1) the Corporate Governance Committee, 2) the Business Code of Conduct Committee, 3) the Nomination and Remuneration Committee, 4) the Executive Committee, 5) the Risk Management Committee, 6) the Corporate Social Responsibility Committee with the objective to expand the scope of the corporate governance covering all dimensions and complying with the good corporate governance principles. In addition, the Board revised “the Corporate Governance Policy” adding details on structure and guidelines of good corporate governance, roles and duties of the Board, practical guideline for administration and internal control and formulated “Charter of the Board of Directors and Sub-Committees” by assigning the Corporate Governance Committee to execute. Both “the Corporate Governance Policy” and “Charter of the Board of Directors and Sub-Committees” were approved by the meeting of the Board of Directors on September 17, 2015.

Furthermore, the Board of Directors assigned the Business Code of Conduct Committee to review and update “the Manual of the Business Code of Conduct” established since 2012 making it modern, up to date, appropriate to circumstance and environment changes and in line with the established corporate governance policy. The Manual of Business Code of Conduct: revision of 2015” was approved by the meeting of the Board of Directors on November 12, 2015.

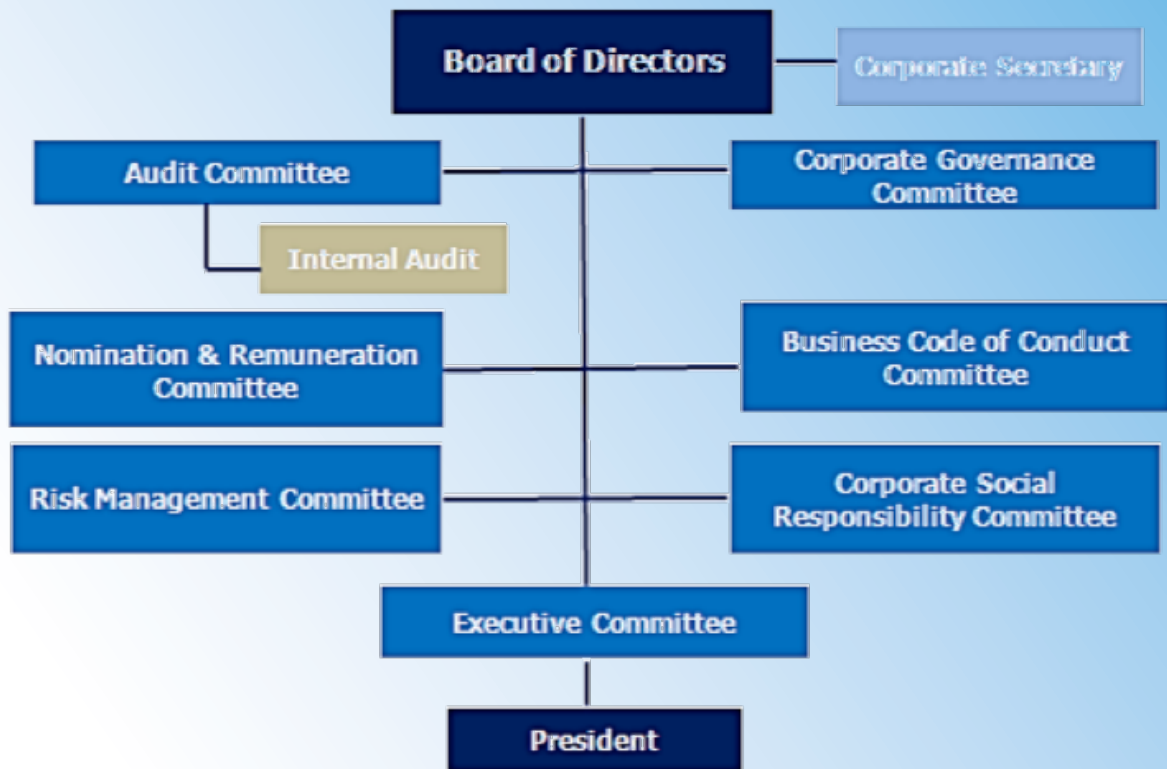
The Company’s Business Code of Conduct and Corporate Governance Policy are in compliance with the requirements of the Stock Exchange of Thailand and the Thailand Institute of Directors (IOD) and the good corporate governance policy of the Organization for Economic Cooperation and Development (OECD)’ in five chapters as follows: 1) Rights of shareholders; 2) Equitable treatment of shareholders; 3) Roles of stakeholders; 4) Disclosure of Information and Transparency and 5) Responsibilities of the Board of Directors.

All directors, executives and employees of Nawarat Patanakarn Public Company Limited have been informed the Corporate Governance Policy and the Business Code of Conduct and are required to make efforts to study, understand and take it as part of discipline to correctly and strictly adhere to. The Company has disseminated and communicated the Corporate Governance Policy and the Business Code of Conduct to all persons in the Company through email and intranet system (Lotus Note) and includes them in the orientation program of new staff to cultivate their awareness at the beginning. In addition, the Company has disseminated the “Corporate Governance Policy Handbook” and the “Business Code of Conduct Manual” on the Company’s website ([www.nawarat.co.th](http://www.nawarat.co.th)) to inform shareholders, stakeholders, related parties, and the outside people.

## Corporate Governance Structure



## Board Structure for Corporate Governance



## Corporate Governance Policy

The Board of Directors understands its duties, roles and responsibilities to shareholders including stakeholders and related parties and is committed to operate business under the good corporate governance principles in conformity with best practices or regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission including other related regulations.

The Company's Good Corporate Governance policy is divided into the following 5 categories:

1. Rights of shareholders
2. Equitable treatment of shareholders
3. Roles of stakeholders
4. Disclosure of Information and Transparency
5. Responsibilities of the Board

The details are as follows:

### Section 1 – Rights of Shareholders

The Company recognizes the importance of the rights of shareholders by actual implementation of related principles and shall not perform any actions that may violate or diminish their rights. The Company

provides basic rights to individual shareholders equally. In 2015, the Company executed the actions as follows:

- The Company organized the Annual General Meeting of Shareholders for the year 2015 on Thursday 30th April 2015 at 10.00 hrs. at Ratchapruek 1 Room, 2nd Floor, Bangna Tower B Building, 2/3 Moo 14, Bangna - Trad Road, Bangkaew, Bangplee, Samutprakarn, 10540 which is the location of the Company's headquarters and where shareholders are able to conveniently come to the meeting. To facilitate the shareholders, the company provided minibus service from and to On-nut BTS station to the shareholders for travelling to and from the meeting venue. A total of 110 shareholders personally attended or were represented by their proxies. This was total 310,124,302 shares of total paid-up 2,585,481,515 shares, amounting to 11.99 percent of all paid-up shares, forming a quorum under the clause no. 33 of the Articles of Association.



- The Company delivered by mail the invitation letter of the Annual Ordinary General Meeting of Shareholders to all shareholders seven days ahead the meeting and enclosed all documents relating to the meeting such as copy of the minute of the Extraordinary General Meetings of Shareholders no. 1/2014, annual report of the year 2014, profile of nominated directors who will be elected in replacement of those retired by rotation, profile of the audit committee members who were assigned to be proxy of shareholders unable to attend the meeting, general information of accounting auditors, proxy form A, form B and form C, the Company's Articles of Association concerning with shareholders' meeting, meeting invitation letter and meeting venue map. The Company also posted such documents on the Company's website to facilitate shareholders who may receive the documents by mail with delay.
- On the date of the Annual Ordinary General Meeting of Shareholders, 6 (out of 7) directors of the Company attended the meeting by the concerted as follows:
 

1) Mr. Prasertphand Pipatanakul	Independent Director and Chairman of the Audit Committee
2) Mr. Niyom Niyamanusorn	Independent Director and Member of the Audit Committee
3) Mr. Apichart Dharmasaroja	Independent Director Member of the Audit committee
4) Mr. Polpat Karnasuta	Director and President

- |                            |   |
|----------------------------|---|
| 5) Mr. Sook Sueyanyongsiri | Director and Senior Vice President                    |
| 6) Mrs. Wattana Samanawong | Director, Company Secretary and Senior Vice President |

The Board of Directors, Chairman of the Audit Committee, Members the Audit Committee, Presidents, the Management and the Company Secretary together presided over the meeting to report the operating results of the Company, answer inquiries and listen to suggestions/comments in various subjects raised by the shareholders. Furthermore, the Company invited the legal advisor from Narit and Associated Company Limited and the representative from EY Company Limited to attend since the start of the meeting observe and to listen to the opinions and answer questions raised by shareholders

- Chairman of the meeting assigned the MC of the meeting to conduct the meeting following respective agenda items as stated in the meeting invitation letter, explain and give time for questions before voting of each agenda. Shareholders were also allowed to equally exercise their right to inspecting the Company's operation, raise questions and give comments and suggestions. The Company recorded all significant issued in the minute of the meeting so that the shareholders are able to review.
- The Company recorded fully recorded the minute of the Shareholder's Meeting with the votes for each agenda and important questions or suggestions completely and accurately. The minute of the meeting was forwarded to the Stock Exchange of Thailand and was posted on the Company's website within 14 days after completion the meeting.
- The Company recognizes the importance of the information disclosure with accuracy, completeness, constancy, and in timely manner. The Company displays news and information through the SET's channel and the Company's website ([www.nawarat.co.th](http://www.nawarat.co.th)) so that they are informed to shareholders, investors, related persons, and interested public. In addition, the Company has established the Investor Relations Section to communicate with shareholders, investors, related persons and the interested public.

## Section 2 – Equitable Treatment of Shareholders

The Company observes the principle of affording equitable treatment to all shareholders without discrimination, whether major or minor ones, institutional or foreign investors. The Company treats all shareholders equally, gives importance to the protection of their basic rights, and encourages them to exercise their rights as defined by law. Shareholders shall obtain information completely and equally. Any shareholder who is unable to attend the meeting in person because of any inconvenient case may exercise his/her right to vote by appointing proxy to attend and vote on his/her behalf. The best practices implemented by the Company related to equitable treatment of shareholders are as follows:-

- The Company facilitates foreign shareholders by preparing documents, such as meeting invitation letter, proxy forms, minute of the shareholders' meeting and the Company's annual report in both Thai and English language. The Company website ([www.nawarat.co.th](http://www.nawarat.co.th)) is published in both languages as well in order to serve all interested shareholders.
- The Company pre-determines criteria for proposal of meeting agendas and nomination of director to allow minor shareholders to participate in supervising the Company and nominating qualified directors to perform their duties efficiently for the utmost benefits of the shareholders and all stakeholders. Such criteria shall be publicized on the Company's website ([www.nawarat.co.th](http://www.nawarat.co.th)).
- Shareholders can give a proxy to their representatives or the independent directors. The Company sends out proxy forms together with the meeting invitation letter to shareholders at least 7 (seven) days prior to the meeting and disseminates proxy form both in Thai and English with details and procedures through the Company's website ([www.nawarat.co.th](http://www.nawarat.co.th)) 30 days ahead of the meeting date.

In addition, the Company has established the following policies and measures on the protection of use of internal information to ensure that such a policy is informed and strictly complied:

1. Directors, executives and employees must not use internal information of the Company or of business partners obtained from discharge of duties to buy/sell or to offer to buy/sell or to persuade others to buy/sell or to offer to buy/sell securities of the Company or of business partners for personal benefits or others'; and must strictly observe relevant laws.
2. Directors, executives, and employees must keep confidentiality and the internal information for which they are responsible not to be disclosed to other persons or unrelated personnel of the Company.
3. The Company prevents the use of internal information by restriction of access of undisclosed information allowing only persons involved and deemed appropriate; and provide security of internal information. Information owner must instruct involved person to strictly conform.
4. Disclosure of information must be made by the Company's authorization only. Personnel having no duty to disclose information when being asked any information shall suggest person to contact the authorized person in order to get correct information.
5. Apart from information disclosed to the public, the Company considers that any information is internally used only. Directors, executives and employees must use information under the framework of assigned duties and responsibilities.
6. Directors, executives, and employees have duty to protect information and shall not seek benefit from internal information, even though the status as employees has terminated.

7. Directors and top executives are required to disclose the reports to the Securities and Exchange Commission on their holding of securities as well as reporting on every change in such holding under Section 59 of the Securities and Exchange Act B.E. 2535 (1992) within 3 (three) business days after the date of purchase, sale, transfer or acceptance of transfer.
8. Any person who conducts the disclosure of information without permission shall bear legal liabilities.

In 2015, the Company did not receive any complaints on the abuse of the Company's internal information of the directors and executives.

## Section 3 – Roles of Stakeholders

The Company recognizes the importance of all stakeholders. This can be seen in the practical guidelines for treatment of all groups of stakeholders clearly defined in "the Business Code of Business Conduct Manual" as detailed below:

Stakeholders	Principle	Guidelines
Shareholder	The Company encourages shareholders to exercise their basic rights and is committed to create sustainable growth, adds value and continues provision of appropriate returns to shareholders as well as conducts business in accordance with the good corporate governance principles.	<ol style="list-style-type: none"> <li>1. Perform duties with honesty, good faith and transparency for the benefits of the Company and shareholders. Manage the business to ensure prosperity and stability of the Company and appropriate returns to shareholders</li> <li>2. Perform duties with maximum potential and capabilities for the benefits of the Company and the shareholders</li> <li>3. Respect the rights of shareholders; disclose and report operating results, financial position and supportive information of the Company accurately, completely and actually</li> <li>4. Treat every shareholder equitably</li> </ol>
Client	The Company is committed to ensure the satisfaction and confidence of customers and public satisfaction and confidence with quality products and services at appropriate price levels. Consistently upgrade standards and maintain a positive and lasting relationship.	<ol style="list-style-type: none"> <li>1. Treat all customers politely</li> <li>2. Keep confidentiality of customer's information</li> <li>3. Be trustworthy to customers</li> <li>4. Refrain from acceptance of assets or other benefits which is excessive than normal from customers. If directors, executives or employees receive such assets and know later that such assets is excessive than normal, directors,</li> </ol>

Stakeholders	Principle	Guidelines
		<p>executives or employees must report to supervisor without delay in order to execute as deemed appropriate to the case</p> <p>5. Avoid situation that may leads to conflict of interests with customers</p>
Business Partner	The Company is committed to conduct its business with business partners with equality and integrity	<p>1. Maintain the interest with business partners by strictly complying with laws and all agreements mutually agreed.</p> <p>2. Refrain from demanding, receiving or offering any illicit benefits from/to business partners</p>
Business Competitor	The Company is committed to treat business competitors in line with the international principles within the framework of laws on principle of practice of trade competition	<p>1. Observe the rule of fair competition</p> <p>2. Not seek business competitors' secrets through dishonest or illegal means</p> <p>3. Not discredit competitors by way of slander or other improper and unfair manner</p>
Creditor	The Company is committed to observe the good practical guideline and the conditions in fairness to creditors	<p>1. Repay debts on time</p> <p>2. Promptly negotiate with the creditors in advance, if promises or agreement made with creditors cannot be able to comply in order to solve problems</p>
Independent auditor	The Company recognizes the importance of the auditor who is considered by shareholders as an important mechanism for auditing of the executives' performance and for ensuring that the financial report is accurate and adequate by giving full cooperation to the auditor	Provide correct and complete information as well as facilitate the auditor when conducting the audit of the Company's financial report.
Employee	The Company give importance to employees as strongly realizes that employees are valuable assets which contribute to the success, advance and sustainable growth to the Company Government sector is one of the stakeholders.	<p>1. Develop organization into one of a learning organization. Foster working culture and ambience, and enhance teamwork</p> <p>2. Pay proper remunerations according to knowledge, ability, responsibility and performance</p>

Stakeholders	Principle	Guidelines
		<ul style="list-style-type: none"> <li>3. Monitor working environment to be safe for health, life and property of employees</li> <li>4. Enhance employees' competency to advance and secure their career by focusing on their knowledge and ability development</li> <li>5. Inform key information, e.g. rights and duties to employees on orientation day</li> <li>6. Ensure that the provision of rewarding and punishment is determined on the basis of righteousness and fairness</li> <li>7. Comply with all laws and regulations governing labor and welfare of employees</li> <li>8. Listen to opinions and suggestions of employees at all levels fairly and equally</li> <li>9. Treat all employees on the basis of human dignity. Respect their human rights and Treat all employees fairly</li> <li>10. Give the opportunity to define guideline on welfare contribution to meet the employees' requirement</li> </ul>
Government Sector	The Company has established guideline for treatment of the public sectors in the countries in which the Company invests to avoid negative consequence from any action	Respect and adhere to rules, regulations and laws of the country in which the Company invests
Community, Society, and Environment	The Company aims to conduct business on the basis of responsibility to communities, society and environment, in terms of safety, quality of life and preservation of natural resources and recognizes the importance of quality of life, of communities and of society surrounding construction sites and plants	<ul style="list-style-type: none"> <li>1. Allocate a proportion of profits to contribute for communities and society development</li> <li>2. Take into account on environment impact from beginning stage of project construction, selection of technology, production procedures, waste elimination procedures as well as innovative research and development for efficient usage of energy</li> <li>3. Support any activities that are beneficial to community and society as a whole</li> </ul>

Stakeholders	Principle	Guidelines
		<p>4. Respond rapidly and efficiently to any incidents that may cause harms to communities, society and environment resulted from the Company's business operation and must provide good cooperation to officers and related authorities</p> <p>5. Must not provide cooperation or support to any person or entity who does illegal business or business that is detrimental to the society and national security</p> <p>6. Must not do anything that may destroy the reputation of the country</p> <p>7. Continuously cultivate conscious mind of communities and social responsibility to employees at all levels in the Company</p>

## Policy and practical guidelines on others' property, intellectual property and copyrights

The Company conducts its business and encourages its employees to perform their duties in compliance with the law and regulations on intellectual property rights, whether in trademarks, patents, copyrights, classified commercial information, and other stipulated categories of intellectual property such as uses of computer software or licensed computer programs. The Company prohibits any actions violating software copyrights and any installations of pirate software in the office. Any employee who violates this regulation shall be considered commitment of criminal offence intentionally and having intention to damage the Company and shall be dismissed. Any employee who installs any pirate computer software in the office must delete such software. The Company shall verify software installed in all computers.

## Policy and practical guidelines against Fraud and Corruption

The Company advocates and encourages its directors, executives and employees at all levels to realize the importance and has awareness of resistance of all types of fraud and corruption and has set up internal control systems to prevent all types of fraud and corruption.

The Business Code of Conduct Committee has clearly formulated in written the policy and practical guidelines for anti-corruption covering duties and responsibilities of directors, executives and employees in work performance in the "Business Code of Conduct Manual" and has defined measures for disciplinary punishment in accordance with the Company's rules and regulations step-by-step for the case of corruption or of rules and regulation violation of employees. The policy and practical guidelines for anti-corruption was approved by the Board of Directors' meeting and was communicated to everyone in the Company to acknowledge study and understand.

## Practical guidelines for Anti-Corruption

1. Nawarat Patanakarn Public Company Limited supports and encourages employees at all levels to become aware of fraud and anti-corruption and puts in place the internal control to prevent the Company from fraud and corruption, from offering and acceptance of bribe in all forms, all regions and all countries where the Company performs its works.

2. Directors, executives and employees at all levels must comply with the guidelines as per detailed below:-

- Offering and Acceptance of Bribe

Offering and acceptance of all forms of bribe in exchange of business advantages is prohibited. This includes delegating other persons to commit such actions.

- Gifts, Hospitality and Other Benefits

Offering and acceptance of gifts, assets, hospitality or other benefits to/from customers, business partners, or related parties must be in compliance with the regulation on "Offering and Acceptance of Gifts, Assets or Other Benefits" prescribed in the "Business Code of Conduct Handbook"

- Political Contributions

1. The Company is politically neutral; shall not directly or indirectly contribute and engage in any actions affiliated with political parties or groups.
2. Directors, executives and employees have rights and freedom under the constitution to exercise political activities, but must not claim the status of being a director, an executive and an employee and must not utilize company assets or provide its services in support of political activities. If directors, executives and employees engage in any political activities, they must take particular care not to imply or mislead that the Company is supporting any political parties

- Charitable / Public Benefit Contributions and Sponsorship

As a part of society contribution, the Company has the policy for charitable and public benefit contribution either money or other means such as stuff donation, activities participation, etc. and has formulated a guideline for making charitable contribution or sponsorship as follows:

1. Offering or accepting charitable / public benefit contributions or sponsorships must be transparent, lawful, and ethical; does not expect any business returns and does not cause any damage to the public.
  2. Offering or accepting charitable / public benefit contributions or sponsorships shall not be used as an excuse for bribery.
  3. Use of the Company's money or assets for charitable / public benefit contributions must be done under the name of the Company and has purpose to create good image and reputation of the Company
  4. Any actions taken must be in compliance with procedures of reviewing and approving charitable/ public benefit contributions or sponsorships as stipulated by the Company's regulations
3. The Company is committed to create and sustain the organizational culture of zero tolerance of corruption when dealing with both government and private sector.
  4. Directors, executives, and employees at all levels must not be negligent when witness any actions of possible corruption, and shall report the matter to his/ her supervisor or the responsible person and give full cooperation in investigation. Channels for hearing any complaint from external parties shall also be provided. In this regard, it shall be in compliance with the Company's regulation
  5. The Company must be fair and protect any employees who refuse to associate with or provide information about corruptions. Accordingly, the Company shall not demote, punish, or cause any negative consequence to such employee, although his/ her action may lead to the Company's loss of business opportunity. The Company shall also be fair and protect employees or other parties who provide information or evidence about fraud and corruption concerned with the Company and its subsidiaries by applying protective measures for informants or person who cooperates in reporting of fraud and corruption as specified in the Whistle Blowing Policy

6. Directors and executives at all levels must demonstrate integrity and must be role model in following of the Anti — Corruption Policy. The Human Resources are assigned to educate, promote understanding, and encourage employees at all levels to strictly and continuously adhere to the Anti — Corruption Policy so that it becomes a part of the organizational structure.
7. The Anti — Corruption Policy covers human resources management procedures from recruitment, selection, promotion, training and performance appraisal. Supervisors at all levels are in charge of communication to their teams creating understanding and enabling all employees to apply the Policy to business activities within their scope of work as well as monitoring to ensure effective application of the Policy.
8. Any person conducting fraud and corruption is considered disciplinary violation of personnel management's rules and regulations for employees and is subjected to disciplinary punishment as defined by the Company as well as lawful action if such conducts is illegal.
9. Any action taken under the Anti-Corruption Policy shall be in accordance with guidelines prescribed in the Company's "Corporate Governance Policy", "Business Conduct of Conduct Handbook" as well as related working manuals and any additional guidelines to be formulated in the future.
10. The Company will regularly review the practical guidelines and operating measures to be update and in comply with the changing of laws and business operation conditions
11. The Company stipulates that communication and public relation activities of Anti-Corruption Policy are carried out via both internal and external media e.g. intranet, the Company's website and annual report.

At the Board of Directors' Meeting no. 3/2015 on March 13, 2015, the Board resolved to approve the Company to declare its intention against corruption on the Thailand's Private Sector's Collective Action Coalition Against Corruption (CAC), a collaboration jointly undertaken by Thai Institute of Directors (IOD), Thai Chamber of Commerce, Foreign Chamber of Commerce, Thai Listed Companies Association and Thai Bankers' Association. The process is now under the execution of the Executive Committee.

In August 2015, the Executive Committee approved the Company to apply a membership of PACT Network initiated by Thaipat Institute, with the purpose to prepare the Company to be ready for declaration of intent with the Thailand's Private Sector's Collective Action Coalition Against Corruption (CAC) and improve the internal working processes to make it more compatible with international standard before getting the Company certified to CAC standards.

## Policy on Acknowledgement of Incidence, Grievance, Suggestions Channels for Informants and Protection of the Rights of Informants (Whistle Blowing Policy)

The Company has systematically imposed the practical guidelines for systematic, transparent and accountable consideration and investigation of grievance and complaints.

The Company has established a department to acknowledge incident, grievance or suggestion from stakeholders affected from the Company's operation on a 24 — hour basis. This can be done verbally, via telephone, facsimile, electronic mail and postal mail. The Company will provide initial explanation of facts and measures to manage such matters to the party submitting grievance or involved party as soon as possible or within 1 day at latest.

In case of doubts or discovering any acts of possible violation or against laws, regulations, rules, code of conduct or corporate governance policy, stakeholders can ask, undertake whistle - blowing or file complaints with detailed evidences to relevant person or department through the following channels:

1. For internal grievance, suggestions and complaints within the Company

Contact: Mr. Mitporn Tansrisuk

Vice President of Administration Department

Tel: 02 7302100 ext. 2146

Email: t\_mitporn@nawarat.co.th

Or contact through the employees' suggestion box which is put at workplace

2. For external grievance, suggestions and complaints from third parties

Contact: Mr. Pasan Sawasdiburi

Board of Directors Secretariat Office

Nawarat Patanakarn Public Company Limited

18th-19th Floor, Bangna Towers A,

2/3 Moo 4, Bangna — Trad Road (K.M. 6.5)

Bangkaew, Bangpli, Samutprakarn 10540

Tel: 02 7302100 ext. 2195

Email: s\_pasan@nawarat.co.th

The Company will keep such information confidential in order that the informants may not suffer any trouble.

## Policy and Practical Guidelines for Occupational Health and Safety Management

Since the construction business is considered highly risky, the Company realizes the importance of occupational health and safety and defined the policy and practical guidelines for occupational health and safety management as follows:

1. 1. Carry out and develop continuously the occupational health and safety management system in accordance with TIS 18001 & OHSAS. 18001 suitably and comply with other legal requirements and standard requirements.
2. Control and improve working sites; prevent employees and related parties from health hazard, fire, chemical substances, electricity, machinery, emergency incidents, occupational diseases and other dangers within acceptable risk level.
3. Supports resources such as personnel, operation time, budget and training suitably and adequately.
4. Encourage all employees to join activities and express opinions on occupational health and safety
5. Review occupational health and safety management standard procedure at least once a year.
6. Risk factors for any occupational diseases must be zero.


**ประกาศ**

**นโยบายอาชีวอนามัยและความปลอดภัย**

บริษัท เนาวรัตน์พัฒนาการ จำกัด (มหาชน) ดำเนินธุรกิจเกี่ยวกับ รับเหมาก่อสร้าง บริษัทฯ ตระหนักถึงระบบการจัดการอาชีวอนามัยและความปลอดภัยเป็นสิ่งสำคัญในการดำเนินธุรกิจ จึงกำหนดนโยบายดังต่อไปนี้

1. ดำเนินการและพัฒนาระบบการจัดการอาชีวอนามัยและความปลอดภัยตามมาตรฐาน มอก. 18001&OHSAS.18001 อย่างเหมาะสมและสอดคล้องกับข้อกำหนดของกฎหมายและข้อกำหนดมาตรฐานอื่นๆ อย่างต่อเนื่อง
2. ควบคุม ปรับปรุงสภาพพื้นที่ทำงานและป้องกันอันตรายที่ส่งผลต่อสุขภาพ อันตรายจากอัคคีภัย สารเคมี ไฟฟ้า เครื่องจักร เหตุฉุกเฉิน โรคจากการทำงาน และอันตรายอื่นๆ เกิดกับพนักงาน และผู้เกี่ยวข้องให้อยู่ในระดับความเสี่ยงที่ยอมรับได้
3. บริษัทฯ ให้การสนับสนุนทรัพยากรทั้งในเรื่อง บุคลากร เวลาในการดำเนินการ งบประมาณ และการฝึกอบรม ที่เหมาะสมและเพียงพอ
4. บริษัทฯ ให้การสนับสนุนให้พนักงานทุกคนมีส่วนร่วมในกิจกรรม และในการเสนอความคิดเห็นต่าง ๆ ด้านอาชีวอนามัยและความปลอดภัย
5. ไม่มีการทบทวนระบบมาตรฐานการจัดการอาชีวอนามัยและความปลอดภัยอย่างน้อยปีละ 1 ครั้ง
6. บังคับสิ่งที่ทำให้พนักงานเกิดโรคจากการทำงาน ต้องเป็นศูนย์

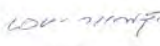
จึงประกาศมาเพื่อทราบโดยทั่วกัน



ประกาศ ณ วันที่ 12 กุมภาพันธ์ พ.ศ.2558

(นายพลพัฒน์ กรรณสูต)

กรรมการผู้จัดการ



## Policy and Practical Guidelines for Environmental Responsibility

Since the construction business highly affects the environment, the Company recognizes the importance of the environmental responsibilities in business conduct and has defined the policies as detailed below:

1. Prevent and control the disposal of trash, waste water, and air pollution caused by the Company's business activities in order to minimize the impact on the environment as much as it can in practical.
2. Promote and comply with the related laws on the environment and strictly follow the regulations on the environmental management system.
3. Ensure that the preventive and controlling measures are implemented and reviewed for continual improvement.
4. Get committed to promote energy preservation and efficient use of resources.
5. Educate and cultivate awareness of employees, contractors and persons involved to be aware of impacts to the environment.
6. Get committed to constantly push activities to be done and fulfilled in accordance with the environmental policy framework by communicating to employees and relevant persons and disseminating to the public.

The Company communicates the above environmental policy to all employees through e-mail, the bulletin boards at the head office and construction sites, and pamphlets as well as disseminates to the outside parties such as juristic person who manages Bangna Tower Building and the lessor of office space for the Company's head office and on the Company's website.



## Section 4 – Disclosure of Information and Transparency

Disclosure of information is an important indicator of transparency of the operations and is a key factor in building confidence towards investors and all stakeholders. The Company recognizes the importance of information disclosure and has policy to disclose the Company's important financial and non-financial information, in both Thai and English, to all related parties equitably, completely, adequately, reliably, timely, transparently and in compliance with the requirements stipulated by the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand on the websites of Stock Exchange of Thailand and the Company's website. In 2015, the Company carried out the below practices:

1. The company's Board of Directors has established a policy that the Company shall disclose both financial and non-financial information like financial statements, operation results, the Company's information, nature of business, organization structure, shareholding structure, business group structure and shareholding proportion, information relating to directors, sub-committees, and executives, investors' relation information, related transactions, the Company's Articles of Association, the Business Code of Conduct and the Corporate Governance Policy with accuracy and completeness through three main channels below:
  - 1) Annual registration statement (Form 56-1) and Annual Report (Form 56-2) provided detailed information on important topic including business overview, nature of business, risk factors, securities and shareholders information, management structure, corporate governance, social responsibility, internal control and risk management, related transactions, operation results, future projects and financial status.
  - 2) The Management Discussion and Analysis (MD&A) quarterly and annually, which provides detailed operation and financial information, including analysis and explanations of factors causing changes in performance results, progress report of projects under construction, key factors or influences that may affect future results and financial status. This report provides shareholders and investors with enough accurate information for their decision making on investment and monitoring the Company's performance
  - 3) Disclosure of information via the [www.nawarat.co.th](http://www.nawarat.co.th) under "Investor Relations" in both Thai and English to facilitate investors and the interested public's consistent study of its information. The website has been regularly updated. Disclosed information include annual report, form 56-1, corporate governance policy, business code of conduct, anti-corruption policy, company's profile, nature of business, financial statements, shareholding structure, dividend payment policy, organizational structure, business structure, profile of directors, sub-committees and executives, investors' relations information, the Company's important documents, meeting notices, operation results and financial ratios.

2. The company has set up the Investor Relation Section under the New Business and Strategic Planning Department to be specifically responsible for disclosure and communication of information, whether financial or non-financial, to shareholders, investors, and securities analysts, through various channels and media of the Stock Exchange of Thailand, the Office of the Securities and Exchange Commission, including mass media, telephone, and the company's website [www.nawarat.co.th](http://www.nawarat.co.th), in both Thai and English version.

The company hopes the Investor Relation Section will serve as the center for disseminating, handling enquiries and receiving and exchanging shareholders or investors' opinion.

Shareholders, investors, securities analysts and interested persons may contact the Company for additional information through:

## Investor Relation Section

Mr. Praty Mankong

Nawarat Patanakarn Public Company Limited

18th -19th floor, Bangna Towers A Building

No. 2/3 Moo 14, Bangna-Trad Road KM. 6.5

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3. The company has joined the Stock Exchange of Thailand (SET) in organizing quarterly "Opportunity Day" activity so that the senior executives may present the Company's quarterly reports on performance result and explain business progress such as expansion projects, new projects, business trends and how to deal with positive and negative effects caused by internal and external factors. This is good opportunity for executives to meet and answer the questions from analysts, investors and shareholders in person. In addition, SET provides a live webcast via SET's website and sets up computer monitor in front of the Company's executive so that the viewers can post their questions and get real time responses from the executives during Q & A session.



4. The company discloses its financial information and report the responsibility of the Board toward the financial report together with the auditor's report, the explanation of financial status, the Management Discussion and Analysis (MD&A) and report on important information and major decisions to the Securities and Exchange Commission and the Stock Exchange of Thailand with accuracy, completeness, punctuality and in compliance with the requirements.
5. The Company's financial statements have been certified by the auditor and there were no any conditionally agreed transactions and no records of corrected financial statements governed by outside institutions.
6. The company discloses roles and responsibilities of the Board and the Sub-committees, number of meetings and number of attendance of each director in 2015.
7. The Company has stipulated measures and procedures for related transaction approval. Any director, executive or related person is able to conduct business with the Company or its subsidiaries only if such transaction is approved by the shareholders' meeting, except that such transactions are considered trade agreements without any influence, in which a reasonable man would properly make to a general contract partner, under the same circumstance, with the negotiating power void of the influence due to the status of being a director, an executive, or a person involved as the case may be.
8. The Company has established measures on the protection and the verification of use of internal information for personal benefits by requiring directors and top executives submit the list of their securities holding and report on every change of the list in compliance with requirements stipulated by the Securities and Exchange Commission, and a policy that directors and executives must report the sale/purchase of the Company's shares or securities holding to the meeting of the Board of Directors every time when there is change.  
In addition, the company prohibits directors, executives and employees involved with any internal information from disclosing such information to the outside people or those who are not involved, and forbids directors, executives and employees involved with the preparation of the Company's financial statement or any other related information from buying and selling of the Company's securities prior to disclosure of financial statements to the public.
9. The company has established a policy on reporting of vested interest of directors and top executives and set requirements that the directors and executives report to the company on their own or their related persons' vested relating to the business management of the Company or its subsidiaries' business management pursuant to the requirements stipulated and announced by the Capital Market Commission. The Company discloses information about the directors and executives' vested interest in the annual report (Form 52-6) and the annual registration statement (Form 56-1)

## Section 5- The Board's Responsibilities

The Board of Directors realizes their responsibilities and roles in determining the direction of the Company's business operation pursuant with laws, objectives, the Articles of Association and resolutions of shareholders; establishing policies, vision, mission and strategic plans every five years and reviewing them annually to make them suitable for the changes in business environment; as well as monitoring the Management to efficiently and effectively conduct the business in accordance with the established policies under the good corporate governance principles for the utmost benefits of the Company, adding the economic value and the highest wealth to shareholders.

The Board has performed its duties in accordance with the Stock Exchange of Thailand's best practices as follows:

### Board structure

The company's Board of Directors consists of qualified persons with knowledge, ability and experiences useful to the Company. There are 7 directors in total comprising three executive directors, one non-executive director and three independent directors, accounting for more than one-third of the total. The Chairman of the Board is non — executive director and not the same person as the President for the sake of clear-cut segregation of roles and balance in the operation. Authorities of Chairman and President are clearly defined.

Furthermore, the Company has set a policy on the diversification of its Board's structure that the Board shall have a range of diversified structure, comprising gender, age, educational level, knowledge, professional skill, work experience and expertise. The Company believes that the diversification of the Board's structure is a crucial factor in creating a balance of ideas, work quality and efficient decisions of the Board which will be useful to the Company's business operation. This practice is also followed by the Company's subsidiaries and associated companies

For utmost benefit of the Company to gain the effective dedication of the directors' time, the Board of Directors has established the policy on holding of position of director in other companies by the Company's director as follows:

1. Director can hold positions in Nawarat Patanakarn Public Company Limited and its subsidiaries and associated company.
2. To be a director in other companies, of which the business is similar to or competitive with the business of the Company, a request must be submitted for opinion of the Audit Committee prior to submission for approval by the Board of Directors and the shareholders respectively before being appointed to such position.

3. The holding of position of director in any organizations other than specified in Clause 1 which when combined must not be more than 5 places and must inform and be approved by the Board of Directors' meeting before being appointed to such position.

At present, each director of Nawarat Patanakarn Public Company Limited takes a directorship on the listed companies not exceeding five in total.

### Independence of Directors

The company's director has a duty to consider, provide opinions, make decisions, and cast a vote to protect the interests of shareholders. Hence, independence of director is definitely recognized. The Company allows the independent director to access financial and business information adequately to freely provide recommendations, and is required to maintain the interests of related persons, to attend the meeting regularly and to have a meeting among each other at least twice a year.

The Company has defined the qualifications of the independent director in accordance with the ones prescribed by the Capital Market Supervisory, the Securities and Exchange Commission and the Stock Exchange of Thailand, and other qualifications as defined by the Company so that the independent director can oversee the interests of all shareholders equally, prevent conflict of interest and freely express opinions in the meeting. Further information about names and details of the independent directors can be seen under the Board of Director's topic.

### Roles and Responsibilities of the Board

The Board of Directors performs their duties with integrity, transparency, fairness and due care. The Board's duties and responsibilities are separated into two parts as follows:

1. Define directions, policies, and the business strategies
  - Control and supervise the business operation of the Company to strictly adhere to applicable laws, objectives, rules, articles of association and resolutions of the meeting of shareholders, maintain the interests of the Company and its shareholders according to the good corporate governance principles.
  - Define vision, mission, direction, and strategies of the Company; review such vision, mission regularly and grant approval at least every five years to ensure that vision, mission are in line with the Company's business plan.
  - Supervise the Company's business conduct in compliance with the rules and regulations of the related agencies; take responsibilities and maintain interests of the shareholders; disclose information adequately, correctly, completely, transparently and with standard to shareholders and all related parties.

- Approve key strategies, policies, financial goals and business plan and monitor compliance with the defined work plans.
- Consider and approve annual budgets for investment and operation as well as the utilization of the Company's resources.
- Ensure that the Company has a suitable compensation system or mechanism for senior executives to induce short term and long term motivation.
- Arrange for an annual ordinary meeting of shareholders within 4 (four) months from the last day of the fiscal year of the Company and if necessary, arrange an extraordinary meeting of shareholders.
- Hold the Board of Directors' monthly meeting in which at least half of the directors must participate. The resolution of the meeting will take into account the majority of votes. If the number of votes is equal, the chairman will cast the decisive vote
- Provide consultation, discuss problems in a thorough and extensive manner and make a decision the matters according to the Meeting agenda discreetly.
- Give authorization to Chief Executive Officer/President to operate the Company's business as well as to employees working in coherence with the business situation.

2. Monitor the operation of the management for checks and balances by the following ways:-

- Disclosure of the Company's information
  - Set up efficient and effective accounting system, financial report, auditing, internal control and internal audit system.
  - Ensure that the Company puts in place proper systems to communicate with each group of shareholders and stakeholders
  - Ensure that information disclosure is correct, clear, transparent, reliable and in line with high standard.
  - Prepare a balance sheet, cash flow statement and profit and loss statement as the last day of fiscal year of the Company and propose same to the meeting of shareholders at the annual ordinary meeting for consideration and approval of the said balance sheet, cash flow statement and profit and loss statement. The Board of Directors shall arrange for the auditor to complete the auditing prior to propose same to the meeting of shareholders.
  - Arrange for a report on important financial and general information in a correct, complete and sufficient manner to shareholders and confirm the verification of information reported.
  - Monitor, supervise and solve problems arising from transactions which may lead to conflicts of interests and related transactions.
- Internal Control and Risk Management
  - Establish proper risk management and ensure that the management has effective systems or procedures for risks management.
  - Ensure that the Company has proper internal control, internal audit, financial control system, operation, operating compliance, risk management and risk management control.

## Nomination, Appointment, Removal of Directors and Expiry of their Office Term

### Nomination and Appointment

The Nomination and Remuneration Committee shall propose the Board of Directors the nomination of director and the Board shall present it to the Shareholders' Meeting for appointment which shall be according to the criteria and methodology stipulated in the Articles of Association of the Company as detailed below:

#### 1. Nomination of Independent Directors

The Nomination and Remuneration Committee nominates directors who are qualified in terms of useful skills and experience for the Company and meet the qualifications of independent director according to the requirements stipulated by the Capital Market Supervisory Board, the Securities and Exchange Commission, and the Stock Exchange of Thailand, and other qualifications as stipulated by the company.

Qualifications of Independent Director as follows:

- Not holding more than 5% of the total outstanding voting shares of the Company, subsidiary or associated company including shares held by related persons under section 258 of the Securities and Exchange Act.
- Neither being nor having been an executive, employee, wage earners or advisors or who receive a salary, or personal consultant of person who gets authorization to manage the Company, its subsidiary or associated company, unless the foregoing status ended not less than three years prior to the date of appointment.
- Not having nor have had a business relationship, e.g. customers, business partners, creditor and debtor, as well as not having direct or indirect financial and managerial interests with the Company, subsidiary or associated company in a manner which may interfere with his or her independent judgment.
- Not being a close relative by blood or by legal registration as father, mother, spouse which may interfere with his or her independence with executives, major shareholders of the Company, subsidiary or associated company as well as not being appointed as representative of the Company's executives or major shareholders.
- Neither being nor having been an auditor of the Company, subsidiary, associated company, major shareholder, director, executive or partner of an audit firm which employs auditors of the Company, subsidiary, associated company, unless the foregoing relationship ended not less than three years from the date of appointment.

## 2. Nomination of Directors

### Criteria

The Nomination and Remuneration Committee has duty to nominate and select persons to be appointed as directors to replace those directors who vacate office, both resignation prior to the end of term and retirement by rotation by considering the proper proportion, number and composition of the Board. The Nomination and Remuneration has systematically determined the criteria of director's nomination as follows:

- Having qualifications in compliance with the Public Limited Companies Act, the Securities and Exchange Act, the Stock Exchange of Thailand and the Company's regulations.
- Having knowledge, ability and experience in a variety of fields. The Company has defined four necessary skills for director nomination as follows:-
  1. Engineering skill
  2. Accounting, financial and banking
  3. Marketing strategy and competition skill
  4. Legal skill relating to business
- Having characteristics supporting and promoting the corporate governance to create value to the Company such as
  1. possession of leadership
  2. possession of broad vision
  3. possession of ethics and morality
  4. possession of transparent work experience without malfeasance
  5. must not possess any prohibited characteristics pursuant to the law
  6. possess the ability to express opinions independently

### Nomination Procedures

The Board of Directors set out the procedures for nomination of directors. The Nomination and Remuneration Committee proceeds in accordance with the following procedures:

1. Nominate qualified candidates to fill the vacancy. The Nomination and Remuneration Committee may propose the Board to set up to set up specific committee comprising of the Board or third party to nominate person, or in some cases using director pool of Thai Institute of Directors (IOD) for consideration of the persons to be nominated.
2. Consider qualifications of candidates. The Company gives a chance to shareholders to nominate persons in advance to be elected as directors by the annual general meeting of the shareholders.
3. Propose the nominations to the Board for consideration and appointment (in case of interim vacancy).
4. Propose the nominations to the Board for consideration and approval for submission to the annual ordinary general meeting of shareholders for appointment.

Pursuant to the Articles of Association, the criteria and procedures for appointment of Directors by shareholders are as follows:

1. Each shareholder shall have one vote for each share held.
2. Each shareholder shall exercise all of his/her voting rights that he/she has under clause (1) to elect one or several persons as director (s), but he/she may not allot his/her votes to any person in any number.
3. The persons receiving the highest votes shall be elected as directors in respective order of the votes for the number of directors of the Company, or for the number of directors which should be elected at such election. In case of tie votes causing the number of person elected to be in excess of the number to be elected at such meeting, the chairman shall have a casting vote.

### Removal of Directors and Expiry of their Ofce Term

#### Removal of Directors

The meeting of shareholders may pass a resolution removing any director from office prior to the expiration of the director's term of the office, by a vote of not less than three quarters of the number of shareholders attending the meeting who have the right to vote and who have shares totaling at not less than a half of the number of shares held by shareholders attending the meeting and having the right to vote.

#### Expiry of Director's Office Term

##### 1. Term Expiry

Pursuant to the Articles of Association, at every annual general meeting of shareholders, at least one-third of the number of directors shall vacate their office. If the number of directors cannot be divided into a multiple of three, the number of directors nearest to one-third ( $1/3$ ) shall retire. The directors to be retired from office in the first and second year following the registration of the Company shall be made by drawing lots. For subsequent years, the director who has held office longest shall retire.

##### 2. Resignation

The Charter of the Board determines that a director who desires to resign from office shall submit a resignation letter to the Company at least 30 (thirty) days in advance. The resignation shall be effective on the date the Company receives the resignation letter.

### Authorities of the Board of Directors

The Board of Directors must perform duties in compliance with laws, objectives, the articles of association, the resolutions of shareholders' meeting, with integrity and prudence, in the best interests of shareholders in both short term and long term as well as shall adhere to the rules and regulations of the Stock Exchange of Thailand, the Securities and Exchange Commission and the Capital Market Commission The Board of Directors is empowered to appoint a director as the Chairman, and can also appoint Vice Chairman, as deemed appropriate. The authorities of the Board of Directors are as follows:

- The Board of Directors is empowered to appoint a director as the Chief Executive Officer, and can also appoint any person to be the Company Secretary, as deemed appropriate.
- The Board of Directors has the right to attend trainings or to participate in activities in order to increase knowledge on concerning work by using the Company's resources.
- The Board has the authority to consider the endorsement of acquisition or distribution of assets except in case such transactions require a resolution at the Shareholders' Meeting. However, such endorsement would be according to the announcement, regulation, and/or requirement related to The Office of Securities and Exchange.
- The Board has the authority to consider endorsement of related transactions except in case such transactions require a resolution at the Shareholders' Meeting. However, such endorsement would be according to the announcement, regulation, and/or requirement related to The Office of Securities and Exchange.
- The Company's Board of Directors has the authority to consider the endorsement for loans or any loan applications from financial institutions or the setting up of the new revolving credit line (O/D) as well as spending money for investment, sale of land, within a budget of more than 200 million baht per transaction.

#### Delegation of Authorities by the Board

Two directors with signatory power jointly affix their signatures for the Company to authorize other persons to perform the business on behalf of the Company within a certain period. In this regard, the delegation of authority and responsibility by the Board of Directors will not be the delegation or sub-delegation of authority in such a manner that enables the Board or its attorneys to approve any transactions for oneself or for any person with potential conflict (as defined in the Notification of SEC) for both the Company and subsidiaries.

#### Meeting and Quorum of Meeting

The Company holds the Board of Directors' meeting once a month and may convene an extraordinary session if necessary. The Company requires the directors to attend the meeting every time except in case of necessity. The meeting will be pre — schedule with exact date, time and agenda details all year round. The meeting invitations specifying agenda details together with the supporting documents shall be sent to all directors at least seven days ahead of the meeting to allow them with enough time to study before the meeting, except in case of emergency to protect the company's interest. The Company prepares and completes the minute of the Board of Directors' meeting within 14 days from the meeting date and retains the minutes of the meeting certified by the Board of Directors in full along with other documents. All directors can check the minute of the meeting anytime by making request with the Company Secretary.

- To form a quorum in the meeting, at least half of the directors must be present. The Chairman of the Board shall be the chairman of the meeting. In case the Chairman is absent or cannot perform the duty, other members attending the meeting can select one member to be a substituted chairman of the meeting.
- The resolution of the meeting will take into account the majority of votes,
- One director has one vote, except director with vested interest in any agenda item must abstain from voting on that item. If the number of votes is equal, the chairman will cast the decisive vote.
- The chairman or the assigned person sends the meeting invitations specifying date, time, venue and agenda details to all directors at least seven days ahead of the meeting. Except for the urgent case to protect the company's interest, notification of the meeting can be given through other means and the meeting can be convened earlier.

In 2015, the company held total 13 Board of Director's meetings and the summary of directors' attendance is as follows:

Directors	The total number of Meetings	The number of Attendance	Percent
1. Mr. Mana Karnasuta	13	6	46
2. Mr. Prasertphand Pipatanakul	13	13	100
3. Mr. Niyom Niyamanusorn	13	13	100
4. Mr. Apichart Dharmasaroja	13	12	92
5. Mr. Polpat Karnasuta	13	13	100
6. Mr. Sook Sueyanyongsiri	13	13	100
7. Mrs. Wattana Samanawong	13	13	100

## Sub-Committees

The company's Board of Directors realizes the importance of good corporate governance and resolved to establish the sub-committees to closely monitor and supervise the business operation. In 2006, the Board of Director has appointed the Audit Committee to oversee and implement the corporate governance and the internal audit. Later in 2015, the Board's meeting no. 3/2015 dated 13 March 2015 resolved to approve the establishment of six sub-committees with the purpose to expand the governance of the organization to cover all dimensions and to be in compliance with Good Corporate Governance. The Sub-committees comprise namely:

- Corporate Governance Committee
- Business Code of Conduct Committee
- Nomination and Remuneration Committee

- Management Committee
- Risk Management Committee
- Corporate Social Responsibility Committee

The seven sub-committees have their roles and functions as follows:

## 1. Audit Committee

The Board of Directors has appointed the Audit Committee comprising directors who have qualifications required by the Securities and Exchange Law. The Audit Committee consists of three independent directors, namely:

Name	Position in the Audit Committee	Position in the Board of Directors
1. Mr. Prasertphand Pipatanakul	Chairman	Independent Director
2. Mr. Niyom Niyamanusorn	Member	Independent Director
3. Mr. Apichart Dharmasaroja	Member	Independent Director

Note: Mr. Apichart Dharmasaroja is the Audit Committee member who has enough knowledge and experience in review of reliability of the Company's financial statement.

## Duties and Responsibilities of the Audit Committee

- Ensure the accuracy, completeness, reliability and timely information disclosure of the financial statements report.
- Ensure that the Company has duly complied with the rules and regulations of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET), and other regulations and laws related to the Company's businesses.
- Consider, select and nominate an independent person to be the Company's auditor and propose such person's remuneration as well as attend non-management meeting with an auditor at least once a year.
- Ensure that the Company has sufficient, appropriate and effective internal control and internal audit system, determine an internal audit unit's independence as well as approve the appointment, transfer or dismissal of the head of the internal audit office or related parties.
- Review the related transactions or the transactions that may lead to conflicts of interests to make sure that they are in compliance with the law and regulations stipulated by the Stock Exchange of Thailand and are reasonable and for the highest benefit of the Company.
- Ensure that the Company has sufficient, appropriate and effective risk management systems
- Review and approve internal audit plan and performance of the internal audit office
- Prepare the Audit Committee's annual performance report and disclose it in the Company's annual report. Such report must be signed by the Chairman of the Audit Committee and consists of at least the following information:-

- a) opinion on accuracy, completeness and credibility of the Company's financial report,
  - b) opinion on adequacy of the Company's internal control system,
  - c) opinion on compliance with by the Securities and Exchanges laws, the Stock of Thailand regulations or the laws relating to the Company's business,
  - d) opinion on suitability of an external auditor,
  - e) opinion on transactions which may lead to conflicts of interest,
  - f) number of the Audit Committee's meeting and attendance at such meetings by each committee member,
  - g) opinion or overview of comments received by the Audit Committee from its performance of duties in accordance with the charter,
  - h) other transactions which, according to the Audit Committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Board of Directors
- Request or invite the Executive Committee members, executives or relevant parties to give statements or useful information, join meeting or deliver documents as deemed relevant and necessary
  - Review the Audit Committee Charter on an annual basis in order to consider and assess its current assigned roles and responsibilities and propose any required amendments if necessary.
  - Oversee that there is an effective whistle blowing system in place, in the event that an employee or any stakeholder is suspicious of any possible wrongdoing, as well as non-compliance to any laws, regulations, business code of conduct or to any corporate governance policies so that the whistleblower has the confidence that the Company has the required and appropriate independent procedure to effectively investigate and resolve such possible wrongdoings and non-compliance issues.
  - Execute other duties as assigned by the Board of Directors.

The Audit Committee has an office term of 3 years. However, when the term is completed, the members may be re - appointed.

This is in accordance with the Charter for the Audit Committee approved by the Board of Directors' Meeting No. 9/2015 on 17 September 2015.

The Audit Committee must hold meetings at least 4 times per year following the quarterly financial, together with the independent auditor, the internal auditor, the Management, and the executives responsible for accounting and finance to review the financial statements and report to the Board of Directors. In 2015, the Audit Committee convened a total of 12 meetings and had meetings with the external auditors in every quarter. The meeting attendance of each committee was as follows:

Name	The total number of Meetings	The number of Attendance	Percent
1. Mr. Prasertphand Pipatanakul	12	12	100
2. Mr. Niyom Niyamanusorn	12	12	100
3. Mr. Apichart Dharmasaroja	12	11	92

## 2. Corporate Governance Committee

The Board of Directors' Meeting No. 3/2015 held on 13 March 2015 resolved to appoint the Corporate Governance Committee to monitor performance of directors and the management to ensure compliance with the good corporate governance principles. The Corporate Governance Committee consists of six directors of the Board and at least half of the total numbers must be independent directors, namely:

Name	Position in the Corporate Governance Committee	Position in the Board of Directors
1. Mr. Prasertphand Pipatanakul	Chairman	Independent Director
2. Mr. Niyom Niyamanusorn	Member	Independent Director
3. Mr. Apichart Dharmasaroja	Member	Independent Director
4. Mr. Polpat Karnasuta	Member	Director
5. Mr. Sook Sueyanyongsiri	Member	Director
6. Mrs. Wattana Samanawong	Member	Director

And Mr. Visut Suwanwitwaj, Vice President of the New Business and Strategic Planning Department performs as Secretary to the Corporate Governance Committee.

### Duties and Responsibilities of the Corporate Governance Committee

- Establish the corporate governance policy under current legal framework, the cabinet's resolutions, principles, rules and regulations stipulated by organizations that oversee the corporate governance such as the Stock Exchange of Thailand, the Securities and Exchange Commission, other relevant agencies as well as international standards of corporate governance, propose the drafted policy to the Board of Directors for approval and proclaim the approved policy to be used as the best practice of the Directors, the Management and staff members at all levels.
- Oversee and give advice to the Directors, the Management and staff members of the Company on how to perform their duties and fulfill their responsibilities in accordance with frameworks and criteria of the Corporate Governance Policy.
- Set guidelines for reporting of the corporate governance compliance in the Company's annual report.
- Consider and approve the announcement of the Company's corporate governance issues of to publics as well as amend circulation of corporate governance information on the Company's website.
- Consider, review and revise the corporate governance policy continually at least once a year to keep the Company's Corporate Governance Policy up-to-date and well adjusted to the international standards.
- Execute other duties as assigned by the Board

The Corporate Governance Committee has an office term of 3 years. However, when the term is completed, the members may be re-appointed.

This is in accordance with the Charter of the Corporate Governance Committee approved by the Board of Directors' Meeting No. 9/2015 on 17 September 2015.

The Corporate Governance Committee must hold meetings at least twice a year. In 2015, the Corporate Governance Committee convened a total of two meetings and reported performance to the Board of Directors.

### 3. The Business Code of Conduct Committee

The Board of Directors' Meeting No. 3/2015 held on 13 March 2015 resolved to appoint the Business Code of Conduct Committee. The Business Code of Conduct Committee consists of four directors of the Board and at least half of the total members must be independent directors, namely:

Name	Position in the Business Code of Conduct Committee	Position in the Board of Directors
1. Mr. Prasertphand Pipatanakul	Chairman	Independent Director
2. Mr. Apichart Dharmasaroja	Member	Independent Director
3. Mr. Sook Sueyanyongsiri	Member	Director
4. Mrs. Wattana Samanawong	Member	Director

#### Duties and Responsibilities of the Business Code of Conduct Committee

- Consider, formulate and approve the Business Code of Conduct, the Anti - Corruption Policy and the Code of Ethics to be used as the practical guideline of the Directors, the management and staff members towards shareholders, community and society and propose to the Board of Directors for approval.
- Consider and review the Business Code of Conduct and the Anti — Corruption Policy to be efficient and appropriate to the situation.
- Oversee, supervise and monitor to ensure that compliance of the Business Code of Conduct, the Anti — Corruption Policy and the Code of Ethics have been strictly and continuously followed by all persons within the Company.
- Execute other duties as assigned by the Board of Director.

The Business Code of Conduct Committee has an office term of 3 years. However, when the term is completed, the members may be re-appointed.

This is in accordance with the Charter of the Business Code of Conduct Committee approved by the Board of Directors' Meeting No. 9/2015 on 17 September 2015.

The Business Code of Conduct Committee must hold meetings at least twice a year. In 2015, the Business Code of Conduct Committee convened a total of two meetings and reported performance to the Board of Directors.

## 4. The Nomination and Remuneration Committee

The Board of Directors' Meeting No. 3/2015 held on 13 March 2015 resolved to appoint the Nomination and Remuneration Committee to nominate and consider remunerations for directors and the President to ensure transparency and fairness. The Nomination and Remuneration Committee consists of four directors and at least half of the total members must be independent directors, namely:

Name	Position in the Nomination and Remuneration Committee	Position in the Board of Directors
1. Mr. Niyom Niyamanusorn	Chairman	Independent Director
2. Mr. Apichart Dharmasaroja	Member	Independent Director
3. Mr. Polpat Karnasuta	Member	Director
4. Mrs. Wattana Samanawong	Member	Director

And Mr. Visut Suwanwitwaj, Vice President of New Business and Strategic Planning Department performs as Secretary to the Nomination and Remuneration Committee

### Duties and Responsibilities of the Nomination and Remuneration Committee

- Consider the appropriate structure, size and composition of the Board to suit the organization and changing situation.
- Ensure that the Board structure comprises ethical and honest experts who are knowledgeable, experienced and skillful in diverse fields relevant to the conduct of business. Furthermore, the members are selected with non — discrimination of gender, race, religion, age, professional skill, or other qualifications.
- Consider the criteria for selecting directors, as well as select and nominate qualified persons to be considered by the Board of Directors before further submission to the meeting of shareholders for appointment as directors.
- Consider qualifications of the independent directors to be in line with the criteria defined by the Securities and Exchange Commission (SEC) and by the Company.
- Allow minority shareholders the opportunity to propose qualified persons for selection as directors. This provides shareholders with enough time prior to the meeting of shareholders being held.
- Set the criteria for selecting CEO / President.
- Select and nominate qualified persons to be considered by the Board of Director for appointment as CEO/ President.
- Formulate succession plans for Chairman of the Board, CEO/President and senior executive position and submit to the Board of Directors for consideration.
- Consider compensation method and standard for directors, members of the sub-committees (except the Nomination and Remuneration Committee itself) as well as for the CEO and President, so that they are equitable and appropriately corresponds to the respective assigned duties and responsibilities, current

business environment and performance results of the Company, as well as will facilitate an effective discharge of their responsibilities. The proposed compensation plan should also be comparable to those of other companies within the same or similar industry and business sector as the Company, and also take into consideration the overall increase to the total value of the shareholders equity in the long term.

- Consider the compensation for directors and propose it to the Board of Directors for endorsement and, in turn, tabling it for the approval of the meeting of shareholders.
- Define goals and evaluate the performance of the President/CEO to determine reasonable compensation.
- Consider knowledge development plans and training programs for existing and newly appointed directors to be suitable and in line with roles and responsibilities of the existing Director's position and of the Board of Directors as well as development which is critical to the business operations of the Company.
- The Nomination and Remuneration Committee has rights to attend trainings or to participate in activities to enhance knowledge and expertise by using resource of the Company.
- Invite executives or any related persons to attend the meeting in order to provide relevant information.
- Execute other duties as assigned by the Board of Director.

The Nomination and Remuneration Committee has an office term of 3 years. However, when the term is completed, the members may be re-appointed.

This is in accordance with the Charter of the Nomination and Remuneration Committee approved by the Board of Directors' Meeting No. 9/2015 on 17 September 2015.

## 5. The Executive Committee

The Board of Directors' Meeting No. 3/2015 held on 13 March 2015 resolved to appoint the Executive Committee to help giving suggestions and advice to the Management and perform any other arrangements as assigned by the Board of Director. The Executive Committee consists of seven members who hold the position of Senior Vice President, namely:

Name	Position in the Executive Committee	Position in the Board of Directors
1. Mr. Polpat Karnasuta	Chairman	Director
2. Mr. Sook Sueyanyongsiri	Member	Director
3. Mrs. Wattana Samanawong	Member	Director
4. Mr. Apathorn Karnasuta	Member	-
5. Mr. Mongkol Peerasantikul	Member	-
6. Mr. Pasan Swasdiburi	Member	-
7. Mr. Nicolino Pasquini	Member	-

And Ms. Patumtip Permsakmeesap, General Manager of Operation Department performs as Secretary to the Executive Committee.

Duties and Responsibilities of the Executive Committee

- Formulate the Company's business strategies and business operation plan; oversee and monitor the compliance of the corporate governance principles and the operating results of the Company to be the most effective and efficient.
- Review the Company's operational performance from time to time to find prompt solutions to achieve the planned business targets.
- Review and endorse annual budgets and large scale of investment projects of the Company before submitting to the Board of Director for approval.
- Set up organizational structure and carry out efficient management covering recruitment, trainings, employment, termination of employment and compensation of executives and staff members.
- Under power of attorney to act as a representative to exercise business transactions on behalf of the Company within the limits of authority defined in the Corporate Governance Policy and the Company's regulation
- Provide advice to the Board of Directors for making decisions on important issues
- Execute other duties as assigned by the Board of Directors

Duties and Responsibilities of Chairman of the Executive Committee

- Manage and operate the Company's business in accordance with the policies and authorities defined by the Board of Directors.
- Set up business targets, either long or short term, on the annual business plan including expenses budgets and long-term strategic plan and submit to the Board for approval; has duty to report progress of the approved plan and budgets to the Board every 3 (three) months.
- Manage work operation through the hierarchy to achieve the objectives set on the Business plan by creating competitive competency and providing proper returns to shareholders.
- Allocate resources and recruit potential workforce and then use them for the utmost benefit.
- Assign, appoint, remove, transfer, change staff's position; reduce, cut salary or wages; conduct disciplinary punishment; and dismiss employees according to the regulations of the Company's Human Resources Management.
- Promote and build up strong corporate culture to support the vision and the business growth.
- Monitor closely the Company's business operation, evaluate operating results and report matter undertaken by the management to the Board of Director in timely manner.
- Consider and screen the Company's policies, business directions, undertaken matters that may affect the Company's business and matters relating to applicable laws and regulations of the Stock Exchange of Thailand; and present to the Board for approval.
- Prepare the documents detailing the operating authority for decentralization to employees to enable them to perform their duties efficiently and flexibly without losing control and submit to the Board for approval.

- Prepare report of financial status and financial statements and submit them to the Board for consideration and approval quarterly.
- Has the power to approve any purchase in the amount more than Baht 500,000 per transaction.

The Executive Committee has an office term of 3 years. However, when the term is completed, the members may be re-appointed.

This is in accordance with the Charter of the Executive Committee approved by the Board of Directors' Meeting No. 9/2015 on 17 September 2015.

The Executive Committee must hold meetings on a monthly basis to consider matters as assigned by the Board of Directors and scrutinize the matters that will be proposed to the Board for consideration and approval. In 2015, the Executive Committee convened a total of 12 meetings and reported performance to the Board of Directors.

## 6. Risk Management Committee

The Board of Directors' Meeting No. 3/2015 held on 13 March 2015 resolved to appoint the Risk Management Committee to oversee and support the Company's risk management to achieve success in the organizational level. The Risk Management Committee consists of six members, namely:

Name	Position in the Risk Management Committee	Position in the Board of Directors
1. Mr. Apichart Dharmasaroja	Chairman	Independent Director
2. Mr. Sook Sueyanyongsiri	Member	Director
3. Mr. Mongkol Peerasantikul	Member	-
4. Mr. Visut Suwanwitwaj	Member	-
5. Mr. Surin Kruevutthikul	Member	-
6. Ms. PakatipLopandhsri	Member	-

And Mr. Visut Suwanwitwaj, Vice President of New Business and Strategic Planning, Department performs as Secretary to the Risk Management Committee

### Duties and Responsibilities of Risk Management Committee

- Define, review and approve risk management policy and risk management master plan. Set and regulate the Company's risk management system as well as consider and review risk management plans to be efficient and appropriate for changing situation.
- Evaluate, monitor and oversee risks to ensure that they are at appropriate levels.
- Oversee, supervise and monitor to ensure that all departments within the Company continuously follow up risk management policies.

- Consider and approve budgets and expenses for operation about risk management and monitor sufficiency of resource to be used for risk management.
- Monitor risks status of the Company and report to the Board of Directors and the Audit Committee.
- Form the working team as deemed appropriate.
- Execute other duties as assigned by the Board of Directors.

The Risk Management Committee has an office term of 3 years. However, when the term is completed, the members may be re-appointed.

This is in accordance with the Charter of the Risk Management Committee approved by the Board of Directors' Meeting No. 9/2015 on 17 September 2015.

The Risk Management Committee must hold meetings at least twice a year. In 2015, the Risk Management Committee convened a meeting and reported performance to the Board of Directors.

## 7. Corporate Social Responsibility Committee

The Board of Directors' Meeting No. 3/2015 held on 13 March 2015 resolved to appoint the Corporate Social Responsibility Committee to supervise the Company's operation in respect of the corporate social and environmental responsibility. The Corporate Social Responsibility Committee consists of four members, namely

Name	Position in the Corporate Social Responsibility Committee	Position in the Board of Directors
1. Mr. ApichartDharmasaroja	Chairman	Independent Director
2. Mr. SookSueyanyongsiri	Member	Director
3. Mr. SomchaiWoonprasert	Member	-
4. Mr. MitpornTansrisuk	Member	-

And Ms. Patumtip Permsakmeesap, General Manager of Operation Department performs as Secretary to the Corporate Social Responsibility Committee

### Duties and Responsibilities of the Corporate Social Responsibility Committee

- Set out the Company's corporate social responsibility (CSR) policy framework and activity plan and propose to the Board of Directors for approval. The Committee may invite the management, employees or concerned persons to give opinions, join meeting or submit relevant information.
- Appoint working team to perform corporate social responsibility (CSR) activities as deemed appropriate; monitor its performance by assigning to prepare performance report on CSR activities and present to the Corporate Social Responsibility Committee.
- Review performance outcome of CSR activities and report to the Board of Directors.
- Monitor and report the Board of Directors current and emerging sustainable development and CSR issues and trend.
- Review and approve disclosure of corporate social responsibility report in the Company's annual report.

- Consider and approve budget and expenses for exercising CSR activities.
- Execute other duties as assigned by the Board of Directors.

The Corporate Social Responsibility Committee has an office term of 3 years. However, when the term is completed, the members may be re-appointed.

This is in accordance with the Charter of the Corporate Social Responsibility Committee approved by the Board of Directors' Meeting No. 9/2015 on 17 September 2015.

### Succession Plan

The Company's Board of Directors sets out the succession plan for the positions of Chairman of the Executive Committee and President by assigning the Nomination and Remuneration Committee to prepare the succession plan and propose to the Board of Directors for consideration.

Person who will be selected shall possess suitable qualifications as prescribed by the Company, as well as other qualities such as business vision, knowledge, proficiency, and experience, that well suit the Company's corporate culture.

### Orientation for New Directors

The Company recognizes the importance of duty performing of new directors and has therefore defined the practical guideline on preparation for duty performing of directors to enable new directors to know the Company's expectations of their roles, duties, responsibilities, the Company's policies, business and corporate governance practices. These include enabling them understand about the Company's business and operation, as well as to visit its business units for being prepared to perform the duty of director promptly as follows:

1. Coordinate in providing of the Company's data in legal area and others to the Board of Directors
2. Submit "Directors Guidebook" to new directors, the guidebook contains the Company's information and relevant crucial laws which will be useful for members of the Board of Directors. The Company Secretary is responsible for coordinating to deliver this guidebook to the Board of Directors. Contents of the guidebook consists of Articles of Association of the Company, objectives of the Company, affidavit of the Company, Public Company Limited Act, Securities and Exchange Act, guidebook for directors of listed company, charter of the Board of Directors and of the Sub — Committees, Business Code of Conduct of Directors and manual for Corporate Governance Policy and other policies of the Company
3. Arrange meetings with the Chairman, Board of Directors, sub-committees and executives to make them informed of the Company's business operation for using as their principles in performing duty. The presentation is made as a whole picture and in details under the topics namely, the Company's history, vision, mission, strategies, management structure, operating data and activities.

### Performance Appraisal of the Board and the Sub-committee

In 2015, the Board of Directors has established the policy on the performance evaluation of the Board and the sub-committees at least once a year. The appraisal will be made in a whole and on an individual basis.

The Company's performance evaluation form shall apply the Stock Exchange of Thailand's approach and in accordance with the scope of duties of the Board and of each sub-committee. The Company Secretary will deliver the performance evaluation form to each director and each member of the sub-committees at the end of the year. After each director and committee complete the assessment, the results shall be submitted to the Company Secretary to gather and report to the Board in the next meeting in order to set measures to further improve work efficiency of the Board and the sub-committees.

### Performance Appraisal of the President

For evaluation of the performance of the President who is the top executive of the Company, the Company has required other directors, except director who holds the positions as President, to conduct the evaluation and submit the results to the Nomination and Remuneration Committee to consider the remuneration as money and propose to the Board of Directors for approval. The performance assessment of the President must be held once a year using the assessment criteria as follows:

1. Management in accordance with the vision, mission, business goals and annual business plans
2. Development of human resource and establishment of the corporate culture for sustainable business growth
3. Development, promotion and strengthening the corporate culture
4. Compliance in accordance with the principles of good corporate governance
5. Operation and management according to policies relevant to shareholders, Board of Directors, applicable laws and regulations of the Stock Exchange of Thailand.
6. Internal management to reduce the risk of fraud and corruption

### Remuneration of Directors

The Company has established a clear and transparent policy on remuneration for directors. The Nomination and Remuneration Committee shall consider and scrutinize remuneration of the Board of Directors and the Sub — Committees with the recognition of fairness and appropriateness and within the same nature of business and present to the Board of Directors. The Board of Directors shall approve the remuneration of the sub-committees and the shareholders shall approve the remuneration of the Board.

In 2015, the Board of Directors considered and reviewed the remuneration for the directors and the sub-committees and presented to the annual ordinary general meeting of shareholders on April 30, 2015 for consideration and approval of the remunerations of directors and the sub-committees for the year 2015. The remuneration structure of directors and sub-committees for the year 2015 were as follows:

Position	Amount Paid (Baht/person/year)
> Chairman of the Board	553,280
> Directors	355,680
> Chairman of Audit Committee	276,640
> Audit Committee Members	197,600

In 2015, the company paid remunerations to the directors and the sub-committees as follows:

Name of Director	The Board of Directors		The Audit Committee		Number of months	Amount paid in Year 2015 (baht)
	Position	Remuneration per month (baht)	Position	Remuneration per month (baht)		
1. Mr. Mana Karnasuta	Chairman	46,107.00			12	553,280.00
2. Mr. Prasertphand Pipatanakul	Director	29,640.00	Chairman	23,053.00	12	632,320.00
3. Mr. Niyom Niyamanusorn	Director	29,640.00	Member	16,467.00	12	553,280.00
4. Mr. Apichart Dharmasaroja	Director	29,640.00	Member	16,467.00	12	553,280.00
5. Mr. Polpat Karnasuta	Director	29,640.00			12	355,680.00
6. Mr. Sook Sueyanyongsiri	Director	29,640.00			12	355,680.00
7. Mrs. Wattana Samanawong	Director	29,640.00			12	355,680.00
Total		223,947.00		55,987.00		3,359,200.00

Note: 1. Except for the monthly-paid remunerations, the company does not provide the directors with any other benefits.  
2. In 2015 except the Audit Committee, no remuneration was paid to other sub-committees

## Development and Knowledge Accumulation of Directors and Executives

The Board of Directors supports and encourages the knowledge development of all directors and executives in a serious manner and has a policy on promoting all directors, executives, and the company's secretary including all employees supporting works of the directors and the company secretary to attend seminars and training courses. The Board of Directors completed the training courses organized by the Thai Institute of Directors Association (IOD) namely, Director Certification Program (DCP) and Director Accreditation Program (DAP).

In addition, the company has regularly sent directors and executives to attend training courses organized by IOD and other institutions. In 2015, directors and executives attended the training courses and seminars as shown below:

Name of Directors and Executives	Date	Training session — Seminar / organized by
Mr. Prasertphand Pipatanakul	11 Feb 2015	The Challenging Work of Audit Committee Members Against the Role of Financial and Non-Financial Information Reviews / Office of Securities and Exchange Commission
Mrs. Wattana Samanawong	29-30 Oct 2015	Anti — Corruption the Practical Guide (ACPG 23/2015) / Thailand Institute of Directors
Mr. Pasan Swasdiburi	29-30 Oct 2015	Anti — Corruption the Practical Guide (ACPG 23/2015) / Thailand Institute of Directors
Mr. Visut Suwanwitwaj	15-16 Sep 2015	Company Secretary Program (CSP 66/2015) / Thailand Institute of Directors
	15-16 Oct 2015	Effective Minute Taking (EMT 33/2015) / Thailand Institute of Directors
	26 Oct 2015	Board Reporting Program (BRP 18/2015) / Thailand Institute of Directors

## Appointment of the Company's Secretary

The Company's Secretary has a key role in supporting and overseeing the Board's activities to be efficient, effective and in consonance with law, rules, regulations, and corporate governance principles. The Board of Directors shall appoint a qualified person to perform this position based on his/her knowledge, ability and suitability and has defined roles and responsibilities of the Company's Secretary as follows:

- Prepare and file documents concerning the list of directors, the Company's annual report, invitation letters for directors' meeting, minute of the Board of Directors' meeting, invitation letters for shareholders' meeting and minutes of shareholders' meeting.
- File report of vested interests of directors or executives.
- Send the copy of reports of vested interests of directors and executive or related person to the Chairman and the Chairman of the Audit Committee within 7 (seven) days after receiving of the report.
- Arrange the meeting of the Board and of the shareholders under related rules, regulations and law.
- Provide advice for the operation of the Company and of the Board under the Memorandum of Association, the Articles of Association, the Securities and Exchange Act, the Public Company Limited Act and other related laws.
- Act as a focal point for exchange of news and information among directors, executives and shareholders.
- Coordinate and follow up operation under the resolutions of directors and shareholders.
- Oversee disclosure of information and reports under relevant responsibilities to the monitoring agency as specified by the rules and regulations of the authority.
- Perform other duties as announced by the Capital Market Supervisory Board or as assigned by the Board.

Currently, the Company's Secretary is Mrs. Wattana Sammanawong



## Profile of the Company's Secretary

Mrs. Wattana Samanawong

Age: 63

Date of Appointment: 15 July 2007

Shareholding Proportion: 1,694 shares

(as of 1 March 2016)

### Education

- Master of Accounting, Faculty of Commerce & Accountancy, Thammasart University
- Diploma Certificate in Auditing, Faculty of Commerce & Accountancy, Chulalongkorn University
- Bachelor of Accounting, Faculty of Economics, Kasetsart University

### Work Experience

- Present :
  - Director and Senior Vice President of Finance and Administration Department Nawarat Patanakarn Public Company Limited
  - Senior Vice President of Premier Group of Companies
  - Manager of Accounting Department Osotsapa
  - Accounting Manager, Premier International Company Limited
  - Deputy Director of Administrative Department, The Stock Exchange of Thailand

## Internal Control

The Board of Directors gives the importance to the internal control of all work processes and determines it line with the international standard of COSO (The Committee of Sponsoring Organizations of the Treadway Commission) which consists of the following five components: control environment, risk assessment, control activities, information and communication, and monitoring.

The internal control operation arranges for segregation of departments and positions and decentralization by defining authorities of executives and staff clearly and suitably in order to counterbalance the protection of shareholders' capital and the Company's assets. The internal control system of the Company covers financial statement report, operation, property maintenance and any conduct in compliance with relevant laws, rules and regulations and is audited by the Internal Audit Department, which is independent unit.

In addition, the Company establishes practice handbook, regulations; defines duties and responsibilities clearly, as

well as informs and communicates with the internal employees of the Company. The Company also stipulates policy and method for personnel management relating to the internal control; create control activities consisting of verification of financial and non — financial operation, protection of assets with high risk and control of information technology; and conduct assessment, both during operating process and each time, continuously and consistently.

The Board of Directors assigns the Audit Committee to examine outcome of the internal control assessment to ensure efficiency, effectiveness, sufficiency and suitability for business conduct of the internal control system as well as to maintain assets and efficient usage of resources in order to prevent damage or fraud.

## Internal Audit

The Board of Directors has established the Internal Audit Department to monitor and ensure that all directors, executives and employees perform their duties in compliance with policies, standard, work procedures, regulations and applicable laws, as well as to assess adequacy and efficiency of the Company's internal control systems and risks. The Internal Audit Department performs duties independently and directly reports to the Audit Committee.

The Audit Committee will appoint the Head of Internal Audit Department by selecting person who has suitable qualifications, can efficiently perform duties in evaluating the internal control system and work performance and providing recommendation for improvement.

Currently, Head of the Internal Audit Department of the Company is Mr. Surin Kruevutthikul



### Profile of the Internal Audit Department Head

Mr. Surin Kruevutthikul

Age: 63

Telephone: 02-7302153

Shareholding Proportion: 515 shared  
(as of 1 March 2016)

Education :

- Master of Business Administration, Siam University

Work Experience:

- 2003 — present : General Manager of Internal Audit Department, Nawarat Patanakarn Public Company Limited
- 1988 — 2002 : General Manager of Human Resource and Administration Department, Nawarat Patanakarn company Limited

History of Training on Internal Audit:

- Operation of Internal Audit (The Institute of Certified Accountants and Auditors of Thailand)
- Risk Management (Dharmaniti Seminar and Training Limited)

## Compliance

The Company recognizes the importance of compliance which is the key mechanism to improve correctness and prudence of every operational procedures and steps, enhance the Company to operates in accordance with strategic plan, and achieve the goals. The Board of Directors assigns the Internal Audit Department and the Quality System Department to supervise and monitor the implementation in compliance with the relevant laws and regulations under the supervision of the Company Secretary Office.

## Risk Management

The company has realized the importance of risk management which is a crucial mechanism and management tool in making an organization achieve its goals and objectives, reduce loss, increase competitiveness, and is the key elements of the corporate governance. The Board of Directors, therefore, sets up the system of risk management and has continuously improved it. The risk management policy is clearly defined as detailed below:

1. Risk Management is part of organizational culture. Every employee is required to learn, try to understand, realize the importance and constantly perform it with effectiveness and efficiency.
2. Risk Management is the important operation of the Company. It must cover all aspects of mission and must be the same standard throughout the company.
3. Risks may affect the achievement of the company's objective must be managed in timely manner.

The company communicates the policy on risk management to all executives and employees via e-mail and the company's website and determined the risk management system covering three levels of risk namely, of risk including organizational risk, operational risk, and personal risk, and four types of risks as follows:

1. Strategic Risk
2. Operational Risk
3. Financial Risk
4. Compliance Risk

The company's risk management procedures are defined as follows:

1. Set objectives setting
2. Identify risks
3. Assess opportunity and impact
4. Impose measures to optimize risks and make them in lines with the Company's strategies
5. Propose the measures to the Risk Management Committee for approval
6. Monitor the consequence after operation

7. Make a report on risk management for two times as follows:

- 1st time: immediately report after the operation according to the risk management procedures is completed
- 2nd time: After running the risk management process for some period of time, i.e. 6, 9 or 12 months

The company establishes the manual for the risk management system for all work units to understand the principles and procedures and use as guideline for risk management; and requires all work units to create its risk management plan for presentation to the Risk Management Committee for approval as well as to monitor, assess and review the risk management plan to be suitable for changing of circumstances both internal and external on regular basis.

To enhance the risk management to be successful in the organizational level, the Board of Directors' Meeting No. 3/2015 held on March 13, 2015 resolved to approve the establishment of the Risk Management Committee to oversee, monitor and encourage the risk management to be implemented efficiently, report performance as well as review policy and system of risk management annually in order to ensure that it is appropriate with the business environment of the Company.

### Conflicts of interests

The company has the policy to conduct the business with integrity, transparency, and fairness and determines that all directors, executives, and staff must not conduct or take part in any business which is in competition with the company's business, avoid making transactions relating to them or persons/juristic persons who may be in conflict with the company's interest and not seek benefits from the information or anything acquiring from their duties and responsibilities for personal interest or for competition with the business of the Company's business. The Board of Directors has duty to strictly oversee the compliance with the criteria, methods and the disclosure of related transactions according the requirements stipulated by law and the governing agencies.

In case it is necessary to make related transactions or ones involved with conflict of interest, such transactions must be under the conditions required by the Company and must be approved by the Board before taking the action. However, the interested parties must not take part in consideration of the transactions they get involved with. There must also be the Audit Committee members getting involve in the meeting to keep the related transactions equitable and reasonable with concerns about the company's utmost benefit. In addition, the details on transactions, transaction values, and reasons or necessity must be revealed in the 56 — 1 form and the annual report according to the requirement of the Stock Exchange of Thailand and of the Office of Securities and Exchange Commission.

## Operation of the Corporate Environmental and Social Responsibility (CSR)

The construction business directly impacts the society and environment. The Company gives importance on the business operation that is socially and environmentally responsible in order to lead the Company to the true sustainability. The Company has established a policy on social and environmental responsibility with commitment to be equitably responsible for all stakeholders. The Company does not only focus on CSR in process, but also on CSR after process in form of various activities.

In addition, the Board of Director has appointed the Corporate Social Responsibility Committee on March 13, 2015 to push activities in respect of the corporate social and environmental responsibility, to encourage attendance and cultivate awareness of all employees on social and environmental responsibility and to drive the Company's operation on social and environmental responsibility more systematically and efficiently. On September 17, 2015, the Meeting of the Board of Directors resolved to revise members of the Corporate Social Responsibility Committee by appointing directors and executives who have knowledge and experience to be members of the Corporate Social Responsibility Committee (further details about the Corporate Social Responsibility Committee are disclosed under the report of Good Corporate Governance under the Sub — Committees topic)

The Company's operation of the social and environmental responsibility is separated into two parts as follows:

1. CSR In Process

is the responsibility towards the impacts of all processes of the business operation of the Company on the stakeholders, society and environment

2. CSR After Process

is the participation in and support for social and environmental activities that are not related to the operation of the Company

## Operation of CSR In Process

The company is committed to operate the business with responsibility to society and environment focusing on equitable and fair treatment of all stakeholders namely, shareholders, employees, customers, business partners, creditors, business competitors, communities, society and environment; realizes and cautions the impacts that may arise to all stakeholders as above mentioned in all processes of the Company's operation covering economic, social and environmental dimensions.

### 1. Growth and Acquisition of Higher Work Proportion

Based on the Company's vision, mission, value, and strategy to grow sustainably and steadily, the Company is committed to select the construction projects with good contribution to the society and the country's development and with fair business returns. In 2015, the company participated in the bidding for projects both of government agencies and private sectors and was successful in the bidding of the new projects with the amount of 6,265 million baht.

## Summary of new awarded projects in 2015

Projects	Value (Million Baht)
Flyover across intersection between Highway #3256 and Highway #3268, Samutprakarn	392.00
Extension of Rachapruet Road, Phrase 2 (Section2)	987.00
Manholes and Underground Conduits, Green Route	1,084.00
Construction of Kor. Sor. Lor. Dam, Taweewattana Canal, Bangkok	35.05
Construction of Kor. Sor. Lor. Dam, Klongsawat, Bangkok	104.91
Bank Protection Works, Pasak River, Harbor Department	594.00
Architectural Works at THE CAPITAL CONDOMINIUM	14.40
Construction of Flood Protection System, Pongpeng Community, Ang thong	355.80
Construction of Toyota's Showroom, Sainoi, Nonthaburi	106.00
Improvement of Pipeline Pumping and Repair of Waterway, Sukhumvit 42	9.31
Electricity Underground Tunnel, Phrakonong Canal	380.00
Storage Building Dikes, Lat Krabang Industrial Estate	2.20
Manholes and Underground Conduits, Sub-station at Chulalongkorn Hospital	134.54
Manholes and Underground Conduits, Ram Indhra Road	241.00
The Improvement of Drainage System, Chitlada Palace(Project 1)	50.23
Coastal Jetty (Project A) — Port Authority of Thailand	1,098.00
Improvement of Kanchanapisek Expressway	469.50
Flyover across Railway Intersection, Chachoengsao	193.00
Improvement of Drainage System, Chitlada Palace (Project2)	14.21
<b>Total</b>	<b>6,265.15</b>

At the same time, the Company has studied several projects which are beneficial in neighboring countries so as to expand the business opportunities to generate good returns for the shareholders and employees as well as to strengthen the organization's security and overall economy of the country.

## 2. Financial Management and Financial Statement Preparation

In term of financial management for sustainability, the Company has conducted the management for financial sustainability in a serious manner, whether in aspects of transparency and verifiability. The financial statement must be accurate and reliable. The Company's financial management and the financial statement preparation are based on the elements of the Accountability Financial Statement as follows:

### 1. Transparency

The company has the policy on transparent financial management under the principle of Good Corporate Governance by setting up the appropriate and efficient internal control system. The Board of Directors has appointed the Audit Committee comprising three independent directors, one of whom is knowledgeable in finance and accounting, to review the accounting policy and audit the quality of the financial statement as well as the internal control system. The comments of the Audit Committee are in the Report of the Audit Committee included in the Form 56-1 and the Annual Report.

### 2. Auditability

The Audit Committee has duties to oversee and monitor the operation as well as review both the annual audit plan and the accuracy, sufficiency of information disclosure and reliability of the financial statement. The items in the financial statement shall be audited and the outcome of the revision will be considered on a quarterly basis. Any issues found will be addressed in a timely manner.

### 3. Disclosure

The Company discloses sufficiently significant information in the notes to financial statement along with the explanation and analysis to ensure the accuracy and completion of the financial information record for the utmost benefits of the shareholders and investors in using the financial statement.

### 4. Measurable

In order to ensure transparency of the audit standard which will entail the sustainability of the Company, the financial statement of the Company is prepared in accordance with the financial reporting standard as prescribed by the Accounting Profession Act B.E. 2547. The items in the financial statement are prepared in compliance with the notification of the Business Development Department, the Ministry of Commerce dated September 28, 2011 regarding the requirement for the brief items to be shown in 2011 financial statements, and in compliance with the regulations of the Securities and Exchange Commission regarding the preparation and presentation of financial statement under the Securities and Exchange Act B.E. 2535.

### 5. Discipline

The Company's financial management has been ensured with discipline and auditability all the time. The investment is controlled so that the capital of the Company is not invested in the business that is outside the area of expertise or in the activities that have conflicts of interest with the Company. It is also made sure that the Company's circulating capital is sustained to be sufficient for the payment of the remuneration for employees and all stakeholders.

In addition to the above, the financial management framework that emphasizes the importance of financial discipline is established. There are indicators to signify the status and follow up the operation of the Company. They are also the tools to ensure that the business operation is appropriately conducted; financial risks are managed for continuous and steady growth. The key indicators are as follows:

## 1. Debt to Equity Ratio

The debt to equity ratio or debt ratio is calculated by dividing a company's total liabilities by shareholders' equity or registered capital. The ratio indicates what proportion of equity and debt the company is using to finance its assets. Higher debt ratio translates into higher risks of the company being unable to pay debts as they fall due either in time of profit or loss. On the other hand, a lower debt ratio usually implies the extent to which shareholders' equity can fulfill the company's obligations to creditors which will positively enhance growth and competitiveness in the market. The debt to equity ratio is the ceiling of the management of growth of the Company, even in unfavorable circumstances

Indicator	Result 2013	Result 2014	Result 2015
% Debt to Equity Ratio	1.33	1.44	2.10

## 2. Gross Profit Margin

The Company has identified the gross profit margin target that is appropriate with the operation. It is also compared with that of the competitors in the market to indicate the efficiency of the business operation of the Company.

Indicator	Result 2013	Result 2014	Result 2015
% Gross Profit Margin	3.95	4.44	5.53

## 3. Net Profit Margin

The Company has identified the target of the earning per share and dividend payment at the appropriate amount and proportion for shareholders to enable the Company to continually invest, expand and compete in the market. It will also reassure the shareholders of the profitable returns for sustainable growth.

Indicator	Result 2013	Result 2014	Result 2015
% Net Profit (Loss) Margin	0.86	0.03	(2.24)

## 3. Fair Treatment to Employees

The company gives the importance to fair treatment to employees, proper employment,

### 1. Employment

The Company recruits and employs knowledgeable, competent, and experienced personnel to support the Company's business growth. All employees are fairly and equally treated in terms of gender, race, religious belief, complexion and educational background. Wages and compensations are appropriately and fairly paid according to duties, responsibilities, as well as competencies. There are daily and monthly contracting employment and full — time permanent employment. Prior to being permanently employed, it is required that there will be the probation period of 120 days.

Table of Employees Categorized by Positions as of December 30, 2015

Positions	Number (Persons)	
	Male	Female
Vice President and higher	17	2
Division/Section Manager and higher	27	22
Operating Staff	2,671	795
<b>Total</b>	<b>2,715</b>	<b>819</b>

Table of Employees Categorized by Types of Hiring

Full-time staff					Contracted staff				
Sex	Monthly Paid		Daily Paid		Sex	Monthly Paid		Daily Paid	
	Number (persons)	%	Number	%		Number (persons)	%	Number	%
Male	629	67.20	834	74.40	Male	56	62.33	298	60.94
Female	307	32.80	287	25.60	Female	34	37.77	181	39.06

Table of New Employees in 2015

Sex	Monthly Paid		Daily Paid		Age	Monthly Paid		Daily Paid	
	Number (persons)	%	Number	%		Number (persons)	%	Number	%
Male	215	65.95	299	69.22	Under 30	231	70.85	184	42.59
Female	111	34.05	133	30.78	Between 30 - 50	86	26.38	225	52.09
					Above 50	9	2.77	23	5.32

Table of Terminated Employees in 2015

Sex	Monthly Paid		Daily Paid		Age	Monthly Paid		Daily Paid	
	Number	%	Number	%		Number	%	Number	%
	(persons)					(persons)			
Male	134	70.90	230	69.48	Under 30	129	67.90	145	43.80
Female	55	29.10	101	30.52	Between 30 — 50	55	28.95	156	47.13
					Above 50	6	3.15	30	9.07

## 2. Allocation and Management of Employees' Welfare

The Company are determined to create happiness in workplace by allocating good welfares beyond the standards required by law. The Company also promotes good environment and atmosphere to be suitable for work, provide facilities and improves surrounding for the safety of life, health and properties of staff.

The Company gives employees opportunities to define guideline on benefits contribution to meet the employees' requirement by appointing the Welfare Committee consisting of five employees who are elected as committee members and 2 appointed committee members. The Welfare Committee has authorities and duties as follows:

- discuss with executives (the employer) on welfare contribution to the employees
- give recommendations and provide opinion to executives (the employer) about welfare contribution to the employees;
- monitor and control welfare contributed to the employees by the employer;
- provide opinions and guidelines on benefits contribution to the Welfare Committee.

## Benefits Allocated for Each Category of Employee

Benefits	Full-time Employees		Contracted Employee	
	Monthly Paid	Daily Paid	Monthly Paid	Daily Paid
1. Insurance				
• Group Insurance				
- Life Insurance	*	*		
- Accident Insurance	*	*	*	*

Benefits	Full-time Employees		Contracted Employee	
	Monthly Paid	Daily Paid	Monthly Paid	Daily Paid
<b>2. Healthcare</b>				
• Medical Care Compensation	*	*		
• Annual Medical Check-up	*	*	*	
• Dental Care Compensation	*	*		
• Social Securities	*	*	*	
• Compensation Fund	*	*	*	
<b>3. Others</b>				
• Uniform for Office Staff	*	*		
• Uniform for Workers	*	*	*	
• Career Training	*	*	*	
• New Year Party	*	*	*	
• Drinking Water	*	*	*	
• Workers Camps	*	*	*	
• Transportation	*	*	*	
• Allowances				
– Upcountry Allowance	*	*		
– Oversea Allowance	*	*	*	
– Food Allowance	*	*		
• Savings Cooperative	*	*	*	
• Loans				
– Residential House	*			
– Consumption	*	*	*	
• Financial Aids				
– Sickness (only for operation case)	*			
– Marriage	*			
– Death of staff's parents	*			
– Death of staff	*	*	*	
• Provident Fund	*	*		
• Retirement Fund	*	*		

### 3. Employee Development

The company gives the importance to the heart of the organization that is employees because it realizes that employees are valuable resources and key factor in driving the organization to be successful. To become the sustainable organization in the future, the Company requires good and quality employees as key mechanism for business operation; the Company, therefore, determines the development of employees' competencies as one of the Company's missions.

#### Training Hours

Staff Training	Year 2015
The averaged number of training hours (hours/ per person/per year)	6.18 / person /year

#### Summary of Training Courses According to the Training Plan for the Year 2015

Details	Training Courses			
	Quality, Occupational Health and Safety	Governance and Business Ethics	Development of Professional Capability	Leadership and Management
Number of Persons	151	52	65	1,391
Number of Hours	966	728	480	10,017



## 4. Respect for Human Rights

The Company gives importance to the respect for human rights by treating all employees in compliance with laws and regulations of the organization and in line with international human rights principles. The Company respects diversity of labors without discrimination, whether they are in gender, age, race, religion and educational background and offer opportunities equally.

The Company conducts the construction business and always faces the problem of labor shortage. To deliver the construction work according to scheduled, it is necessary to employ foreign laborers to supplement the domestic ones.

Table of Foreign Labors as of December, 31 2015

Details	No. of Person	%
Cambodian	523	44.18
Burmese	661	55.82
Total	1,184	100

The company hires foreign laborers by applying for work permits according to the law and the requirements of the Department of Labor, treats them with the human rights principles, and provides them fundamental welfares as required by the labor law including other benefits as the same as those provided to Thai labor. The welfares provided to alien employees are as follows:

- social securities (out of work injury / on-the-job injury)
- group accident insurance as provided to Thai labor
- complimentary accommodation as provided to Thai labor
- complimentary electricity and water supply not exceeding the amount limited by the Company, as provided to Thai labor
- minimum daily wages at Baht 300.- or more depending on work performance, as provided to Thai labor
- occupational health system & safety such as protective equipment as provided to Thai labor
- complaining system relating to work or other matters as provided to Thai labor
- rights to give opinions and suggestions on work as provided to Thai labor
- advancement at work as same as Thai labor

For business partners namely vendors, contractors, sub-contractors, workers, the Company supports business partners that respect human rights and are socially responsible. The Company will select the business partners which engage in business in compliance with laws, rules and regulations of the government, comply with labor laws and safety laws, treat their employees based on ethics and with respect for human rights, and refrain from child labor. The Company treats all partners fairly and equally without discrimination of any kind, such as skin color, gender, nationality, political opinion or social background. The Company allows all business partners to submit price proposal on the same standards or conditions.

## 5. Occupational Health and Safety Management

The Company desires and is committed to ensure that the Company operates the construction work with safety and has work environment which will not create dangers to all parties involved with the construction processes executed by the Company. To reinforce confidence that the Company has safe work system, the Company has established the policy and practical guidelines on safety and occupational health management to direct its operation to safety and efficiency in every step and to reduce loss from accident that may incur by employees according to the Safety, Occupational Health and Working Environment Act.

The Company has appointed the Safety, Occupational Health and Environment Committee to lay down standards and implement policies efficiently. The Safety, Occupational Health and Environment Committee consists of seven representatives from both side of employer and employee and have duties and responsibilities as follows:

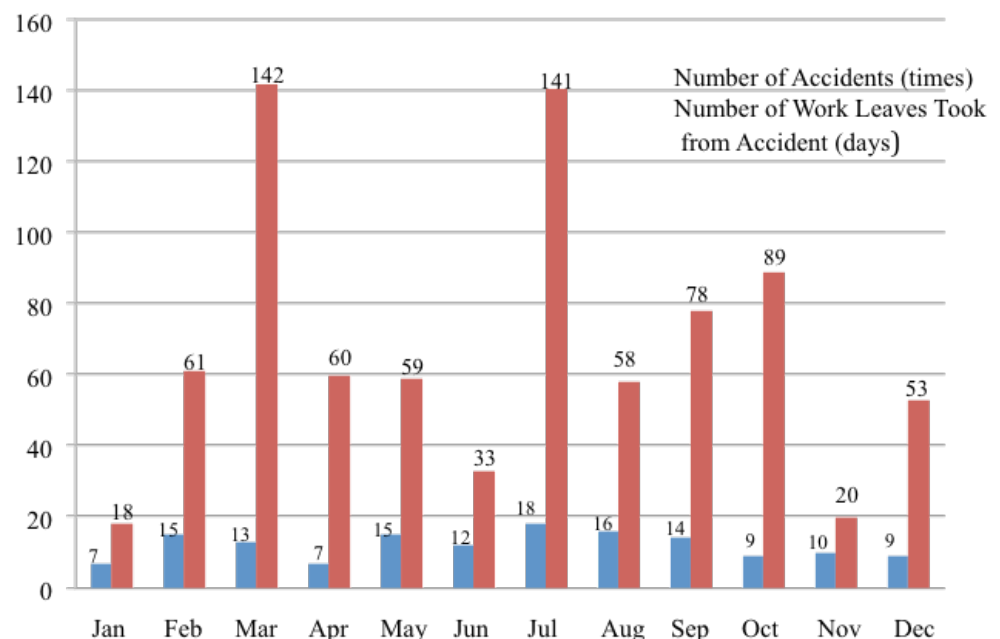
- Consider policy and plan on safety for work and for outside of work in order to prevent and decrease accidents, injuries, illness, disturbances or unsafe conditions during the service of works and present to the employer
- Report and suggest the employer measures or guidelines to improve occupational safety standard to be in accordance with the related laws for the sake of the safety of employees, contractors, and third parties who come to work or use services in the Company.
- Promote and support activities relating to the working places' occupational safety.
- Consider regulations and handbook for the working places' occupational safety and occupational safety standard and present the employer.
- Review the operation of occupational safety and verify statistic of the occurrence of hazardous incidents in the working places at least once a month.
- Consider projects or training plans relating to occupational safety including ones relating to the roles and responsibilities for the safety of employees, division heads, executives, employer and personnel at all levels and report to the employer.
- Determine system for reporting of unsafe working conditions to be duties and responsibilities of all employees at all levels.
- Follow up the progress of all the matters submitted to the employer.
- Report the employer the Committee' s annual work performance indicating problems, difficulties and the comments on the fulfillment of duties when its one-year term completion.
- Evaluate the operation on occupational safety of the working places.
- Perform other works relating to occupational safety as assigned by the employer.

In addition, every construction projects will appoint work group consisting of safety officer at any levels namely, safety officer at supervisory level, safety officer at operation level and safety officer at professional level to oversee and monitor the operation according to the professional safety standard, the planning and the work conditions to be in compliance with the applicable laws, such as lines drawing, warning signs putting, equipment providing to prevent danger from work, and knowledge giving on safety to workers.



## Statistics of Accidents and Work Leaves Employees Took from Accidents

in January - December 2015



Statistics of Accidents Number and Causes of Accident in January - December 2015  
Categorized by Organs Hurt

Organs Hurt	Number of Accidents (time)	Causes of Accident
Eye	17	Thrown off
Hand	7	Cut, Plumped, Hooked
Foot/Heel	23	Hit, Pound, Dropped, Fallen, Ankle
Finger	28	Pinched, Plumped
Leg, Shin, Calf, Knee	20	Poked, Pierced
Back, Waist	10	Carry Heavy Things, Dropped from Height Place, Vibrated
Head	2	Dropped, Poke
Arm, Elbow	7	Fallen, Carry Heavy Thing, Poke, Heated
Eyebrow, Face, Chin, Mouth, Nose	6	Rebound, Snap, Flip, Dropped
Shoulder	7	Fallen from Height, Fall
Breast, Bottom, Belly, Hip	6	Fallen from Height, Poked
Neck	2	Thrown off,
The whole body	4	Fall from top
Rib	3	Fall from top
Toe	0	Plumped
Ear	1	Noise
Damaged Assets	0	Truck, Crane
Death	2*	Plumped by steel

\*Note: Plumped by Steel and Died

To achieve the objectives of the Quality Management System ISO 9001/2015, the Company has set the goal for safety operation by lowering accident rates not to exceed 4 times per 100 persons per year.

Summary of Accidents According to the Company's Quality Objective Re "Safety Operation by Lowering the Accident Rates Not to Exceed 4 times per 100 persons per year"

Month	Total				
	Total Employees (person)	Accident (time)	Average (Times) 100 persons/month	Accumulated Average 100 persons/year	Accumulated (not exceeding)
January	3,557	7	0.20	0.20	0.33
February	3,569	15	0.42	0.62	0.67
March	3,525	13	0.37	0.99	1
April	3,498	7	0.20	1.19	1.33
May	3,454	15	0.43	1.62	1.67
June	3,461	12	0.35	1.97	2
July	3,550	18	0.51	2.48	2.33
August	3,546	16	0.45	2.93	2.67
September	3,579	14	0.39	3.32	3
October	3,594	9	0.25	3.57	3.33
November	3,554	10	0.28	3.85	3.67
December	3,563	9	0.25	4.10	4
Total		145	4.1		4

The Company has established the Occupational Health, Safety & Environmental Manual in accordance with the Occupational Health & Safety Assessment Series — OHSAS 18001 and Environmental Management System — ISO 14001: 2004 for all employees to understand principles and procedures, realize and implement in order to create good and efficient management system and be able to solve problems relating to occupational health and safety and has used it as a guideline to control safety, prevent accidents from operation, as well as has assigned the Safety, Occupational Health and Environment Department to be directly in charged.

The company arranges safety training for safety officers at all levels including members of the Safety, Occupational Health and Environment Committee as well as trains the following courses to staff at project sites: safety on works on wood, cement, steel, digging, welding, piling, scaffolding and crane.



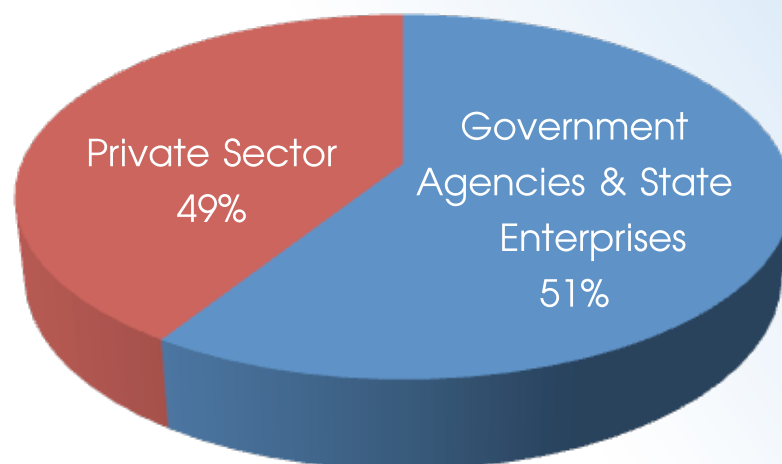
## Work Units rewarded in the Year 2015

	Work Units
N.033	Equipment and Machinery Center, KM 7 Bangna
N.350C	Construction Project of Burapathitiwiriya Prachasamakki Stupa, Khao Sukim Temple
N.412	Construction Project of Road Intersection of Highway No. 3(Bangpu- Ban Klongkrabue Route)
N.419	CIVIL AND ARCHITECTURAL WORK ABP4 CCCP and ABP5 CCCP PROJECT
N.421	Construction Project of Kantary Hotel, Khao Yai
N.429	Construction Project of ZPELL, Future Park Rangsit Shopping Centre
N.431	Construction Project of Wharf Unloading Liquefied Natural Gas, Extension Phrase 2
N.435	Construction Project of Veranda Beach Hotel, Pataya
N.438	Civil and Architectural Work for a 133 MW Combined Cycle Cogeneration Plant
N.445	Mae Moh Power Plant Units 4-7 Replacement Project
N.446	Construction Project of Oil Business Academy (OBA)
N.449	Construction Project of Manholes and Underground Electrical Conduits, (Joint Venture) Pale Green Route Bearing- Samut Prakarn

## 6. Customers Relations Management and Customer's Satisfaction Practical Guideline

The Company's customers in construction business can be divided into 2 groups, namely government agencies or state enterprises and private sector within the country.

Customers proportion in 2015



The company gives top priority to the satisfaction of customers or project in terms of quality and punctuality. For 40 years of experience in the construction business, the company has never had any problems of works abandoning. The company has been able to execute works and deliver them within schedule, with quality and standard that meets requirement of customers.

The company determines that every construction site and plant survey customers' satisfaction at least twice a year, at 6-month intervals. In doing so, questionnaires are used and the assessment method used will be both in qualitative and quantitative approaches with four aspects, namely quality, time, safety, and coordination. To be in consistent with the Quality Management System, ISO 9001/2015, the Company determines that the survey result of customers' satisfaction must not be less than 87%.

Survey Result of Customers' Satisfaction in Year 2015			
No.	Construction Projects	Plant	Average
1	92.59 %	92.64 %	92.62%
2	91.17%	92.79%	91.98%
Total			92.30%

The survey results of project owners/customers are compiled and presented to the Company's Management and used as part of our operational database for the next operation. However, if there are any suggestions or recommendations, the Company will take them to consider and analysis for improvement of our work processes to satisfy customer's requirements.

For complaints, the company did not receive any complaints from clients, whether from the construction sites and factories.

## 7. Efficient Project Management

Project Management is the heart of construction business. The successful operation requires good framework setting. The Company managed its construction projects under the principles of effective costs management, both direct and indirect costs such as materials cost, labors cost, construction and operation expenses without reduction of the materials quality and construction work to maintain quality and standard, and control speed of construction work and work procedures under the operation plan. This enables the Company not to only reduce the construction cost but also to deliver work in timely manner.

## 8. Protection and Reduction of Negative Impacts on Community Occurred by the Operation of the Company's Construction

The company is committed to taking responsibilities to the people and remains to nurture good relations between the Company and people living around construction areas by way of conducting community relations activity for the purpose of listening to opinion and suggestions of people living around the construction sites in attempting to find ways to reduce impact that may arise; whereas residents are enabled to live their normal lives.

Each of the Company's construction projects will impose measures and execute the reduction of significant negative impacts to community by sending personnel to conducting community relations activities as well as putting up the public relation signs in front of the construction sites to provide people details of construction projects, such as construction schedule, contractor information, number of workers and other information about construction plan, including telephone number which will be used as a communication channel for opinions, suggestion, complaints and grievance in case of suffering arising out of the construction operation, especially when complaint/grievance is lodged, the problem must be resolved without delay; and installing temporary solid fences around the construction area to prevent construction materials from falling onto nearby communities and conceal the unpleasant scenery during construction.

The Company conducts the construction business, so transportation of equipment and machines to the construction sites is unavoidable. The company takes the environment and the communities into accounts, especially the safety of people using vehicles and roads. Transportation of construction materials of the Company was done within the time limit prescribed by law that is commencing after 11.00 pm and stopping before 05.00 am, in order to avoid traffic jam during rush hours. Route used are far away from structures and communities. Speed is limited within the one prescribed by law. A leasing vehicle is employed in the case of transportation of large equipment to the construction sites and has the equipment or construction materials covered in order to avoid accidents and particles.



In the year 2015, the company conducted community relations activities and helped in reduction of the negative impacts to community arisen from the Company's construction operation as follows:

- The Construction Project of Flood Protection Dam around Lat Krabang Industrial Estate (N. 424) helped repair houses and donated money to people affected from pile driving.
- The Construction Project of Flood Protection System in the area of Pong Peng Community (N. 460) together with Pong Peng Sub-district's Administrative Organization and the Department of Public Works and Town Planning held a community relations activity to enhance understanding of people living in the community about form and impact of construction
- The Construction Project of a Separate Line for Highway No.3 Bangpu - Ban Klong Krabue Route (N.412) helped build a pedestrian crossing for students and people of Suthawee Village and adjacent community who were affected by the construction project since public buses could not stop where they used to stop making the students and some dwellers have to take and get off the bus at a provided new spot which is a very long distance away. Thus, they had to walk back and forth for a long distance and it was dangerous along the way.

## 9. Environmental Operation

The Company recognizes the importance of its business operation by taking into account the environmental responsibility and has its commitment to strictly comply with applicable laws, regulations, standards, requirement and related policies of the government on environment together with its readiness to seriously carry out the development of the environmental management within the organization to ensure the cost — efficient resources utilization and minimize waste raised from the Company's activities; continuously develop and improve the environmental management system in all activities of the Company to reduce pollution and impact on the environment, including providing knowledge and training regarding environment to staff, raising staff's awareness and responsibility in relation to environment under the environmental management system as well as campaigning the environment preservation and the efficient utilization of energy and resources. In 2015, the Company took actions on the environmental operation as follows:

### 1. Procurement

For the procurement of key materials utilized for construction such as steel, cement, concrete, the Company has tried to select key materials with minimum impacts on the environment while maintaining its highest construction standard and quality. To be in consistence with the environmental friendly construction operation, the company has set up the purchase procedure with manufacturers/suppliers that have standardized production process which is environmental friendly in order to encourage them to pay attention to products that reduce impacts on the environment.

## 2. Energy Management

At present, energy is necessary for living. People's lifestyle nowadays requires more energy consumption. Hence, cooperation from all of us is essential to efficiently manage the utilization of energy. In 2015, the Company carried out the operation of energy management as follows:

### - Electricity

The Company realizes the importance of the efficient utilization and the saving of electricity and has determined the guidelines for electricity utilization as follows:

- a. Switch off electronic appliances such as air-conditioner, computer screen, exhaust fan, light bulbs, etc. during lunch break or at any time when there is no work operation in the area.
- b. Maintain the temperature of air-conditioner at 25 degrees Celsius.
- c. Clean lighting device, bulbs installed in offices and factories at least one time a year
- d. Turn off all electricity devices every time when there is no production, except for devices requiring electricity at all times.
- e. Switch off air-conditioner 15-20 minutes before leaving the office.
- f. In case of power outage during working hours, turn off all electrical switches.
- g. Cultivate staff's awareness in electricity saving by using various methods such as public relations stickers, exhibition board or training.



### - Water Supply

The company gives importance to efficient of water supply and has campaigned the saving of water supply according to the energy conservation policy as follows:

- a. Completely turn off the taps and utilize water sparingly.
- b. Monitor water pipe or other equipment. If leaks found, inform the maintenance section to repair it.
- c. Install proper some water-supply equipment such as float toilet.

- Fuel
  - a. Arrange the same destination for goods delivery
  - b. Stop the engine when parking vehicles to reduce air pollution and save the petrol
  - c. Check the engine to be in good condition as required by law.
  - d. Do not overload the goods because it needs more engine power and thus consume more fuel.
  - e. Check for the condition of oil tanks to be in good condition
- Paper
  - a. Before printing out the documents, check accuracy, page set-up, number of pages, printing status and paper input to prevent from waste of paper and cartridge.
  - b. Print both sides of paper to make full use of it.
  - c. Use recycled paper when printing general documents used within the office to reduce usage of new paper.
  - d. When photocopying, check the placement of the original, paper setting and number of copies to avoid wasting paper.
  - e. Photocopy the documents when necessity
  - f. Keep one-sided used paper for reuse of another side. When both sides are completely used, compile it at the place provided so that it can be taken to eliminate according to the procedure of waste management.
- General Materials
  - a. Use materials efficiently and suitably with works.
  - b. Eliminate all material scraps according to the procedure of waste management.
- Production Material
  - a. Make an appropriate calculation of material for production, i.e. cutting, lathing, steel welding
  - b. Sort out the material residues for reuse.
  - c. Improve management of material store such as stone, cement, steel rods, chemicals to minimize waste of material.

### 3. Environmental Management

The company gives importance to the environmental management of all operation processes and strictly adheres to the applicable laws to control and mitigate the environmental impact caused by the operation. The Company applied the modernized technology and technique of high standard and complies with the quality management standard according to the international standardized system which will create satisfaction of customers on the organization's products and services, or ISO 9001/2015, and other related requirement and standardized international practices. The Company requires the management and project managers of every project to prepare a management system and work plan with regard to safety and occupa-

tional health in workplace as well as monitoring plan in order to mitigate the impact to community and environment. The Company also requires its employees at all levels to have passed training process and regularly has quality audit system continuously and seriously in order to create safety and ensure employees, people and nearby community that there will be least impact because of efficient measures and management plan.

In all work areas, whether in offices, construction sites, factories, storage spaces, workers' camp and surrounding areas is strictly applied the environmental management.

Construction site / Factory	Workers Camp	Surrounding Areas
focus on keeping the area clean and free of dust, noises, and waste water.	care for the environment and sanitation of worker camps; plan the layout for tidiness according to occupational health principles to ensure quality of life of workers	regularly inspect environmental condition around the construction site. If find any environmental problems, difficulties may affect the neighboring area or communities, solve them without delay

The company has determined measures for the environmental management as follows:

- Dust
  - a. Arrange for effective support for materials which may fall from overhead construction activities in order to prevent such materials from spreading.
  - b. Wash truck wheels every time before leaving from the construction site to prevent soil from falling and becoming dust particles to diffuse
  - c. Make sure the truck is covered by canvas before leaving the construction site to prevent construction materials from falling onto the streets for the safety of the road users.
  - d. Construction activities such as open-cut excavation, building demolition, stockpiling, drilling and concrete mixing must be carried out within a close area with fences of at least two meter height.
  - e. Regularly clean up soil and sand outside the fences.
  - f. For construction site with open-cut excavation, regularly damp down surface with water to prevent dust from spreading.

## - Noises

There are two types of noise pollution from construction: noise from construction vehicles and noise from the construction machines. The operations to reduce the impact from noises are as follows:

- a. Carry out noise generating construction activities during 06.00 — 22.00 hrs., and if continue after 22.00 hrs. give advance notice to nearby communities
- b. Impose measures to prevent noise impact, such as install temporary sound-proof wall around construction area.
- c. Regularly monitor and test noise quality to mitigate or control noise pollution caused by the machines, the production process or the construction.
- d. Maintain the engine conditions to ensure the complete combustion and stop the engine when parking the vehicles.
- e. Provide workers working in noise-generating area noise protection.

## - Waste Water

- a. Install waste water treatment tanks. Sources of waste water can be categorized as follows:
  - Waste water from toilets, kitchens, containers washing passing treatment with microorganism in the finished water treatment tank before releasing into the company's drainage system.
  - Waste water contaminated with oil, trash, or other chemical residues from washing of hands, feet, or road surface by tap water or rain water and/or from car washing of workers.
  - Other waste water within the office's area.
- b. Install sludge scraper or sedimentation filters to hold sludge from the treated water before water is being released into public drainage. Water that can be released into the public drainage must have quality according to the criteria stipulated by the law. The environmental officer or the authorized person contacts the officer and takes sample of the Company's released water to test and analyze quality. Quality of the released water must be tested at least twice a year.



- c. Fix the equipment in the wastewater treatment system and the drainage trough such as drainage pipes, grease traps, sewage treatment tanks, aerator pump.
- d. Clean the drainage pipe, the grease trap, and the sewer on the regular basis according to the cleaning plan as follows:

No.	Activity	Frequency
1	Dip grease from the grease trap	Once a week
2	Clean the grease trap	Once a year
3	Pump the water from sumps	At 3-month interval
4	Clean the sumps	Once a year
5	Clean the drainage pipe	At 3-month interval
6	Suck the garbage	At 6-month interval

- Air

- a. Monitor and measure air quality on a regular basis in order to reduce or control air pollution caused by machines, the production process or the construction.
- b. Control pollution caused by vehicles in the area, for example check the engine conditions for complete combustion. Stop the engine every time when parking.
- c. Provide workers working in air pollution generating areas personal protection device.

- Vibration

The vibration from the construction site may affect the stability if nearby structures, the company has managed the vibration according to the Notification of the National Environment Board No. 37 B.E. 2553 Re. Prescription of Standard of Vibration for Avoidance of Impact on Buildings.

- Waste Management (Garbage)

- a. Implement 3R approach within the Company, namely:
  - Reduce: reduce utilization of materials and products to reduce the amount of waste
  - Reuse: re-use materials/products that are still usable
  - Recycle: bring back and process materials/products already used to make them useable again including right method of trash disposal.
- b. Campaign waste segregation:-
  - General waste means the leftovers or unwanted stuff arising from general activities of the Company, which are possible for landfill without any damage to the environment, such as paper scraps, cloth residues, food, product, plastic bags, food packages, and foam boxes.

- Recycled waste means the waste that is still usable, such as paper, paper boxes, cans, glass residues, metal residues.
- Dangerous waste means poisonous garbage or chemical containers such as light bulbs, batteries, oil-stained clothes, used oil tanks, paint cans, plastic chemical cans
- Hard- degradable waste means unwanted garbage left from the company's production process such as cement residues, concrete waste, steel scraps, for example.

The company provides waste containers for different types of waste within the offices, factories, and construction sites as follows:

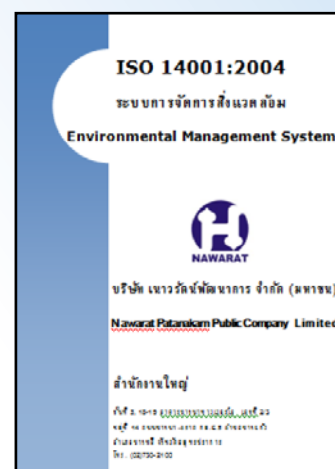
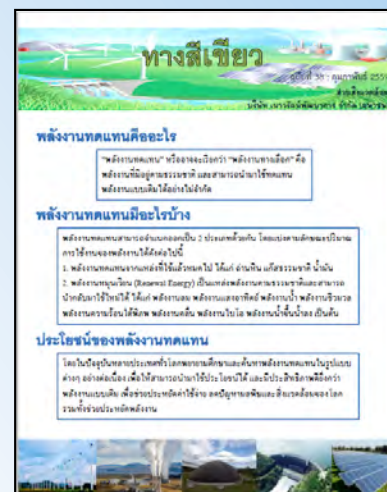
Color	Category	Type of Waste
Green	General Waste	paper scraps, the residues of cloth, food, product, plastic, including food packages, form boxes
Yellow	Recycle Waste	paper, paper boxes, soda cans, glass residues, metal residues
Red	Dangerous Waste	light bulbs, batteries, oil-stained cloth, used oil tanks, paint cans, plastic chemical cans
Blue	Hard-degradable waste or unwanted garbage from production	cement residues, concrete waste, steel scraps



At present, the Company is certified by the environmental management system for standardization (ISO 14001: 2004) for the Head Office and is in the process of application of certification for factory. ISO 14001:2004 is a an environmental management system developed in September 1996 to enable an organization to implement a system for maintaining, controlling, and improving quality environment, as well as protecting hygiene of human beings by planning and setting the guideline with objective in order to protect and reduce pollution from its origin emphasizing impacts or possible

impacts on the environment originated from the organization's activities, production process, and services starting from materials acquisition, design, research and development, delivery, application according to its purpose, reuse, efficient resources utilization, avoidance of dangerous chemicals which is considered a good and effective environmental management system.

- issue internal journal called "Green Way" on monthly basis to communicate environmental information and disseminate it via email to all employees
- issue "the Environmental Operation Manual"
- issue pamphlets entitled "The Environmental Management System ISO 14001: 2004;
- provide training programs regarding:-
  - interpretation of ISO 14001: 2004
  - assessment of environmental problems and related applicable laws
  - internal audit for the environmental management system
  - environmental awareness



In 2015, the company did not receive complaints with regard to the environmental problems from both inside and outside stakeholders

## Operation of CSR After Process

Strong communities and society is the essential support of the Company's operation to be steady and sustainable. The Company, therefore, gives the importance to the activities promoting strength of communities and society. In the year 2015, the Company conducted various CSR after process activities to repay the society and environment as follows:

### 1. Activities to build good relationship with surrounding communities

The Company regularly conducted activities with the neighboring communities to build good relationship and help development of communities for good quality of life and mutual happiness. In 2015, the company conducted community relations activities as follows:

- The Company supported money for the improvement of the Road along the Irrigation Canal No. 7 in the amount of 150,000 baht.
- The Machinery and Equipment Maintenance Center (N.033) joined the toilets cleaning activity organized by the neighboring community at Takianthong Temple.
- The Steel Processing Plant (N.090) in Bangnampriew District sponsored money for a fund-raising concert held by the Chimplee Local Police Station, Bangnampriew District, Chachoengsao Province in the amount of 4,000 baht. Money received from concert organization will be used for crime protection and suppression in the community and for renovation of the police station.
- The Construction Project of Drainage System of Klong Bangtoey (N.337) helped demolish and construct new fence of the Makhamthed Graveyard.
- The Construction Project of Flood Walls of Klong Rangsit Prayoonsak (N.403) helped the Pruksa Community to improve the sump pump to Klong Rangsit by installing two gates in front of the drain with compliments. (Total expenses for installation were 130,000 baht).
- The Construction Project of Kantary Hotel, Nakhon Ratchasima (N.434) donated money to the neighboring communities to support the organization of New Year Party in the amount of 3,000 baht and of National Children's Day activities in the amount of 2,500 baht.
- The Construction Project of Flood Protection System in the area of Pong Peng Community (N.460) joined the National Children's Day activities organized by the Pong Peng Subdistrict Administrative Organization, Pamok, Angthong Province and donated money to support the activities in the amount of 5,000 baht.

### 2. Activities to promote religious, tradition and culture

The Company recognizes the important of preservation of Buddhism and inheritance of tradition and culture by continuously promoting the activities related to religions, tradition, and culture. In 2015, the company held the activities to promote religion, tradition and culture as follows:

- The Company presided over the annual occasion of the Kathin ceremony at Ratchabanlang Temple, Rayong Province on November 21, 2015. In this ceremony, the company's staff and its business partners jointly donated money to support the construction of the pavilion to honor King Taksin, the Greatin the amount of 693,719 baht.



- The Company donated money for Kathin ceremonies to many temples, i.e. Sri-iam Temple in Bangkok, Bhuthaisawan Temple in Ayutthaya, Pamashimawas Temple in Kalasin, Phrakaew Temple in Chiangrai, etc.
- The Company helped control the construction of dharma practicing center of Rama 9 Temple.
- The Company donated money toward the construction of structures to various temples as follows:-:
  - Ratchabanlangpradittharam Temple, Rayong Province for the building of a pavilion to honor King Taksin, the Great in the amount of of 200,000 baht
  - Dansumrong Temple in Samut Prakarn, Bantapai Temple in Tak, for the building of crematories at total 200,000 baht
  - Pathamsaengthong Temple in Chiang Mai, Malai Rattanaram Temple in Nakhon Nayok for the building of chapels at total 20,000 baht
  - Khao Bor Temple for the building of sermon hall and kitchen in the amount of 5,000 baht
- The Company's Steel Processing Plant (N.090) in Bangnampriew donated money to support the construction of chapel to Pakklong Bangkanhan Temple and Hokkoi Temple in Chachoengsao Province.
- The Steel Processing Plant (N.090) in Bangnampriew held the National Children's Day activities for children in the worker's camp.
- The Construction Project of Kantary Hotel, Nakhon Ratchasima (N.434) donated money and joined the Buddhism activity held by the neighboring community in the amount of 20,000 baht.
- Mae Moh Power Plant Units 4-7 Replacement Project (N.445) donated money for Kathin ceremony to various temples in Lampang, such as Daeng Temple.

- The Construction Project of Flood Protection System in the area of Aom Noi Community (N. 448), Kratumban, Samutsakorn Province donated soil for ditch excavation to Aom Noi Temple.
- The Construction Project of Flood Protection System in Pong Peng Community (N. 460) donated money to support the construction of the waterfront sermon hall to Pichan Sophon Temple in Angthong Province in the amount of 200,000 baht.

### 3. Activities to enhance education

The Company recognizes the importance of education and is committed to enhancing the educational development in order to make Thailand become a learning society that will lead to the sustainable country development. In 2015, the company conducted the activities to promote the education as follows:

- โครงการห้องเรียน พอดี พอดี ต้านภัยแผ่นดินไหว
- The Classrooms Against Earthquakes Project

Ban Pa Kor Dam Community School, Mae Lao District, Chiang Rai

The 6.3 magnitude earthquake in Chiang Rai Province on May 5, 2014 widely affected and caused damage to buildings and structure, i.e. houses, government buildings, temples, roads and school buildings, especially those in the three districts: Amphur Phan, Amphur Mae Lao and Amphur Mae Suay which are close to the epicenter. The catastrophe made many people living in such areas suffer a lot. The company realized the suffering of the people, especially the students who were directly affected from the disaster and had to use sheds as their temporary classrooms. Therefore, the company decided to take action to help people and students in Chiang Rai by coordinating with the Association of Siamese Architects, the Engineering Institute of Thailand and the collaboration network from various professions to restore the buildings heavily damaged by the earthquake. For the school buildings, the construction was under the concept of "Pordee Pordee" (good enough) which is economical, easy to build, timely and earthquake resistant. A team of engineers was sent to survey the project area and to proceed with the construction of new school building to replace the Ban Pa Kor Dam Community School in Mae Lao, Chiang Rai.

The construction of Ban Pa Kor Dam Community School began in March 2015 and was completed in February 2016, which was approximately 11 months, with a total budget of 4,389,202 baht. The school building was delivered on February 26, 2016.

In addition, the Company's staff jointly donated money totaling 33,798 baht to support the educational cost of the school



- Granting of scholarship and educational support as follows:
  - The Company donated money for purchase of educational equipment, textbooks to Khon Kaen University in the amount of 200,000 baht.
  - The Company provided financial support for the construction project of "New Campus" to the Faculty of Engineering, Chiang Mai University in the amount of 1,000,000 baht;
  - The Company provided financial support for the renovation project of the library to the Asian Institute of Technology (AIT) in the amount of 1,100,000 baht.
  - The Company granted the scholarship for nursing courses to the Army Wives Association in the amount of 50,000 baht.
  - The Company granted 12 scholarships at 3,000 baht each to students of Surin Technical College.
  - The Machinery and Equipment Maintenance Center (N.033) granted scholarship to students of Khao E-San School, Pak Tor District, Ratchaburi Province.



## 4. Donation of Money and Stuff for Public Charities

The Company has constantly supported activities of foundations and charitable organizations to help people who are socially disadvantaged for their better lives. The Company has also render assistance to people affected by natural disasters focusing on relief of their suffering. In 2015, the company donated money and stuff for public charities as summarized below:

- Donated money to support activities of foundations and charitable organizations as follows:-
  - Prince Mahidol Foundation in the amount of 100,000 baht
  - Debaratana Vejjanukula Foundation in the amount of 500,000 baht
  - Bann Nontapum Foundation in the amount of 6,000 baht
  - Foundation for the Blind in Thailand Under the Royal Patronage of H.M. The Queen in the amount of 6,000 baht
  - Thai PBS Foundation in the amount of 6,000 baht
  - Narisaranuwatiwong Foundation in the amount of 6,000 baht
  - Amir ul-mu minin Foundation in the amount of 10,000 baht
  - Thavorn Chittathavaro-Wongmalai Foundation in the amount of 20,000 baht
- Donated money for the Project of the Heart of Thailand to Nepal raised by the Government House of Thailand to assist people affected from earthquakes in Nepal in the amount of 500,000 baht

- Provided financial support for the publication of the Communication Technologies For Education book on the occasion of its 21st anniversary to the Professor Momluang Pin Malakul Foundation in the amount of 30,000 baht
- Donated money to the Organs Donation Center of Thai Red Cross Society in the amount of 6,000 baht.
- Supported purchase of poppy flowers on the occasion of Veterans' Memorial Day to the Air Force Wives Association in the amount of 10,000 baht.
- Supported bowling charity to the Welfares Fund of the Office of Women's Affairs and Family in the amount of 3,000 baht.
- Donated money to support the organization of the Red Cross Fair of the Land Department to Pathumthani Land Office in the amount of 5,000 baht.
- The Machinery and Equipment Maintenance Center (N.033) donated money, candies, and sweaters to hilltribe children in Mae Hong Son Province.
- The Steel Processing Plant (N.090) in Bangnampriew donated two rolls of white cloth for wrapping corpses to the Bhudahkhun Foundation.





# The Board of Directors' Report to the Financial Statement

## 10. The Board of Directors' Report to the Financial Statement

The Board of Directors is accountable for the company's Financial Statements and all the details of financial information declared in the Annual Report. Such Financial Statements have been made according to the Accounting Standard commonly certified in Thailand. The company uses the appropriate accounting policy and constantly abides by it and also carefully exercises its discretion and makes the best estimations while making the reports. This includes the sufficient disclosure of information in the notes to Financial Statements. In addition, the Board has arranged for:

- The internal control system in which the Internal Audit Division take their responsibilities to report directly to the Audit Committee in order to be free from the Management's domination
- The guidelines for Good Corporate Governance to have all directors, executives, and the employees abide by
- The Risk Management System established to eliminate the causes of each potential damage to the company

All have been performed in appropriate and effective manner to ensure that the making of the company's accounts is accurate, complete, and sufficient for maintaining the assets and for protecting frauds.

The Board has also appointed the Audit Committee to perform the duty of reviewing the accounting policy and the accuracy of the financial report, including the review of the internal control system and the internal audit as per the details given on the Audit Committee's report to the Annual Report. In addition, the company's Financial Statement were reviewed by the certified auditor from EY Office Limited as commented in the Annual Report.

The Board has a comment that the company's overall internal control system is at a satisfying level and has a confidence that the Financial Statements of Nawarat Patanakarn Public Company Limited, the Subsidiary Companies and Joint Ventures as of December 31, 2015 are reliable and compatible with laws and related regulations.



(Mr. Mana Kanasuta)

Chairman

A low-angle, upward-looking photograph of a modern building's facade, featuring a grid of windows and structural elements. The image is partially covered by a semi-transparent blue rectangle on the left side, which serves as a background for the title text.

# The Audit Committee Report 2015

## 11. The Audit Committee Report 2015

The Audit Committee for Nawarat Patanakarn Public Company Limited consists of 3 members who are not the company's executives, staff, or consultants, namely:

1. Mr. Prasertphand Pipatanakul      Committee Chairman
2. Mr. Niyom Niyamanusorn                      Committee member
3. Mr. Apichart Dharmasaroja      Committee member

The Audit Committee has performed their duties and responsibilities as assigned by the Board of Directors which are in consistence with the guidelines for good corporate governance of the SET's Audit Committee.


In 2015, the Audit Committee held 12 meetings to make considerations for matters. The top management, the general manager for the Internal Audit Department, and the auditor attended on the agenda relating to the quarterly review of financial statements. In the meeting for review of the annual Financial Statements, there are none of the company's executives participating. The operation results of the Audit Committee can be summarized as followed:

1. Reviewing the quarterly Financial Statements and the Financial Statements for Year 2015 to see whether or not they contain accurate reports and sufficient disclosure of information, including their reliability and compatibility with the commonly certified Accounting Standard. The review includes the disclosure of related transactions between the company and its subsidiaries to ensure that the company has made the operations according to normal business conditions and in full compliance with the Stock Exchange of Thailand's requirements in accurate and complete manner before submitting them to the Board of Directors.
2. Supervising work of internal audit in which the Audit Committee, together with General Manager for Internal Audit Division, has jointly considered and adjusted the auditing plan to be in consistent with changes to create a perfect internal control system suitable to the completely significant work procedure. After reviewing the auditing results, monitoring the compliance with the plans to reduce the potential risk, and considering the work performance of the General Manager for the Internal Audit Division, the Audit Committee has a comment that the company's auditing operation has proceeded with effectiveness and appropriation.
3. Reviewing the compliance the Securities and Exchange Act and other laws related to the company's business. After discussing at a meeting with the company's Secretary performing the duties of directing, monitoring the compliance with laws, regulations and requirements of the Office of Securities and Exchange Commission, the Audit Committee has a comment that the company has accurately complied with all requirements without any significant flaws.

4. Appointing a set of accounting auditors by submitting the nominated auditors to the Shareholders' Meeting for Year 2016 through the Board of Directors. The company's auditors are:

- |                               |                                |
|-------------------------------|--------------------------------|
| 1. Ms. Thippawan Nananuwat    | C.P.A. License No. 3459 and/or |
| 2. Mr. Termphong Opanaphan    | C.P.A. License No. 4501 and/or |
| 3. Ms. Maneerat Rattanabankit | C.P.A. License No. 5313        |

Of EY Office Limited, appointed as the company's auditors for the year 2016.



(Mr. Prasertphand Pipatanakul)

Chairman of the Audit Committee

The background of the slide is a photograph of a modern building's exterior, featuring a complex arrangement of balconies and architectural details. A semi-transparent blue rectangular overlay covers the majority of the image, providing a clean background for the text.

# Analysis and Explanation of the Management

## 12. Analysis and Explanation of the Management

### 1. Explanation and Analysis of Financial status and Operating Results

In 2013, the world's economic situation was still problematic. Some country was facing political problems. The domestic economy is also in trouble, and there was a shortage of Thai laborers, so more foreign laborers needed to be imported. The prices of consumer goods and construction materials were gradually adjusted. During the fourth quarter, there were political conflicts within the country which affected most of the business operations resulting in the economic recession. The investment plans of the Thai and foreign investors in Thailand became a halt. There were reviews of investment plans. And the government sector also had to postpone its investments indefinitely.

In 2014, the first quarter still saw the continuous problem whether in or outside of the country. The internal incident was still the same as that in the fourth quarter of 2013. That is the effect on political turmoil resulted in the economic recession. The investment plans needed to be stopped. The government's investment budgets were indefinitely postponed. However, after the political change, the country's development policy was starting to be announced. Many construction projects under the government's plan started to come out creating the growth opportunity for various related businesses.

In 2015, the world's economic situation was still in trouble and started to spread widely to countries. The political problems in some countries couldn't be settled down. To make things worse, such problems gave serious effects across the world. Nevertheless, development projects within the country were gradually made public but were quite slower than the government had planned. As for the labor side, there was still a shortage, so foreign laborers were constantly brought in.

### 2. Explanation on Financial Status and Operating Performance

#### Summary of Company's Financial Status Based on Financial Statements as of December 31, 2015

As of December 31, 2015, the total assets of the Group were equal to 11,434.84 million baht, increasing from December 31, 2014 (new adjustment) by 1,990.01 million baht.

#### Major changes in Assets included

1. Temporary Investment was as of December 31, 2015 equal to 612.06 million baht decreasing from December 31, 2014 (new adjustment) by 101.38 million baht, as the Company had sold temporary investment ,i.e. investment in Siam Commercial Bank Open Fund, in order to make a payment for investment in its subsidiaries and to use as working capital for construction projects. However, in August 2015, the Company gained the sum of 1,500 million baht from the issuance of debenture No.1/2015. The remaining amount which has not been operated in accordance with the purposes of the debenture issuing would be managed to make a purchase for temporary investments

2. Trade Accounts Receivable and other receivables was as of December 31, 2015 before deducting the allowance for doubtful accounts equal to 2,816.78 million baht, increasing from the amount as of December 2014 (new adjustment) by 582.27 million baht. Incremental receivables were increased by the Company's more operations and deliverables. In case payments are not made by clients as it is specifically due, interest charges will be applied to those late payments. Interest charges will be conditionally calculated based on the due date and this standard will be practically applied to all receivables, including related companies' receivables. Due to current economic circumstances, the Company has conceded the interest charges to those receivables with trivial late payment, except those receivables who have been under prosecutions with debt repayment.

In addition, considering those receivables — unrelated parties, the Company had receivables with over-12-month overdue before deducting allowance for doubtful accounts as of December 31, 2015 equal to 235.07 million baht increasing from the amount as of December 31, 2014 (newly adjusted) by 50.11 million baht.

In 2015, the Company recorded an allowance for doubtful accounts for all those receivables with over-12-month overdue payment according to the Company's rules and policies.

Account receivables as compared between those as of December 31, 2014 (new adjustment) and December 31, 2015 are as follows:

Description	Doubtful Debt	Total debt	Within due	unit : million baht	
				Within-12-month past due	Over-12-month past due
Account receivables (adjusted on December 31, 2014)	1,158.51	2,198.43	462.13	510.62	1,225.68
Account receivables As of December 31, 2015	1,264.01	2,794.93	853.03	662.06	1,279.84
Increased (Decreased)	105.50	596.50	390.90	151.44	54.16

Top 3 accounts receivable are:

- 1) Marubeni Corporation with 3 projects of Electricity Generating Authorities of Thailand (EGAT) sub-contracted by the Company. Account receivable as of December 31, 2015 was 378.66 million baht. The projects comprise:
  1. Wangnoi Combined Cycle Power Plant Block 4 Project, in Ayuthaya Province
  2. Chana Combined Cycle Power Plant Block 2 Project, in Songkhla Province
  3. Mae Moh Power Plant Units 4-7 Replacement Project, in Lampang Province
- 2) Department of Drainage and Sewerage Construction Project of Reinforced Concrete Dam at Klong Sawat from the area of Taweewattana Palace to the canal and Construction Project of Reinforced Concrete Dam at Klong Taweewattana from the area of Taweewattana Palace to Baromratchon-nanee Road. Account receivables as of December 31, 2015 was 114.01 million baht.

- 3) Construction of ZPELL, Future Park Rangsit Shopping Mall, owned by Rangsit Plaza Company Limited. Account receivables as of December 31 was 86.58 million baht.
3. Cost of real estate development project The balance as of December 31, 2015 was equal to 1,410.33 Million Baht, increasing from the amount as of December 31, 2014 (newly adjusted) by 241.84 Million Baht. This increase resulted from real estate development projects of Mana Patanakarn Co., Ltd., which is the Company's subsidiary, with the shareholding proportion of 100 percent.
4. Land, Buildings and Equipment The balance as of December 31, 2015 before accumulated depreciation and allowance for devaluation was equal to 5,096.79 million baht, increasing from as of December 31, 2014 (newly adjusted) by 724.62 million baht. The Company has acquired considerable machinery and vehicles as a replacement for the old and depreciable ones, and has also acquired new machinery in order to be sufficiently available for use. However, the Company has also disposed old machinery and vehicles in order to mitigate maintenance costs and storage costs for those deteriorated equipments and vehicles.

## Major Changes in Liabilities included

1. Bank overdrafts and short-term loans from financial institutions The balance as of December 31, 2015 was equal to 385.44 million baht, decreasing from as of December 31, 2014 (new adjustment) by 127.68 million baht. The balance as of December 31, 2015 included:
  - 1) Trust receipt 5.76 million baht from purchase of goods or machinery from overseas
  - 2) Short-term loans from financial institutions 379.68 million baht
2. Trades and other payables The balance as of December 31, 2015 was equal to 1,403.34 million baht, decreasing from as of December 31, 2014 (newly adjusted) by 188.85 million baht. Normally, suppliers offer a payment term of 30-60 days. But some of them, such as steel supplier, offer a special discount for payment in cash. In case the Company adequately have cash in hands and when compared it seems to gain more advantages like reduced construction costs, it will agree to make a purchase in cash. This complies with the policy that some key materials should be adequately purchased for the whole project in order to mitigate the price risk. Special discount will be offered by suppliers in case of payment in cash. Detailed trade and other payables are as follows

(Unit: million baht)

	As of 31 Dec'15	As of 31 Dec'15 (new adjustment)	Increase (Decrease)
Accounts payable — related and unrelated parties	1,213.50	1,305.77	(92.27)
Advance from related and unrelated parties	33.09	31.57	1.50
Other creditors — related and unrelated parties	61.05	151.02	(89.97)
Accrued expenses — related and unrelated parties	<u>95.70</u>	<u>103.83</u>	<u>(8.13)</u>
Total account payables and other creditors	<u>1,403.34</u>	<u>1,592.19</u>	<u>188.85</u>

3. Hire purchase and financial lease creditors The Company and its subsidiaries have signed a hire purchase and financial lease contract with leasing companies, aiming at acquiring equipments and vehicles for operation purposes, with annual payment for rental fee. Contracts are of 3-5 years on average, with actual interest rate at around 2.68% up to 8.15% per annum.

Description	Year 2015 (million baht)	Year 2014 (million baht)
Liabilities under hire purchase and financial contracts	450.71	350.52
<u>less</u> deferred interest payable	<u>(32.27)</u>	<u>(29.13)</u>
Total	418.44	321.39
<u>less</u> amounts due within one year	<u>(167.73)</u>	<u>(116.92)</u>
Liabilities under hire purchase and financial contracts	<u>250.71</u>	<u>204.47</u>
— Net from amounts due within one year		

4. Construction revenues receiving in advance The balance as of December 31, 2015 was equal to 1,407.78 million baht, increasing from as of December 31, 2014 (newly adjusted) by 578.12 million baht. This is an advance received from employers for construction, which will be periodically deducted from periodic deliverables. All conditions apply as stated in the construction contract.

Top 3 advance receivables in details as of December 31, 2015 include

- 1) Mae Moh Power Plant Units 4-7 Replacement Project in Lampang Province of Electricity Generating Authorities of Thailand (EGAT). The Company has subcontracted the construction work from Marubeni Corporation. The balance of advance receivables as of December 31, 2015 was equal to 419.06 million baht.
  - 2) The Project of Civil works for construction of gas-fired cogeneration power plant, a capacity of 10 MW, 2 Units, owned by Ban Pong Utility Company Limited, subcontracted by the company from Mitsubishi Corporation. The advance receivables as of December 31, 2015 were 179.91 million baht.
  - 3) Construction of Manholes and Underground Conduits, owned by Metropolitan Electricity Authority in coordination with Mass Rapid Transit Authority of Thailand, along the Green Line Skytrain Route, Bearing-Samutprakarn Section, subcontracted by the company from Chor Karnchang Company Limited. The advance receivables as of December 31, 2015 were 162.60 million baht.
5. Long-term loans from banks The balance as of December 31, 2015 was equal to 520.32 million baht, increasing from as of December 31, 2014 by 223.06 million baht. The liability balance of 520.32 million baht is divided into long-term loans which is due within a year with the amount of 17.59 million baht and certain parts which is over 1 year past due with the amount of 502.73 million baht. These are the loans to both companies as follows
- 1) Utility Business Alliance Co., Ltd. (joint venture), the balance as of December 31, 2015 was equal to 48.34 million baht.

- 2) Mana Patanakarn Co., Ltd. (subsidiary), the balance as of December 31, 2015 was equal to 471.98 million baht.
6. Bonds The Company has issued and offered bonds twice. Details are as follows
- 1) On 28 August 2014, the Company issued and offered 1,500,000 units of bonds No. 1/2014, with a par value of 1,000 Baht each, totaling 1,500 million baht. The bonds are unsubordinated and unsecured bond with a bond holder's representative and are in the name-registered certificate, bearing interest at a rate of 5.50 percent per annum, with a term of 3 years. The maturity date is 28 August 2017. The interest is payable every 3 months throughout the life of the bonds.
  - 2) On 21 August 2015, the Company issued and offered 1,500,000 units of bond No. 1/2015, with a par value of 1,000 Baht each, totaling 1,500 million baht. The bonds are unsubordinated and unsecured bonds with a bond holder's representative and are in the name-registered certificate, bearing interest at a rate of 4.50 percent per annum, with a term of 3 years. The maturity date is 21 August 2018. The interest is payable every 3 months throughout the life of bonds.

## 1. Operating performance as comparison analysis between those in the year 2015 and 2014 in consolidated financial statement

Description	2015	2014 (new adjustment)	Increase (Decrease)	
			Amount	Percentage
1.1 Revenues from construction services	7,440.96 million baht	6,602.62 million baht	838.34 million baht	12.70
1.2 Cost of construction services compared with revenues from construction services	94.47%	95.56%	-	(1.14)
1.3 Revenues from sales and services	145.43 million baht	223.35 million baht	(77.92) million baht	(34.89)
1.4 Cost of sales and services compared with revenues from sales and services	94.71%	88.99%	-	6.43
1.5 Administrative expenses	377.72 million baht	315.78 million baht	61.94 million baht	19.61
1.6 Financial expenses	164.79 million baht	90.33 million baht	74.46 million baht	82.43

## 2. Operating Performance for the year ended December 31

Description	2015	2014 (new adjustment)
Profit (Loss) for the year attributable to shareholders of the Company in the consolidated financial statement	(173.84) Million Baht	8.29 Million Baht
Profit (Loss) for the year in the separate financial statement	(119.66) Million Baht	21.42 Million Baht

## 3. Analysis and Explanation of Management

For the operating results for the year 2015 ended 31 December 2015, the Company and its subsidiaries gained the total revenues of 7,672.81 million baht, divided into revenues from construction service in the amount of 7,440.96 million baht, revenues from sales and services in the amount of 145.43 million baht and other revenues 86.42 in the amount of million baht. Compared to the year 2014 (new adjustment), the Company incurred an increase in the total revenues by 11.30%, resulting from increasing revenues of 838.34 Million baht from construction services representing 12.70%. However, for the year 2015, the Company incurred the net loss of 173.84 Million Baht attributable to shareholders of the Company. Meanwhile, in the year 2014, the Company incurred the profit of 8.29 Million Baht attributable to shareholders of the Company.

The Company recognized the profit sharing from investments in associated companies and joint ventures in 2015 in the amount of 84.96 million baht, whilst in 2014 the Company recognized the loss from the aforementioned investments in the amount of 4.17 million baht. Details are as follows:

	Year 2015	Year 2014 (new adjustment)
VSPN Property Company Limited	Recognized profit 0.18 million baht	Recognized loss 0.32 million baht
C.I.N. Estate Company Limited	Recognized profit 47.92 million baht	Recognized profit 15.02 million baht
Joint operator NWR (Cambodia) Co., Ltd. — SBCC	Recognized profit 36.86 million baht	Recognized loss 18.87 million baht

The Company strives to run business to achieve its vision, i.e. "Concentrate on construction and related business, both in Thailand and overseas. "To be number one in our specialized area and to be within top five in general contracting business in Thailand". However, there are still barriers in business operation, such as internal and global economic situations, internal political issues which have been gradually improving now, problems from the government sector's construction for country development relating to the requirement for the consideration for bidding session arrangement based on Thailand's Government budgets, and competitions among construction contracting companies. However, all executives and employees still persist to perform their duty at full capacity and at their best in order for the Company to achieve the aforementioned vision.

## 3.1 Operating Performance for the year 2015

### Construction business

- 3.1.1 Revenues from construction services increased in 2015 compared to 2014 equal to 838.34 Million Baht or 12.70%, resulting from increasing construction works. Top 3 projects contributing to the Company's increasing revenues for the year 2015 included.
- The Project of Mae Moh Power Plant Units 4-7 Replacement Project of the Electricity Generating Authority of Thailand, of which the Company was the subcontractor of Marubeni Corporation, revenues in 2015 amounting to 1,108 Million Baht.
  - The Construction Project of Drainage Tunnel under Bangsue Canal, from Ladprao Canal to the Chao Phraya River, owned by BMA, revenues in 2015 amounting to 687 Million Baht.
  - The Turnkey Project and Utility (Phrase 2) Asia Industrial Estate(Suvarnabhumi) owned by Asia Industrial Estate Company Limited with revenues in 2015 amounting to 508 million baht.
- 3.1.2 Construction cost — The Company had cost of construction services compared with revenues from construction services. Comparing between 2015 and 2014 (newly adjusted), the Company thrived to maintain a close ratio of construction cost of 94.5-95.6%, reporting construction cost for 2015 equal 7,029.11 Million Baht, while the cost was 6,309.42 Million Baht in 2014 (newly adjusted).
- 3.1.3 Due to the shortage of Thai labors, the Company was required to hire foreign workers of which the costs are higher than Thai workers. However, in order to make provision against construction work of the government sector which has a tendency to rise considerably, and to support current operation in terms of timely delivery and reducing risk of penalty from late delivery, the Company was therefore required to hire foreign workers in compensation for Thai workers.
- 3.1.4 In order to control cost of construction within the budget, the Company bought in some main material supply in advance with the quantity that will be sufficient for use for the whole projects so as to reduce risk of uprising price. This policy will assist in efficiently mitigate the impact of material price upon cost of construction.
- 3.1.5 Administrative expenses for the year 2015 increased when comparing to 2014 equal to 61.94 Million Baht or 19.62%, resulting from 2 main reasons:
- The new subsidiary companies, i.e. Mana Patanakarn Company Limited and Advance Prefab Company Limited, have started their operation. The combined administrative expenses of these two companies in 2015 were equal to 56.48 Million Baht, whilst 7.81 Million Baht in 2014

(Unit: million baht)

Administrative Expenses	Year 2015	Year 2014
Mana Patanakarn Company Limited	44.04	5.81
Advance Prefab Company Limited	12.44	2.00

b. In 2015, the Company incurred an increase of bidding costs in 2015 higher than in 2014 due to numerous bidding transactions in 2015.

3.1.6 The Company recorded allowance for doubtful account in 2015 in the amount of 218.43 million baht and recorded recovered bad debt of 8.21 million baht. Meanwhile, in 2014, the Company recorded allowance for doubtful account totaling 3.73 Million Baht and recorded recovered bad debt of 27.93 million baht.

## Concrete business

Revenues from sales and services in 2015 decreased from 2014 (newly adjusted) by 77.92 Million Baht or 34.89 %; i.e. from 223.35 Million Baht in 2014 (newly adjusted) to 145.43 Million Baht in 2015. This resulted from the fact that the Company has manufactured more concrete for the use of the Company's construction projects and for the sales to subsidiary companies, while selling less to external customers. However, when comparing 2015 to 2014 (newly adjusted), the cost of sales and services rose as opposed to revenues from sales and services; i.e. rising from 88.99 % in 2014 (newly adjusted) to 94.71% in 2015. Due to the price rise of certain main material supply, in spite of its somewhat decrease in some period, and also due to an increase in overall wages including extra payment to accelerate the termination of construction work, and the hiring of foreign workers of which the average costs are higher than Thai workers, this resulted in a decrease in gross profits from sales and services from 11.01 % of revenues from sales and services or 24.58 Million Baht in 2014 (newly adjusted) to only 5.29 % or 7.70 Million Baht in 2015.

## 3.2 Bond issue and offer of 3,000 Million Baht

On 28 August 2014, the Company issued and offered 1,500,000 units of 3 years bond No. 1/2014, with a par value of 1,000 Baht each, totaling 1,500 million baht. The maturity date of full redemption is 28 August 2017. The bond bears interest at a rate of 5.50 percent per annum. The purposes of this bond issuance are for investments, debt repayment, and working-capital increase. The bond's interest payable in 2015 was equal to 82.50 million baht.

On 21 August 2015, the Company issued and offered 1,500,000 units of 3 years bond No. 1/2015, with a par value of 1,000 Baht each, totaling 1,500 million baht. The maturity date of full redemption is 21 August 2018. The bond bears interest at a rate of 4.50 percent per annum. The purposes of this bond issuance are for investments, debt repayment, and working-capital increase. The bond's interest payable in 2015 was equal to 24.60 million baht.

## Summary of Financial Status of The Company According to Consolidated Financial Statement as of 31 December 2014 (new adjustment)

As of 31 December 2014 (newly adjusted), the total assets of the Group were equal to 9,444.83 Million Baht, increasing from as of 31 December 2013 by 2,402.88 Million Baht.

## Major Changes in Assets included

1. Temporary investments The balance as of 31 December 2014 (newly adjusted) was equal to 713.44 Million Baht, consisting of 6-month term cash deposit and investments in open funds. There was not this item as of 31 December 2013.
2. Trade accounts receivable and other receivables The balance as of 31 December 2014 (newly adjusted) before deducting allowance for doubtful debt was equal to 2,234.51 Million Baht, decreasing from as of 31 December 2013 by 498.42 Million Baht. Top 3 projects with high trade receivables are as follows :
  - 1) Wastewater Treatment Project Phase 7, Bangsue, Bangkok which was subcontracted from A.S. Associate Engineering (1994) Limited: The receivable as of December 31, 2014 amounts to 124.50 million baht.
  - 2) Construction Project of Drainage Tunnel under Bangsue Canal, from Ladprao Canal to the Chao Phraya River, owned by BMA , The receivable as of December 31, 2014 amounts to The receivable as of December 31, 2014 amounts to 101.87 million baht
  - 3) Construction of BTS Station S12, expansion of elevated section and Stabling Yard for Silom Expansion Line (Taksin - Petchkasem) of Bangkok Metropolitan Administration that the Company has subcontracted from A.S. Associates TAS Joint Venture which the receivable is Baht 84.37 million as of December 31, 2014
3. Accrued revenues The balance as of 31 December 2014 (newly adjusted) before deducting allowance for doubtful debt was equal to 1,730.93 Million Baht, increasing from as of 31 December 2013 by 691.22 Million Baht. Top 3 projects with high accrued revenues are as follows:
  - 1) Civil and Agricultural Work ABP4 CCCP and ABP5 CCCP Project of TPSC (Thailand) Co., Ltd. The balance of accrued revenues as of 31 December 2014 was equal to 168.85 Million Baht
  - 2) Construction Project of showroom, office and parking area of Toyota Mueng Non Co., Ltd. Accrued revenues as of 31 December 2014 was equal to 162.44 Million Baht
  - 3) Construction Project of Drainage Tunnel under Bangsue Canal, from Ladprao Canal to the Chao Phraya River, owned by BMA. Accrued revenues as of 31 December 2014 was equal to 143.22 Million Baht
4. Cost of real estate development projects The balance as of 31 December 2014 (newly adjusted) was equal to 1,168.49 Million Baht, increasing from as of 31 December 2013 by 582.31 Million Baht. Real estate development projects (for sales on behalf of the Company) with project cost are as follows:
  - 1) The Construction Project of Townhomes under the name "De Siam" located at Soi Chalermpkha-kiat Ror 9 (soi 38), Bangkok, valued 45.15 million baht
  - 2) The Construction Project of Detached Houses under the name "Barn Baranee" located on Rangsit Klong 3 Road, Pathumthani Province, valued 4.64 million baht
  - 3) The Construction Project of Detached Houses under the name "Villa Baranee" located on Rangsit Klong 3 Road, Pathumthani Province, valued 240.81 million baht

In addition, there are three real estate development projects by Mana Patanakarn Co., Ltd, which is the Company's subsidiary. Total value of these projects as of 31 December 2014 was equal to 877.90 Million Baht

5. Other non-current assets The balance as of 31 December 2014 (newly adjusted) was equal to 205.29 Million Baht, increasing from as of 31 December 2013 by 156.55 Million Baht. Key items included

1) Advanced payment to sub-contractors that worked for the road-construction project in Laos PDR amounting to 67.40 Million Baht, under the condition that it would be subtracted when the delivery of job was above 20 percent of the work value based on the contract. In this regard, 1st subtraction was recorded in February 2015.

2) Mana Patanakarn Co., Ltd paid deferred leasehold right for land amounting to 40 Million Baht for the leasehold period of 30 years on the property on Bangna Trat Road, K.M. 4.5

6. Property, buildings and equipment The net balance as of 31 December 2014 (newly adjusted) was equal to 1,552.05 million baht, increasing from as of 31 December 2013 by 400.42 million baht. Details are as follows:

Land, buildings and equipments at cost as of 31 December 2013	3,825.69 million baht
Acquisition during 2014	643.60 million baht
Disposals/write off during 2014	(97.12) million baht
Land, , buildings and equipments at cost as of 31 December 2014	4,372.17 million baht
Accumulated depreciation	2,786.7 million baht
Allowance for impairment	33.40 million baht
Land, buildings and equipments Net book value as of 31 December 2014	1,552.05 million baht

The acquisition of tools, machinery, and equipments during 2014 was a replacement for obsolete items and in the functional suitability with construction projects acquired by the Company. The value of the acquisition during 2014, particularly tools, machinery, and equipments, was equal to 325.68 Million Baht.

7. Cash and cash equivalent The balance as at 31 December 2014 (newly adjusted) was equal to 656.52 Million Baht, increasing from as at 31 December 2013 by 368.95 Million Baht, consisting of saving accounts, current accounts with special interest, and fixed bank accounts in banks.

## Major changes in liabilities included

Debenture stock On 28 August 2014, the Company issued and offered 1,500,000 units of debenture stock No. 1/2014, with a par value of 1,000 Baht each, totaling 1,500 million baht. The debentures are unsubordinated and unsecured debentures with a debenture holders' representative and are in the name-registered certificate, bearing interest at a rate of 5.50 percent per annum, with a term of 3 years. The maturity date is 28 August 2017. The interest is payable every 3 months throughout the life of the debentures

Debenture item of 1,489.36 million baht shown in the financial statement was the net amount after deducting deferred debenture issuing cost of 10.64 million baht.

## Operating performance for the year 2013 (new adjustment)

### 1. Analysis for operating performance of the year 2014 and 2013 in consolidated financial statement

Description	2014	2013	Increase (Decrease)	
			Amount	Percent
(new adjustment)				
1.1 Revenues from construction services	6,602.62 million Baht	5,269.75 million baht	1,332.87 million baht	25.29
1.2 Cost of construction services compared with revenues from construction services	95.56%	96.05%	-	(0.51)
1.3 Revenues from sales and services	223.35 million baht	1,456.87 million baht	(1,233.52) million baht	(84.67)
1.4 Cost of sales and services compared with revenues from sales and services	88.99%	89.78%	-	(0.88)
1.5 Administrative expenses	315.78 million baht	366.14 million baht	(50.36) million baht	(13.75)
1.6 Financial expenses	90.33 million baht	133.79 million baht	(43.46) million baht	(32.48)

### 2. Operating performance for the year ended 31 December 2014 (new adjustment) compared with 2013 การวิเคราะห์และคำอธิบายของฝ่ายจัดการ ปี 2557

Description	2014 (newly adjustment)	2013
Profit (Loss) for the year attributable to shareholders of the Company in the consolidated financial statement	8.29 Million Baht	58.36 Million Baht
Profit (Loss) for the year in the separate financial statement	21.42 Million Baht	95.17 Million Baht

### 3. Analysis and explanation of Management for the year 2014

In 2014, the Company and its subsidiaries gained the total revenues of 6,893.79 Million Baht, divided into revenues from constructions of 6,602.62 million baht, revenues from sales and services of 223.35 million baht, and other revenues 67.82 million baht

Net profit for the year ended 31 December 2014 (new adjustment) to shareholders of the Company in the consolidated financial statement was equal to 8.29 million Baht, whilst for the year ended 31 December 2013 equal to 58.36 million baht, decreasing by 50.07 Million Baht. This resulted from the construction problems in the Construction Project of Nam Sana Dam and Hydraulic Power Plant, in Laos PDR, owned by Electricity du Laos and และ Construction Project of Education and Environmental Preservation Center, Bangsue, Bangkok, owned by BMA. This resulted in an increase in the Company's cost of construction from 5,061.63 million baht in 2013 to 6,309.42 in 2014, including an increase in hiring foreign workers of which the average cost was higher than Thai workers. In addition, in 2013, the Company received the amount of 107.29 million baht, which had been recorded as allowance for doubtful debt, as repayment

from debtors. Meanwhile, in 2014, the Company also received the repayment from the same type of debtors equal to 24.20 million baht. However, the Company has made an attempt to control costs by buying in some main material supply in advance with the quantity that will be sufficient for use for the whole projects so as to reduce risk of uprising price which would certainly had an impact upon the Company's cost.

## 3.1 Operating performance for the year 2014 (newly adjusted)

### Construction business

- 3.1.1 Revenues — revenues from construction services increased in 2014 when compared to 2013 equal to 1,332.87 million baht or 25.29%, resulting from increasing construction works. Top 3 projects with high revenues of the Company in 2014 are as follows:
- Construction of Road linked to Highway No.3 (Bangpu)-Ban Klong Krabue, Section 3, Samut prakarn Province, owned by Highway Department, valued 565 million baht of revenues in 2014
  - Construction Project of Drainage Tunnel under Bangsue Canal, from Ladprao Canal to the Chao Phraya River, owned by BMA, valued 538 million baht of revenues in 2014
  - Construction Projects of Plant for drinking water and soda water manufacturing, owned by Mahasarakham Beverage Co., Ltd. valued 453 Million baht of revenues in 2014
- 3.1.2 Cost of construction services — cost of construction services compared with revenues from construction services comparing between 2013 and 2014 was still at high level of 95-96 percent, resulting from the construction problems (to be mentioned in 2), reporting construction cost for 2014 equal to 6,309.42 million baht, 5,061.63 million baht for 2013.
- 3.1.3 Administrative expenses — administrative cost decreased by 13.75 percent from 366.14 million baht in 2013 to 315.78 million baht in 2014.
- 3.1.4 Financial expenses - financial expenses decreased from 133.79 million baht to 90.33 million baht in 2014, decreasing by 43.46 million baht. The Company issued 1,500 million baht of debenture stock in 3rd quarter of 2014. Interest payable from the debenture issuance was recorded as interest expenses equal to 28.48 million baht in 2014.

### Concrete Business

Revenues from sales and services in 2014 decreased from 2013 equal 1,233.52 million baht or 84.67 percent; from 1,456.87 million baht in 2013 to 223.35 million baht in 2014. This resulted from the fact that the Company has manufactured more concrete for the use of the Company's construction projects and for the sales to subsidiary companies, while selling less to external customers. Cost of sales and services incurred insignificant changes, resulting in the Company's ability to keep cost of production in control at the estimated level. When comparing the aforementioned cost with rev-

venues from sales and services both in 2014 and 2013, the result showed a similar percentage of 90. In this regard, profits from sales and services were reported at 10 percent of revenues from sales and services, or equal to 148.92 million baht in 2013 and 24.58 million baht in 2014.

## 3.2 Projects with construction problems during construction period

The Company had encountered certain problem during construction proceeds in two mega projects, causing higher construction cost than the budgets estimated by the Company. The Company endeavored to resolve those problems at its best. The aforementioned 2 projects are as follows:-

- a. Construction Project of Nam Sana Dam and Hydraulic Power Plant, in Laos PDR, owned by Electricity du Laos, The problems found are :

- 1.1 Topography After having been awarded with this project, the company undertook the survey before making the design and found that there were several caves underneath the area of the power plant location. Therefore, more location survey needed to be done, and finally there found to be a new location spotted at higher level than the previous one resulting in more quantity of drilled out rock than earlier estimated to keep the power plant and the drainage line at the desired level.

- 1.2 While drilling soil to construct a water tunnel in which the water flows further into the high-pressure steel pipe, there happened to be a heavy rain which caused landslide which occurred three times and affected the work. Because of that, more soil drilling needed to be done. Moreover, some of the work site area was found to be slope one resulting in a construction delay and a higher cost of construction than earlier estimated.

Initially, for this project, the Company forecasted the profits of the whole project at 6.19 percent of the project value based on the contract. As a result of plenty of considerable aforementioned problems encountered, this project incurred the loss at 1.27 percent of the project value, including expenses for extra works, the totaling loss of this project amounted to 13 million baht. At present, the construction of this project has been completed since September 2014. It was now under the guarantee period of construction work which ended September 30, 2015.

- b. Construction Project of Education and Environmental Preservation Center, Bangsue, Bangkok, owned by BMA

The problem occurred because the line area of the construction drawing happened to run pass a housing estate which did not allow the construction causing a change of the drawing. Moreover, while doing the work of pipe-jacking various difficulties were found underground making it necessary to build 50 more man holes to distort the underground pipe line. This also prolonged the planned construction time.

Initially, for this project, the Company forecasted the profits of the whole project at 0.76 percent of the project value based on the contract. As a result of plenty of considerable aforementioned

problems encountered, this project incurred the loss at 19.12 percent of the project value, including expenses for extra works, the totaling loss of this whole project amounted to 147 million baht as of March 31, 2015. This contract period of this project ended November 2015. At present, the construction of this project was completed.

The losses from these two projects amounting to 160 Million Baht would certainly have an effect upon the liquidity of the business. Nevertheless, the Company's incurred profits from other projects' operation somewhat safeguarded its liquidity from the impact of these two projects, the Company then proceeded to complete the construction services. In the mean time, the Company demanded for an increase in capital valuing at 1,032,580,272 Baht, by offering ordinary shares as capital increase to specific shareholders of the Company, offering ordinary shares to existing shareholders of the Company, issuing warrant rights to purchase ordinary shares to existing shareholders, and issuing unsecured debenture stock of Nawarat Patanakarn Public Company No.1/2014 to general investors and/or institutional investors, valuing 1,500,000,000 Baht in order to assisting in the Company's business expansion and to support the Company's liquidity as well.

### 3.3 Foreign workers hiring

Due to the shortage of Thai labors, the Company was required to hire foreign workers of which the costs are higher than Thai workers. However, in order to make provision against construction work of the government sector which has a tendency to rise considerably, and to support current operation in terms of on-time delivery and reducing risk of penalty from late delivery, the Company was therefore required to hire foreign workers in compensation for local workers. At present, the Company has hired around 1,500 foreign workers, in a ratio of one foreign worker per 1.8 Thai worker (1 : 1.8) (existing 2,700 Thai workers)

### 3.4 Purchase of supplies in advance

In order to control costs of construction within the estimated budgets, the Company bought in some main material supply in advance with the quantity that will be sufficient for use for the whole projects so as to reduce risk of uprising price. This policy would efficiently mitigate the impact of materials price upon the cost of construction.

### 3.5 Issuance and offer of debenture of 1,500 Million Baht

On 28 August 2014, the Company issued and offered 1,500,000 units of debenture stock No. 1/2014, with a par value of 1,000 Baht each, totaling 1,500 million baht. The debentures are unsubordinated and unsecured debentures with a debenture holders' representative and are in the name-registered certificate, bearing interest at a rate of 5.50 percent per annum, with a term of 3 years. The maturity date is 28 August 2017. The interest is payable every 3 months throughout the life of the debentures.

The purposes of this debenture are for working capital and investments in new project aiming at making profits for the Company. The debenture's interest payable in 2014 was equal to 28.48 Million Baht.

## 3. Analysis for cash flow statement

Summary of cash flow statement (according to consolidated financial statement)

Unit: million baht

Description	Year 2015	Year 2014 (new adjustment)
Cash flows from operating activities	-896.87	-756.13
Cash flows from investing activities	-570.87	-1,037.46
Cash flows from financing activities	1,453.08	2,162.63
Translation differences	-0.54	-0.10
Cash and cash equivalents at beginning of period	656.52	287.57
Cash and cash equivalents at end of period	641.32	656.52

Cash flows from operating activities in 2015 indicated that the Company had net cash flows used in operating activities equal to 896.87 million baht. Comparing to the net cash flows of 756.13 million baht used in operating activities in 2014 (newly adjusted), there was an increase in the net cash flows used in operating activities equal to 140.74 million baht. Major items affecting the net cash flows used in operating activities are as follows:

1. Increase in trade accounts receivable and other receivables with the amount of 384.21 million baht, resulting from the fact that the Company had delivered more construction works and was in the collection period with employers.
2. Increase in inventory of materials supply with the amount of 137.96 billion baht, as the Company had a policy to buy in some main materials supply in advance with the quantity that will be sufficient for use for the whole projects so as to reduce risk of uprising price.
3. Increase in cost of real estate development projects with the amount of 219.99 million baht from the initiative investments in developing new projects of Mana Patanakarn Co., Ltd.(subsidiary company)
4. Increase in construction revenues received in advance with the amount of 578.12 million baht from the construction projects of which construction revenues received in advance were paid by the employers, which will be periodically deducted from periodic deliverables. All conditions apply as stated in the construction contract.

In regard to cash flows from investing activities in 2015, the Company had net cash flows used in investing activities equal to 570.87 million baht. Comparing to the net cash flows of 1,037.46 million baht used in investing activities in 2014 (new adjustment), there was a decrease in the net cash flows used in investing activities equal to 466.59 million baht. This resulted from the fact that the Company had reduced temporary investment in the category of invest-

ments in SCB (Siam Commercial Bank) funds with the amount of 102.50 million baht, in order to use in business operation of the Company, to maintain the liquidity of the Company, and to invest more in the category of property, buildings, and equipments with the amount equal to 671.05 million baht. Meanwhile, the investment in this category in 2014 was equal to 444.56 million baht.

In regard to cash flows from financing activities in 2015, the Company had net cash flows used in financing activities equal to 1,453.08 million baht. Comparing to the net cash flows of 2,162.63 million baht used in financing activities in 2014 (new adjustment), there was a decrease in the net cash flows used in financing activities equal to 709.55 Million Baht. In both 2014, and 2015, the Company received cash from issuance of debentures equal to 1,488 Million Baht each year. The Company allocated certain amounts as a repayment of loans from financial institutions in compliance with the purposes of debenture issuance. In addition, during 2014, the Company also received the amount of 841.23 Million Baht from the exercise of rights of Warrants to purchase ordinary shares of the Company.

## Summary of significant events during 2013-2015 that affected cash ow statement

1. On 28 August 2014, the Company issued and offered 1,500,000 units of debenture stock No. 1/2014, with a par value of 1,000 Baht each, totaling 1,500 million baht. The debentures are unsubordinated and unsecured debentures with a debenture holders' representative and are in the name-registered certificate, bearing interest at a rate of 5.50 percent per annum, with a term of 3 years. The maturity date is 28 August 2017. The interest is payable every 3 months throughout the life of the debentures. The purposes of this debenture are for debt repayment, working capital and investments in new project aiming at making profits for the Company.
2. On 21 August 2015, the Company issued and offered 1,500,000 units of debenture stock No. 1/2015, with a par value of 1,000 Baht each, totaling 1,500 million baht. The debentures are unsubordinated and unsecured debentures with a debenture holders' representative and are in the name-registered certificate, bearing interest at a rate of 4.50 percent per annum, with a term of 3 years. The maturity date is 21 August 2018. The interest is payable every 3 months throughout the life of the debentures. The purposes of this debenture are for debt repayment, working capital and investments in new project aiming at making profits for the Company.
3. According to the shareholders' meeting of Nawarat Patanakarn Public Company Limited No. 1/2013, held on 28 March 2013, it resolved and approved the allocation of 668,686,068 new ordinary shares to the following shareholders
  1. existing shareholders of the Company in proportion to their shareholding
  2. specific persons
  3. holders of the Company's warrants to purchase ordinary shares No. 1 (NWR-W1), that are offered to the existing shareholders of the Company in proportion to their shareholding, after the completion of the allocation of the new ordinary shares to existing shareholders under 1) and specific persons under 2).

During 2013, the Company received funds from the Company's increase of registered share capital through allocation of new ordinary shares during 2013 amounting to, before expenses deduction, 1,177.05 million baht.,

and also received during 2014 up to the last exercise of rights as of 26 June 2014 according to Warrants to purchase ordinary shares of Nawarat Patanakarn Public Company Limited No.1(NWR-W1) amounting to, before expenses deduction, 262.38 million baht., totaling 1,439.43 million baht.

4. According to the resolutions of the Annual General Meeting of the Company's shareholders of Nawarat Patanakarn Public Company Limited No.1/2014 as at 30 April 2014, it approved the allocation of new ordinary shares by increasing registered share capital through the issuance of Warrants to purchase ordinary shares of the Company NO.2 (NWR-W2) with 493,690,718 units of Warrants. The life of Warrants was of 6-month term and entitled to one-time exercise of rights on 1 December 2014, at a rate of 1 warrant for every 1 existing ordinary shares, at a price of 1.20 baht per share. On the one-time exercise date as at 31 December 2014, the Company received funds from the exercise of Warrants to purchase ordinary shares No.2 (NWR-W2), before expenses deduction, amounting to 578.85 million baht.
  
5. As a result of the adoption of the Revised (revised 2014) and New Financial Reporting Standards issued by the Federation of Accounting Professions, in 2015 Acquisition of property buildings and equipments was presented as increasing at cost equal to 896.28 million baht, while in 2014 (newly adjusted) and 2013 it was presented as increasing at cost equal to 643.60 million baht and 564.62 million baht respectively. Most of the acquisition of assets in 2013 was the purchase of machinery and equipment by the joint-venture named NWR-SBCC, to be of use for the excavation and removal of earth and coal project at Mae Moh mine of the Electricity Generating Authority of Thailand Contract no.6, Mae Moh District, Lampang. The value of additional purchase during 2013 was equal to 118.04 million baht (amount shown in proportion to investment of 50 percent). The joint—venture has begun investing in acquiring machinery to be used in the projects since 2009 with long-term loans from bank, totaling 5 loan contracts agreement. The loan repayment was of annual term. The outstanding balance as of 31 December 2015, with 3 remaining not-yet-due contracts, was equal to 1,219.49 million baht. (amount shown in proportion to investment of 50 percent which was equal to 609.75 million baht) as follows:

Contract No.1 dated 28 April 2009 The outstanding balance as of 31 December 2015 was equal to 765.68 million baht. Full repayment of loans is due within February 2017

Contract No.2 dated 20 September 2012 The outstanding balance as of 31 December 2015 was equal to 28.08 million baht. Full repayment of loans is due within June 2016

Contract No.3 dated 22 October 2013 The outstanding balance as of 31 December 2015 was equal to 425.73 million baht. Full repayment of loans is due within December 2016

As for the Company, it acquired merely additional machinery and equipment as deemed necessary for the use in construction projects and for replacement of the deteriorated machinery. Meanwhile, the Company disposed old and obsolete machinery in order to save storage space and maintenance cost.

6. Receiving debt repayment from trade accounts payable. Trade payables have deferred debt repayment longer than usual, yet they still repaid the debt to the Company. However, in 2013, ITD - Nawarat (LLC) received debt repayment from Seven Tides Ltd., the employer of Palm Jumeirah Condominium in Dubai, UAE, in the amount of AED 29,450,000.

This construction project was run by ITD-Nawarat (LLC) which is a Joint - Venture business between Italian-Thai Development Public Company Limited and Nawarat Patanakarn Public

Company Limited at the ratio of 60:40. First, Seven Tides Ltd. has unpaid the construction cost amounting to AED 69,148,594. On June 11, 2013, the Arbitrator in Dubai, determined that ITD - Nawarat (LLC) be repaid with the construction cost in the amount of AED 31,358,052.19. The negotiation between ITD-Nawarat (LLC) and Seven Tides Ltd. had reached a compromise before Seven Tides Ltd. agreed to pay off its debts to the Joint Venture which totaled AED 29,450,000.

On November 5, 2013, the Company received the debt-repayment amount of USD 3,188,080, approximately 99 million baht, for the company's portion which is equivalent to AED 11,780,000 or equaling to 40 % of AED 29,450,000.

## 4. Analysis for financial ratio (according to consolidated financial statement)

### 1. Liquidity ratios

The term of debt repayment allowed for accounts receivable is divided into Government sector with a term of 45-60 days; private sector with a term of 30 days. But the Company's average period of debt collection was at 120 days in 2015, 131 days in 2014, and 135 days in 2013 respectively.

In reverse, the average period of selling goods became higher in number amounting to 96 days in 2015, while it was merely 84 days in 2014 and 61 days in 2013 comparatively. This resulted from the fact that the Company accelerated the production of finished goods so as to within the delivery date and be used in construction projects.

Meanwhile, the payment for trade accounts payable became considerably sooner; i.e. 74 days in 2015, 107 days in 2014, and 130 days in 2013 respectively. This resulted in an increase of Cash Cycle up to 143 days in 2015 while it was 108 days in 2014 and 67 days in 2013 respectively.

The Company continued to be careful and strict with the debt collection. This was because overall economic situations has not yet recovered, causing problems in business operation of considerable accounts receivable' This also resulted in the Company's liquidity in business operation. Nonetheless, according to the improving economic and political situations, it is anticipated that the liquidity of our country will improving accordingly.

<u>Ratio according to consolidated financial statement</u>	<u>Year 2015</u>	<u>Year 2014</u>	<u>Year 2013</u>
Liquidity ratio of cash flow (x)	-0.26 x	-0.22 x	-0.17 x

In 2015, the Company still somewhat had problem with the liquidity ratio of cash flow. This was partly the debtors failed to make a repayment for debt within due date as agreed in the contracts. Nonetheless, The Company endeavored to push for the debt repayment from the debtors to be made sooner. For instance, the Company would continually follow up with the debt collection. In case the debtors are encountering the problem of liquidity, the Company offered an opportunity for them to negotiate with the Company and cooperatively resolved the problems. Eventually, the Company may bring the case into court in order to sue them and claim for the debt repayment. Additionally, the fact that the Company bought in some main material supply in advance with the quantity that will be sufficient for use for the whole projects so as to reduce risk of uprising price has resulted in a decrease in the Company's liquidity of cash flow.

## 2. Profitability ratios

According to the ratio of gross profit margin and gross profit from the operation in 2013, it showed that in 2013 the Company encountered the problem of considerably increased costs of labor. In 2014, the Company encountered the problems with two construction projects, i.e. the Construction Project of Nam Sana Dam and Hydraulic Power Plant, in Laos PDR, owned by Electricite du Laos and Construction Project of Education and Environmental Preservation Center, Bangsue, Bangkok, owned by BMA, which was described in details in the section "Analysis and explanation of Management for the year 2014". However, in 2015, the Company continued to have problem with the costs of labor due to the dependence on foreign workers, of which the average cost per se was higher than Thai workers, the Company remained strict and control more of this expense.

<u>Ratio according to consolidated financial statement</u>	<u>Year 2015</u>	<u>Year 2014</u>	<u>Year 2013</u>
Ratio of cash to Company's profitability (x)	-21.44x	-378.07x	-74.37x

This ratio, in comparison with each year, appeared to be variable. For the year 2015, the Company's ratio of cash to Company's profitability became better than that of 2014 This was because in 2014 the Company encountered the construction problems in the Construction Project of Nam Sana Dam and Hydraulic Power Plant, in Laos PDR, owned by Electricity du Laos and Construction Project of Education and Environmental Preservation Center, Bangsue, Bangkok, owned by BMA.

In addition, in some years, the Company had encountered the problem of late debt repayment from the debtors due to economic situations or their own companies' liquidity. Meanwhile, in some years, the Company received the repayment from trade accounts receivable which had been recognized as allowance for doubtful debts. For instance, in 2013 and 2014 respectively, the Company recorded reverse items of allowance for doubtful debts, due to the debt repayment from the debtors of which their debt had been recognized as allowance for doubtful debts, equivalent to 107.29 and 24.20 million baht net respectively.

### 3. Ratio of Operating Efficiency

Between 2013 and 2015, the Company purchased many items of machinery; for the use in construction projects and for replacement of the old machinery. The total value of new machinery and equipments purchased in 2013, 2014 and 2015 was equivalent to 268.40 million baht, 325.68 million baht and 253.72 million baht respectively. In this regard, the Company was ensured that the return on total assets and the return on fixed assets would continue rising up in the following years.

<u>Ratio according to consolidated financial statement</u>	<u>For year ended 31 Dec 2015</u>	<u>For year ended 31 Dec 2014</u>	<u>For year ended 31 Dec 2013</u>
อัตราผลตอบแทนจากสินทรัพย์รวม	-1.50 %	0.02 %	0.79 %
อัตราผลตอบแทนจากสินทรัพย์ถาวร	5.30 %	17.17 %	28.30 %

In addition, the Company's increase of paid share capital resulted in the decrease in the return on equity (ROE) at the earlier stage. However, it was anticipated that funds received from the increase of capital would assist the Company in more business expansion, more capability in competition due to sufficient funds and reduction of financial expenses.

<u>Description</u>	<u>As of 31 Dec '15</u>	<u>As of 31 Dec '15</u>	<u>As of 31 Dec '15</u>
Paid share Capital	2,585.48 million baht	2,585.48 million baht	1,974.80 million baht
Plus shareholders' equity (according to consolidated financial statement)	3,682.73 million baht	3,873.67 million baht	3,027.90 million baht
<u>Ratio according to consolidated financial statement</u>	<u>For year ended 31 Dec '15</u>	<u>For year ended 31 Dec '14</u>	<u>For year ended 31 Dec '13</u>
Return on shareholders' equity (%)	-4.67%	0.05%	2.35%

### 4. Leverage ratio

The ratio of debt to equity increased in 2014 and 2015 because the Company issued and offered debenture stock twice both on 2014 and 2015, with the amount of 1,500 million baht each year, totaling 3,000 million baht. The purposes of this debenture are for debt repayment, working capital, and investment in new projects in order to make profits for the Company. Hence, despite the issuances of debenture stock resulting in the balance of debts, the Company allocated certain amounts of funds received from those issuances of debenture to pay for debts. In addition, since the Company incurred loss from business operation in 2015, equivalent to 171.97 million baht (loss in shareholders' equity equivalent to 173.84 million baht), this caused a decrease in shareholders' equity in 2015.

<u>Ratio according to consolidated financial statement</u>	<u>For year ended 31 Dec 2015</u>	<u>For year ended 31 Dec 2014</u>	<u>For year ended 31 Dec 2013</u>
Debt to equity ratio (x)	2.10x	1.44x	1.33x

## 5. The Company and Real Estate Development Business

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The Company wanted to expand its business related to construction services which was profitable. Additionally, in 2008 and 2009, the Company's debts was repaid with property and plant based on the reassessment of the asset value from Ruen Rapee Co., Ltd. and East Bangkok Assets Company Limited, which are both related parties. This generated the Company's interest in expanding its business in real estate development and started its housing project called "Villa Baranee" located in Rangsit Klong 3 Road, Pathumthani Province. Later on, the Company restructured the Group in order to enhance the flexibility in its operation in real estate development business. In 2013 the Company established Mana Patanakarn Co., Ltd., in which its investment portion was 99.97 percent. Projects in progress that are operated on behalf of Mana Patanakarn Co., Ltd. are as follows:

1. The Project of Housing Estate under the name "Baranee Park Romklao" located on Romklao Road, Bangkok
2. The Project of Housing Estate under the name "Baranee Residence" located on Rangsit Klong 3 Road, Pathumthani Province
3. The Project of Condominium under the name of "ASPEN" located at Soi Lasalle, Srinakarin Road, Bangkok

## 6. Summary of the Company's Policy on Handling Some Items Affecting its Operating Performance consisting of

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### 1. Handling with related trade receivables

Although the Company has recorded a bad debt reserve appropriately based on the debt's age as analyzed by the Company, it actively endeavored to collect the debts. In case that the debtors, such as Ruen Rapee Co., Ltd. and East Bangkok Assets Company Limited Ruen Rapee Co., Ltd. and East Bangkok Assets Company Limited, owned any asset that could be appraised and brought to repay for debts, independent asset values would be assigned to do the asset appraisal prior to the reassessment of the asset value for debt repayment. If there is any construction job the debtor was capable of joining in, such debtor as New Decade Company Limited would be considered for subcontracting in order that its outstanding debts be repaid to the Company. Or in some cases, the Company continued to work for related trade receivables since the debtor gradually repay the debt. Completion of job would assist the debtor in terms of sales and debt repayment to the Company, such as Ruen Rapee Co., Ltd. and East Bangkok Assets Company Limited Ruen Rapee Co., Ltd. and East Bangkok Assets Company Limited.

### 2. Cost of construction projects

At present, the price of fuel oil and key material supply like steel has sharply declined. However, it has a tendency to rise again. As a result of the price fluctuation, it is difficult to estimate the cost of construction in the future, which affects the submission of proposal to employers. Although Government projects are partially compensated by the adjustment of construction services price, that does not cover all types of material supply. Therefore, the Company is required to burden some parts of it. However, projects of the Government sector are much better than those of the private sector, of which there's no compensation for contractors and contractors need to find their own ways to risk

prevention. In this regard, the Company is able to prevent the price risk in a short period; i.e. agreement on price of supply purchase in advance, payment of supply expense in advance, or purchase of supply for the whole project in advance.

## 7. Summary of major conditions related to the maintenance of ratios specified in the long-term loans limit contract with financial institutions as of December 31, 2015

At present, the Company is subject to maintaining financial ratios in compliance with conditions in the long-term loans contract between NWR – SBCC Joint Venture NWR – SBCC Joint Venture and Siam Commercial Bank PCL., with the outstanding balance of debts as of December 31, 2015 amounting to 1,219.49 million baht (The Company's portion equal to 50 percent in proportion to its venture capital amounting to 609.75 million baht). The fully-paid term of debt payment is in February 2017. The conditions of financial ratios are as follows:

1. Joint-ventures should maintain the ratio of Debt to EBITDA as follows

Starting January 1, 2013 Until December 31, 2013 lower than 3.3 : 1

Starting January 1, 2014 Until December 31, 2014 lower than 1.85 : 1

Starting January 1, 2015 Until due date lower than 1.5 : 1

2. Joint-ventures should maintain the ratio of Debt Service Coverage Ratio — DSCR to be higher than 1.2 : 1

Joint-ventures should maintain the financial ratios as specified in the long-term loans contracts. Otherwise, it will fail to comply with the loan contracts. Joint-ventures should calculate out the financial ratios in order to compare and maintain its level as determined by banks. In this regard, joint-ventures are subject to risk of failure to comply with the contract conditions, due to some reasons, such as economic problem, political problem, broken key-machinery problem, worker shortage problem, etc. In case that any problem occurs, it should be reported to the loan-providing banks, suggesting resolutions, action plan, and sometimes banks may consider the adjustment of conditions in accordance with actual situations.

In addition to the maintenance of financial ratios in compliance with the conditions specified in the contract, other conditions are to be followed. Major conditions are as follows:

1. The Company shall not reduce registered capital without and prior to the written permission of loan-providing banks.
2. Joint-ventures shall not pay the dividend without the loan-providing banks' agreement that the course of action does not affect the joint-ventures' coverage of debts

In this regard, any course of action shall be executed, whether it be reduction of registered capital or the dividend payment of joint-ventures, it is required that every single letter of approval be submitted to the loan-providing bank, and course of action be executed subsequent to the written approval letter from the banks.

## 8. The ability in maintaining Net Debt to Equity under the regulations of entitlements and responsibilities of the issuers and the holders of “unsecured debentures of Nawarat Patanakarn Public Company Limited No.1/2014 with the maturity date in 2017” and “unsecured debentures of Nawarat Patanakarn Public Company Limited No.1/2015 with the maturity date in 2018”

The Net Debt to Equity ratio (Net DE ratio) under the regulations of entitlement and responsibilities of the issuers and the holders of the debenture according to the consolidated financial statement are as follows:

<u>Ratio according to consolidated financial statement</u>	<u>For year ended 31 Dec 2015</u>	<u>For year ended 31 Dec 2014</u>	<u>For year ended 31 Dec 2013</u>
Net debt to equity	1.93	1.27	1.23

The definition of the net debt to equity specified in the regulations of entitlement and responsibilities of the issuer and the holders of debenture are as follows:

“Net debt” refers to the total amount of debts shown in the consolidated financial statement of the debenture issuers, deducted by cash and cash equivalents

“Equity” refers to Equity share of the issuer as shown in the consolidated financial statement

“Cash and cash equivalents” refers to the total amount of cash and cash equivalents as shown in the consolidated financial statement of the debenture issuers.

According to the terms of the Company’s debenture stock, it is stipulated that the Company shall maintain the net debt to equity, calculated as defined in the regulations) at the rate of 2.5:1 for the whole period of debenture life. As at the quarterly period and at the end of accounting year, the Company’s ratio continued to stay below the requisite level since 2013. The purposes of this debenture are for debt repayment, working capital, and investment. Hence, the Company was ensured that it would have the capacity in reduce certain financial expenses while making profits from investment expansion in return to its business. The increase of debts was that the debenture stock resulting an increase in the total debts, in the mean time the Company would gain some returns from allocation of funds received from debenture issuance into investment, then shareholder’s equity would increase.

The Company has forecast for the whole 3-year term of debenture that the net debt to equity ratio would be below 2:5:1. However, if during this 3-year term of debenture, there appeared to be a tendency that this net D/E ratio would go beyond 2:5:1, the Company would be prepared for the solution with the deduction of debts in other parts and/or the increase in shareholders’ equity up to the requirement.

## Factors that may affect the Company's financial position or business operation in the future

According to current business operation of the Company, it focuses on keeping control the Company's cost to be lower than estimated. However, there are chances that the Company may undergo the upward adjustment of material price and minimum wage rate, which will have an effect upon the wage system of the Company. In addition, the shortage of workers resulted in an increase of foreign worker hiring, of which average cost of hiring is higher than Thai workers. Regarding the Company's incomes, it possesses clients from both government and private sectors. The stability of our country's economy, political issues, and government's policies, all above do have an effect upon business operation of the Company. Yet, the Company will operate the business to achieve its goal at its full capacity, while rapidly analyzing problems and effects and appropriately adjust its business strategy in order to resolve those problems and effects.

## Auditor for Financial Statement of Nawarat Patanakarn Public Company Limited

EY Office Limited is the Company's auditor. The certified public accountants are as follows:

	In Year 2013 — 2015	Mr. Khitsada Lerdwana C.P.A. License No. 4958
Audit fee	In Year 2013	Company's audit fee totaling 2.00 million baht per year
	In Year 2014	Company's audit fee totaling 2.02 million baht per year
	In Year 2015	Company's audit fee totaling 2.10 million baht per year

Note: EY Office Limited originally named Ernst & Young Office Limited



Nawarat Patanakarn Public Company Limited,  
Its subsidiaries and its jointly controlled entities

**Report and consolidated financial statements 31 December 2015**

## **Independent Auditor's Report**

To the Shareholders of Nawarat Patanakarn Public Company Limited

I have audited the accompanying consolidated financial statements of Nawarat Patanakarn Public Company Limited and its subsidiaries, which comprise the consolidated statements of financial position as at 31 December 2015, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statements of Nawarat Patanakarn Public Company Limited for the same period.

## **Management's Responsibility for the Financial Statements**

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

## **Auditor's Responsibility**

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### **Opinion**

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Nawarat Patanakarn Public Company Limited and its subsidiaries and of Nawarat Patanakarn Public Company Limited as at 31 December 2015, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

### **Emphasis of matter**

I draw attention to Note 4 to the financial statements regarding the change in accounting policy due to the adoption of TFRS 11 Joint Arrangements. The Company has restated the consolidated and separate financial statements for the year ended 31 December 2014, presented herein as comparative information, to reflect the adjustments resulting from such change. The Company has also presented the consolidated and separate statements of financial position as at 1 January 2014 as comparative information, using the newly adopted accounting policy for such financial reporting standard. My opinion is not qualified in respect of this matter.

Khitsada Lerdwana

Certified Public Accountant (Thailand) No. 4958

EY Office Limited

Bangkok: 2 March 2016

## Nawarat Patanakarn Public Company Limited and its subsidiaries

### Statement of financial position

As at 31 December 2015

(Unit: Baht)

	Note	Consolidated financial statements			Separate financial statements		
		As at	As at	As at	As at	As at	As at
		31 December 2015	31 December 2014	1 January 2014	31 December 2015	31 December 2014	1 January 2014
		(Restated)			(Restated)		
<b>Assets</b>							
<b>Current assets</b>							
Cash and cash equivalents	8	641,322,181	656,523,795	287,574,115	585,835,207	587,485,274	270,694,491
Current investments	9	612,056,908	713,439,219	-	612,056,908	713,439,219	-
Trade and other receivables	10	1,552,769,279	1,075,997,810	1,458,309,387	1,648,458,940	964,132,286	1,304,403,887
Unbilled receivables	11	1,874,309,107	1,730,928,008	1,039,705,100	1,921,763,314	1,609,946,103	1,001,123,245
Retention receivables		740,171,566	538,285,006	504,801,382	704,599,349	521,777,540	483,740,967
Short-term loans and advances	12	33,576,057	28,115,509	19,537,141	261,328,817	79,160,221	45,830,932
Inventories	13	701,027,004	560,208,422	713,911,975	698,128,883	557,463,145	709,810,240
Project development cost	14	1,410,325,169	1,168,489,997	586,178,808	118,105,189	290,589,449	346,000,050
Other current assets	15	725,683,776	578,150,425	516,673,833	624,867,768	473,974,919	458,825,044
<b>Total current assets</b>		<b>8,291,241,047</b>	<b>7,050,138,191</b>	<b>5,126,691,741</b>	<b>7,175,144,375</b>	<b>5,797,968,156</b>	<b>4,620,428,856</b>
<b>Non-current assets</b>							
Restricted bank deposits	16	247,290,376	208,342,565	298,664,256	231,094,912	163,491,995	266,505,584
Long-term loans to related party	7	-	-	-	24,000,000	-	-
Investments in subsidiaries	17	-	-	-	1,031,236,263	753,236,363	231,486,613
Investments in associates	18	224,720,028	176,617,672	161,917,893	24,999,896	124,999,596	124,999,596
Other long-term investments	19	10,173,708	10,197,037	11,534,980	10,173,708	10,197,037	11,534,980
Investment properties	20	189,346,117	189,346,117	189,006,117	189,346,117	189,346,117	189,006,117
Property, plant and equipment	21	2,146,666,841	1,552,053,527	1,151,634,671	1,615,019,625	1,380,695,622	1,116,521,920
Leasehold right for land	22	12,503,974	15,090,970	17,677,966	12,503,974	15,090,970	17,677,966
Deferred tax assets	34	44,083,647	37,749,967	36,076,214	40,858,950	36,907,621	35,399,827
Other non-current assets		268,812,760	205,290,506	48,738,810	109,217,892	79,626,141	11,170,341
<b>Total non-current assets</b>		<b>3,143,597,451</b>	<b>2,394,688,361</b>	<b>1,915,250,907</b>	<b>3,288,451,337</b>	<b>2,753,591,462</b>	<b>2,004,302,944</b>
<b>Total assets</b>		<b>11,434,838,498</b>	<b>9,444,826,552</b>	<b>7,041,942,648</b>	<b>10,463,595,712</b>	<b>8,551,559,618</b>	<b>6,624,731,800</b>

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

## Nawarat Patanakarn Public Company Limited and its subsidiaries

### Statement of financial position (continued)

As at 31 December 2015

(Unit: Baht)

	Note	Consolidated financial statements			Separate financial statements		
		As at	As at	As at	As at	As at	As at
		31 December 2015	31 December 2014	1 January 2014	31 December 2015	31 December 2014	1 January 2014
			(Restated)			(Restated)	
<b>Liabilities and shareholders' equity</b>							
<b>Current liabilities</b>							
Bank overdrafts and short-term loans							
from financial institutions	23	385,443,966	513,119,754	769,138,545	249,763,966	367,373,713	677,071,009
Trade and other payables	7	1,403,344,958	1,592,189,982	1,575,371,827	1,227,942,568	1,309,104,188	1,448,703,799
Short-term loans and interest payable	26	25,090,033	36,690,033	11,664,383	2,690,033	2,690,032	11,664,383
Current portion of hire purchase creditors and finance lease payable	27	167,728,426	116,918,197	67,918,297	163,830,929	116,079,896	67,098,368
Current portion of long-term loans from related party	26	3,122,011	-	-	-	-	-
Current portion of long-term loans from banks	27	17,592,000	14,660,000	92,500,379	-	-	92,500,379
Advance received from construction		1,407,776,667	829,659,369	826,664,698	1,399,074,033	825,436,215	819,007,040
Other current liabilities		194,311,759	157,509,566	156,389,581	179,087,839	146,021,061	145,447,859
<b>Total current liabilities</b>		<b>3,604,409,820</b>	<b>3,260,746,901</b>	<b>3,499,647,710</b>	<b>3,222,389,368</b>	<b>2,766,705,105</b>	<b>3,261,492,837</b>
<b>Non-current liabilities</b>							
Hire purchase creditors and finance lease payable, net of current portion	25	250,713,663	204,468,309	120,078,748	245,623,784	203,520,653	118,137,944
Long-term loans from related party, net of current portion	26	12,877,989	-	-	-	-	-
Long-term loans from banks, net of current portion	27	502,731,415	282,600,000	43,000,000	-	-	-
Debentures	28	2,983,371,501	1,489,357,915	-	2,983,371,501	1,489,357,915	-
Retention payables		148,948,639	83,895,754	133,000,829	145,731,564	84,146,859	133,609,933
Provision for long-term employee benefits	29	151,602,803	115,974,934	106,333,549	140,879,988	111,763,205	102,951,614
Provision for loss on investment in joint venture	30	93,975,119	130,829,623	111,957,158	93,975,119	130,829,623	111,957,158
Other non-current liabilities		3,479,400	3,285,250	28,800	3,444,400	3,285,250	28,800
<b>Total non-current liabilities</b>		<b>4,147,700,529</b>	<b>2,310,411,785</b>	<b>514,399,084</b>	<b>3,613,026,356</b>	<b>2,022,903,505</b>	<b>466,685,449</b>
<b>Total liabilities</b>		<b>7,752,110,349</b>	<b>5,571,158,686</b>	<b>4,014,046,794</b>	<b>6,835,415,724</b>	<b>4,789,608,610</b>	<b>3,728,178,286</b>

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

## Nawarat Patanakarn Public Company Limited and its subsidiaries

### Statement of financial position (continued)

As at 31 December 2015

(Unit: Baht)

	Consolidated financial statements			Separate financial statements		
	As at	As at	As at	As at	As at	As at
	Note 31 December 2015	31 December 2014 (Restated)	1 January 2014	31 December 2015	31 December 2014 (Restated)	1 January 2014
<b>Shareholders' equity</b>						
Share capital	31					
Registered						
2,585,481,515 ordinary shares of Baht 1 each						
(31 December 2014: 2,812,221,856 ordinary shares of Baht 1 each,						
1 January 2014: 2,221,587,311 ordinary shares of Baht 1 each						
	2,585,481,515	2,812,221,856	2,221,587,311	2,585,481,515	2,812,221,856	2,221,587,311
Issued and fully paid						
2,585,481,515 ordinary shares of Baht 1 each						
(1 January 2014: 1,974,801,416 ordinary shares of Baht 1 each)						
	2,585,481,515	2,585,481,515	1,974,801,416	2,585,481,515	2,585,481,515	1,974,801,416
Premium on ordinary shares	968,944,135	968,944,135	738,393,907	968,944,135	968,944,135	738,393,907
Retained earnings						
Appropriated - statutory reserve	32	31,234,848	31,234,848	29,468,945	27,234,848	25,468,945
Unappropriated		56,921,478	250,082,156	243,560,241	42,874,376	177,539,135
Other components of shareholders' equity		1,490,746	1,136,077	(1,516,636)	3,645,114	2,751,375
Equity attributable to owners of the Company		3,644,072,722	3,836,878,731	2,984,707,873	3,628,179,988	3,761,951,008
Non-controlling interests of the subsidiary		38,655,427	36,789,135	43,187,981	-	-
<b>Total shareholders' equity</b>		3,682,728,149	3,873,667,866	3,027,895,854	3,628,179,988	3,761,951,008
<b>Total liabilities and shareholders' equity</b>		11,434,838,498	9,444,826,552	7,041,942,648	10,463,595,712	8,551,559,618

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

## Nawarat Patanakarn Public Company Limited and its subsidiaries

### Statement of comprehensive income

For the year ended 31 December 2015

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>Note</u>	<u>2015</u>  (Restated)	<u>2014</u>  (Restated)	<u>2015</u>  (Restated)
<b>Profit or loss:</b>				
<b>Revenues</b>				
Revenues from construction		7,440,957,730	6,602,615,996	7,378,516,200
Sales and service income		145,428,918	223,349,826	172,041,726
Other income				
Interest income		14,055,124	15,613,881	25,379,881
Gain on disposal of investment in the associate		-	-	60,471,248
Others		72,364,947	52,206,638	60,189,967
<b>Total revenues</b>		<b>7,672,806,719</b>	<b>6,893,786,341</b>	<b>7,696,599,022</b>
<b>Expenses</b>				
Cost of construction		7,029,105,348	6,309,416,669	7,011,075,925
Cost of sales and service		137,729,389	198,765,304	165,888,434
Administrative expenses		377,719,203	315,775,471	291,799,908
Loss on investment in joint venture (reversal)	30	-	-	(36,854,504)
Doubtful debts (reversal)		210,222,576	(24,200,848)	225,327,368
<b>Total expenses</b>		<b>7,754,776,516</b>	<b>6,799,756,596</b>	<b>7,657,237,131</b>
<b>Profit (loss) before share of profit (loss) from investments in associates and joint venture, finance cost and income tax expenses</b>		<b>(81,969,797)</b>	<b>94,029,745</b>	<b>39,361,891</b>
Share of profit (loss) from investments in associates and joint venture		84,956,859	(4,172,686)	-
<b>Profit before finance cost and income tax expenses</b>		<b>2,987,062</b>	<b>89,857,059</b>	<b>39,361,891</b>
Finance cost		(164,792,606)	(90,329,683)	(147,556,127)
<b>Profit (loss) before income tax expenses</b>		<b>(161,805,544)</b>	<b>(472,624)</b>	<b>19,220,155</b>
Income tax income (expenses)	34	(10,166,083)	2,361,596	(11,468,300)
<b>Profit (loss) for the year</b>		<b>(171,971,627)</b>	<b>1,888,972</b>	<b>21,415,792</b>

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

## Nawarat Patanakarn Public Company Limited and its subsidiaries

### Statement of comprehensive income (continued)

For the year ended 31 December 2015

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2015	2014	2015	2014
			(Restated)		(Restated)
<b>Other comprehensive income:</b>					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>					
Exchange differences on translation of financial statements in foreign currency		(539,070)	(98,662)	-	-
Gain on change in value of available-for-sale investments		1,117,174	3,439,219	1,117,174	3,439,219
Less: Income tax effect	34	(223,435)	(687,844)	(223,435)	(687,844)
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		354,669	2,652,713	893,739	2,751,375
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial loss	29	(24,153,449)	-	(18,752,779)	-
Less: Income tax effect	34	4,830,690	-	3,750,556	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		(19,322,759)	-	(15,002,223)	-
<b>Other comprehensive income for the year</b>		<b>(18,968,090)</b>	<b>2,652,713</b>	<b>(14,108,484)</b>	<b>2,751,375</b>
<b>Total comprehensive income for the year</b>		<b>(190,939,717)</b>	<b>4,541,685</b>	<b>(133,771,020)</b>	<b>24,167,167</b>
<b>Profit (loss) attributable to:</b>					
Equity holders of the Company		(173,837,919)	8,287,818	(119,662,536)	21,415,792
Non-controlling interests of the subsidiary		1,866,292	(6,398,846)		
		<b>(171,971,627)</b>	<b>1,888,972</b>		
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Company		(192,806,009)	10,940,531	(133,771,020)	24,167,167
Non-controlling interests of the subsidiary		1,866,292	(6,398,846)		
		<b>(190,939,717)</b>	<b>4,541,685</b>		
<b>Earnings per share</b>					
<b>Basic earnings per share</b>					
Profit (loss) attributable to equity holders of the Company	35	(0.0672)	0.0040	(0.0463)	0.0103
<b>Diluted earnings per share</b>					
Profit (loss) attributable to equity holders of the Company		(0.0672)	0.0038	(0.0463)	0.0097

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

**Nawarat Patanakarn Public Company Limited and its subsidiaries**

## Statement of changes in shareholders' equity

For the year ended 31 December 2015

(Unit: Baht)

	Consolidated financial statements									
	Equity attributable to owners of the Company									
	Other components of shareholders' equity						Total equity attributable to owners of the Company	Equity attributable to non-controlling interest of the subsidiaries	Total shareholders' equity	
	Other comprehensive income									
	Exchange									
	Issued and fully paid share capital	Premium on ordinary shares	Retained earnings		differences on translation of financial statements in foreign currency	Surplus on changes in value of available-for-sale investments				Total other components of shareholders' equity
			Appropriated	Unappropriated						
Balance as at 31 December 2013 - as previously reported	1,974,801,416	738,393,907	29,468,945	259,255,076	(17,211,471)	-	(17,211,471)	2,984,707,873	43,187,981	3,027,895,854
Cummulative effect of change in accounting policy for joint arrangements (Note 4)	-	-	-	(15,694,835)	15,694,835	-	15,694,835	-	-	-
Balance as at 31 December 2013 - as restated	1,974,801,416	738,393,907	29,468,945	243,560,241	(1,516,636)	-	(1,516,636)	2,984,707,873	43,187,981	3,027,895,854
Profit (loss) for the year (Restated)	-	-	-	8,287,818	-	-	-	8,287,818	(6,398,846)	1,888,972
Other comprehensive income for the year (Restated)	-	-	-	-	(98,662)	2,751,375	2,652,713	2,652,713	-	2,652,713
Total comprehensive income for the year (Restated)	-	-	-	8,287,818	(98,662)	2,751,375	2,652,713	10,940,531	(6,398,846)	4,541,685
Share capital issued as a result of warrants exercise (Note 31)	610,680,099	230,550,228	-	-	-	-	-	841,230,327	-	841,230,327
Transferred to statutory reserve (Note 32)	-	-	1,765,903	(1,765,903)	-	-	-	-	-	-
Balance as at 31 December 2014 - as restated	2,585,481,515	968,944,135	31,234,848	250,082,156	(1,615,298)	2,751,375	1,136,077	3,836,878,731	36,789,135	3,873,667,866
Balance as at 31 December 2014 - as previously reported	2,585,481,515	968,944,135	31,234,848	266,605,022	(18,138,164)	2,751,375	(15,386,789)	3,836,878,731	36,789,135	3,873,667,866
Cummulative effect of change in accounting policy for joint arrangements (Note 4)	-	-	-	(16,522,866)	16,522,866	-	16,522,866	-	-	-
Balance as at 31 December 2014 - as restated	2,585,481,515	968,944,135	31,234,848	250,082,156	(1,615,298)	2,751,375	1,136,077	3,836,878,731	36,789,135	3,873,667,866
Profit (loss) for the year	-	-	-	(173,837,919)	-	-	-	(173,837,919)	1,866,292	(171,971,627)
Other comprehensive income for the year	-	-	-	(19,322,759)	(539,070)	893,739	354,669	(18,968,090)	-	(18,968,090)
Total comprehensive income for the year	-	-	-	(193,160,678)	(539,070)	893,739	354,669	(192,806,009)	1,866,292	(190,939,717)
Balance as at 31 December 2015	2,585,481,515	968,944,135	31,234,848	56,921,478	(2,154,368)	3,645,114	1,490,746	3,644,072,722	38,655,427	3,682,728,149

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

## Nawarat Patanakarn Public Company Limited and its subsidiaries

## Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2015

(Unit: Baht)

	Separate financial statements				Other components of shareholders' equity	Total shareholders' equity
	Issued and fully paid share capital	Premium on ordinary shares	Retained earnings		Other comprehensive income	
			Appropriated	Unappropriated	Surplus on changes in value of available-for-sale investments	
<b>Balance as at 31 December 2013 - as previously reported</b>	1,974,801,416	738,393,907	25,468,945	259,667,390	-	2,998,331,658
Cummulative effect of change in accounting policy for joint arrangements (Note 4)	-	-	-	(101,778,144)	-	(101,778,144)
<b>Balance as at 31 December 2013 - as restated</b>	1,974,801,416	738,393,907	25,468,945	157,889,246	-	2,896,553,514
Profit for the year (Restated)	-	-	-	21,415,792	-	21,415,792
Other comprehensive income for the year (Restated)	-	-	-	-	2,751,375	2,751,375
Total comprehensive income for the year (Restated)	-	-	-	21,415,792	2,751,375	24,167,167
Share capital issued as a result of warrants exercise (Note 31)	610,680,099	230,550,228	-	-	-	841,230,327
Transferred to statutory reserve (Note 32)	-	-	1,765,903	(1,765,903)	-	-
<b>Balance as at 31 December 2014 - as restated</b>	2,585,481,515	968,944,135	27,234,848	177,539,135	2,751,375	3,761,951,008
<b>Balance as at 31 December 2014 - as previously reported</b>	2,585,481,515	968,944,135	27,234,848	293,219,559	2,751,375	3,877,631,432
Cummulative effect of change in accounting policy for joint arrangements (Note 4)	-	-	-	(115,680,424)	-	(115,680,424)
<b>Balance as at 31 December 2014 - as restated</b>	2,585,481,515	968,944,135	27,234,848	177,539,135	2,751,375	3,761,951,008
Loss for the year	-	-	-	(119,662,536)	-	(119,662,536)
Other comprehensive income for the year	-	-	-	(15,002,223)	893,739	(14,108,484)
Total comprehensive income for the year	-	-	-	(134,664,759)	893,739	(133,771,020)
<b>Balance as at 31 December 2015</b>	2,585,481,515	968,944,135	27,234,848	42,874,376	3,645,114	3,628,179,988

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

## Nawarat Patanakarn Public Company Limited and its subsidiaries

### Cash flow statement

For the year ended 31 December 2015

			(Unit: Baht)	
	Consolidated financial statements		Separate financial statements	
	2015	2014 (Restated)	2015	2014 (Restated)
<b>Cash flows from operating activities</b>				
Profit (loss) before tax	(161,805,544)	(472,624)	(108,194,236)	19,220,155
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:				
Depreciation	271,937,361	223,783,480	266,369,550	220,475,835
Amortisation of leasehold right for land	2,586,996	2,586,996	2,586,996	2,586,996
Doubtful debts (reversal)	210,222,576	(24,200,848)	225,327,368	(16,479,006)
Reduction of inventory to net realisable value (reversal)	(2,862,070)	3,496,791	(2,862,070)	3,496,791
Reduction of project development cost to net realisable value (reversal)	(1,234,828)	406,924	(1,234,828)	406,924
Share of loss (profit) from investments in associates and joint venture	(84,956,859)	4,172,686	-	-
Loss on investment in joint venture (reversal)	-	-	(36,854,504)	18,872,464
Gain on disposal of investment in the associate	-	-	(60,471,248)	-
Loss on impairment of assets (reversal)	10,807,109	(340,000)	10,807,109	(340,000)
Gain on disposal and write-off equipment	(4,799,421)	(6,563,789)	(5,021,535)	(6,632,644)
Unrealised gain on exchange	(8,582,450)	(187,093)	(8,582,450)	(187,093)
Loss of diminution in value of investment	23,329	1,337,943	23,329	1,337,943
Provision for long-term employee benefits	13,114,740	12,771,995	11,908,325	11,942,201
Reversal of provision for construction project loss	(1,220,649)	(860,738)	(1,220,649)	(860,738)
Provision for contingent liabilities from litigation	278,000	1,152,500	278,000	1,152,500
Amortisation of deferred debenture issuing cost	5,072,323	1,266,415	5,072,323	1,266,415
Interest income	(14,055,124)	(15,613,881)	(25,379,881)	(20,108,816)
Interest expenses	164,792,606	90,329,683	147,556,127	79,042,250
Profit from operating activities before changes in operating assets and liabilities	399,318,095	293,066,440	420,107,726	315,192,177

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

## Nawarat Patanakarn Public Company Limited and its subsidiaries

### Cash flow statement (continued)

For the year ended 31 December 2015

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>2015</u>	<u>2014</u> (Restated)	<u>2015</u>	<u>2014</u> (Restated)
(Unit: Baht)				
Operating assets (increase) decrease				
Trade and other receivables	(584,214,389)	398,067,704	(790,481,587)	358,254,994
Unbilled receivables	(245,500,857)	(670,356,604)	(413,936,969)	(587,956,555)
Retention receivables	(201,886,560)	(39,475,274)	(182,821,809)	(44,028,223)
Inventories	(137,956,512)	150,206,762	(137,803,668)	148,850,304
Project development cost	(219,988,015)	(571,995,894)	173,719,088	55,152,630
Other current assets	32,257,879	(14,739,268)	21,112,683	24,720,572
Other non-current assets	(63,522,254)	(156,568,854)	(29,591,751)	(68,455,800)
Operating liabilities increase (decrease)				
Trade and other payables	(224,619,161)	7,618,410	(121,965,897)	(147,786,275)
Advances received from construction	578,117,298	2,986,978	573,637,818	6,421,483
Other current liabilities	38,022,844	1,979,723	34,287,428	1,433,940
Retention payables	65,052,885	(49,105,075)	61,584,705	(49,463,074)
Other non-current liabilities	(1,724,171)	(1,026,660)	(1,663,170)	(1,026,661)
Cash from (used in) operating activities	(566,642,918)	(649,341,612)	(393,815,403)	11,309,512
Cash paid for interest expenses	(159,647,859)	(77,810,270)	(116,726,127)	(57,117,498)
Cash paid for income tax expenses	(170,579,511)	(134,928,148)	(164,131,312)	(128,820,928)
Income tax refund	-	105,954,622	-	105,954,622
<b>Net cash used in operating activities</b>	<b>(896,870,288)</b>	<b>(756,125,408)</b>	<b>(674,672,842)</b>	<b>(68,674,292)</b>
<b>Cash flows from investing activities</b>				
Decrease (increase) in current investments	102,499,485	(710,000,000)	102,499,484	(710,000,000)
Decrease (increase) in restricted bank deposits	(38,947,811)	90,321,691	(67,602,917)	103,013,589
Cash paid for investment in subsidiaries	-	-	(277,999,900)	(521,749,750)
Cash received from disposal of investment in the associate	-	-	160,470,948	-
Increase in short-term loans and advances	365,970	(7,101,922)	(185,184,429)	(36,256,361)
Increase in long-term loans to subsidiary	-	-	(24,000,000)	-
Proceeds from disposal of equipment	23,718,929	25,960,139	23,718,929	25,761,803
Acquisition of land and equipment	(671,047,990)	(444,555,118)	(314,745,754)	(304,735,130)
Interest income	12,540,520	7,915,797	17,057,350	7,607,644
<b>Net cash used in investing activities</b>	<b>(570,870,897)</b>	<b>(1,037,459,413)</b>	<b>(565,786,289)</b>	<b>(1,436,358,205)</b>

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

## Nawarat Patanakarn Public Company Limited and its subsidiaries

### Cash flow statement (continued)

For the year ended 31 December 2015

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014 (Restated)	2015	2014 (Restated)
<b>Cash flows from financing activities</b>				
Decrease in bank overdrafts and				
short-term loans from financial institutions	(127,675,788)	(256,018,791)	(117,609,747)	(309,697,296)
Increase (decrease) in short-term loans, net	(11,600,000)	24,500,000	-	(9,500,000)
Repayment liabilities under hire purchase				
and finance lease agreements	(135,650,249)	(96,930,494)	(132,522,452)	(95,800,872)
Increase (decrease) in long-term loans from banks, net	223,063,415	161,760,621	-	(92,500,379)
Increase in long-term loans from related party	16,000,000	-	-	-
Cash receipt from capital increase	-	841,230,327	-	841,230,327
Net cash receipt from debentures issuing	1,488,941,263	1,488,091,500	1,488,941,263	1,488,091,500
<b>Net cash from financing activities</b>	<b>1,453,078,641</b>	<b>2,162,633,163</b>	<b>1,238,809,064</b>	<b>1,821,823,280</b>
<b>Decrease in translation adjustment</b>	<b>(539,070)</b>	<b>(98,662)</b>	<b>-</b>	<b>-</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(15,201,614)</b>	<b>368,949,680</b>	<b>(1,650,067)</b>	<b>316,790,783</b>
Cash and cash equivalents at beginning of year	656,523,795	287,574,115	587,485,274	270,694,491
<b>Cash and cash equivalents at end of year</b>	<b>641,322,181</b>	<b>656,523,795</b>	<b>585,835,207</b>	<b>587,485,274</b>
<b>Supplemental cash flows information</b>				
Non-cash transactions				
Assets acquired under hire purchase and				
finance lease agreements during the year	225,229,302	199,043,567	215,452,302	199,043,567

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

**Nawarat Patanakarn Public Company Limited and its subsidiaries**

**Notes to consolidated financial statements**

**For the year ended 31 December 2015**

**1. General information**

Nawarat Patanakarn Public Company Limited ("the Company") is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the provision of construction services and its registered office is at 2/3, Bangna Towers A, 18<sup>th</sup>-19<sup>th</sup> Floor, Moo 14, Bangna-Trad Road Km. 6.5, Bangkaew, Bangplee, Samutprakarn.

**2. Basis of preparation**

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 28 September 2011, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

**2.2 Basis of consolidation**

a) The consolidated financial statements include the financial statements of Nawarat Patanakarn Public Company Limited ("the Company") and the following subsidiary companies ("the subsidiaries") as follows:

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			<u>2015</u> Percent	<u>2014</u> Percent
Myanmar NWR Company Limited	Construction	Union of Myanmar	100	100
Utilities Business Alliance Company Limited	Water and wastewater utility management service	Thailand	60	60
NWR (Cambodia) Company Limited	Constructions consulting services	Cambodia	100	100
Mana Patanakarn Company Limited	Property development	Thailand	100	100
Advance Prefab Company Limited	Manufacture and distribution of concrete products	Thailand	100	100

- b) 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 affect the amount of its returns.
- c) Subsidiaries are fully consolidated as from the date on which the Company obtains control and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of "Exchange differences on translation of financial statements in foreign currency" in the statements of changes in shareholders' equity.
- f) Material balances and transactions between the Company and its subsidiary companies have been eliminated from the consolidated financial statements.
- g) 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 equity in the consolidated statement of financial position.

2.3 The separate financial statements present investments in subsidiaries and associates presented under the cost method.

2.4 The Company has joint arrangements which assessed as joint operations between the Company and other joint operators. The Company recognises its shares of assets, liabilities, revenue and expenses of the joint operations, in proportion to its interest, to the separate financial statements, the details as follows:

Name of entity	Nature of business	Country of incorporation	Interest in joint operations	
			<u>2015</u>	<u>2014</u>
			Percent	Percent
Nawarat - A.S. Associated Joint Venture	Construction	Thailand	70	70
Obayashi - Nawarat Joint Venture	Construction	Thailand	30	30
A.S. - Nawarat Joint Venture	Construction	Thailand	50	50
ITD - Nawarat (L.L.C.)	Construction	United Arab Emirates	40	40

Financial information of the joint operations, in proportion to the Company's interest, are presented include in the separate financial statement as below.

Summarised information about financial position as at 31 December 2015 and 2014

(Unit: Million Baht)

	Nawarat - A.S. Associated Joint Venture		Obayashi - Nawarat Joint Venture		A.S. - Nawarat Joint Venture		ITD - Nawarat (L.L.C.)	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Total assets	2	2	12	13	49	49	-	1
Total liabilities	6	6	-	6	41	39	-	183
Unappropriated retained earnings	(4)	(4)	(4)	(4)	3	4	24	(166)

Summarised information about comprehensive income for the year ended 31 December 2015 and 2014

(Unit: Million Baht)

	Nawarat - A.S. Associated Joint Venture		Obayashi - Nawarat Joint Venture		A.S. - Nawarat Joint Venture		ITD - Nawarat (L.L.C.)	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Total revenue	-	-	-	-	1	6	193	3
Profit (loss)	-	-	-	(3)	(2)	(1)	190	(1)
Total comprehensive income	-	-	-	(3)	(2)	(1)	190	(1)

### 3. New financial reporting standards

Below is a summary of financial reporting standards that became effective in the current accounting year and those that will become effective in the future.

#### (a) Financial reporting standards that became effective in the current year

The Company has adopted the revised (revised 2014) and new financial reporting standards issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2015. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements. However, some of these standards involve changes to key principles, which are summarised below:

**TAS 19 (revised 2014) Employee Benefits**

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

This revised standard does not have any impact on the financial statements as the Company and its subsidiaries already recognised actuarial gains and losses immediately in other comprehensive income.

**TFRS 10 Consolidated Financial Statements**

TFRS 10 prescribes requirements for the preparation of consolidated financial statements and replaces the part dealing with consolidated financial statements as included in TAS 27 Consolidated and Separate Financial Statements. This standard changes the principles used in considering whether control exists. Under this standard, an investor is deemed to have control over an investee 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 affect the amount of its returns, even if it holds less than half of the shares or voting rights. This important change requires the management to exercise a lot of judgement when reviewing whether the Company and its subsidiaries have control over the investees and determine which entities have to be included for preparation of the consolidated financial statements.

This standard does not have any impact on the Company and its subsidiaries' financial statements.

**TFRS 11 Joint Arrangements**

TFRS 11 supersedes TAS 31 Interests in Joint Ventures. This standard requires an entity investing in any other entity to determine whether the entity and other investors have joint control in the investment. When joint control exists, there is deemed to be a joint arrangement and the entity then needs to apply judgement to assess whether the joint arrangement is a joint operation or a joint venture and to account for the interest in the investment in a manner appropriate to the type of joint arrangement. If it is a joint operation, the entity is to recognise its shares of assets, liabilities, revenue and expenses of the joint operation, in proportion to its interest, in its separate financial statements. If it is a joint venture, the entity is to account for its investment in the joint venture using the equity method in the financial statements in which the equity method is applied or the consolidated financial statements (if any), and at cost in the separate financial statements.

As a result of the adoption of this standard, the Company has had to change the method used to account for its investments in 1 joint venture from the proportionate consolidation method to the equity method, and also has had to change the method used to account for 5 investments in joint ventures, that are joint operations in accordance with this standard, from proportionate consolidation method in the consolidated financial statements and the cost method in the separate financial statements, to recognising assets, liabilities, revenue and expenses related to the Company's interest in the joint operations in both the consolidated financial statements and separate financial statements. The Company has restated the prior period's financial statements, presented as comparative information, to reflect the effect of the change. The cumulative effect of changes in accounting policies is presented in Note 4 to the financial statements.

#### **TFRS 12 Disclosure of Interests in Other Entities**

This standard stipulates disclosures relating to an entity's interests in subsidiaries, joint arrangements and associates, including structured entities. This standard therefore has no financial impact to the financial statements of the Company and its subsidiaries.

#### **TFRS 13 Fair Value Measurement**

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurements. Entities are to apply the guidance under this standard if they are required by other financial reporting standards to measure their assets or liabilities at fair value. The effect of the change from the adoption of this standard is to be recognised prospectively.

This standard does not have any significant impact on the Company's and its subsidiaries' financial statements.

#### **(b) Financial reporting standard that will become effective in the future**

During the current year, the Federation of Accounting Professions issued a number of the revised (revised 2015) and new financial reporting standards and accounting treatment guidance which is effective for fiscal years beginning on or after 1 January 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards. The Company's management believes that the revised and new financial reporting standards and accounting treatment guidance will not have any significant impact on the financial statements when it is initially applied.

#### 4. Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standards

During the current year, the Company and its subsidiaries have changed some of their accounting policies as described in Note 3 to the financial statements, as a result of the adoption of new and revised financial reporting standards. The cumulative effect of the changes has been separately presented in the statements of changes in shareholders' equity.

The amounts of adjustments affecting the statements of financial position and the statements of comprehensive income are summarised below.

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 December 2014	1 January 2014	31 December 2014	1 January 2014
<b>Statements of financial position</b>				
Increase (decrease) in cash and cash equivalents	(27)	(11)	18	21
Increase (decrease) in trade and other receivables	(96)	(105)	2	(5)
Increase (decrease) in unbilled receivables	(70)	(59)	3	3
Increase (decrease) in short-term loans and advances	(108)	(106)	14	13
Increase (decrease) in inventories	(81)	(74)	-	-
Increase (decrease) in other current assets	(22)	(35)	30	32
Increase (decrease) in total current assets	(404)	(390)	67	64
Increase (decrease) in investment in joint arrangements	-	-	(12)	(21)
Increase (decrease) in property, plant and equipment	(1,405)	(1,554)	-	-
Increase (decrease) in deferred tax assets	(2)	(2)	-	-
Increase (decrease) in total non-current assets	(1,407)	(1,556)	(12)	(21)
Increase (decrease) in total assets	(1,811)	(1,946)	55	43
Decrease (increase) in bank overdrafts and short-term loans				
from financial institutions	65	86	-	-
Decrease (increase) in trade and other payables	730	767	(40)	(42)
Decrease (increase) in short-term loans and accrued				
interest payables from related parties	78	75	3	12
Decrease (increase) in current portion of hire purchase				
creditors and finance lease payable	8	7	-	-
Decrease (increase) in current portion of long-term loans from				
banks	437	279	-	-
Decrease (increase) in other current liabilities	9	8	(1)	(1)
Decrease (increase) in total current liabilities	1,327	1,222	(38)	(31)
Decrease (increase) in hire purchase creditors and finance				
lease payable, net of current portion	14	22	-	-
Decrease (increase) in long-term loans from banks, net of				
current portion	599	812	-	-

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 December	1 January	31 December	1 January
	2014	2014	2014	2014
<b>Statements of financial position (continued)</b>				
Decrease (increase) in provision for loss on investment in joint venture	(131)	(112)	(131)	(112)
Decrease (increase) in other non-current liabilities	2	2	(2)	(2)
Decrease (increase) in total non-current liabilities	484	724	(133)	(114)
Decrease (increase) in total liabilities	1,811	1,946	(171)	(145)
Decrease (increase) in unappropriated retained earnings	17	16	116	102
Decrease (increase) in other components of shareholders' equity	(17)	(16)	-	-
Decrease (increase) in total shareholders' equity	-	-	116	102

	(Unit: Million Baht)	
	For the year ended 31 December 2014	
	Consolidated	Separate
	financial statements	financial statements

## Statements of comprehensive income

### Profit or loss:

Increase (decrease) in sales and service income	(953)	-
Increase (decrease) in other income	(5)	9
Increase (decrease) in cost of sales and service	(862)	-
Increase (decrease) in administrative expenses	(42)	5
Increase (decrease) in reversal of allowance for doubtful debts	(1)	2
Increase (decrease) in loss on investment in joint venture	-	19
Increase (decrease) in share of loss from investment in joint venture	19	-
Increase (decrease) in finance cost	(73)	1
Increase (decrease) in profit for the year	(1)	(14)
Increase (decrease) in other comprehensive income for the year	1	-
Increase (decrease) in total comprehensive income for the year	-	(14)

### Profit attributable to:

Increase (decrease) in equity holders of the Company	(1)	(14)
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### Total comprehensive income attributable to:

Increase (decrease) in equity holders of the Company	-	(14)
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### Earnings per share (Baht):

Increase (decrease) in basic earnings per share	(0.0004)	(0.0067)
Increase (decrease) in diluted earnings per share	(0.0003)	(0.0063)

## **5. Significant accounting policies**

### **5.1 Revenues and expenses recognition**

#### **a) Revenues**

##### *Revenues from construction*

Revenues from construction are recognised on a percentage of completion basis, and the percentage of completion based on the proportion of actual costs incurred to date to the total estimated budget cost. Recognised revenues which are not yet due per the contracts have been presented under the caption of “Unbilled receivables” in the statement of the financial position.

##### *Sales of goods*

Sales of goods are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are the invoiced value, excluding value added tax, of goods supplied after deducting discounts and allowances.

##### *Rendering of services*

Service income is recognised when services have been rendered taking into account the stage of completion.

##### *Interest income*

Interest income is recognised on an accrual basis based on the effective interest rate.

##### *Dividends*

Dividends are recognised when the right to receive the dividends is established.

#### **b) Expenses**

Costs of construction, sales and service and other expenses are recognised on an accrual basis.

Provision for anticipated losses on construction projects is made in the accounts in full when the likelihood of loss is ascertained.

### **5.2 Cash and cash equivalents**

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

### 5.3 Trade accounts receivable

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

### 5.4 Inventories

Finished goods and works in process are valued at the lower of cost (first-in, first-out method) and net realisable value. This cost includes all production costs and attributable factory overheads.

Raw materials are valued at the lower of cost (first-in, first-out method) and net realisable value and are charged to production costs whenever consumed.

### 5.5 Project development cost

Project development cost is stated at cost less allowance for loss on diminution in value of projects. The details of cost calculation are as follows:

Land	-	The Company and its subsidiary record cost of land separately for each project.
Construction in progress	-	Construction in progress consists of the cost of design, cost of construction, public utility costs and interest capitalised to cost of projects. The Company and its subsidiary record cost of design, construction and public utilities based on the actual cost incurred.

### 5.6 Investments

- Investments in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded in other comprehensive income, and will be recorded in profit or loss when the securities are sold.
- Investments in non-marketable equity securities, which the Company classifies as other investments, are stated at cost net of allowance for impairment loss (if any).
- Investments in joint venture and associates are accounted for in the consolidated financial statements using the equity method.
- Investments in subsidiaries, joint venture and associates are accounted for in the separate financial statements using the cost method.

The fair value of unit trusts is determined from their net asset value.

The weighted average method is used for computation of the cost of investments.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

## 5.7 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less allowance for loss on impairment (if any). Cost includes land and cost of land development.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

## 5.8 Property, plant and equipment and depreciation

Land is stated at cost. Plant and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of plant and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Land improvements	-	5 years
Building and constructions	-	5, 10, 20 years and the period of lease agreement
Tools, machinery and equipment	-	2 - 10 years
Office equipment, furniture and fixtures	-	2 - 5, 10 years
Motor vehicles	-	5, 10, 15 years

Depreciation is included in determining income.

No depreciation is provided on land and constructions in progress.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

## 5.9 Borrowing 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.

## 5.10 Leasehold right and amortisation

Leasehold right is stated at cost less accumulated amortisation and allowance for loss on impairment of assets (if any). Amortisation is calculated by reference to its cost on the straight-line basis over the lease period.

The amortisation is included in determining income.

## 5.11 Related party transactions

Related parties comprise enterprises and individuals that control, or are controlled by, the Company and its subsidiaries, whether directly or indirectly, or which are under common control with the Company and its subsidiaries.

They also include associated companies and individuals which directly or indirectly own a voting interest in the Company and its subsidiaries that gives them significant influence over the Company and its subsidiaries, key management personnel, directors and officers with authority in the planning and direction of the operations of the Company and its subsidiaries.

## 5.12 Long-term leases

Leases of property, plant or equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in other long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases are depreciated over the useful life of the asset.

Leases of property, plant or equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

### 5.13 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items included in the consolidated financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

### 5.14 Impairment of assets

At the end of each reporting period, the Company and its subsidiaries perform impairment reviews in respect of the property, plant and equipment and other assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

In determining 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. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company and its subsidiaries could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

In the assessment of asset impairment if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Company and its subsidiaries estimate the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case the reversal, which exceeds the carrying amount that would have been determined, is treated as a revaluation increase.

## 5.15 Employee benefits

### ***Short-term employee benefits***

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

### ***Post-employment benefits***

#### *Defined contribution plans*

The Company and its subsidiaries and their employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company and its subsidiaries. The fund's assets are held in a separate trust fund and the Company and its subsidiaries' contributions are recognised as expenses when incurred.

#### *Defined benefit plans*

The Company and its subsidiaries have obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company and its subsidiaries treat these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

## 5.16 Provisions

Provisions are recognised when the Company and its subsidiaries have a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

## 5.17 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

### **Current tax**

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

**Deferred tax**

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company and its subsidiaries recognise deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company and its subsidiaries review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company and its subsidiaries record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

**5.18 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 Company and its subsidiaries apply 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 Company and its subsidiaries measure fair value using valuation technique 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 Company and its subsidiaries determine 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.

## **6. Significant accounting judgements and estimates**

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

### **Construction contracts and estimated construction project costs**

The Company and its subsidiaries recognise revenues from construction services by reference to the stage of completion of the construction contract activity, when the outcome of a construction contract can be estimated reliably. The stage of completion is measured by reference to the proportion that actual construction costs incurred up to the end of the period bear to the total estimated construction project costs. The management is required to make judgments regarding the total estimated construction project costs and the outcome of the construction contract in order to determine the stage of completion, based on past experience and information obtained from the project engineers.

The Company and its subsidiaries estimate costs of construction projects based on details of the construction work, taking into account the volume and value of construction materials to be used in the project, labour costs and overhead costs to be incurred to completion of service, including forecasts of any changes. Estimates are reviewed regularly or whenever actual costs differ significantly from the figures used in the original estimates.

### **Leases**

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgement regarding whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

### **Allowance for doubtful accounts**

In determining an allowance for doubtful accounts, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

**Fair value of financial instruments**

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercise judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk (bank and counterparty, both) liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

**Joint arrangements**

In determining the type of joint arrangement in which the Company is involved, the management applies judgement when assessing whether a joint arrangement is a joint operation or a joint venture by considering rights and obligations of the Company arising from the arrangement. The management assesses the rights and obligations by considering the structure and legal form of the arrangement, the terms agreed by the parties in the contractual arrangement and, when relevant, other facts and circumstances.

**Impairment of investments**

The Company treats investments in subsidiaries, associates, joint venture and other long-term investments as impaired when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires judgement of the management.

**Property plant and equipment/Depreciation**

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

### Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits

### Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

### Provision for losses on construction projects

The management applied judgement in estimating the loss they expect to be realised on each construction project, based on estimates of anticipated costs that take into account the progress of the project and actual costs incurred to date, together with fluctuations in costs of construction materials, labour and the current situation.

### Litigation

The Company has contingent liabilities as a result of litigation. The management of the Company has used judgement to assess of the results of the litigation and believe that a provision as recorded at the financial statements date is adequate.

## 7. Related party transactions

During the years, the Company and its subsidiaries had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

<u>Business transactions</u>	<u>Pricing and lending policy</u>
Revenues from construction, sales and service	Mutually agreed price with comparison to market price
Cost of construction, sales and service	Mutually agreed price with comparison to market price
Disposal of equipment	Mutually agreed price
Disposal of investment	Mutually agreed price
Interest income	Interest rates at 5.00 - 19.00 percent and MLR per annum (2014: 5.00 - 19.00 percent and MOR per annum)
Interest expenses	Interest rates at 2.00 - 8.00 percent per annum (2014: 6.75 - 7.425 percent per annum)
Management fee income	Contract price
Consultation fee	Contract price

	(Unit: Million Baht)	
	Consolidated	Separate
	financial statements	financial statements
	2015	2014
	(Restated)	(Restated)

## Transactions with subsidiaries

(eliminated from the consolidated financial statements)

Revenues from construction sales and service	-	-	364	176
Cost of construction, sales and service	-	-	1	2
Gain on disposal of investment in the associate	-	-	60	-
Interest income	-	-	10	5
Loans and advances to the parties				
(average during the year)	-	-	171	128

## Transactions with related parties

Revenues from construction, sales and service	19	54	19	54
Cost of construction, sales and service	9	68	9	68
Disposal of equipment	-	5	-	5
Management fee income	7	7	7	7
Loans and advances to the parties				
(average during the year)	88	96	88	96
Loans from the parties (average during the year)	-	11	-	11

As at 31 December 2015 and 2014, the balances of the accounts between the Company and those related companies are as follows:

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
	2015	2014
	(Restated)	(Restated)

<b><u>Trade and other receivables - related parties</u></b>				
Subsidiaries	-	-	316,597	35,273
Associated companies	1,077	251	706	251
Joint arrangements	-	1,070	-	1,070
Related company (related by authorised directors being members of the same family as that of the Company's directors) <sup>(1)</sup>	-	14,710	-	14,710
Related companies (related by common shareholders)	187,666	192,364	187,666	192,364
Related companies (related by common directors)	648	1,612	648	1,612
Total	189,391	210,007	505,617	245,280
Less: Allowance for doubtful accounts	(166,589)	(160,515)	(166,589)	(160,515)
<b>Total trade and other receivables - related parties, net</b>	<b>22,802</b>	<b>49,492</b>	<b>339,028</b>	<b>84,765</b>

<sup>(1)</sup> The Company has not considered this company as its related company since 1 January 2015 onwards because the Company and this company did not have power to control each other.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
		(Restated)		(Restated)
<b><u>Unbilled receivables - related parties</u></b>				
Subsidiaries	-	-	101,624	88,279
Joint arrangements	2,481	2,481	2,481	2,481
<b>Total unbilled receivables - related parties</b>	<b>2,481</b>	<b>2,481</b>	<b>104,105</b>	<b>90,760</b>
<b><u>Short-term loans and advances to related parties</u></b>				
Subsidiaries	-	-	290,607	98,794
Associated companies	18,750	14,032	18,750	14,032
Total	18,750	14,032	309,357	112,826
Less: Allowance for doubtful accounts	-	-	(62,854)	(47,749)
<b>Total short-term loans and advances to related parties, net</b>	<b>18,750</b>	<b>14,032</b>	<b>246,503</b>	<b>65,077</b>
<b><u>Long-term loans to related party</u></b>				
Subsidiary	-	-	24,000	-
<b>Total long-term loans to related party</b>	<b>-</b>	<b>-</b>	<b>24,000</b>	<b>-</b>
<b><u>Trade and other payables - related parties</u></b>				
Subsidiaries	-	-	3,000	1,208
Related companies (authorised directors being members of the same family as that of the Company's directors) <sup>(1)</sup>	-	13,156	-	13,156
Related companies (related by common shareholders)	2,358	8,285	2,358	8,285
Related companies (related by common directors)	500	1,137	500	1,137
<b>Total trade and other payables - related parties</b>	<b>2,858</b>	<b>22,578</b>	<b>5,858</b>	<b>23,786</b>
<b><u>Short-term loans and interest payable to related parties</u></b>				
Joint arrangements	2,690	2,690	2,690	2,690
Related company (minority shareholders of subsidiary and common directors)	4,000	34,000	-	-
Shareholder and director of the subsidiary	18,400	-	-	-
<b>Total short-term loans and interest payable to related parties</b>	<b>25,090</b>	<b>36,690</b>	<b>2,690</b>	<b>2,690</b>
<b><u>Advance payment from related parties</u></b>				
Related companies (related by common shareholders)	89	89	89	89
Related companies (related by common directors)	135	135	135	135
<b>Total advance payment from related parties</b>	<b>224</b>	<b>224</b>	<b>224</b>	<b>224</b>

<sup>(1)</sup> The Company has not considered this company as its related company since 1 January 2015 onwards because the Company and this company did not have power to control each other.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
		(Restated)		(Restated)

## Long-term loans from related party

Shareholder and director of the subsidiary	16,000	-	-	-
<b>Total long-term loans from related party</b>	<b>16,000</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Retention payable - related party

Subsidiary	-	-	-	481
<b>Total retention payable - related party</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>481</b>

## Short-term loans and advances to related parties (Note 12)

As at 31 December 2015 and 2014, the balance of short-term loans and advances between the Company and those related companies and the movement are as follows:

(Unit: Thousand Baht)

		Consolidated financial statements			
Short-term loans and advances	Related by	Balance as at	Increase	Decrease	Balance as at
		31 December	during	during	31 December
		2014	the year	the year	2015
C.I.N. Estate Company Limited	Associated company	12,000	-	-	12,000
VSPN Property Company Limited	Associated company	2,032	6,750	(2,032)	6,750
<b>Total</b>		<b>14,032</b>	<b>6,750</b>	<b>(2,032)</b>	<b>18,750</b>

(Unit: Thousand Baht)

		Separate financial statements			
Short-term loans and advances	Related by	Balance as at	Increase	Decrease	Balance as at
		31 December	during	during	31 December
		2014	the year	the year	2015
		(Restated)			
Utility Business Alliance Company Limited	Subsidiary company	51,045	57,600	(75,045)	33,600
Myanmar NWR Company Limited	Subsidiary company	47,749	15,105	-	62,854
Advance Prefab Company Limited	Subsidiary company	-	194,153	-	194,153
C.I.N. Estate Company Limited	Associated company	12,000	-	-	12,000
VSPN Property Company Limited	Associated company	2,032	6,750	(2,032)	6,750
		112,826	273,608	(77,077)	309,357
Less: Allowance for doubtful accounts		(47,749)	(15,105)	-	(62,854)
<b>Total</b>		<b>65,077</b>	<b>258,503</b>	<b>(77,077)</b>	<b>246,503</b>

### Long-term loans to related party

As at 31 December 2015 and 2014, the balance of loans between the Company and that related company and the movement are as follows:

(Unit: Thousand Baht)

		Separate financial statements			
		Balance as at 31 December 2014	Increase during the year	Decrease during the year	Balance as at 31 December 2015
Long-term loans	Related by				
Utility Business Alliance Company Limited	Subsidiary company	-	24,000	-	24,000
<b>Total</b>		<b>-</b>	<b>24,000</b>	<b>-</b>	<b>24,000</b>

On 20 October 2015, the subsidiary entered into a loan agreement with the Company. The loan principal and interest is repayable on a monthly basis and to be paid in 36 monthly installments, with the first installment due in July 2016. The loan carries interest at the rate of 6.5 percent per annum.

### Short-term loans and interest payable to related parties

As at 31 December 2015 and 2014, the balance of short-term loans and interest payable to related parties and the movement are as follows:

(Unit: Thousand Baht)

		Consolidated financial statements			
		Balance as at 31 December 2014	Increase during the year	Decrease during the year	Balance as at 31 December 2015
Short-term loans and interest payable	Related by				
A.S. - Nawarat Joint Venture	Joint arrangements	2,690	-	-	2,690
PPM Engineering Company Limited	Related company (minority shareholders of subsidiary and common directors)	34,000	-	(30,000)	4,000
Related person	Shareholder and director of the subsidiary	-	38,400	(20,000)	18,400
<b>Total</b>		<b>36,690</b>	<b>38,400</b>	<b>(50,000)</b>	<b>25,090</b>

The above short-term loans carried interest at the rate of 7.75 percent per annum. The loans are unsecured and due at call.

(Unit: Thousand Baht)

		Separate financial statements			
		Balance as at 31 December 2014	Increase during the year	Decrease during the year	Balance as at 31 December 2015
Short-term loans and interest payable	Related by				
A.S. - Nawarat Joint Venture	Joint arrangements	2,690	-	-	2,690
<b>Total</b>		<b>2,690</b>	<b>-</b>	<b>-</b>	<b>2,690</b>

### **Directors and management's benefits**

During the years ended 31 December 2015 and 2014, the Company and its subsidiary had employee benefit expenses payable to their directors and management as below.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
		(Restated)		
Short-term employee benefits	44	48	36	34
Post-employment benefits	1	1	1	1
<b>Total</b>	<b>45</b>	<b>49</b>	<b>37</b>	<b>35</b>

### **Guarantee obligations with related parties**

The Company has outstanding guarantee obligation with its related parties, as described in Note 38.3 a) and b) to the financial statements.

## **8. Cash and cash equivalents**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
		(Restated)		(Restated)
Cash	28,780	29,279	25,536	26,948
Bank deposits	612,542	627,245	560,299	560,537
<b>Total</b>	<b>641,322</b>	<b>656,524</b>	<b>585,835</b>	<b>587,485</b>

As at 31 December 2015, bank deposits in saving accounts and fixed deposits carried interests between 0.125 and 1.90 percent per annum (2014: between 0.50 and 3.00 percent per annum).

## 9. Current investments

As at 31 December 2015 and 2014, current investments are as follows

	(Unit: Thousand Baht)	
	Consolidated/Separate financial statements	
	2015	2014
<b>Fixed Deposit</b>	-	100,000
<b>Investments in available-for-sale securities</b>		
Unit trust in open-end mutual funds	607,501	610,000
Add: Unrealised gain on changes in value of investments	4,556	3,439
Investments in available-for-sale securities - fair value	612,057	613,439
<b>Total current investments</b>	<b>612,057</b>	<b>713,439</b>

As at 31 December 2014, the fixed deposits carried interest at a rate of 2.70 percent per annum.

## 10. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
		(Restated)		(Restated)
<u>Trade and other receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	851,544	460,233	740,638	358,611
Past due				
Up to 3 months	486,569	221,868	378,492	221,868
3 - 6 months	36,639	75,279	35,141	29,762
6 - 12 months	117,793	179,381	117,793	179,381
Over 12 months	235,066	184,954	235,066	184,954
Total	1,727,611	1,121,715	1,507,130	974,576
Less: Allowance for doubtful accounts	(219,125)	(119,700)	(219,125)	(119,700)
Net	1,508,486	1,002,015	1,288,005	854,876
<u>Trade accounts receivable - unrelated parties, long past due and during legal action</u>				
Aged on the basis of due dates				
Past due over 12 months	878,296	878,296	878,296	878,296
Less: Allowance for doubtful accounts	(878,296)	(878,296)	(878,296)	(878,296)
Net	-	-	-	-
Total trade accounts receivable - unrelated parties, net	1,508,486	1,002,015	1,288,005	854,876

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014 (Restated)	2015	2014 (Restated)
<u>Trade accounts receivable - related parties</u>				
Aged on the basis of due dates				
Not yet due	1,482	1,892	65,038	10,996
Past due				
Up to 3 months	4,255	13,286	141,128	33,615
3 - 6 months	5,710	14,864	89,944	14,864
6 - 12 months	11,097	5,941	40,920	5,941
Over 12 months	166,477	162,430	168,587	162,430
Total	189,021	198,413	505,617	227,846
Less: Allowance for doubtful accounts	(166,589)	(160,515)	(166,589)	(160,515)
Total trade accounts receivable - related parties, net	22,432	37,898	339,028	67,331
<u>Other receivables</u>				
Accrued income - unrelated parties	20,285	21,838	20,285	21,838
Accrued income - related parties	370	11,594	-	17,434
Other	1,196	2,653	1,141	2,653
Total other receivables	21,851	36,085	21,426	41,925
<b>Total trade and other receivables, net</b>	<b>1,552,769</b>	<b>1,075,998</b>	<b>1,648,459</b>	<b>964,132</b>

## 11. Unbilled receivables

The outstanding balances of unbilled receivables are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014 (Restated)	2015	2014 (Restated)
Project value as per contract	28,129,791	20,805,100	26,271,911	18,946,423
Accumulated amount recognised as revenue on percentage of completion basis	17,851,143	12,681,698	16,762,981	11,661,421
Less: Value of total billed	(15,862,992)	(10,930,777)	(14,727,376)	(10,031,482)
Total	1,988,151	1,750,921	2,035,605	1,629,939
Less: Allowance for doubtful accounts	(113,842)	(19,993)	(113,842)	(19,993)
<b>Unbilled receivables - net</b>	<b>1,874,309</b>	<b>1,730,928</b>	<b>1,921,763</b>	<b>1,609,946</b>

## 12. Short-term loans and advances

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
				(Restated)
Short-term loans and advances to related parties (Note 7)	18,750	14,032	246,503	65,077
Short-term loan to other joint operator	14,826	14,083	14,826	14,083
<b>Total</b>	<b>33,576</b>	<b>28,115</b>	<b>261,329</b>	<b>79,160</b>

Loans to other joint operator carried interest at the rate of MOR per annum which was repayable on demand.

## 13. Inventories

	(Unit: Thousand Baht)					
	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2015	2014	2015	2014	2015	2014
	(Restated)		(Restated)		(Restated)	
Finished goods	145,152	104,028	(11,402)	(10,635)	133,750	93,393
Works in process	76,563	107,478	-	-	76,563	107,478
Raw materials and supplies	503,874	376,126	(13,160)	(16,789)	490,714	359,337
<b>Total</b>	<b>725,589</b>	<b>587,632</b>	<b>(24,562)</b>	<b>(27,424)</b>	<b>701,027</b>	<b>560,208</b>

	(Unit: Thousand Baht)					
	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2015	2014	2015	2014	2015	2014
	(Restated)		(Restated)		(Restated)	
Finished goods	145,152	104,028	(11,402)	(10,635)	133,750	93,393
Works in process	76,563	107,478	-	-	76,563	107,478
Raw materials and supplies	500,976	373,381	(13,160)	(16,789)	487,816	356,592
<b>Total</b>	<b>722,691</b>	<b>584,887</b>	<b>(24,562)</b>	<b>(27,424)</b>	<b>698,129</b>	<b>557,463</b>

During the current year, the Company reduced cost of inventories by Baht 2 million (2014: Baht 4 million) to reflect the net realisable value. This was included in cost of sales. In addition, the Company reversed the write-down of cost of inventories by Baht 5 million (2014: Baht 1 million) and reduced the amount of inventories recognised as expenses during the year.

#### 14. Project development cost

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2015	2014	2015	2014
Land and construction under development	1,340,457	1,119,559	48,237	241,658
Developed land and construction	70,273	50,571	70,273	50,571
Total	1,410,730	1,170,130	118,510	292,229
Less: Allowance for loss on diminution in value of project	(405)	(1,640)	(405)	(1,640)
<b>Total project development cost - net</b>	<b>1,410,325</b>	<b>1,168,490</b>	<b>118,105</b>	<b>290,589</b>

As at 31 December 2015, the Company and its subsidiaries had an outstanding balance of project development cost amounting to Baht 472 million (2014: Baht 389 million) (Separate financial statements: None, 2014: Baht 154 million) which has been financed with loans from financial institutions. During 2015, its subsidiary capitalised interest of approximately Baht 21 million (2014: Baht 11 million) (Separate financial statements: None, 2014: None), as part of project development cost. The capitalisation rate on project development cost is approximately 5.28 - 6.75 percent per annum (2014: 6.50 - 6.88 percent per annum).

The subsidiary have mortgaged all land and construction thereon of its development projects as collateral for the loans of the subsidiary obtained from a financial institution.

## 15. Other current assets

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
		(Restated)		(Restated)
Withholding income tax	416,081	257,394	400,323	248,084
Advance payment	42,564	48,927	28,556	17,230
Advance payment for goods	72,729	92,190	72,729	92,190
Prepaid expenses	77,452	69,264	44,756	44,395
Value added tax refundable	29,450	17,701	5,913	5,886
Others	87,408	92,674	72,591	66,190
<b>Total other current assets</b>	<b>725,684</b>	<b>578,150</b>	<b>624,868</b>	<b>473,975</b>

## 16. Restricted bank deposits

The outstanding balances represent fixed deposits accounts of the Company and its subsidiary which have been pledged with banks to secure credit facilities and letter of guarantee facilities for use in respect of construction and bidding of projects.

## 17. Investments in subsidiaries

17.1 Details of investments in subsidiaries as presented in separate financial statements are as follows:

Company's name	Paid-up capital		Shareholding percentage		Cost		(Unit: Thousand Baht) Dividend received during the year	
	2015	2014	2015	2014	2015	2014	2015	2014
			(%)	(%)				
Myanmar NWR Company Limited	Kyats 0.5 million	Kyats 0.5 million	100	100	3,013	3,013	-	-
Utility Business Alliance Company Limited	Baht 40 million	Baht 40 million	60	60	28,266	28,266	-	-
NWR (Cambodia) Company Limited	USD 505	USD 505	100	100	17	17	-	-
Mana Patanakarn Company Limited	Baht 800 million	Baht 572 million	100	100	799,940	571,940	-	-
Advance Prefab Company Limited	Baht 200 million	Baht 150 million	100	100	200,000	150,000	-	-
<b>Total</b>					<b>1,031,236</b>	<b>753,236</b>	<b>-</b>	<b>-</b>

Investment in Mana Patanakarn Company Limited

On 30 October 2014, an Extraordinary General Meeting of the shareholders of Mana Patanakarn Company Limited approved an increase in its registered share capital from Baht 200 million (2,000,000 ordinary shares of Baht 100 each) to Baht 600 million (6,000,000 ordinary shares of Baht 100 each) through the issuance of 4,000,000 ordinary shares with a par value of Baht 100 per share. The Company's shareholding in such company remains 100 percent and it has paid up Baht 372 million of the additional share capital, or representing 93% of the called capital. The increase in share capital was registered with the Ministry of Commerce on 6 November 2014.

On 25 October 2015, an Extraordinary General Meeting of the shareholders of Mana Patanakarn Company Limited approved an increase in its registered share capital from Baht 600 million (6,000,000 ordinary shares of Baht 100 each) to Baht 800 million (8,000,000 ordinary shares of Baht 100 each) through the issuance of 2,000,000 ordinary shares with a par value of Baht 100 per share. The Company's shareholding in such company remains 100 percent. The increase in share capital was registered with the Ministry of Commerce on 6 October 2015.

During the current year, the Company paid for the investment amounting to Baht 228 million of the additional share capital of Mana Patanakarn Company Limited, and as a result the called capital of that company increasing from 93 percent to 100 percent.

Investment in Advance Prefab Company Limited

In January 2014, the registered share capital of Advance Prefab Company Limited was increased from Baht 1 million (10,000 ordinary shares of Baht 100 each) to Baht 100 million (1,000,000 ordinary shares of Baht 100 each) through the issue of 990,000 ordinary shares with a par value of Baht 100 per share. The Company purchased Baht 100 million of the additionally issued ordinary shares and this represents 100 percent of the registered capital of such company. This company registered the increase in its share capital with the Ministry of Commerce on 8 January 2014.

In November 2014, the registered share capital of Advance Prefab Company Limited was increased from Baht 100 million (1,000,000 ordinary shares of Baht 100 each) to Baht 200 million (2,000,000 ordinary shares of Baht 100 each) through the issue of 1,000,000 ordinary shares with a par value of Baht 100 per share. The Company's shareholding in such company remains 100 percent and it has paid up Baht 50 million of the additional share capital, or representing 50 percent of the called capital. The increase in share capital was registered with the Ministry of Commerce on 6 November 2014.

During the current year, the Company paid for the investment amounting to Baht 50 million of the additional share capital of Advance Prefab Company Limited, and as a result the called capital of such company increasing from 50 percent to 100 percent.

## 17.2 Summarised financial information that based on amounts before inter-company elimination about subsidiary that have non-controlling

Summarised information about financial position as at 31 December 2015 and 2014

(Unit: Million Baht)

	Utility Business Alliance Company Limited	
	<u>2015</u>	<u>2014</u>
Current assets	374	479
Non-current assets	112	136
Current liabilities	319	472
Non-current liabilities	73	53

Summarised information about comprehensive income for the year ended 31 December 2015 and 2014

(Unit: Million Baht)

	Utility Business Alliance Company Limited	
	<u>2015</u>	<u>2014</u>
Total revenues	408	533
Profit (loss)	5	(16)
Total comprehensive income	5	(16)

## 18. Investments in associated companies

### 18.1 Details of associates:

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Shareholding percentage		Consolidated financial statements				Separate financial statements			
					Carrying amounts based on equity method		Share of profit (loss) from investments during the year		Carrying amounts based on cost method		Dividend received during the year	
					2015	2014	2015	2014	2015	2014	2015	2014
					(%)	(%)						
C.I.N. Estate Company Limited	Property development	Thailand	40	40	207,227	159,305	47,922	15,023	-	100,000	-	-
VSPN Property Company Limited	Property development	Thailand	25	25	17,493	17,313	180	(323)	25,000	25,000	-	-
<b>Total</b>					<b>224,720</b>	<b>176,618</b>	<b>48,102</b>	<b>14,700</b>	<b>25,000</b>	<b>125,000</b>	<b>-</b>	<b>-</b>

In September 2015, the Company sold all of the 999,997 shares comprising its investment in C.I.N. Estate Company Limited, an associate, to Mana Patanakarn Company Limited, a subsidiary, for a total of Baht 161 million. The Company retains significant influence over this associate, with the same proportionate interest in its equity as before, and the investment therefore continues to be presented as an investment in an associate in the consolidated financial statements.

## 18.2 Summarised financial information about associates

Summarised information about financial position as at 31 December 2015 and 2014

(Unit: Million Baht)

	C.I.N. Estate		VSPN Property	
	Company Limited		Company Limited	
	2015	2014	2015	2014
Cash and cash equivalents	72	110	3	3
Other current assets	18	2	2	2
Project development cost	1,163	840	111	113
Investment properties	40	-	-	-
Other non-current assets	12	8	1	1
Other current liabilities	(204)	(200)	(22)	(33)
Long-term loans	(568)	(337)	-	-
Other non-current liabilities	(3)	(12)	(14)	(8)
<b>Net assets</b>	<b>530</b>	<b>411</b>	<b>81</b>	<b>78</b>
Shareholding percentage	40%	40%	25%	25%
<b>Share of net assets</b>	<b>212</b>	<b>164</b>	<b>20</b>	<b>20</b>
Elimination entries	(5)	(5)	(3)	(3)
<b>Carrying amounts of associates</b>				
<b>based on equity method</b>	<b>207</b>	<b>159</b>	<b>17</b>	<b>17</b>

Summarised information about comprehensive income for the year ended 31 December 2015 and 2014

(Unit: Million Baht)

	C.I.N. Estate		VSPN Property	
	Company Limited		Company Limited	
	2015	2014	2015	2014
Total revenues	786	226	37	25
Profit	120	38	1	(1)
Total comprehensive income	120	38	1	(1)

## 19. Other long-term investments

(Unit: Thousand Baht)

	Percentage of shareholding (%)	Consolidated/Separate financial statements					
		Cost		Allowance for impairment of investments		Carrying amounts based on cost method - net	
		2015	2014	2015	2014	2015	2014
SG Star Properties Limited	4.71	35,762	35,762	(35,762)	(35,762)	-	-
Mission Success 2005 Company Limited	5.56	10,000	10,000	-	-	10,000	10,000
Thai Contractors Asset Company Limited	2.00	10,000	10,000	(10,000)	(9,977)	-	23
Others		3,053	3,053	(2,879)	(2,879)	174	174
<b>Total</b>		<b>58,815</b>	<b>58,815</b>	<b>(48,641)</b>	<b>(48,618)</b>	<b>10,174</b>	<b>10,197</b>

## 20. Investment properties

The net book value of investment properties as at 31 December 2015 and 2014 is presented below.

(Unit: Thousand Baht)

	Consolidated/Separate financial statements		
	Land awaiting sale	Land awaiting development	Total
<b><u>Cost:</u></b>			
As at 1 January 2014	169,171	22,187	191,358
As at 31 December 2014	169,171	22,187	191,358
As at 31 December 2015	169,171	22,187	191,358
<b><u>Allowance for impairment loss:</u></b>			
As at 1 January 2014	2,352	-	2,352
Reversal of allowance for impairment loss	(340)	-	(340)
As at 31 December 2014	2,012	-	2,012
As at 31 December 2015	2,012	-	2,012
<b><u>Net book value:</u></b>			
As at 31 December 2014	167,159	22,187	189,346
As at 31 December 2015	167,159	22,187	189,346

The fair value of the investment properties as at 31 December 2015 and 2014 stated below:

	(Unit: Thousand Baht)	
	Consolidated/Separate financial statements	
	<u>2015</u>	<u>2014</u>
Land awaiting development	43,600	41,700
Land awaiting sale	331,130	314,320
Total investment properties	374,730	356,020

The fair values have been determined based on valuations performed by an accredited independent valuer. The fair value of the land awaiting development and land awaiting sale have been determined based on market prices.

The Company has mortgaged investment properties, with the net book value as at 31 December 2015 totaling Baht 3 million (2014: Baht 137 million), with a financial institution as collateral for the Company's credit facilities obtained from the financial institution.

## 21. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements							
	Land	Land improvement	Building, construction and improvement	Tool, machinery and equipment	Office equipment, furniture and fixtures	Motor vehicles	Constructions in progress	Total
<b><u>Cost:</u></b>								
As at 1 January 2014 (Restated)	167,928	28,955	97,567	2,656,172	161,720	703,076	10,279	3,825,697
Additions	-	7,893	12,202	325,675	32,938	42,835	222,056	643,599
Disposals/write-offs	-	-	-	(56,221)	(9,587)	(31,314)	-	(97,122)
Transferred in (out)	-	4,514	3,343	68,578	705	12,128	(89,268)	-
As at 31 December 2014 (Restated)	167,928	41,362	113,112	2,994,204	185,776	726,725	143,067	4,372,174
Adjustments	-	-	(8,737)	-	-	-	8,737	-
Additions	-	28,107	2,500	253,717	37,985	126,477	447,491	896,277
Disposals/write-offs	-	-	-	(91,649)	(11,793)	(68,215)	-	(171,657)
Transferred in (out)	-	-	13,034	105,149	-	7,830	(126,013)	-
As at 31 December 2015	167,928	69,469	119,909	3,261,421	211,968	792,817	473,282	5,096,794
<b><u>Accumulated depreciation:</u></b>								
As at 1 January 2014 (Restated)	-	26,214	53,315	1,949,647	132,279	479,204	-	2,640,659
Depreciation for the year	-	1,180	6,582	157,739	12,132	46,150	-	223,783
Depreciation on disposals/write-offs	-	-	-	(39,019)	(8,699)	(30,007)	-	(77,725)
As at 31 December 2014 (Restated)	-	27,394	59,897	2,068,367	135,712	495,347	-	2,786,717
Depreciation for the year	-	1,469	7,561	190,265	18,655	53,987	-	271,937
Depreciation on disposals/write-offs	-	-	-	(78,873)	(10,578)	(63,286)	-	(152,737)
As at 31 December 2015	-	28,863	67,458	2,179,759	143,789	486,048	-	2,905,917

(Unit: Thousand Baht)

## Consolidated financial statements

	Land	Land improvement	Building, construction and improvement	Tool, machinery and equipment	Office equipment, furniture and fixtures	Motor vehicles	Constructions in progress	Total
<b>Allowance for impairment loss:</b>								
As at 1 January 2014	-	-	-	33,403	-	-	-	33,403
As at 31 December 2014	-	-	-	33,403	-	-	-	33,403
Increase during the year	1,564	-	-	9,243	-	-	-	10,807
As at 31 December 2015	1,564	-	-	42,646	-	-	-	44,210

**Net book value:**

As at 31 December 2014 (Restated)	167,928	13,968	53,215	892,434	50,064	231,378	143,067	1,552,054
As at 31 December 2015	166,364	40,606	52,451	1,039,016	68,179	306,769	473,282	2,146,667

**Depreciation for the year:**

2014 (Baht 215 million included in cost, and the balance in administrative expenses) (Restated)	223,783
2015 (Baht 260 million included in cost, and the balance in administrative expenses)	271,937

(Unit: Thousand Baht)

### Separate financial statements

	Land	Land improvement	Building, construction and improvement	Tool, machinery and equipment	Office equipment, furniture and fixtures	Motor vehicles	Constructions in progress	Total
<b>Cost:</b>								
As at 1 January 2014 (Restated)	141,927	28,956	97,567	2,711,260	149,719	697,045	10,277	3,836,751
Additions	-	-	3,465	324,647	31,185	42,830	101,652	503,779
Disposals/write-offs	-	-	-	(55,692)	(8,958)	(31,308)	-	(95,958)
Transferred in (out)	-	4,514	3,343	68,578	705	12,128	(89,268)	-
As at 31 December 2014 (Restated)	141,927	33,470	104,375	3,048,793	172,651	720,695	22,661	4,244,572
Disposals/write-offs	-	-	-	246,576	32,385	118,474	132,763	530,198
Transferred in (out)	-	-	-	(91,649)	(8,901)	(68,215)	-	(168,765)
As at 31 December 2015	-	-	13,034	105,149	-	7,830	(126,013)	-
	141,927	33,470	117,409	3,308,869	196,135	778,784	29,411	4,606,005
<b>Accumulated depreciation:</b>								
As at 1 January 2014 (Restated)	-	26,213	53,315	2,007,556	123,560	476,182	-	2,686,826
Depreciation for the year	-	1,180	6,582	156,818	10,771	45,125	-	220,476
Depreciation on disposals/write-offs	-	-	-	(38,574)	(8,252)	(30,003)	-	(76,829)
As at 31 December 2014 (Restated)	-	27,393	59,897	2,125,800	126,079	491,304	-	2,830,473
Depreciation for the year	-	1,469	7,561	188,735	15,958	52,647	-	266,370
Depreciation on disposals/write-offs	-	-	-	(78,873)	(7,908)	(63,287)	-	(150,068)
As at 31 December 2015	-	28,862	67,458	2,235,662	134,129	480,664	-	2,946,775

(Unit: Thousand Baht)

### Separate financial statements

Land	Land improvement	Building, construction and improvement	Tool, machinery and equipment	Office equipment, furniture and fixtures	Motor vehicles	Constructions in progress	Total
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### Allowance for impairment loss:

As at 1 January 2014	-	-	-	33,403	-	-	-	33,403
As at 31 December 2014	-	-	-	33,403	-	-	-	33,403
Increase during the year	1,564	-	-	9,243	-	-	-	10,807
As at 31 December 2015	1,564	-	-	42,646	-	-	-	44,210

### Net book value:

As at 31 December 2014 (Restated)	141,927	6,077	44,478	889,590	46,572	229,391	22,661	1,380,696
As at 31 December 2015	140,363	4,608	49,951	1,030,561	62,006	298,120	29,411	1,615,020

### Depreciation for the year:

2014 (Baht 213 million included in cost, and the balance in administrative expenses) (Restated)	220,476
2015 (Baht 258 million included in cost, and the balance in administrative expenses)	266,370

As at 31 December 2015, the Company and its subsidiaries had machinery, vehicles and equipment with net book value of Baht 602 million (2014: Baht 576 million) which were acquired under hire purchase and finance lease agreements (Separate financial statements: Baht 597 million, 2014: Baht 574 million).

As at 31 December 2015, certain plant and equipment items have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation and allowance for impairment loss of those assets amounted to approximately Baht 2,214 million (2014: Baht 2,341 million) (Separate financial statements: Baht 2,203 million, 2014: Baht 2,331million).

The Company and its subsidiary have mortgaged the part of land and buildings thereon, machinery and ships, with the net book value as at 31 December 2015 totaling Baht 472 million (2014: Baht 142 million) (Separate financial statements: Baht 140 million, 2014: Baht 142 million) with a financial institution as collateral for the Company and its subsidiary's credit facilities and letter of guarantee facilities obtained from the financial institution.

## 22. Leasehold right for land

	(Unit: Thousand Baht)	
	Consolidated/Separate financial statements	
	2015	2014
Leasehold right for land	69,418	69,418
Less: Accumulated amortisation	(56,914)	(54,327)
Leasehold right - net	12,504	15,091
Amortisation for the year	2,587	2,587

## 23. Bank overdrafts and short-term loans from financial institutions

	Interest rate (% p.a.)	(Unit: Thousand Baht)			
		Consolidated		Separate	
		financial statements		financial statements	
		2015	2014	2015	2014
			(Restated)		(Restated)
Bank overdrafts	2%, MOR, MOR+0.25%, MOR+0.5%	-	1,797	-	-
Trust receipt payable	6.525%	5,764	29,500	5,764	29,500
Short-term loans from financial institutions	3%, 4.1%, MOR, MLR-0.25%	379,680	481,823	244,000	337,874
<b>Total</b>		<b>385,444</b>	<b>513,120</b>	<b>249,764</b>	<b>367,374</b>

The bank overdrafts and short-term loan facilities of the Company and its subsidiary are secured by the pledge of fixed deposits of its subsidiary, the mortgage of the part of land with structures thereon and ships of the Company, project development cost and investment properties and future structures of the Company's development project, transfer of rights of claim over collections for work done under construction agreements of the Company and are guaranteed by the Company and the directors of the Company and its subsidiaries.

## 24. Trade and other payables

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2015	2014	2015	2014
		(Restated)		(Restated)
Trade payables - related parties	2,084	4,505	2,716	13,740
Trade payables - unrelated parties	1,211,419	1,301,263	1,083,884	1,158,309
Advance received from related parties	224	224	224	224
Advance received from unrelated party	32,869	31,350	32,869	31,350
Other payables - related parties	774	12,283	3,142	4,256
Other payables - unrelated parties	60,272	138,739	47,384	41,685
Accrued expenses - related parties	-	5,790	-	5,790
Accrued expenses - unrelated parties	95,703	98,036	57,724	53,750
<b>Total trade and other payables</b>	<b>1,403,345</b>	<b>1,592,190</b>	<b>1,227,943</b>	<b>1,309,104</b>

## 25. Hire purchase creditors and finance lease payable

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2015	2014	2015	2014
		(Restated)		
Liabilities under hire purchase and finance lease agreements	450,711	350,517	440,918	348,578
Less: Deferred interest expenses	(32,269)	(29,131)	(31,463)	(28,977)
Total	418,442	321,386	409,455	319,601
Less: Portion due within one year	(167,728)	(116,918)	(163,831)	(116,080)
<b>Liabilities under hire purchase and finance lease agreements, net of current portion</b>	<b>250,714</b>	<b>204,468</b>	<b>245,624</b>	<b>203,521</b>

The Company and its subsidiaries have entered into hire purchase and finance lease agreements with leasing companies for rental of equipment and motor vehicles for use in their operation, whereby they are committed to pay rental on a monthly basis. The terms of the agreements are generally between 3 and 5 years and the effective interest rates are between 2.68 and 8.15 percent per annum (2014: between 3.99 and 8.15 percent per annum).

Future minimum lease payments required under the hire purchase and finance lease agreements were as follows:

(Unit: Million Baht)

Consolidated financial statements  
as at 31 December 2015

	Less than 1 year	1 - 5 years	Total
Future minimum lease payments	186	264	450
Deferred interest expenses	(19)	(13)	(32)
Present value of future minimum lease payments	167	251	418

(Unit: Million Baht)

Consolidated financial statements  
as at 31 December 2014 (Restated)

	Less than 1 year	1 - 5 years	Total
Future minimum lease payments	133	217	350
Deferred interest expenses	(16)	(13)	(29)
Present value of future minimum lease payments	117	204	321

(Unit: Million Baht)

Separate financial statements  
as at 31 December 2015

	Less than 1 year	1 - 5 years	Total
Future minimum lease payments	182	259	441
Deferred interest expenses	(18)	(13)	(31)
Present value of future minimum lease payments	164	246	410

(Unit: Million Baht)

Separate financial statements as at 31 December 2014			
	Less than 1 year	1 - 5 years	Total
Future minimum lease payments	132	217	349
Deferred interest expenses	(16)	(13)	(29)
Present value of future minimum lease payments	116	204	320

## 26. Long-term loans from related party

(Unit: Thousand Baht)

Consolidated financial statements 31 December 2015	
Long-term loans from related party	16,000
Less: Current portion	(3,122)
Long-term loans from related party, net of current portion	12,878

On 20 October 2015, the subsidiary entered into a loan agreement with the related person. The loan principal is to be repaid in 36 monthly installments, with the first installment is due in July 2016. The loans carry interest at the rate of 6.5 percent per annum.

## 27. Long-term loans from banks

(Unit: Thousand Baht)

			Consolidated financial statements	
Loan	Interest rate (%)	Repayment schedule	2015	2014 (Restated)
1	MLR-0.25%, MLR	Paid all amount within 40 months since sign contract	197,332	163,600
2	MLR-0.25%, MLR	Paid all amount within 55 months since sign contract	108,651	70,660
3	MLR	Monthly installments from March 2015 - September 2018	48,340	63,000
4	MLR-1.25%	Paid all amount within 60 months since sign contract	166,000	-
Total			520,323	297,260
Less: Current portion			(17,592)	(14,660)
Long-term loans, net of current portion			502,731	282,600

The loan agreements contain covenants as stipulated in the agreement and restrictions imposed by the lender, relating to such matters as maintenance of a shareholding percentage in the subsidiaries by the Company. The loans are secured by the transfer of rights of claim over collections for work done under construction agreements of its subsidiary, the mortgage of land with structures thereon of the Company and project development cost and future structures of the development project of the subsidiary, and guaranteed by the Company and the directors of the Company and its subsidiaries.

As at 31 December 2015, the Company and its subsidiary have an undrawn amount of loan under the above agreements amounting to Baht 1,802 million (2014: Baht 417 million) (Separate financial statements: None, 2014: Baht 101 million).

Movements in the long-term loans account during the year ended 31 December 2015 are summarised below.

	(Unit: Thousand Baht)
	Consolidated financial statements
Balance as at 1 January 2015 (Restated)	297,260
Add: Increase during the year	237,723
Less: Payment during the year	(14,660)
Balance as at 31 December 2015	520,323

## 28. Debentures

	(Unit: Baht)	
	Consolidated/Separate financial statement	
	2015	2014
Debentures 1/2557	1,500,000	1,500,000
Debentures 1/2558	1,500,000	-
Total	3,000,000	1,500,000
Less: Deferred debenture issuing costs	(16,628)	(10,642)
<b>Debentures</b>	<b>2,983,372</b>	<b>1,489,358</b>

On 28 August 2014, the Company issued and offered 1,500,000 units of debentures No. 1/2557 with a par value of Baht 1,000 each, totaling Baht 1,500 million. These are registered, unsubordinated, unsecured debentures with trustees, and have a term of 3 years from the issue date, maturing on 28 August 2017. The coupon rate is 5.50 percent per annum (the effective interest rate of 5.79 percent per annum), with interest payable every 3 months throughout the life of the debentures.

On 21 August 2015, the Company issued and offered 1,500,000 units of debentures No. 1/2558 with a par value of Baht 1,000 each, totaling Baht 1,500 million. These are registered, unsubordinated, unsecured debentures with trustees, and have a term of 3 years from the issue date, maturing on 21 August 2018. The coupon rate is 4.50 percent per annum (the effective interest rate of 4.76 percent per annum), with interest payable every 3 months throughout the life of the debentures.

Under the terms and conditions of the debentures, the Company has to comply with certain restrictions, such as limitations on the use of assets and the maintenance of a net debt to equity ratio.

## 29. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire was as follows:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2015	2014	2015	2014
	(Restated)			
<b>Defined benefit obligation at beginning of year</b>	<b>115,975</b>	<b>106,334</b>	<b>111,763</b>	<b>102,951</b>
Included in profit or loss:				
Current service cost	8,730	8,509	7,774	7,825
Interest cost	4,385	4,263	4,134	4,118
Included in other comprehensive income:				
Actuarial (gain) loss arising from				
Demographic assumptions changes	468	-	(3,157)	-
Financial assumptions changes	16,446	-	15,711	-
Experience adjustments	7,239	-	6,199	-
Benefits paid during the year	(1,640)	(3,131)	(1,544)	(3,131)
<b>Provisions for long-term employee benefits</b>				
<b>at end of year</b>	<b>151,603</b>	<b>115,975</b>	<b>140,880</b>	<b>111,763</b>

Long-term employee benefit expenses included in the profit or loss consist of the following:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2015	2014	2015	2014
	(Restated)			
Cost of construction	7,929	7,910	7,928	7,910
Cost of sales and services	965	829	-	-
Administrative expenses	4,221	4,033	3,980	4,033
<b>Total expenses recognised in profit or loss</b>	<b>13,115</b>	<b>12,772</b>	<b>11,908</b>	<b>11,943</b>

The Company and its subsidiaries expect to pay Baht 14 million of long-term employee benefits during the next year (Separate financial statements: Baht 14 million) (2014: Baht 2 million, Separate financial statements: Baht 2 million).

As at 31 December 2015, the weighted average duration of the liabilities for long-term employee benefit is 10 years (Separate financial statements: 10 years) (2014: 10 years, Separate financial statements: 10 years).

Significant actuarial assumptions are summarised below:

	Consolidated		(Unit: percent per annum)	
	financial statements		Separate	
	2015	2014	2015	2014
Discount rate	2.5 - 4.3	4.0 - 4.3	2.5	4.0
Future salary increase rate	4.0 - 6.0	3.0 - 6.0	4.0 and 4.5	4.0 and 4.5
Turnover rate	5.0 - 25.0	2.5 - 50.0	10.0	2.5 - 50.0

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

	Discount rate		Salary increase rate		(Unit: Million Baht)	
	Increase 0.5%	Decrease 0.5%	Increase 0.5%	Decrease 0.5%	Increase 10%	Decrease 10%
Consolidated financial statements	(6)	7	7	(6)	(4)	5
Separate financial statements	(6)	6	6	(6)	(3)	3

### 30. Joint venture/Provision for loss on investment in joint venture

#### 30.1 Detail of investment in joint venture

The Company has a joint arrangement which assessed as a joint venture between the Company and other joint venturer. Details of the investment are as follows:

(Unit: Thousand Baht)												
Joint venture	Nature of business	Country of incorporation	Shareholding percentage	Consolidated financial statements				Separate financial statements				
				Carrying amounts		Share of profit (loss)		Carrying amounts		Profit (loss) from		
				based on equity method		from investment		based on cost method		investment in joint venture		
				(Provision for loss on investment)		during the year		(Provision for loss on investment)		during the year		
				2015	2014	2015	2014	2015	2014	2015	2014	2015
			(%)	(%)		(Restated)		(Restated)		(Restated)		(Restated)
NWR - SBCC Joint Venture	Soil and coal extraction and transportation	Thailand	50	50	(93,975)	(130,830)	36,855	(18,872)	(93,975)	(130,830)	36,855	(18,872)

The Company recognised share of losses from investment in joint venture as a liability since the Company has obligations, whether legal or constructive, to make any payments on behalf of such joint venture.

### 30.2 Summarised financial information about joint venture

Summarised information about financial position as at 31 December 2015 and 2014

	(Unit: Million Baht)	
	NWR - SBCC Joint Venture	
	<u>2015</u>	<u>2014</u>
Cash and cash equivalents	37	55
Trade and other receivables	342	332
Other current assets	155	207
Plant and equipment	2,328	2,810
Other non-current assets	6	6
Bank overdrafts and short-term loans	(117)	(131)
Trade and other payables	(1,664)	(1,401)
Current portion of hire purchase creditors	(16)	(15)
Current portion of long-term loans	(918)	(875)
Other current liabilities	(22)	(20)
Hire purchase creditors, net of current portion	(13)	(29)
Long-term loans, net of current portion	(302)	(1,198)
Other non-current liabilities	(4)	(3)
<b>Net assets</b>	<b>(188)</b>	<b>(262)</b>
Shareholding percentage	50%	50%
<b>Share of net assets</b>	<b>(94)</b>	<b>(131)</b>
<b>Carrying amounts of joint venture based on equity method</b>	<b>(94)</b>	<b>(131)</b>

Summarised information about comprehensive income for the year ended 31 December 2015 and 2014

	(Unit: Million Baht)	
	NWR - SBCC Joint Venture	
	<u>2015</u>	<u>2014</u>
Total revenues	2,140	1,916
Depreciation and amortisation	(646)	(639)
Interest expenses	(107)	(146)
Profit (loss)	74	(38)
Total comprehensive income	74	(38)

### 31. Share capital/Warrants

31.1 On 26 June 2013, the Company issued the warrants (NWR-W1) to existing shareholders of the Company, and on 26 July 2013, the Stock Exchange of Thailand accepted the listing of the warrants as securities. A summary of the warrants granted is presented below.

#### NWR-W1

Number of warrants granted	-	246,829,342 units
Life of warrants	-	12 months from the issue date
Exercisable	-	Every three months
First exercise date	-	26 September 2013
Final exercise date	-	26 June 2014
Exercise price per 1 ordinary share	-	2.045 Baht per share*
Exercise ratio	-	1 warrant per 1.076 ordinary shares*

\* Adjustment of the exercise price and exercise ratio on 26 May 2014

In 2014, the 119,239,300 units of the above warrants were exercised to subscribe to 128,300,838 newly issued ordinary shares. A total of 127,532,903 warrants (NWR-W1) remained unexercised when the warrants expired on 26 June 2014. The increase in paid up share capital to Baht 2,103,102,254 is the result of the exercise of warrants (NWR-W1) and the Company registered the additional shares from warrants exercise with the Ministry of Commerce on 4 July 2014.

31.2 On 30 April 2014, the Annual General Meeting of the Company's shareholders approved the following resolutions:

- a) Decrease the Company's registered share capital from 2,221,587,311 to 2,221,573,619 ordinary shares, by eliminating the 13,692 registered shares with a par value of Baht 1 per share for which warrants (NWR-W1) were not exercised. The Company registered the reduction of its registered share capital with the Ministry of Commerce on 15 May 2014.
- b) Increase the Company's registered share capital from 2,221,573,619 to 2,812,221,856 ordinary shares through the issuance of 590,648,237 new ordinary shares with a par value of Baht 1 each, to be allocated as follows:
  - 1) To support the exercise of the second series of warrants (NWR-W2) being offered to the existing shareholders of the Company in proportion to their shareholding.
  - 2) To support the adjustment of the exercise ratio of the warrants offered to existing shareholders of the Company (NWR-W1) in 2013.

The Company registered the resultant Baht 590,648,237 increase in share capital with the Ministry of Commerce on 16 May 2014.

- c) Issue up to 555,396,828 units of the second series of warrants (NWR-W2) for offer to existing shareholders of the Company at a rate of 1 warrant for no more than every 4 existing ordinary shares.

31.3 On 29 May 2014, the Company issued the second series of warrants (NWR-W2) described in 31.2 C). A summary of the warrants granted is presented below.

#### NWR-W2

Number of warrants granted	- 493,690,718 units
Life of warrants	- 6 months from the issue date
Exercisable	- One time on 1 December 2014
Exercise price per 1 ordinary share	- 1.20 Baht per share, unless there is any exercise adjustment in accordance with the conditions for adjustment
Exercise ratio	- 1 warrant per 1 ordinary shares, unless there is any exercise adjustment in accordance with the conditions for adjustment

On 15 July 2014, the Stock Exchange of Thailand accepted the listing of the above warrants as securities.

In 2014, the 482,379,261 units of the above warrants were exercised to subscribe to 482,379,261 newly issued ordinary shares. A total of 11,311,457 warrants (NWR-W2) remained unexercised when the warrants expired on 1 December 2014.

As at 31 December 2014, the increase in paid up share capital to Baht 2,585,481,515 is the result of the exercise of warrants (NWR-W2) and the Company registered the additional shares from warrants exercise with the Ministry of Commerce on 4 December 2014.

31.4 On 30 April 2015, the Annual General Meeting of the Company's shareholders approved the resolution to decrease the Company's registered share capital from 2,812,221,856 to 2,585,481,515 ordinary shares, by eliminating the 226,740,341 registered shares with a par value of Baht 1 per share for which warrants were not exercised.

## **32. Statutory reserve**

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to 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 capital. The statutory reserve is not available for dividend distribution.

### 33. Expenses by nature

Significant expenses classified by nature are as follows:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
		(Restated)		(Restated)
Raw materials and consumables used	2,953,741	3,024,604	2,851,580	2,799,220
Salaries, wages and other employee benefits	958,353	888,367	873,849	801,217
Subcontractor costs	2,028,186	1,230,746	2,028,186	1,230,746
Fuel charges	394,077	304,777	256,890	153,726
Depreciation and amortisation	274,524	226,370	268,957	223,063
Repair and maintenance	141,205	114,531	140,304	114,531
Loss on investments in joint venture (reversal)	-	-	(36,855)	18,872
Doubtful debts (reversal)	210,223	(24,201)	225,327	(16,479)
Other expenses	784,258	1,139,808	1,038,790	1,226,155
Changes in inventories of finished goods and work in process	10,209	(105,246)	10,209	(105,246)

### 34. Income tax

Income tax expenses for the years ended 31 December 2015 and 2014 are made up as follows:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
		(Restated)		
<b>Current income tax:</b>				
Current income tax charge	11,892	-	11,892	-
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	(1,726)	(2,362)	(424)	(2,196)
<b>Income tax expense (income) reported in the statement of comprehensive income</b>	<b>10,166</b>	<b>(2,362)</b>	<b>11,468</b>	<b>(2,196)</b>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2015 and 2014 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Deferred tax relating to actuarial gains and losses	(4,831)	-	(3,751)	-
Deferred tax on gain from the change in value of available-for-sale investments	223	688	223	688
	<u>(4,608)</u>	<u>688</u>	<u>(3,528)</u>	<u>688</u>

The reconciliation between accounting profit and income tax expense is shown below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
		(Restated)		(Restated)
Accounting profit (loss) before tax	<u>(161,806)</u>	<u>(473)</u>	<u>(108,194)</u>	<u>19,220</u>
Applicable tax rate	20%	20%	20%	20%
Accounting profit (loss) before tax multiplied by income tax rate	(32,361)	(95)	(21,639)	3,844
Utilisation of previously recognised tax losses	(3,083)	(3,635)	(1,823)	(3,635)
Tax losses for the year that have not been recognised as deferred tax assets	9,510	4,641	380	-
Effects of preparing the consolidated financial statements	12,094	-	-	-
Effects of:				
Non-deductible expenses	52,598	9,707	45,960	11,176
Additional expense deductions allowed	(10,709)	(9,568)	(10,560)	(7,235)
Exemption of income	(1,058)	(5,421)	(1,058)	(5,421)
Share of loss (profit) from investments in associates and joint venture	(16,991)	834	-	-
Others	166	1,175	208	(925)
Total	<u>24,006</u>	<u>(3,273)</u>	<u>34,550</u>	<u>(2,405)</u>
<b>Income tax expenses (income) reported in the statement of comprehensive income</b>	<b><u>10,166</u></b>	<b><u>(2,362)</u></b>	<b><u>11,468</u></b>	<b><u>(2,196)</u></b>

As at 31 December 2015 and 2014, the components of deferred tax assets and deferred tax liabilities are as follows:

(Unit: Thousand Baht)				
Statements of financial position				
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
	(Restated)			
<b>Deferred tax assets</b>				
Allowance for diminution in value of inventories	4,912	5,485	4,912	5,485
Allowance for diminution in value of project development cost	81	328	81	328
Allowance for asset impairment	8,983	6,822	8,983	6,822
Accumulated depreciation - Plant and equipment	2,181	3,805	2,181	3,805
Provision for long-term employee benefits	31,450	23,195	28,225	22,352
Provisions	391	580	391	580
Others	323	351	323	351
<b>Deferred tax liabilities</b>				
Amortisation of deferred debenture issuing costs	(3,326)	(2,128)	(3,326)	(2,128)
Unrealised gain on changes in value of investments	(911)	(688)	(911)	(688)
<b>Total Deferred tax assets - net</b>	<b>44,084</b>	<b>37,750</b>	<b>40,859</b>	<b>36,907</b>

As at 31 December 2015, the Company and its subsidiaries had unused tax losses totaling Baht 74 million (2014: Baht 42 million) (Separate financial statements: Baht 11 million, 2014: Baht 18 million). No deferred tax assets have been recognised on these amounts as the Company and its subsidiaries believe future taxable profits may not be sufficient to allow utilisation of the unused tax losses. The unused tax losses will expire within 2020.

### 35. Earnings per share

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

Diluted earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the year or on the date the potential ordinary shares were issued.

The following table sets forth the computation of basic and diluted earnings per share:

Consolidated financial statements						
Profit (loss) for the year		Weighted average number of ordinary shares		Earnings (loss) per share		
<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	
(Thousand Baht)	(Thousand Baht)	(Thousand Shares)	(Thousand Shares)	(Baht)	(Baht)	
	(Restated)				(Restated)	
<b>Basic earnings per share</b>						
Profit (loss) for the year	(173,838)	8,288	2,585,482	2,081,854	(0.0672)	0.0040
<b>Effect of dilutive potential ordinary shares</b>						
Warrants	-	-	-	121,904		
<b>Diluted earnings per share</b>						
Profit (loss) of ordinary shareholders assuming the conversion of warrants to ordinary shares	<u>(173,838)</u>	<u>8,288</u>	<u>2,585,482</u>	<u>2,203,758</u>	(0.0672)	0.0038
Separate financial statements						
Profit (loss) for the year		Weighted average number of ordinary shares		Earnings (loss) per share		
<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	
(Thousand Baht)	(Thousand Baht)	(Thousand Shares)	(Thousand Shares)	(Baht)	(Baht)	
	(Restated)				(Restated)	
<b>Basic earnings per share</b>						
Profit (loss) for the year	(119,663)	21,416	2,585,482	2,081,854	(0.0463)	0.0103
<b>Effect of dilutive potential ordinary shares</b>						
Warrants	-	-	-	121,904		
<b>Diluted earnings per share</b>						
Profit (loss) of ordinary shareholders assuming the conversion of warrants to ordinary shares	<u>(119,663)</u>	<u>21,416</u>	<u>2,585,482</u>	<u>2,203,758</u>	(0.0463)	0.0097

## 36. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

For management purposes, the Group is organised into business units based on its main businesses. During the current year, the Company and its subsidiaries have not changed the organisation of their reportable segments, except for the effect of the adoption of new and revised financial reporting standards, as discussed in note 3 to the financial statements that causes the Group have two reportable segments as follows:

(1) Construction contracting business

(2) Manufacture of concrete product business is a segment that involves manufacture of pre-stressed concrete piles and precast concrete products for third-party distribution.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and total asset and on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements. However, the Group's financing activities, which give rise to finance costs and finance income, and income taxes are managed on the Group basis. Therefore these income and expenses are not allocated to operating segments

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

The following tables present revenue and profit information regarding the operating segments of the Group for the year ended 31 December 2015 and 2014, respectively.

(Unit: Million Baht)

The consolidated financial statements for the year ended 31 December 2015				
	Construction contracting business	Manufacture of concrete products business	Eliminations	Consolidated
Revenue from external customers	7,441	145	-	7,586
Inter-segment revenue	-	277	(277)	-
<b>Segment operating profit (loss)</b>	<b>71</b>	<b>(28)</b>		<b>43</b>
Unallocated income (expenses):				
Interest income				14
Interest expenses				(165)
Other income and expenses				(139)
Share of profit from investments in associates and joint venture				85
<b>Loss before income tax expenses</b>				<b>(162)</b>
Income tax expense				(10)
<b>Loss for the year</b>				<b>(172)</b>
Profit attributable to non-controlling interests of the subsidiaries				(2)
<b>Loss for the year - attributable to equity holders of the Company</b>				<b>(174)</b>

(Unit: Million Baht)

The consolidated financial statements				
for the year ended 31 December 2014 (Restated)				
	Construction contracting business	Manufacture of concrete products business	Eliminations	Consolidated
Revenue from external customers	6,603	223	-	6,826
Inter-segment revenue	-	325	(325)	-
<b>Segment operating profit (loss)</b>	<b>(4)</b>	<b>6</b>		<b>2</b>
Unallocated income (expenses):				
Interest income				16
Interest expenses				(90)
Other income and expenses				76
Share of loss from investments in associates and joint venture				(4)
<b>Loss before income tax expenses</b>				<b>-</b>
Income tax income				2
<b>Profit for the year</b>				<b>2</b>
Loss attributable to non-controlling interests of the subsidiaries				6
<b>Profit for the year - attributable to equity holders of the Company</b>				<b>8</b>

### Geographic information

Revenue from external customers and non-current assets (other than financial instruments and deferred tax assets) are based on locations of the customers by the following:

(Unit: Million Baht)		
	<u>2015</u>	<u>2014</u>
		(Restated)
Revenue from external customers		
Thailand	7,310	6,487
Others	276	339
Non-current assets (other than financial instruments and deferred tax assets)		
Thailand	2,348	1,754
Others	1	2

### Major customers

For the year 2015, the Group has revenue arising from construction contracting business derived from one major customer in amount of Baht 1,108 million (2014: one major customer in amount of Baht 1,336 million).

### 37. Provident fund

The Company and its subsidiary and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company and its subsidiary contribute to the fund monthly at the rate of 2-5 percent of basic salary (Separate financial statements: 5 percent of basic salary). The fund, which is managed by Bank of Ayudhaya Public Company Limited and UOB Asset Management (Thailand) Company Limited, will be paid to their employees upon termination in accordance with the rules of the provident fund of the Company and its subsidiaries. During the year 2015, the Company and its subsidiaries contributed Baht 17 million to the fund (2014: Baht 17 million) (Separate financial statements: Baht 15 million, 2014: Baht 14 million).

### 38. Commitments and contingent liabilities

#### 38.1 Capital commitments

As at 31 December 2015, the Company and its subsidiary had the following capital commitments:

- The Company had an outstanding commitment of approximately USD 4,495 of the uncalled portion of investment in one subsidiary (2014: USD 4,495 and Baht 78 million of the uncalled portion of investments in three subsidiary companies).
- A subsidiary company had outstanding commitments of approximately Baht 3 million relating to construction of factory buildings.

#### 38.2 Operating lease commitments

The Company and its subsidiaries entered into operating lease agreements in respect of lease of land, building and equipment. The terms of the agreements are generally between 1 and 30 years.

Future minimum lease payments required under these non-cancellable operating leases contracts were as follows.

	Consolidated financial statements as at 31 December		(Unit: Million Baht) Separate financial statements as at 31 December	
Payable	2015	2014	2015	2014
		(Restated)		
In up to 1 year	18	11	18	11
In over 1 and up to 5 years	23	15	22	15
In over 5 years	248	251	-	3

### 38.3 Guarantees

- a) As at 31 December 2015, the Company has commitments in respect of its guarantees of bank credit facilities of two subsidiary companies amounting to Baht 2,336 million (2014: Baht 1,031 million). Generally, the guarantees are effective so long as underlying obligation has not been discharged by its subsidiaries. No fee is charged for the provision of such guarantees.
- b) As at 31 December 2015, the Company has commitments in respect of its guarantees of bank credit facilities of one joint venture by joining with another one joint venturer amounting to Baht 4,419 million (2014: Baht 4,519 million). Generally, the guarantees are effective so long as underlying obligation has not been discharged by its joint venture. No fee is charged for the provision of such guarantees.
- c) The outstanding bank guarantees issued by banks on behalf of the Company and its subsidiary in respect of certain performance bonds as required in the normal course of business were summarised in foreign currencies as follows:

Foreign currency	Consolidated		Separate	
	financial statements		financial statements	
	as at 31 December		as at 31 December	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
		(Restated)		(Restated)
Baht	4,388	2,979	4,230	2,765
Yen	271	1	271	1
USD	14	3	14	3

### 39. Litigation

A company joined with an insurance company to file a lawsuit against the Company as the second defendant, claiming Baht 43 million in compensation on the grounds that they had been affected by construction in which the Company was involved. On 9 April 2013, the Court of First Instance delivered a judgement ordering the Company and the insurance company of the Company's project to compensate such amount of loss, together with interest at the rate of 7.5 percent per annum. The Company and the insurance company lodged an appeal with the Court of Appeals and the court affirmed the judgement of the Court of First Instance. On 24 December 2014, the Company and the insurance company filed a petition objecting to the judgment of the Court of Appeal. Currently, the case is in the process of consideration of the Supreme Court. However, the Company's management believes that no significant loss will be incurred as a result of the case since the Company can claim any compensation losses from the insurance company of this project. Therefore no provision for this contingent liability was recorded into the accounts.

As at 31 December 2015, the Company has set up provision of approximately of Baht 1.4 million (2014: Baht 1.2 million) in the financial statements for contingent losses from the legal cases that are currently being litigated. The Company's management believes that the amount of such provision is sufficient for the losses that may be incurred as a result of the litigation.

#### 40. Fair value hierarchy

As at 31 December 2015, the Company had certain assets and liabilities that were measured or disclosed at fair value using different level inputs as follows:

	(Unit: Million Baht)			
	Consolidated/Separate financial statements			
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Available-for-sale investments (Note 9)	612	-	-	612
<b>Assets for which fair value are disclosed</b>				
Investment property (Note 20)	-	-	375	375
<b>Liabilities for which fair value are disclosed</b>				
Debentures (Note 28)	-	3,039	-	3,039

#### 41. Financial instruments

##### 41.1 Financial risk management

The Group's (the Company and its subsidiaries) financial instruments, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade and other receivables, short-term loans, long-term loans, investments, trade and other payables, bank overdrafts, short-term borrowings, long-term borrowings and debentures. The financial risks associated with these financial instruments and how they are managed is described below.

##### Credit risk

The Group is exposed to credit risk primarily with respect to construction contract debtors. However, since the majority of construction services are made to creditworthy customers such as state enterprises and government agencies and due to the large number of entities comprising the Group's customer base, the Group does not anticipate material losses from its debt collection. The maximum exposure to credit risk is limited to the carrying amount of receivables, loans and other receivables as stated in the statement of financial position.

### Interest rate risk

The Group's exposure to interest rate risk relates primarily to its deposit with financial institutions, short-term loans, long-term loans, bank overdrafts, short-term borrowings, long-term borrowings and debentures. Most of the Group's financial assets and liabilities bear floating interest rates which are close to the market rate or fixed interest rates which will maturity in the near future (except hire purchase creditors and finance lease payable, long-term loans and debentures as described in Note 26, 27, 28 and 29 to the financial statement, respectively), the interest rate risk is expected to be minimal.

### Foreign currency risk

The Group's exposure to foreign currency risk arises mainly from loans to related parties, trading transactions and income derived from overseas that are denominated in foreign currencies.

The balances of financial assets denominated in foreign currency are summarised below.

Foreign currency	Financial assets as at 31 December		Average exchange rate as at 31 December	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
	(Million)	(Million)	(Baht per 1 foreign currency unit)	
USD	2	2	36.0417	32.9187

As at 31 December 2015 and 2014, no outstanding sell and buy foreign exchange contracts.

In addition, the Company is also exposed to the effect of foreign exchange movements on its investments in foreign subsidiary companies, which currently are not hedged by any derivative financial instrument.

## 41.2 Fair value of financial instruments

Since the majority of the Group's financial instruments are short-term in nature and bear floating interest rates which are close to the market rate for long-term loan and debentures, their fair value is not expected to be materially different from the amounts presented in the statements of financial position.

## 42. Capital management

The primary objective of the Company's capital management is to ensure that it has an appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2015, the Group's debt-to-equity ratio was 2.14:1 (2014: 1.47:1) and the Company's was 1.92:1 (2014: 1.30:1).

**43. Approval of financial statements**

These financial statements were authorised for issue by the Company's Board of Directors on 2 March 2016.