



บริษัท พีเออี (ประเทศไทย) จำกัด (มหาชน)

PAE (Thailand) Public  
Company Limited

รายงานประจำปี 2559  
Annual Report 2016



PAE (THAILAND) PUBLIC COMPANY LIMITED

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## Important Financial Information

(Unit : Million Baht)

	2016	2015	2014
<b>Operating Performance</b>			
Revenue from Sales and Construction	528.29	735.17	1,183.23
Total Revenue	535.41	746.04	1,193.63
Gross Profit (Loss)	10.78	(3.50)	(182.62)
Net Profit (Loss)	(252.02)	(193.23)	(625.68)
<b>Financial Status</b>			
Total Assets	821.08	1,055.53	1,188.39
Total Liabilities	1,159.99	1,135.48	1,123.60
Total Shareholders' Equity	(338.90)	(79.95)	64.78
<b>Financial Ratios</b>			
Current Ratio	0.21	0.52	1.03
Debt/Equity Ratio	(3.42)	(14.20)	17.34
Gross Profit (Loss) (%)	0.03	0.01	(15.43)
Net Profit (Loss) (%)	(0.67)	(0.37)	(52.97)
Net Profit/Share (THB)	(0.09)	(0.14)	(0.68)
No. of Paid-up shares (million shares)	2,770.89	2,770.74	2,730.17



## Message from the Chairman

In the 2016 business year, we were working hard to become a leading provider of professional service management for Engineering, Procurement and Construction (EPC) including design, planning, construction, procurement as well as serving any other customers' needs especially in energy industry e.g. oil, gas, and petrochemicals which is our main business. We remain focused on expansion of our business in water management industry, therefore, we have been effectively developing our organization both in talents and operating systems to support our outreach and future growth.

To enable us to concentrate more heavily on key areas important to the Company's future, we disposed of some weaker units in 2016. The company financial result was slightly better than the same period in the previous year, however, there was a decline in total revenue from sale and service as a result of deceleration policy to serve in constructions and large-sized installments. This is to maintain our liquidity and limited cash flow. Besides, the service of part production in offshore oil and gas industry is also decreased by reason of the economic impact of oil price fluctuations and the indeterminate excavation concession. The company has mainly retained customers in oil and gas business and installment business by widely providing specialists and rental engineering tool services to exploration and production platforms in the Gulf of Thailand.

In 2017, it is well known that the industrial situation of oil and gas business remained unstable in the previous year and the impact of plummeting global crude oil prices seriously leads to deceleration of investment for drilling oil and gas exploration operators. These companies are considered as our key accounts. This limits the expansion of revenue opportunities and disables us to generate much more revenues to make up to the profit loss in the construction business. From the industrial review in oil and gas business and petrochemical business, the Company believes that this market will be greatly expanded shortly since they are regarded as essential consumer products. The economic growth rate in Thailand, private sector investment, and tourism sector are expected to significantly drive the economic stability during this transition and increase the foreign investor confidence. Especially, the large-scaled investment projects, Thailand is the industrial hub for multinational companies as manufacturing and export base in ASEAN Economic Community (AEC), will be also increased. With our constant delivered high-quality services, professional working experience, and good reputation, we strongly believe that we can be accepted by customers if investments or scope of operations management are increased in the short run.

On behalf of the board of directors of PEA, I am much obliged to our shareholders and stakeholders for their trust and consistent support to our business. Please believe that all of us devoted ourselves to working with our full effort to achieve the sustainable success.



(Mr. Chareon Prajuntan)

Chairman of the Board of Directors

PAE (THAILAND) PUBLIC COMPANY LIMITED



## Board of Directors

### นายเจริญ ประจักษ์

- ตำแหน่ง ประธานกรรมการ และกรรมการอิสระ  
(วันที่ได้รับแต่งตั้ง 19 มีนาคม 2557)
- อายุ 69 ปี
- คุณวุฒิการศึกษา/การอบรม
  - ปริญญาโท รัฐศาสตรมหาบัณฑิต (บริหารรัฐกิจ)มหาวิทยาลัยธรรมศาสตร์
  - ปริญญาตรี นิติศาสตรบัณฑิต มหาวิทยาลัยสุโขทัยธรรมาธิราช
  - ปริญญาตรี วิศวกรรมศาสตรบัณฑิต (วิศวกรรมโยธา)สถาบันเทคโนโลยีพระจอมเกล้าธนบุรี
  - ประกาศนียบัตรหลักสูตร Director Certification Program 104/2008 จาก IOD
  - ประกาศนียบัตรหลักสูตร Audit Committee Program 14/2006 จาก IOD
- ประสบการณ์การทำงาน ปัจจุบัน
  - ประธานกรรมการ และกรรมการอิสระ บริษัทพีเออี (ประเทศไทย)จำกัด (มหาชน)
- ประสบการณ์การทำงาน ( 5 ปีย้อนหลัง)
  - ผู้ตรวจราชการกระทรวงพลังงาน
  - รองอธิบดี (นักบริหาร 9) กรมธุรกิจพลังงาน
  - ผู้เชี่ยวชาญเฉพาะด้านนโยบายและแผน (งานโยธาธิการ)
  - ผู้ตรวจการราชการกรม
  - ผู้อำนวยการกองควบคุมน้ำมันเชื้อเพลิงและก๊าซ (วิศวกร 8)
  - โยธาธิการ จังหวัดชลบุรี
  - โยธาธิการ จังหวัดสมุทรปราการ
  - โยธาธิการ จังหวัดสระบุรี
  - โยธาธิการ จังหวัดนครสวรรค์
  - หัวหน้าโครงการท้องถิ่นประจำจังหวัด
  - วิศวกรโครงการทางหลวงท้องถิ่น กรมโยธาธิการ
- การดำรงตำแหน่งกรรมการอื่นๆในปัจจุบัน / - ไม่มี-
- สัดส่วนในการถือหุ้นในบริษัท / - ไม่มี-
- ความสัมพันธ์ทางครอบครัวระหว่างกรรมการรายอื่น ผู้บริหาร ผู้ถือหุ้นรายใหญ่ หรือ บริษัทย่อย / - ไม่มี -
- ประวัติการทำผิดกฎหมายในระยะ 10 ปีที่ผ่านมา / - ไม่มี -

## Board of Directors

### ร้อยตรีสาโรช สว่างฤทธิ์

- ตำแหน่ง ประธานกรรมการตรวจสอบ กรรมการบริษัท,กรรมการอิสระ (วันที่ได้รับแต่งตั้ง 24 กุมภาพันธ์ 2549)
- อายุ 75 ปี
- คุณวุฒิการศึกษา/การอบรม
  - ปริญญาตรี นิติศาสตร์บัณฑิต เนติบัณฑิตไทย มหาวิทยาลัยธรรมศาสตร์
  - ประกาศนียบัตรหลักสูตร Director Certification Program 56/2006 จาก IOD
- ประสบการณ์การทำงานปัจจุบัน
  - ประธานกรรมการตรวจสอบและกรรมการอิสระ บริษัทพีเออี (ประเทศไทย)จำกัด (มหาชน)
  - กรรมการบริษัท บริษัทพีเออี (ประเทศไทย)จำกัด (มหาชน)
- ประสบการณ์การทำงาน (5ปีย้อนหลัง)
  - นายทหารประจำศูนย์รักษาความปลอดภัยสำนักงานผู้บัญชาการทหารสูงสุด
  - กรรมการสมาคมศิษย์เก่าอำเภวยลธิ์
  - เลขานุการสโมสรการไฟฟ้านครหลวง
  - กรรมการองค์การรถไฟฟ้ามหานคร
  - กรรมการบริษัท บจ. กรุงเทพมหานคร
  - รองผู้อำนวยการงานธุรกิจการไฟฟ้านครหลวง
- การดำรงตำแหน่งกรรมการอื่นๆในปัจจุบัน / - ไม่มี-
- สัดส่วนในการถือหุ้นในบริษัท / - ไม่มี-
- ความสัมพันธ์ทางครอบครัวระหว่างกรรมการรายอื่น ผู้บริหาร ผู้ถือหุ้นรายใหญ่ หรือ บริษัทย่อย / - ไม่มี -
- ประวัติการทำผิดกฎหมายในระยะ 10 ปีที่ผ่านมา / - ไม่มี -



## Board of Directors

### นายปัทมนธ์ธีร์ ศรีว่องไทย

- ตำแหน่ง กรรมการบริษัท,กรรมการตรวจสอบและกรรมการอิสระ  
(วันที่ได้รับแต่งตั้ง 21 พฤษภาคม 2557)
- อายุ 54 ปี
- คุณวุฒิการศึกษา/การอบรม
  - ปริญญาตรี นิติศาสตรบัณฑิต มหาวิทยาลัยรามคำแหง
  - ประกาศนียบัตรหลักสูตร Director Accreditation Program 72/2008 จาก IOD
  - ประกาศนียบัตรหลักสูตร Advanced Audit Committee Program 19/2015 จาก IOD
- ประสบการณ์การทำงาน ปัจจุบัน
  - กรรมการบริษัท,กรรมการตรวจสอบและกรรมการอิสระ บริษัทพีเออี (ประเทศไทย)จำกัด (มหาชน)
  - กรรมการบริษัท,กรรมการตรวจสอบ บริษัท อีเอ็มซี จำกัด (มหาชน)
  - กรรมการมูลนิธิพิพิธภัณฑ์ วังวรดิศ
  - เจ้าของสำนักงานทนายความศรีว่องไทย
  - ที่ปรึกษากฎหมายและทนายความ บริษัท ไทยฟิล์ม อินดัสตรี จำกัด (มหาชน)
  - ที่ปรึกษากฎหมายและทนายความบริษัท แพลนบี มีเดีย จำกัด (มหาชน)
  - ที่ปรึกษากฎหมายและทนายความบริษัท ฟอรัท สมาร์ท เซอร์วิส จำกัด (มหาชน)
  - ที่ปรึกษากฎหมายและทนายความ มูลนิธิหม่อมเจ้าหญิงพูนพิศมัยดิศกุล
  - ที่ปรึกษากฎหมายและทนายความ บริษัท คิมเบอร์ลีย์ – คล้าค ประเทศไทย จำกัด
  - ที่ปรึกษากฎหมายและทนายความ บริษัท เปาจินจง จำกัด และบริษัทในเครือ
  - ที่ปรึกษากฎหมายและทนายความ โรงแรมมารีไวด์ รีสอร์ท แอนด์ สปา และบริษัทในเครือ
- การดำรงตำแหน่งกรรมการอื่นๆในปัจจุบัน
  - กรรมการบริษัท,กรรมการตรวจสอบ บริษัท อีเอ็มซี จำกัด (มหาชน)
- สัดส่วนในการถือหุ้นในบริษัท / - ไม่มี-
- ความสัมพันธ์ทางครอบครัวระหว่างกรรมการรายอื่น ผู้บริหาร ผู้ถือหุ้นรายใหญ่ หรือ บริษัทย่อย / - ไม่มี -
- ประวัติการทำผิดกฎหมายในระยะ 10 ปีที่ผ่านมา / - ไม่มี -



## Board of Directors

### นางสาวอรชุลี หล่อสมิทธิกุล

- ตำแหน่ง กรรมการบริษัท,กรรมการตรวจสอบและกรรมการอิสระ  
(วันที่ได้รับแต่งตั้ง 21 พฤษภาคม 2557)
- อายุ 49 ปี
- คุณวุฒิการศึกษา/การอบรม
  - ปริญญาโท การเงิน มหาวิทยาลัยมิสซูรี เซนต์หลุยส์ สหรัฐอเมริกา
  - ปริญญาตรี คณะพาณิชยศาสตร์และการบัญชี จุฬาลงกรณ์ มหาวิทยาลัย
  - ประกาศนียบัตรหลักสูตร Director Certification Program จาก IOD
- ประสบการณ์การทำงาน ปัจจุบัน
  - กรรมการบริษัท,กรรมการตรวจสอบและกรรมการอิสระ บริษัทพีเออี (ประเทศไทย)จำกัด (มหาชน)
  - กรรมการ กรรมการตรวจสอบ บริษัท แมสเทค ลิงค์ จำกัด
  - ประธานเจ้าหน้าที่การเงิน บริษัท คลาวด์ คอมพิวติ้ง จำกัด
- ประสบการณ์การทำงาน (5ปีย้อนหลัง)
  - ประธานเจ้าหน้าที่การเงิน บริษัท ทีซีเจ เอเชีย จำกัด (มหาชน)
  - ผู้ช่วยผู้จัดการ บริษัท เอสซีเอ็มบี จำกัด
  - นักวิเคราะห์อาวุโส บริษัท เอสซีเอ็มบี จำกัด
- การดำรงตำแหน่งกรรมการอื่นๆในปัจจุบัน
  - กรรมการ , กรรมการตรวจสอบ บริษัท แมสเทค ลิงค์ จำกัด
- สัดส่วนในการถือหุ้นในบริษัท / - ไม่มี-
- ความสัมพันธ์ทางครอบครัวระหว่างกรรมการรายอื่น ผู้บริหาร ผู้ถือหุ้นรายใหญ่ หรือ บริษัทย่อย / - ไม่มี -
- ประวัติการทำผิดกฎหมายในระยะ 10 ปีที่ผ่านมา / - ไม่มี -



## Board of Directors

### นายสุริยะ ตันติวิวัฒน์

- ตำแหน่ง กรรมการบริษัท  
(วันที่ได้รับแต่งตั้ง 13 มิถุนายน 2557)
- อายุ 52 ปี
- คุณวุฒิการศึกษา/การอบรม
  - ปริญญาโท บริหารธุรกิจมหาบัณฑิต มหาวิทยาลัยขอนแก่น
  - ปริญญาตรี วิศวกรรมศาสตร์ บัณฑิต มหาวิทยาลัยขอนแก่น
  - ประกาศนียบัตรหลักสูตร Director Accreditation Program จาก IOD
- ประสบการณ์การทำงาน ปัจจุบัน
  - กรรมการบริษัท บริษัทพีเออี (ประเทศไทย) จำกัด (มหาชน)
  - ประธานเจ้าหน้าที่บริหาร บริษัท ไฮแอท คอนสตรัคชั่น จำกัด
  - กรรมการบริษัท ไมยราพ คอนสตรัคชั่น จำกัด
- ประสบการณ์การทำงาน (5ปีย้อนหลัง)
  - ผู้จัดการฝ่ายการตลาด บริษัท ไฮแอท เทคโนโลยี จำกัด
  - ผู้จัดการทั่วไป บริษัท โซอิก เอ็นจิเนียริง จำกัด
  - วิศวกร บริษัท ไทยสงวน วาณิช บิสิเนส ซิสเต็มส์ จำกัดประธานเจ้าหน้าที่การเงิน
- การดำรงตำแหน่งกรรมการอื่นๆในปัจจุบัน
  - กรรมการบริษัท ไมยราพ คอนสตรัคชั่น จำกัด
- สัดส่วนในการถือหุ้นในบริษัท / - ไม่มี-
- ความสัมพันธ์ทางครอบครัวระหว่างกรรมการรายอื่น ผู้บริหาร ผู้ถือหุ้นรายใหญ่ หรือ บริษัทย่อย / - ไม่มี -
- ประวัติการทำผิดกฎหมายในระยะ 10 ปีที่ผ่านมา / - ไม่มี -



## Board of Directors

### นางสาวกุลิสรา ปริณตพงษ์

- ตำแหน่ง กรรมการบริษัท  
(วันที่ได้รับแต่งตั้ง 13 พฤษภาคม 2557)
- อายุ 35 ปี
- คุณวุฒิการศึกษา/การอบรม
  - ปริญญาตรี บริหารธุรกิจ มหาวิทยาลัย Central Queensland ประเทศออสเตรเลีย
- ประสบการณ์การทำงาน ปัจจุบัน และ 5 ปีย้อนหลัง
  - กรรมการบริษัท บริษัทพีเออี (ประเทศไทย)จำกัด (มหาชน)
  - ผู้บริหาร Ssense Spa
  - ผู้บริหาร Toppen Engineering Co., Ltd.
  - ผู้บริหาร Ssense Nail Spa
- การดำรงตำแหน่งกรรมการอื่นๆในปัจจุบัน / - ไม่มี-
- สัดส่วนในการถือหุ้นในบริษัท / - ไม่มี-
- ความสัมพันธ์ทางครอบครัวระหว่างกรรมการรายอื่น ผู้บริหาร ผู้ถือหุ้นรายใหญ่ หรือ บริษัทย่อย / - ไม่มี -
- ประวัติการทำผิดกฎหมายในระยะ 10 ปีที่ผ่านมา / - ไม่มี -





## Board of Directors

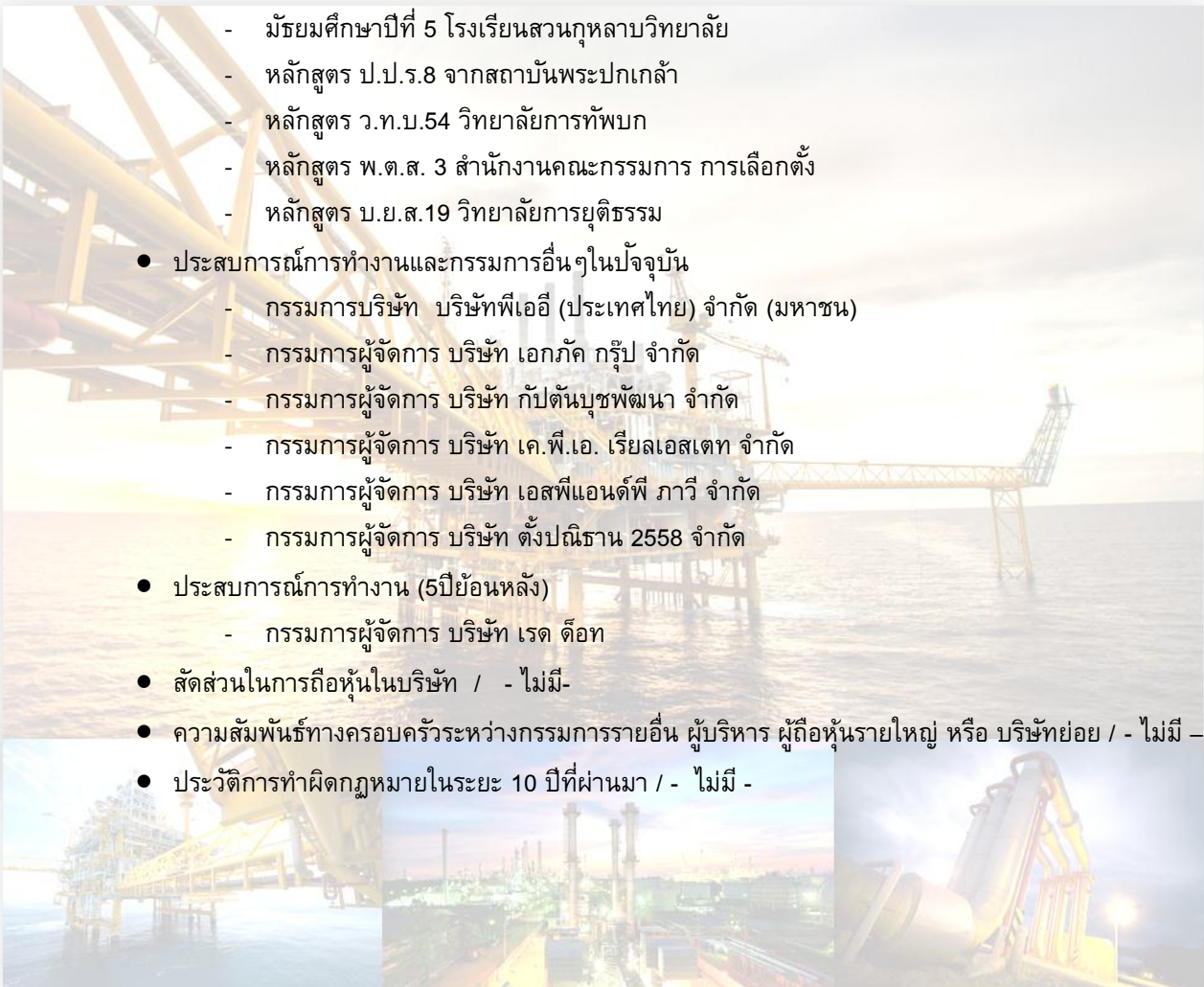
### นายวรศักดิ์ ฉัตรแก้ว

- ตำแหน่ง กรรมการบริษัท  
(วันที่ได้รับแต่งตั้ง 24 สิงหาคม 2559)
- อายุ 62 ปี
- คุณวุฒิการศึกษา/การอบรม
  - ปริญญาโท วิทยาศาสตร์มหาบัณฑิต สาขา วิศวกรรมอุตสาหการและความปลอดภัย มหาวิทยาลัยมหิดล
  - Bachelor of Science Industrial Engineering Adamson University
  - ประกาศนียบัตรหลักสูตร Director Certification Program จาก IOD
  - หลักสูตรพิเศษนักปกครองระดับสูง นปส.รุ่น 57 สถาบันดำรงราชานุภาพกระทรวงมหาดไทย
  - ประกาศนียบัตรชั้นสูงการบริหารงานภาครัฐและกฎหมายเอกชน รุ่น 12 จากสถาบันพระปกเกล้า
  - หลักสูตร ป.ธ.รามาภิบาลสิ่งแวดล้อมฯ ระดับสูง จากสถาบันพระปกเกล้า
  - หลักสูตร ภาวะผู้นำของนักปกครองท้องถิ่น รุ่น 25 จากสถาบันพัฒนาภาวะผู้นำการปกครองท้องถิ่น
  - Finance for Executives Program จาก มหาวิทยาลัย มหิดล
  - โครงการฝึกอบรมพัฒนาความสัมพันธ์ระดับผู้บริหาร กองทัพอากาศ รุ่นที่ 9 จากกองทัพอากาศ
- ประสบการณ์การทำงาน ปัจจุบัน
  - กรรมการบริษัท บริษัทพีเออี (ประเทศไทย) จำกัด (มหาชน)
  - รองผู้ว่าการ (วิศวกรรมและการก่อสร้าง) การประปานครหลวง
- ประสบการณ์การทำงาน (5ปีย้อนหลัง)
  - ผู้เชี่ยวชาญการประปานครหลวงระดับ 10
  - ผู้ช่วยผู้ว่าการ (บริการ 2) การประปานครหลวง
  - ผู้ช่วยผู้ว่าการ (บริการ 5) การประปานครหลวง
  - ผู้จัดการสำนักงานประปา สาขาประชาชน
- การดำรงตำแหน่งกรรมการอื่นๆในปัจจุบัน / - ไม่มี-
- สัดส่วนในการถือหุ้นในบริษัท / - ไม่มี-
- ความสัมพันธ์ทางครอบครัวระหว่างกรรมการรายอื่น ผู้บริหาร ผู้ถือหุ้นรายใหญ่ หรือ บริษัทย่อย / - ไม่มี -
- ประวัติการทำผิดกฎหมายในระยะ 10 ปีที่ผ่านมา / - ไม่มี -

## Board of Directors

### นายพีรช เลิศกิจรุ่งเรือง

- ตำแหน่ง กรรมการบริษัท  
(วันที่ได้รับแต่งตั้ง 24 สิงหาคม 2559)
- อายุ 61 ปี
- คุณวุฒิการศึกษา/การอบรม
  - ปริญญาโท ศิลปศาสตรมหาบัณฑิต (รัฐศาสตร์) มหาวิทยาลัยรามคำแหง
  - ปริญญาตรี ศิลปศาสตรมหาบัณฑิต (รัฐศาสตร์) มหาวิทยาลัยรามคำแหง
  - มัธยมศึกษาปีที่ 5 โรงเรียนสวนกุหลาบวิทยาลัย
  - หลักสูตร ป.ป.ร.8 จากสถาบันพระปกเกล้า
  - หลักสูตร ว.ท.บ.54 วิทยาลัยการทัพบก
  - หลักสูตร พ.ต.ส. 3 สำนักงานคณะกรรมการ การเลือกตั้ง
  - หลักสูตร บ.ย.ส.19 วิทยาลัยการยุติธรรม
- ประสบการณ์การทำงานและกรรมการอื่นๆในปัจจุบัน
  - กรรมการบริษัท บริษัทพีเออี (ประเทศไทย) จำกัด (มหาชน)
  - กรรมการผู้จัดการ บริษัท เอกภค กรุ๊ป จำกัด
  - กรรมการผู้จัดการ บริษัท กัปตันบุชพัฒนา จำกัด
  - กรรมการผู้จัดการ บริษัท เค.พี.เอ. เรียวเอสเตท จำกัด
  - กรรมการผู้จัดการ บริษัท เอสพีแอนด์พี ภาวี จำกัด
  - กรรมการผู้จัดการ บริษัท ตั้งปณิธาน 2558 จำกัด
- ประสบการณ์การทำงาน (5ปีย้อนหลัง)
  - กรรมการผู้จัดการ บริษัท เรด ดีอท
- สัดส่วนในการถือหุ้นในบริษัท / - ไม่มี-
- ความสัมพันธ์ทางครอบครัวระหว่างกรรมการรายอื่น ผู้บริหาร ผู้ถือหุ้นรายใหญ่ หรือ บริษัทย่อย / - ไม่มี -
- ประวัติการทำผิดกฎหมายในระยะ 10 ปีที่ผ่านมา / - ไม่มี -



## Board of Directors

### นายสมพร มั่งมี

- ตำแหน่ง กรรมการบริษัท,กรรมการบริหาร,กรรมการผู้มีอำนาจลงนามแทนบริษัท  
(วันที่ได้รับแต่งตั้ง 10 กุมภาพันธ์ 2558)
- อายุ 48 ปี
- คุณวุฒิการศึกษา/การอบรม
  - ปริญญาโท รัฐประศาสนศาสตร ศึกษบัณฑิตพัฒนบริหารศาสตร
  - ปริญญาตรี วิศวกรรมศาสตร จุฬาลงกรณ์ มหาวิทยาลัย
  - ประกาศนียบัตรหลักสูตร Director Certification Program รุ่น 226/2016 จาก IOD
- ประสบการณ์การทำงาน ปัจจุบัน
  - กรรมการบริษัท,กรรมการบริหาร,กรรมการผู้มีอำนาจลงนามแทนบริษัท บริษัทพีเออี (ประเทศไทย)จำกัด (มหาชน)
  - รองกรรมการผู้จัดการอาวุโส สายงานปฏิบัติการ
  - ที่ปรึกษา บริษัท กลอรัคอนสตรัคชั่น จำกัด
- ประสบการณ์การทำงาน (5ปีย้อนหลัง)
  - กรรมการ บริษัท ไฮควอลิตี้ อินด์สเทรียนโปรดักส์ จำกัด
- การดำรงตำแหน่งกรรมการอื่นๆในปัจจุบัน / - ไม่มี-
- สัดส่วนในการถือหุ้นในบริษัท / - ไม่มี-
- ความสัมพันธ์ทางครอบครัวระหว่างกรรมการรายอื่น ผู้บริหาร ผู้ถือหุ้นรายใหญ่ หรือ บริษัทย่อย / - ไม่มี -
- ประวัติการทำผิดกฎหมายในระยะ 10 ปีที่ผ่านมา / - ไม่มี -





## Board of Directors

### นายวีรพันธ์ ณะหนอง

- ตำแหน่ง กรรมการบริษัท,กรรมการบริหาร,กรรมการผู้มีอำนาจลงนามแทนบริษัท  
(วันที่ได้รับแต่งตั้ง 27 กุมภาพันธ์ 2558)
- อายุ 55 ปี
- คุณวุฒิการศึกษา/การอบรม
  - ปริญญาโท บริหารธุรกิจ มหาวิทยาลัยรามคำแหง
  - ปริญญาตรี สาขาการบัญชีและการเงิน มหาวิทยาลัยหอการค้าไทย
  - ประกาศนียบัตรหลักสูตร Director Certification Program จาก IOD
- ประสบการณ์การทำงาน ปัจจุบัน
  - กรรมการบริษัท,กรรมการบริหาร,กรรมการผู้มีอำนาจลงนามแทนบริษัท บริษัทพีเออี (ประเทศไทย)จำกัด (มหาชน)
  - กรรมการบริษัท พีเออี เทคนิคอลเซอร์วิส จำกัด (มหาชน)
  - รองกรรมการผู้จัดการอาวุโส สายงานบัญชีและการเงิน
- ประสบการณ์การทำงาน (5ปีย้อนหลัง)
  - กรรมการ บริษัท ไลฟ์ อินคอร์ปอเรชั่น จำกัด (มหาชน)
  - กรรมการ บริษัท ไลฟ์ เอสเตท จำกัด
  - ผู้อำนวยการฝ่าย ธนาคารอิสลามแห่งประเทศไทย
  - ผู้อำนวยการฝ่ายบริษัท แพลน เอสเตท จำกัด
- การดำรงตำแหน่งกรรมการอื่นๆในปัจจุบัน / - ไม่มี-
- สัดส่วนในการถือหุ้นในบริษัท / - ไม่มี-
- ความสัมพันธ์ทางครอบครัวระหว่างกรรมการรายอื่น ผู้บริหาร ผู้ถือหุ้นรายใหญ่ หรือ บริษัทย่อย / - ไม่มี -
- ประวัติการทำผิดกฎหมายในระยะ 10 ปีที่ผ่านมา / - ไม่มี -



## General Information

### Name of Holding Company

PAE (Thailand) Public Company Limited

Registration No.

0107538000291 (Bor. Mor. Jor. 0552)

### Address

Head Office (PAE Thailand)

69 Soi Onnuch 64 (Suksaman), Srinakarin Road, Suanluang,  
Suanluang, Bangkok 10250

Songkhla Branch Office

164/6 Moo 6 Tumbol Huakhao, Ampur Singhanakorn, Songkhla 90280

Rayong Branch Office 1

88/2 Moo 5, Tambol Makamkoo, Amphur Nikompattana,  
Rayong 21180

Rayong Branch Office 2

300/117 Moo 5, Rayong City Park Village, Tambol Choeng Noen,  
Amphur Muang, Rayong 21000

PAE Technical Services

69 Soi Onnuch 64 (Suksaman), Srinakarin Road, Suanluang, Suanluang, Bang

Rayong Branch

67/8 Hadsaithong Rd, Map Ta Phut, Muang, Rayong, 21150

### Contact

Telephone (Head Office)

0-2322-0222 (Auto)

Facsimile (Head Office)

0-2322-2970-1

Email address

[info@pae.co.th](mailto:info@pae.co.th)

Company Website

[www.pae.co.th](http://www.pae.co.th)

### Stock Registrar

Name

Thailand Securities Depository Company Limited

Location

62 Ratchadaphisek Road, Klongtoey, Klongtoey, Bangkok 10110

Telephone

02-009-9000

Facsimile

02-009-9991

### Auditor

Name of Auditor

Ms. Susan Aiemwanicha Authorized Auditor No. 4306 /or  
Mr. Suchat Panicharoen Authorized Auditor No. 4475 and/or  
Ms. Yupin Chumjai Authorized Auditor No. 8622 and/or  
Ms. Chernta Chommern Authorized Auditor No. 7570 and/or  
Ms. Wande Aiemwanicha Authorized Auditor No. 8210 /or  
Mr. Kiattisak Wanichahanon Authorized Auditor No. 9922

Name of Office

S.P. Audit Company Limited

Location

503/31, SKL Tower, Sri Ayuthaya Road, Rajthavee, Bangkok 10400

Telephone

02 642-6172-4

Facsimile

02 642-6253



## Vision

The Company has set up the goal to be a turnkey projects leading provider Engineering, Procurement and Construction(EPC) that provide all steps of engineering including Engineering Design, Planning, Construction and Material supply. The company also provide services for energy industry clients such as Oil & Gas and Petrochemical which is the core business of the company. Nevertheless, the company will seek opportunity to renewable energy and water management industries as well.

**Maintaining leading Engineering, Procurement  
and Construction (EPC) service provider in Thailand**





# Nature of Business

## PAE (THAILAND) PUBLIC COMPANY LIMITED



# Nature of Business

The company's operating units are grouped into two major business areas:

## 1. Oil & Gas, Petrochemical (Hydrocarbon Business)

The term "Hydrocarbon" refers to services related to Oil and Gas, and Petrochemical Industries, which include engineering and fabrication of a wide range of process equipment; plant design and modification; erection and construction; operation and maintenance for offshore facilities.

Over four decades, the Company has been accepted for professional services that meet the client requirements; for example, Company's ability to undertake any assigned project, meeting deadlines within the allocated budget. The skilled engineers and technicians have high experiences in petrochemical complexes, power plants, refineries to meet with the highest international standards.

In addition, PAE Technical Services Public Company Limited, Major shareholders, is one of the leading non-destructive testing (NDT) companies offering a wide range of third party inspection services to construction and maintenance activities.

## 2. Infrastructure Business

In addition to the Hydrocarbon business, the Company also operates on a Non-Hydrocarbon business unit such as Civil Engineering for Infrastructure, Power Plant and Industrial, Office Building and Residential. As our expertise and experience on turnkey projects as a result that the Company has been trustworthy, reliable and acceptance from the valued customers until the present.

## Subsidiaries Company

1. **PAE Technical Services Public Company Limited** a 72.12% owned subsidiary, is a leading company that has been operating for more than 28 years providing Non-Destructive Testing and Inspection Services Steel pipe construction in the oil and gas industry, buildings and industrial plants.
2. **PAE Federal International Company Limited** a 55% owned subsidiary, is trading and services provider for the oil and gas industry. And trading of materials and equipment, machinery, spare parts, mechanical engineering for the petroleum and petrochemical industry.
3. **PPS Energy and Marine Company Limited** a 67.77% owned subsidiary, is importer and distributor of equipment tools for construction of oil rig and water production and distribution.

## Revenue Structure

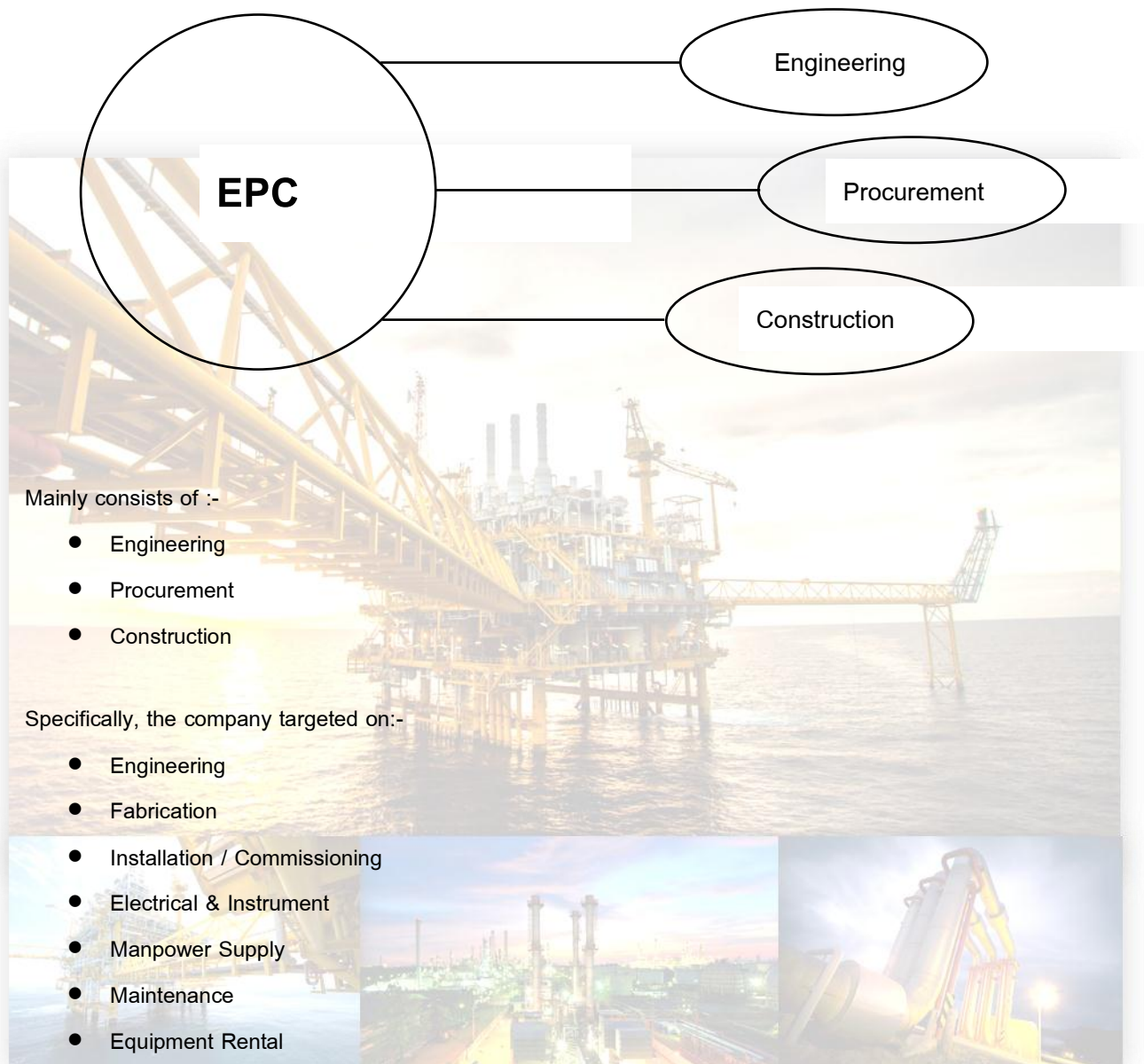
Revenue Structure of the Company and its subsidiaries are divided into three categories as shown on the revenue value of each department during a three-year period as below table :

Revenue Structure (Company and Subsidiaries)	% shareholder	2016		2015		2014	
	Of						
	Company	Thousand Baht	%	Thousand Baht	%	Thousand Baht	%
	-	-	-	-	-	-	-
1. Hydrocarbon Business Unit	-	-	-	-	-	-	-
PAE (Thailand) Public Co.,Ltd	-	2,360	0.45	25,696	3.03	17,785	1.50
1.1 Electrical & Instrument	-	-	-	-	-	-	-
1.2 Oil & Gas	-	100,767	19.07	161,110	21.91	225,823	19.09
1.2.1 Fabrication, Rayong	-	235,108	44.50	257,060	34.97	261,677	22.12
1.2.2 Fabrication, Songkhla	-	1,136	0.23	85,906	11.69	111,228	9.40
1.2.3 Fabrication, Lankrabue	-	337,011	63.80	504,076	68.57	598,728	50.60
Total (Oil and Natural Gas)	-	339,371	64.25	526,772	71.66	616,513	52.10
PAE Technical Services Public Co.,Ltd	72.12	178,176	33.72	200,362	27.25	198,231	16.76
Total (Hydrocabon)	-	517,545	97.97	727,134	98.91	814,744	68.86
2. Infrastructure Business Unit	-	-	-	-	-	-	-
PAE (Thailand) Public Co.,Ltd	-	-	-	-	-	368,490	31.14
OASIS Development Co.,Ltd	54.94	-	-	-	-	-	-
PAE Energy Solution Co.,Ltd	99.99	-	-	-	-	-	-
PPS Energy and Marine Co.,Ltd.	67.77	10,747	2.03	8,024	1.09	-	-
PAE Federal International Co.,Ltd	55.55	-	-	15	0.00	-	-
Total	-	10,747	2.03	5,535	1.09	368,490	31.14
	-	528,294	100.00	735,173	100.00	1,183,234	100.00



## Product and Services

### Hydrocarbons Business (Upstream Downstream and Other Industries)



## Product and Services

<b>Engineering Department</b>	<ul style="list-style-type: none"> <li>Our engineering design teams work closely with specialists who is experienced in producing Oil and Gas production equipments, which help to enhance the engineering team to work efficiently as a one-stop-service, specifically with Survey, Conceptual Design, Front End Engineering Design (FEED), Detailed Design, Manpower Supply, Procurement and Project Management.</li> </ul>
<b>Fabrication Shop</b>	<ul style="list-style-type: none"> <li> <b>Fabrication Shop Rayong</b>  The Company had expanded the fabrication facility to accommodate the work facilities in the Rayong branch which will increases the Company's capabilities in fabrication and installation. </li> <li> <b>Fabrication Shop Songkhla</b>  The Company expanded the facilities at Songkhla Branch which served our valued customers and providing services and support of Offshore Facilities for the Gulf of Thailand. The facilities include various services such as manpower supply, procurement assistance, cutting and punching, forming, welding, blasting and painting services which considered to be the best service provider in Songkhla area. </li> </ul>
<b>Oil &amp; Gas Services Department</b>	<ul style="list-style-type: none"> <li>The Company has been supplying manpower to onshore and offshore operators Commits to excellence in terms of safety and work quality. This service is to supply engineers and technicians to stand-by and be responsible for assigned tasks on rigs. Besides, the Company provides rental</li> <li>equipment services; specifically well maintained specialist tools and equipment are available for fast mobilization, to both onshore and offshore operators.</li> </ul>
<b>Non-Destructive Testing Services, NDT</b>	<ul style="list-style-type: none"> <li>NDT is operated by PAE Technical Services Company Limited, which offers fully experienced personnel capable of performing major onshore and offshore inspections. It provides both in-compound and onsite testing and inspection services with fully equipped mobile units, highly trained operators, and high qualified NDT and Welding Inspectors. The inspection teams were strategically placed throughout Thailand to furnish prompt service to the nation's industrial center.</li> <li>Customers can be assured of fast and quality results for all inspection needs. All NDT personnel are certified per company written practice (control manual number QCP-13 (Rev-02), which is to control NDT personnel and administration of NDT personnel). This manual is equivalent to the American Society for Non-Destructive Testing (ASNT SNT-TC-1A), Recommendation for Personnel Qualification and Certification Current Editions. Currently, all NDT personnel are accepted worldwide by our customers.</li> </ul>

## Industry and Competition Situation

The Company emphasizes value Engineering, Construction, Maintenance service including Manpower service to Energy industry. The company attaches great importance to safety at work for personnel, materials, equipment, machinery, and the environment as well as the quality of the work delivered to the customer.

According to economic situation, there is a lot of business competition. The company has changed its marketing strategy by modifying the bidding strategies. The company will participate in the bidding for specialized companies or in the Shut Down or Turnaround service because more factories open for a long time. It is necessary to have maintenance as well.

And because of the current economic situation, there is a lot of business competition. The company has changed its marketing strategy. By modifying the job auction. The company will participate in the bidding for specialized companies. Or in the Shut Down or Turnaround service because more factories. Open for a long time. It is necessary to have service or maintenance work offshore service. In one project Companies can get more than one job, for example. The company will undertake construction work, installation of machinery and equipment. The company will also work in the field of personnel recruitment. For a company to get a turn-key job.

### Competitive strategy

The company focuses on and prioritizes the quality of its work, including pre- and post-service offerings, which the company believes will impress its customers. The Company has set its competitive strategy and core business policy. The company will focus on getting jobs from many of the leading oil groups. Oil refineries, gas separation plants, petrochemical plants And power group By providing excellent service and ability. If the customer is satisfied with the work of the company and has been certified by many customers. This may result in more assignments from other agencies.

### Customer and target characteristics

The company's customers can be divided into 2 groups according to their business characteristics: Hydrocarbon clients and infrastructure clients The characteristics of both groups of customers are both state-owned and private. The target group of the company is oil exploration and drilling, oil refinery, gas separation plant, petrochemical industry. Paper mills and power plants, the proportion of the company's clients may vary according to economic conditions and circumstances. Therefore, the operation of the company may not depend on particular customers.

### Industry overview

As a consequence, prices of crude oil in the world market continue to decline, resulting in new projects. The upcoming big project will likely slow down or fall. The foreign companies are mainly bidding. The pricing competition for each project is likely to be higher and more intense than every year. So, contractors need to adjust their strategies or find partners to get more jobs.

### Competition

The company has a competitive edge compared to its competitors of the same type employed by the private sector. If the company has an investment expansion or more investment in operations. The Company believes that the Company has sufficient capacity to receive the work from government agencies. Or larger state-owned enterprises. Currently, companies operating the same type of business are increasing in number. But with the expertise of the company in many ways, it sends talented and potential employees to the maintenance.



## Industry and Competition Situation

On offshore and onshore, the company consists of three assembly facilities. The company is a key strategy in this industry. The company is confident that the company will be recognized by customers for its quality and performance as well as its experience and reputation.

### **1. The number of competitors in the same industry.**

For today's EPC contracting industry in the country today. There is a tendency for more intense competition. Because the service provider The same competitor has developed their own potential. Including project management capabilities. And engineering experience is a key factor. And while the outlook for petroleum and petrochemical projects is unlikely, the economy is not going well. Excessive competition in the same industry can be a hindrance to a company.

### **2. New competitors in the same industry.**

For the company's business, there are many new competitors. Because contractors have the expertise to set up and operate on their own, which sees profits. So many competitors happen and is considered a barrier to work because When there are so many competitors, there is a high price competition, so each project has a low profit.

### **3. The bargaining power of the Supplier.**

The company has a relatively low bargaining power with suppliers because of its relatively low stock of raw materials and the Approve Material List (AML). This means that the company will have to buy raw materials from the AML only, so the company can not choose other suppliers, so it is another obstacle to work. The increase in operating costs resulted in lower profits.

### **4. Substitute Products**

If you look at the core business is considered a replacement product is quite a lot. It creates barriers to market penetration, but if a business that partners with other partners is a good opportunity to do business together.

### **5. The power of customer negotiation.**

Customers have the power to negotiate more. Because the business has a lot of competitors, and now offers E-Auction bidding, it offers real-time bidding, which allows the company to bid on time, making the decision right there at the moment to bid for the job. there The company will have to reduce the price as much as possible in order to win the competition, which means that customers have the power to negotiate.

## Project Awarded

The company has always been trusted by customers. By early January 2016, the company has been providing oil and natural gas services to Chevron (Thailand) Exploration and Production Limited. Songkhla and Nakhon Si Thammarat The company provides construction and installation services, tools and supplies, equipment, tools and equipment. Rental of machine tools. Including labor supply for off shore work worth 242,297,703 million baht.

- In January 2015, the company received the work (ongoing) of the construction work from PTT Exploration and Production Works Co., Ltd., a project to expand the oil and natural gas production of Sirikit. At Lan Krabue District, Kamphaengphet Province, the work is the construction work and modification, the remaining amount is 2,218,472 million baht and the contract expires in February 2016.
- In January 2016, the Company continued construction work. The Company provided the Rayong Oil and Gas Industry Services to PTT Maintenance and Engineering Co., Ltd., PTT global Chemical, PTTELK Co., Ltd., with a total value of Baht 14.35 million.
- In January 2016, the company continued construction work with Hyundai Engineering Co., Ltd. and Samsung Engineering Co., Ltd. in Rayong, Laem Chabang, as a construction, civil, mechanical and electrical and instrument contract for FY2015 worth Bt17.97mn
- In January 2016, the Company continued construction work (Electrical Works) with T.P.K Ethanol Co., Ltd. for the production of 340,000 liters of ethanol per day in Khonburi, Nakhon Ratchasima, totaling Baht 5.73 million.
- In March 2016, the company signed a contract with PTT to renovate Renovation Service for PTT Station at Bangpakong, Chachoengsao, Rangsit, Pathum Thani, and Muang District, Kalasin, totaling Baht 11.54 million.
- In April 2016, the company signed an electrical & instrument construction work contract with TPK Ethanol Co., Ltd. for the production of ethanol in Khon Buri, Nakhon Ratchasima, valued at Baht 9.28 million.
- In April 2016, the Company was awarded a service contract. Engineering, Piping and Mechanical, from PTTGC worth Bt19.5mn
- In May 2016, the company received orders to pay. Providing Supply Material services from L.E.C., worth Bt2,066mn
- In May - July 2016, the company has signed 5 contracts of Electrical & Instrument system from IRPC with total value of Baht 26.85 million.
- In October 2016, the company signed a contract for construction and engineering services for a pipeline and mechanical pipeline from PTT worth Bt 35 mn

## ON-GOING PROJECT

### On-going projects as of 31st of December 2016 as follows:

No	Project	Scope of Work	Contract Value (MB)
1.	Tops, Hg Polisher PTTGC	Engineering, Piping, Mechanical	5.85
2.	Instrument System – IRPC	EPC Intrument	0.600
3.	Electircal System – IRPC	EPC Electrical, Piping	1.910
4.	Instrument System – IRPC for HCN Feed-IRPC	Intrument	0.622
5.	Overhaul Field Intrument IRPC	Intrument	1.88
6.	Building Work Hyundai Instrument & Pipng For GAP Closing IRPC	Piping	9.2
7	Tank B100-PTT	Construction,Oil Tank, Piping	31.5
8	Construction Work Piping work at JEFFY3	Our Civil Piping Work	1.70

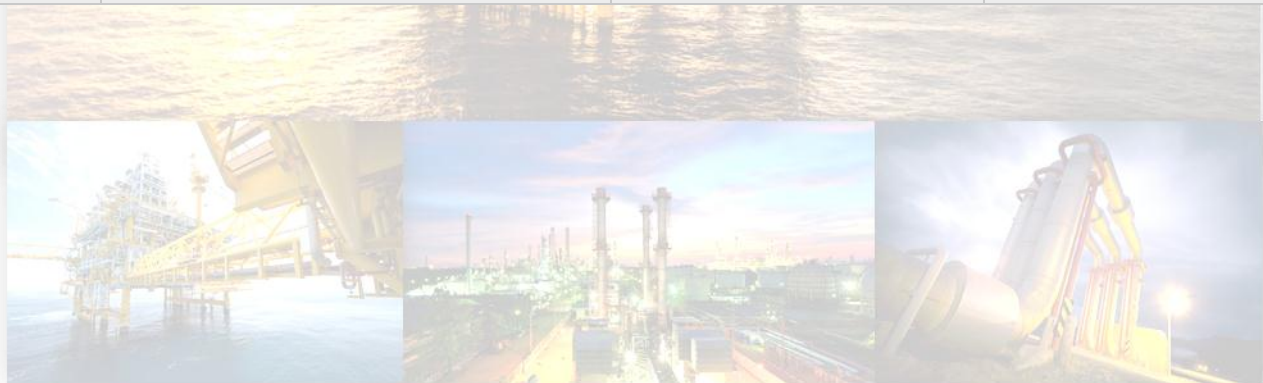
### PROJECT LISTS OF COMPANY PERFERENCE DURING FIVE-YEAR PERIOD (2013-2016)

No	Supplier / Client / Project	Total Value (MB)	Project Period	Scope of Work
1.	PTTGlobal	33.17	Oct,12 – Dec,16	EPC GHU Scrubber piping and Instrument system project
2.	TPK	43.8	Jan,13 – Dec,15	E&I
3	IRPC	26.85	May,16 – Dec,16	Instrument , Electrical , Piping
4	PTT	46.33	Mar,16 – Dec,16	Gas Station, E&I, Piping
5.	LEC	1.76	May,16 – Dec,16	Supply Material, Car rental



## DELIVERD PROJECTS AS OF 31 DECEMBER 2016

No	Project	Scope of Work	Contract Value (MB)
1.	E&I PTTELK	Engineering	17.975
2.	JET A-1 PTTME	Engineering	4.16
3.	Vapor FEED PTTGC	Office Construction, Design and Energy Saving Material	8.52
4.	Mixed Oil Pump	Engineering	1.44
5.	TPK –Electrical office	Electrical	5.452
6.	Renovate Service Station-PTT	Engineering	11.03
7.	E&I Boiler TPK	E & I	9.28
8.	Supply Meterical / Rented Crane LEC	Procurement	2.067
9.	TOPS HG Polisher	Engineering, Piping, Mechanical	13.65
10.	Instrument Raffinate – IRPC	Instrument	5.399
11.	Instrument Raffinate – IRPC	Electrical	5.873
12.	Electrical for HCN Feed-IRPC	Electrical	1.167
13.	Tank B100 – PTT	Piping , Mechanical	3.50



## Progress of Changing and Development

The Company has been changed and developed its business and management during past period as below details:

### Year 2014

- The company was awarded for The green energy-saving office building projects of PTT Total valued of construction are 130 Million Baht.
- In June 2014, the company issued 350,000,000 ordinary shares, par 1 Baht per share, offering to specific persons, offering price 0.60 Baht per share.
- The progress of changing and development in last year.

In June 2014, the Company sell 550,000,000 newly issued ordinary shares, offering to specific persons at a price of 0.60 Baht per share, amount of 330 Million Baht but there buy 350,000,000 shares, amount of 210 Million Baht. The details as following;

Name	Number of share	%
1. Mr. Chanachai Leenabanchong	110,000,000	20.00%
2. Mr. Kollawat Tangcharu	50,000,000	9.09%
3. Ms. Woranan Panjaworayarn	50,000,000	9.09%
4. Mr. Suthep Sirichantaropas	50,000,000	9.09%
5. Mr. Worawit Leenabanchong	33,000,000	6.00%
6. Ms. Jureeporn Kaweerotkul	20,000,000	3.64%
7. Mr. Surapong Treemchanchai	20,000,000	3.64%
8. Mr. Somchai Akkaneewanich	10,000,000	1.82%
9. Ms. Jarunrat Buaprang	7,000,000	1.28%
<b>Total</b>	<b>350,000,000</b>	<b>100.00%</b>

In October 2014, the Company sell 700,000,000 newly issued ordinary shares, offering to specific persons at a price of 0.60 Baht per share amount of 420 Million Baht. The details as following;

Name	Number of share	%
1. Mr. Saweng Sirijanharopas	100,000,000	14.29%
2. Mr. Theerawut Susuk	100,000,000	14.29%
3. Ms. Yaowanee Nirandon	100,000,000	14.29%
4. Mr. Jirawut Kuwanan	85,000,000	12.14%
5. Ms. Chernporn Teng-amnuai	60,000,000	8.57%
6. Ms. Patinya Thewa-Aksorn	40,000,000	5.71%
7. Mr. Warawut Yanjaroen	34,000,000	4.86%

8. Ms. Paewpaka Suwannapo	34,000,000	4.86%
9. Mr. Sakchai Yodwanich	30,000,000	4.29%
10. Ms. Wipawadee Jirattanachol	22,000,000	3.14%
11. Mr. Boonyarit Rungwanich	20,000,000	2.86%
12. Ms. Nipa Chonsaipan	16,000,000	2.28%
13. Ms. Marayat Treewimol	16,000,000	2.28%
14. Ms. Onanong Manopichetwatana	14,000,000	2.00%
15. Mr. Mani Massawanich	10,000,000	1.43%
16. Mr. Chakkapol Thongcharoen	10,000,000	1.43%
17. Mr. Sakda Chatwivatpornchai	5,000,000	0.71%
18. Mr. Sathorn Lertchawana	4,000,000	0.57%
<b>Total</b>	<b>700,000,000</b>	<b>100.00%</b>

The Company aims to use proceeds from its capital increase to repaid, working capital and expand business.

The benefits are consisted of;

- For reduce financial costs and establishing the credibility.
- For increase financial liquidity and working capital.
- Valued added and profits from new project investment for stakeholder.
- To increase business' financial position.
- In October 2014, the company issued 700,000,000 ordinary shares, par 1 Baht per share, offering to specific persons, offering price 0.60 Baht per share.
- In November 2014, the company issued 1,364,539,174 units of PAE-W1 to the existing shareholders by ratio 2:1 without charge, 1 unit of PAE-W1 able to buy 1 share with the exercise price 0.50 Baht per share. This makes the register capital equal to 4,093,617,523 Baht and the paid-up capital equal to 2,729,078,349 Baht.
- In December 2014, PAE-W1 took right to buy ordinary shares amount of 1,088,000 shares, and the paid-up capital increased to be 2,730,166,349 Baht as of December 31, 2014.

#### Year 2015

- In January 2015, the company has been coordinating to Oil & Natural Gas with Chevron Exploration and Production (Thailand) Ltd. at Songkhla branch and Nakorn Srithammarat branch to providing construction, installation of tools and equipment, machine tools rental and manpower supply for offshore work, valued 241,602,891 Million Baht.
- In January 2015, the company has received a contract from PTTEP in the New Facilities Construction and Modification work which is to expand the production process of Oil & Natural Gas at the source of Queen Sirikit, Lankrabue, Kamphangphet Province and neighboring provinces, Valued of 90,083,037 Million Baht.



- In April 2015, the company operated in Oil and Gas industry at Rayong for PTT Phenol Co.,Ltd., PTT Maintenance and Engineering Co.,Ltd., PTT Global Chemical Co.,Ltd., PTTELK Co.,Ltd., valued of 41.81 Million Baht.
- In April 2015, the company has been coordinating to Hundai Engineering Co.,Ltd. and Samsung Engineering Co.,Ltd. to providing construction ; Civil, Mechanical and Electrical and Instrument, valued of 424.32 Million Baht
- In August 2015, the company has received a contract from T.P.K Ethanol Co.,Ltd. work which is Electrical & Instrument Construction for Ethanal Production Plant, 340,000 Liter per day at Kornburi District Nakorn Ratchasima Province, valued of 35.31 Million Baht.
- In January 2015, Board of committee meeting 1<sup>st</sup>, arranged on 16 January 2015, To approval established subsidiary company Name's PAE Federal International Co., Ltd. Trading Business in OIL & GAS Group registered capital 10,000,000 Baht shareholding's not less than a 55% of the registered capital and appointed Mr. Ratchai Pichayapoom as the Company's Director / Executive Director to replace Mr. Pornthep Jarukijkhajorn, who resigned of Director and Executive Director and appointed Mr. Ratchai Pichayapoom as the Company Secretary
- In January 2015, the Board of Directors Changing the Company's Name from PAE Construction Resources Co., Ltd. to PAE Energy Solutions Co., Ltd.
- In January 2015, the Board of Directors passed a resolution. Discontinued joint venture Sri Uthong.
- In February 2015, Board of committee meeting 2<sup>nd</sup>, arranged on 10 February 2015 The Company has approved the extension of investment in the water production and sales. PPS Energy and Marine Co., Ltd ("PPS"). acquiring 67.77% paid-up capital 82.14 Million Baht from Capital Engineering Network PCL. ("CEN") to produce and distribute tap water to clients such as Amata Industrial Estate and Chiang Mai Municipality.
- In February 2015, Board of committee meeting 2<sup>nd</sup>, arranged on 10 February 2015, To appointed Mr. Anon Lekasathaporn and Mr. Somporn Mangmee as the Company's Director / Executive Director to replace Ms. Kannjanat. Rattanasribuathong and Lt. Gen. Jatupon Panraksa resigned from the company effective from Tuesday, February 10, 2015 onwards.
- In February 2015, Board of committee meeting 3<sup>rd</sup>, arranged on 27 February 2015, To appointed Mr. Veeraphan Na Ranong as the Company's director replace of Mr. Viboon Lohachunsiri.

- In March 2015, Board of committee meeting 4<sup>th</sup>, arranged on 18 March 2015, To approved the offering of new ordinary shares to existing shareholders and specific persons. The issuance of warrants PAE-W2 to shareholders. To approved the increase of the Company's registered share capital from 4,093,617,523 Baht to 8,051,717,332 Baht by issued 3,958,099,809 newly ordinary shares with a par value of 1 Baht each to be offered to the existing shareholders and specific persons supports the warrants PAE-W2 and warrants PAE-W1 and approve the allotment of 3,958,099,809 newly ordinary shares with a par value of 1 Baht each. And offering of PAE-W2 warrants not exceeding 1,200,000,000 units to the existing shareholders in proportion to their shareholding. Free of charge at the ratio of 4.5 existing ordinary shares to 1 unit of warrants PAE-W2 (in case there is a fraction of warrants to be disregarded) Exercise price is 0.45 Baht per share, a wholly owned subsidiary of the Company, conversion PAE Technical Services Co., Ltd. is a public company and initial public offering (IPO) for the first time (IPO: Initial Public Offering)
- In May 2015, Board of committee meeting 6<sup>th</sup>, arranged on 15 May 2015, To appoint Mrs Urairat Boonakas to be the Chairman of the Executive Board of Director and Managing Director, effective sine May 18, 2015
- In June 2015, At 1<sup>st</sup> June 2015 The company acknowledges the resignation of L.Gen.Kobboon Vichit, Company's committee.
- In June 2015, Board of committee meeting 7<sup>th</sup>, arranged on 24 June 2015, Approve to cancel of the allotment of ordinary shares totaling of 2,320,000,000 share divided to 11,237,831,326 ordinary shares allotted to specific investors (Private Placement), General Meeting of Shareholder 2015 held on 13 May 2015
- In July 2015, Board of committee meeting 8<sup>th</sup> held on 22 July 2015, The company had determined the date fixed for Extraordinary General Shareholders' Meeting No.1/2015 to be on 29 July 2015
- In September 2015, Board of committee meeting 10<sup>th</sup> held on 30 September 2015, Approved to cancel the resolution of the Board of Director Meeting No.7/2015 held on 24 June 2015 which related to the capital decrease, the capital increase, the allotment of new ordinary shares, and the issue of PAE-W2. Approved to cancel of the allotment of ordinary shares totaling of 2,320,000,000 shares divided to 1,000,000,000 ordinary shares allotted to specific investors (Private Placement), 1,200,000,000 ordinary shares reserved for the exercise of PAE-W2 which offered to the existing shareholder in proportion of shareholdings without charge, and 120,000,000 ordinary shares reserved for the ratio adjustment of PAE-W1 which was approved by the Annual General Meeting of Shareholder 2015 held on 14 May 2015 because those shares have not yet been allocated so far then it has to be canceled those allocation. Approved to cancel of the issuing PAE-W2 amount of 120,000,000 units to the existing shareholders in proportion of shareholders without charge which was



approved by the Annual General Meeting of shareholder 2015 held on 14 May 2015. Approved to allot in an amount not exceeding 7,796,852,410 new ordinary shares with par value of Baht 1.00 per share. Amount not exceeding 6,926,852,410 new ordinary share to be allotted to existing shareholders of the company in proportion of shareholding, whose names appear on the shareholders register book on 14 October 2015 and the gathering of the list of shareholders in accordance with Section 225 and the gathering of the list of shareholders in accordance with Section 225 of the Stock Exchange and Securities Act B.E.2535 by closing the registration book should be on 15 October 2015 at the ratio of 1 existing share to 2.5 new ordinary shares (Fractions will be discarded) The offering price is Baht 0.15per share.

- 18 November 2015 The Meeting did not approve the increase registered capital of the Company

#### Year 2016

- 8 January 2016, The Board of Directors has acknowledge Mr.Ratchai Pichayapoom resignation from the position of Director, Executive Director and Company Secretary and approved the appointment of Miss Waraphorn Wongsingto as the company secretary in replacement of Mr.Ratchai Pichayapoom, effectice from 8 January 2016 onwards.
- 26 January 2016, According to such complaint filing by the trade creditor, they claim the debt amount at THB 12,396,287.78 Debts are due to construction and operation of Hydro test includes materials, equipment in working in Project Lankrabue Kamphaeng Ph Province Which is outstanding in 2013 to 2014
- 29February 2016, Mr.Chaiwat Kannasoot has resigned from the position of Audit Committee and Board of Independent Directors effective from 29 February 2016 onwards
- 1 March 2016, The SET is currently considering financial status and operating performance to determine whether it could be subject to possible delisting. Therefore, the SET posts SP (Suspension) sign to prohibit trading of PAE securities since March 1, 2016 until conclusion has been made but not later than 7 business days or by March 9, 2016.



- SET has posted an "SP" sign to suspend trading on their securities effective from the first trading session of March 1, 2016 to enable shareholders and investors to have sufficient time to scrutinize their auditors' reports on their financial statements carefully. SET will lift the "SP" sign on and post an "NP" sign effective from the first trading session of March 2, 2016 until the companies have submitted their amended financial statements or the SEC concludes that the companies are not necessary to amend their financial statements. However, the SET will post "NP" sign effective from the first trading session of March 2, 2016 and still suspend trading of PAE's securities view of the fact that the SET is currently considering PAE's financial status and operating performance to determine whether it could be subject to possible delisting.
- 9 March 2016, Notification of procedures for PAE to be resolving the financial status (NC-Stage 1)  
The Stock Exchange of Thailand (SET) established procedures and guidelines in dealing with listed companies whose their financial status and operations called for resolving operation or financial conditions by considering the latest audited company's financial statements that showing shareholder's equity less than zero. In consideration of the audited annual financial statements ending December 31, 2015 of PAE (Thailand) Public Company Limited (PAE), its shareholders' equity is less than zero amounting to (135) Million Baht and subject to resolving financial status and operations. To abide by the SET regulations on Delisting of Securities, the SET will proceed as follows:
  - 1. Announce that PAE is subject to possible delisting and requires rehabilitation of its operation and financial condition. NC (Non-Compliance) sign will be posted from March 9, 2016 onwards and SP (Suspension) sign will still be posted against PAE's securities to suspend the company's securities trading.
  - 2. Suspend trading of PAE's securities for thirty (30) days from the announcement date specified in (1), or until April 7, 2016 to allow management time to thoroughly decide on a course of action to maximize benefit of the company and its shareholders.
  - 3. PAE announces its decision to the SET within April 7, 2016 whether to prepare a rehabilitation plan to propose to its shareholders, attempt the rehabilitation under the Bankruptcy Act, apply for voluntary delisting, or undertake any other course of action together with the schedules for implementing the above decisions.
  - 4. Allow trading of PAE's securities from April 8, 2016 to May 9, 2016 in order to provide its shareholders the opportunity to trade the company's securities before re-impose the SP sign for the rehabilitation. However, if the management does not inform the SET of the company's decision by the end of the initial 30-day period, the Exchange will maintain the SP sign on the company's securities until it publicly informs the SET and investors of its decision.

- 5. Suspend trading of PAE's securities since May 10, 2016 until the company's qualification meet bourse's criteria to resume trading.
- 6. Allow the company to undertake rehabilitation for three (3) years starting from March 9, 2016, going through three (3) stages (each of 1 year) and the name of company in each stage will be publicly announced as being in NC-Stage1, NC-Stage2 and NC-Stage3. The company may apply for one-time extension to remain in the same stage for not exceeding (1) one year (Maximum period in rehabilitation may not exceeding 4 years). If within the given period, the company is unable to resolve its delisting grounds, the SET will proceed on considering delisting the company's securities. Therefore, the SET suggests that investors and shareholders should thoroughly study financial statements of PAE along with its further decision on rehabilitation plan.
- 23 March 2016, The Company inform the Stock Exchange of Thailand that, as the company has been filed a complaint by one creditor requesting for company's rehabilitation. And the Bankruptcy court has appointed the court hearing on February 29, 2015 at 9.00 AM. The conclusion on the progress of the execution plan is that the company will submit the roster and address of the creditor and request to submit an account showing particulars of assets and liabilities of the debtor to the court according to the stated law already. This there are total of 5 credit that file a complaint and the bankruptcy court has appointed the court hearing petition of the creditors, debtors and the objectors totally of 5 appointment which are May 3, 2016, May 4, 2016, May 10, 2016, May 12, 2016, and May 17, 2016 on 9.00 am – 4.30 pm of every mentioned date.
- 4 April 2016, (the "Company") informing of the sequel result that the company submitted its financial statements for the year ended 31 December 2015, audited by an independent auditor to the Stock Exchange of Thailand ("SET"), showing negative shareholders' equity of Baht 135 million. Pursuant to SET regulations regarding Delisting of Securities, B.E. 2542. Subsequently, set has announced that the company's securities may possibly be delisted on stage 1(NC-Stage1) In addition, SET had suspended the trading of the Company's securities for 30 days from March 9, 2016 to April 7, 2016 to allow the Company's management to thoroughly decide on a course of action for removal causes of possible delisting, together with the schedule for implementing the above decision for the most benefit of the Company and its shareholders and disclose information to shareholders and investors
- 8 April 2016, According to The Stock Exchange of Thailand (SET)'s announcement, the securities of PAE (THAILAND) PUBLIC COMPANY LIMITED (PAE) was subject to resolve financial status and operations (NC-Stage 1). The SET has posted an "SP" (Suspension) sign to prohibit the trading of PAE's securities since March 1, 2016 and also posted an "NC" (Non-Compliance) sign since March 9, 2016. Also, the SET required PAE to report to the SET by April 7, 2016 about its decisions whether it



prefers to propose a resolving plan to the shareholders, or to rehabilitate business under the Bankruptcy Act, or to apply for voluntary delisting, or to take any other options beneficial to the company. The SET will allow the trading of its securities on April 8, 2016 to May 9, 2016 and after that the SET will suspend the trading of its securities again on May 10, 2016 until the problem are solved. (Details of PAE's news dated March 1, 2016 and March 9, 2016). According to PAE's notification, Board of Directors Meeting has the resolution to allow Business Rehabilitation under the Bankruptcy Act, according to the order of the Central Bankruptcy Court. (Details of PAE's news dated April 4, 2016) The SET will proceed as follows:

1. Allow the trading of PAE's securities from April 8, 2016 to May 9, 2016. In addition, according to Clause 29 (1) and (3) of the Regulation of the Stock Exchange of Thailand Re: Trading, Clearing and Settlement of Securities in the Exchange B.E.2555 (2012), the SET will temporarily expand the daily price limit on April 8, 2016 of PAE to be 100% of its last trading price and the daily price limit of PAE-W1 to be 100% of PAE last trading price multiplied by its exercise ratio to allow the market mechanism to work properly.
  2. Post the "SP" sign to prohibit the trading of PAE's securities from May 10, 2016 until the problems are solved. By virtue of Clause 7(4) of the Regulation of the Stock Exchange of Thailand Re: Rules, Conditions and Procedures for Temporary Suspension of Listed Securities Trading B.E.2555 (2012), PAE has to submit the rehabilitation progress report to the SET on a quarterly basis, or on the due date for submitting financial statement until the problems are solved.
- 28 April 2016 refers to the SET's announcement. The securities of PAE (THAILAND) PUBLIC COMPANY LIMITED (PAE) are allowed to be traded for 30 days between on April 8, 2016 to May 9, 2016.
  - 10 May 2016, The Company would like to inform that Mrs. Urairat Boonakas, the Company's director, Chairman of the Executive Board and Managing Director, has passed away on May 8, 2016
  - 16 May 2016, The Company would like to inform you that Miss. Wanna Maluengnon has resigned from the position of Audit Committee and Board of Independent Directors effective from May 12, 2016 onwards.
  - 13 July 2016, The Board of Directors has acknowledge Mr.Anond Lekasthapon's resignation from the position of Director, Executive Director effective from July 13, 2016 onwards and resolved to appoint Mr.Veraphan Na Ranong as the member of the executive committee to fulfill the position vacated earlier, effective from July 13, 2016 onwards.
  - 26 August 2016, The Company would like to inform you that the Board of directors' in the meeting of the company No. 10/2016 held on August 24, 2016 has resolved the following approvals, and acknowledge the resignation of Ms.Panuwat Boonyakiti and Mr.Anond Lekasatapon, Director and



appoints Mr.Vorasak Chatkaew and Mr.Peerach Lerskijroongrueng to replace those positions, which will be effective since August 24, 2016

- 23 September 2016, According to PAE (Thailand) PLC. (The Company) has offered warrants to purchase ordinary shares PAE-W1 in the amount of 1,364,539,174 units. The validity age of warrants is not over 2 years which dated on November 2, 2016. However, the company would like to inform that the final exercising date is on November 2, 2016 after that warrants will be ceased its status and cannot be continued to exercise and will be deleted PAE-W1 being the listed security of the Set on November 3, 2016.

- 30 November 2016, According to the PAE (Thailand) Public Company Limited (Thailand) has approved the company selected to carry out the reorganization through bankruptcy court under the Bankruptcy Act to amend the delisting of the listed securities. The company has been filed by one of the trade creditors to carry out the rehabilitation through bankruptcy court. Therefore, the company asks the court to appoint the company to be the planner of rehabilitation plan in this mentioned case. In order that the company will propose the maximum benefit of this pain as reported to the stock exchange of Thailand earlier. The Company would like to report the progress solutions to the delisting of securities from the registration date, July 4, 2016 In addition to the reorganization proceedings. The law provides for the creditors of the company. Black Case No. For. 6/2016 appears that the company's creditors That there are total of 6 creditors that file a complaint and the bankruptcy court has appointed the court hearing petition of the creditors, debtors and the objectors of 6 creditors totally of 7 appointment which are September 15, 2016, September 16, 2016, September 23, 2016, October 7 2016, October 11 2016, October 12 2016, October 25 2016, on 9:00 am. – 4:30 pm of every mentioned date Subsequently on September 15, 2016, it appears that the Court cannot proceed as scheduled hearing date has been set.

Since there is a process that must be taken to resolve the conflict as required by law to complete the meantime, however, one of the creditors has withdrawn the objection .Therefore, they are now 5 creditors left. And the court has appointed the 5 appointment date which are February 7, 2017, February 8, 2017, February 9, 2017, February 24, 2017, February 28, 2017, on 9:00 am. – 4:30 pm of every mentioned date. On hearing of the parties in the case is completed, the court will set a hearing on the

order to allow for the reorganization of the company whether or not. However, the mentioned rehabilitation above is in the consideration process from the Bankruptcy court by means that the courts doesn't have the order to appoint the planner and does not approve for the rehabilitation plan. Therefore, the company is not be able to inform any details of the rehabilitation plan including the details of the solution plan. To the cause of retraction from the listed company. The company will inform of the progress immediately as soon as we have the result.

## Risk Factor

### 1. Risk Management

Risk means the opportunity / event or thing that does not meet the objectives / goals of the current plan. By causing the impact or damage to the organization, both in terms of monetary impact or image or corporate reputation.

**Risk Management** is the process performed by the Board, Executives and all employees in the organization to assist in formulating operational strategies. The risk management process is designed to identify potential events and it affects the organization and can manage the risk to a level acceptable to the organization to gain reasonable confidence in achieving the objectives / goals set by the organization.

#### Corporate Risk Management Process

##### The Important steps for enterprise risk Management



The above steps. Compliance with the QHSE (Quality, Health, Safety and Environment) Management System or ISO Management System, especially in Version 2015, upgrading the management system to High Level Standard and take risk-based thinking into the ISO framework to ensure sustainable management and growth. It is written in the context of the organization. Taking into account internal and external factors. To prevent and manage potential risks is included in the QHSE Manual.

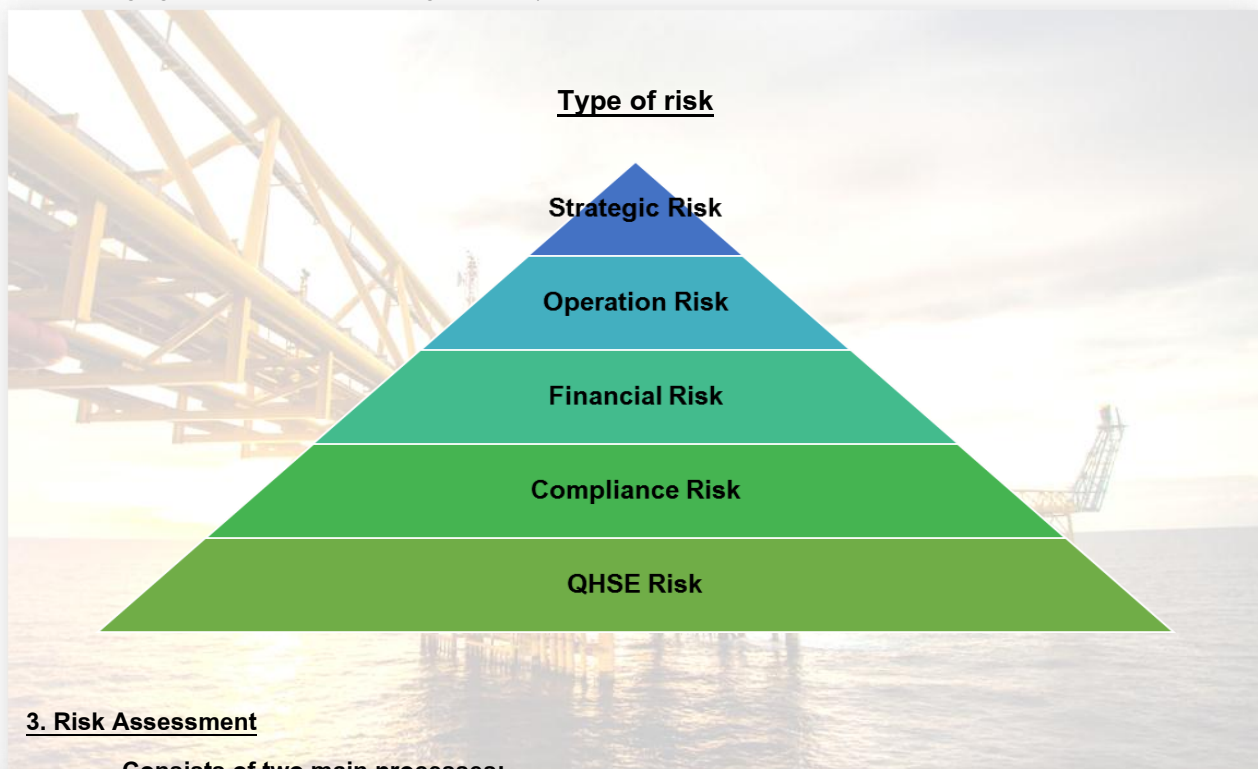
#### 1. Objectives

- In order for the organization to reduce its potential for future damage to an acceptable level.
- To provide a systematic risk management approach.
- To link risk management with sustainable strategies.
- To have a tracking system. Monitor the performance of risk management and monitor new risks that may occur at any time.
- To add value to the organization.

## 2. Aspect Identification

Identifying sources indicates the source, Affected part, incidence and causes including potential consequences. It is determined by the internal and external factors of the organization, which may be conducted by interviewing the management or management of each agency responsible for the plan or action. And compile the major risk (Aspect) to make a corporate risk profile (Corporate Risk Profile)

\*\* (Refer to the HS-SP-0001 "Hazard Identification Risk Assessment and Risk Management Procedure", which is an operational risk identification and assessment system in the ISO system and can be used as a guideline for managing the risk. Risk of the organization)



## 3. Risk Assessment

**Consists of two main processes:**

- **Risk Analysis** It will consider the causes and sources of risk, both positive and negative. And the likelihood of potential consequences. Identify factors that affect the impact. There may be many sides. Include measures to eliminate the risks and effectiveness that are currently available.
- **Risk assessment** It compares the level of risk from analysis. With an acceptable level of risk If not at an acceptable level, it must be eliminated immediately.

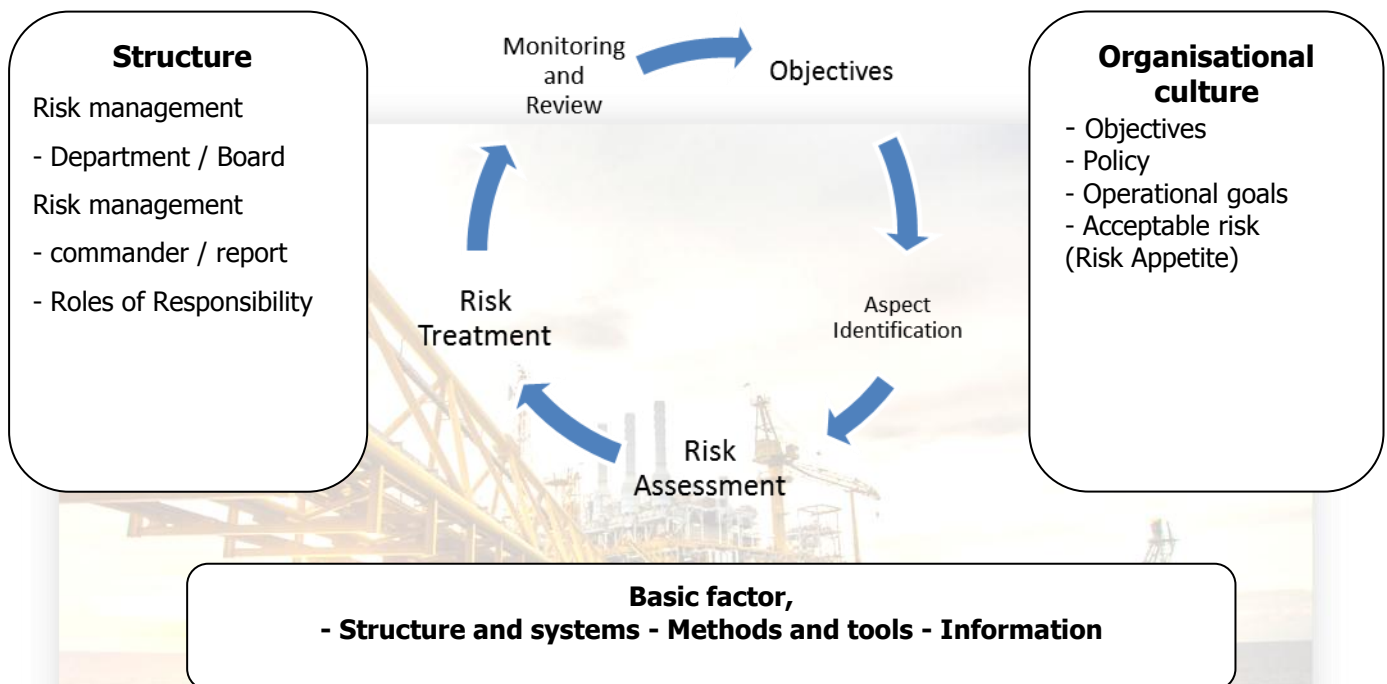
**Factors in defining risk criteria**

- The nature and type of impact that can occur and the guidelines for impact assessment.
- Guidelines for identifying opportunities.
- Time frame of opportunity and impact.
- Guidelines for determining the level of risk.
- Acceptable level of risk
- Level of risk to be handled.



Management will analyze / track changes in the environment and external factors as well as changes in potential risks. This may require review of risk management and prioritization, and may be used to review the overall risk management framework.

### (Enterprise Risk Management)



### The current QHSE (Occupational Health, Safety and Environmental Policy) policies are as follows;

1. Quality, Occupational Health, Safety and Environment Policy
2. Security Policy And occupational health
3. Alcohol and Drug Abuse Policy
4. Environmental Policy
5. Stop Work Authority Policy
6. Fatigue Management Policy

All employees are responsible for compliance with the Company's laws, regulations and policies and responsible for complying with the requirements of the QHSE MS. By the company policy Employees must comply with both written and intentional laws. For all laws and regulations on the environment, health and safety, and most importantly, all employees have the duty and responsibility to stop. Running anything dangerous or risking a potentially unsafe opportunity (refer to the Stop Work Authority Policy)

## Financial risk management policy

Exchange rate risk, According to the company has assets and liabilities denominated in foreign currency which have not been hedged. It is believed that there will be no impact on the Company's financial statements.

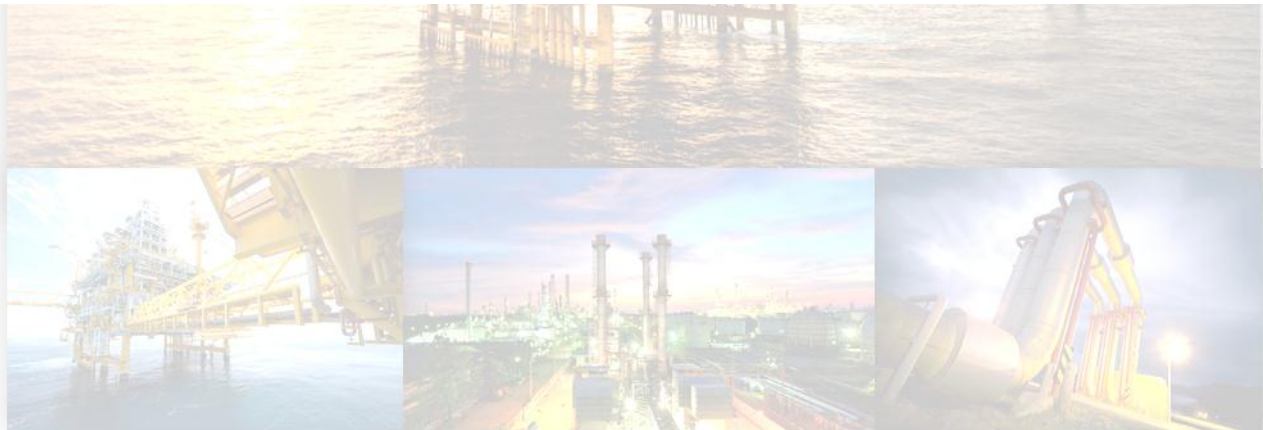
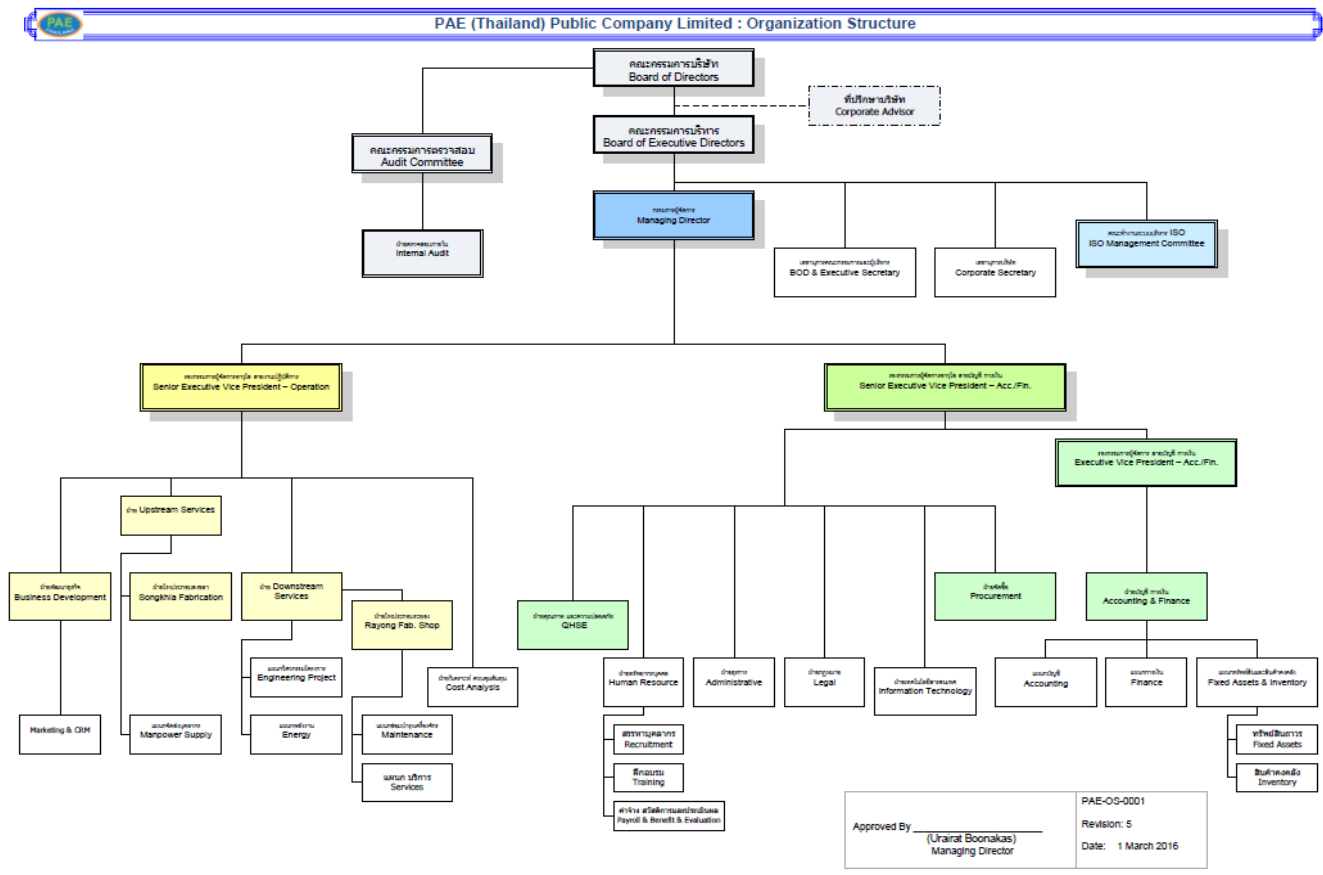
Credit risk, The Company is exposed to credit risk primarily with respect to trade accounts receivable which the company has a various customer. However, due to the company's careful policy of providing loans. Therefore, the Company does not anticipate material losses from debt collection. In addition, the Company has provided allowance for doubtful accounts based on the management's assessment of the debtor's ability to pay debts in the past.

### **Risk of securities holders' investment.**

For the year ended December 31, 2016, the Stock Exchange of Thailand (SET) has announced that PAE (Thailand) Public Company Limited (PAE) is required to improve its financial status and operations trading of PAE's securities from March 1, 2016, with the sign. NC (Non-Compliance) from March 9, PAE notifies the SET by April 7, 2016, to disseminate to shareholders and investors an option that the company will make a plan to improve its financial status and operations, propose shareholders or rehabilitate the business under the bankruptcy Act or voluntary withdrawal or select any other option that is beneficial to the company before ordering the sale or purchase of securities during the financial and operating improvement on May 10, 2016 until the company is able to proceed with the adjustment. Revise the financial status and operations to meet the requirements of SET. The Board of Directors has approved the company to proceed with the rehabilitation process through the central bankruptcy court under the bankruptcy Act. The Company therefore waits for the court to order the company to enter the business rehabilitation plan and rectification of the grounds for revocation and other qualifications completely.



# Organization Chart





# Management

## 1. Management Structure

The Company's Management Structure is including the Board of Directors and 4 sub-committees i.e. the Executive Committees, the Audit Committees, the Management Committees and the Risk Committees.

### The Board of Directors as of 31<sup>st</sup> December 2016

1. Mr. Chareon	Prajumtan	Chairman of the Board of Directors
2. Sub.Lt. Saroj	Sawangridhi	Chairman of Audit Committees
3. Miss. Onchulee	Lawsmithkul	Director and Audit Committee
4. Mr. Pannatee	Sriwongthai	Director and Audit Committee
5. Mr. Suriya	Tuntiwiwat	Director
6. Miss. Kulisara	Bharintapong	Director
7. Mr. Pheerach	Lerskijroongrueng	Director
8. Mr. Vorasak	Chatkaew	Director
9. Mr. Somporn	Mangmee	Director
10.Mr. Veraphan	Na Ranong	Director
Miss Waraphorn	Wongsingto	Company Secretary

### Authorities and Responsibilities of the Board of Directors

In accordance with the Regulations of the Company, the Board of Directors has authorities and responsibilities to manage the Company according to the objectives, regulations, and resolutions of shareholders' meetings with honesty, maintaining the best interests of the Company. The Board of Directors might assign one or more directors, or other persons to perform activities on their behalf, except in matters regulated by law where they must receive resolutions from shareholders' meetings prior to performing the activities, such as sale or transfer of the overall business or a major part of the business, or an increase or decrease of capital of the Company.

The Board of Directors should have to meet at least 1 time in 3 months. The meeting location should be at the head office, nearly province, of other appropriate place which Chairman and representative from the Chairman will be arranged.

### Elements and Appointment of the Board of Directors

The Board of Directors must not be less than 5 persons which appointed by shareholders' meeting. Half of the number of directors must have residence in the Kingdom of Thailand with appropriate qualification.

### *The election of the Board of Directors shall be followed as procedure:*

- (1) One shareholder has the voting right equivalent to 1 share per 1 vote
- (2) Each shareholder must exercise all votes to elect one person or several persons to be the directors, but the shareholder could not divide one's votes between directors

- (3) The nominees who receive the highest votes are the persons elected as the directors of the Company. In case nominees are elected by equal votes and exceed number of approved directors, the Chairman of the Board will exercise the final vote.

During the annual general meeting every year, one-third of the directors will be rotated out of the position. In case the number of directors could not be divided into exactly three parts, the number to be rotated will be as close to one-third as possible. For the directors who would be rotated out of the position during the first and second year after registering the Company, the drawing lots method will be applied to assign who will be rotated. For subsequent years, the director who has been in the position for the longest term will be rotated out. The directors who are rotated according to the term may be re-elected.

In case that there is any director resign by other reason out of rotation, directors should elect an appropriate person who has more experience, knowledge, and have no legal prohibition to be replaced in the next meeting, except the director will be remaining in position only 2 months. The replacement director will be in term of position only as the remaining of resigned director. The resolution for appointment by the Board of Directors should not be at least of third-fourth of remaining directors at that time.

## 2. The Audit Committees (as of 31st December 2016)

1. Sub.Lt. Saroj	Sawangridhi	Chairman of the Audit Committees
2. Miss. Onchulee	Lawsmithkul	Director and Audit Committee
3. Mr. Pannatee	Sriwongthai	Director and Audit Committee
Miss Nittakan Changket		Secretary of the Audit Committees

The term of the Audit Committees is 2 years per period.

### The scope of duties and responsibilities of the Audit Committees to the Board of Directors

are as the following matters:

1. To review the Company's financial reporting process to ensure that it is accurate and adequate;
2. To review the Company's internal control system and internal audit system to ensure that there are suitable and efficient; to determine an internal audit unit's independence, as well as to approve the appointment, transfer and dismissal of the chief of an internal audit unit or any other unit in charge of an internal audit;
3. To review the Company's compliance with the law on securities and exchange, the exchange's regulations, and the laws relating to the Company's business;
4. To consider, select and nominate an independence person to be the Company's auditor, and to propose such person's remuneration, as well as to attend a non-management meeting with an auditor at least once a year;
5. To review the Connected Transactions, or the transactions that may lead to conflicts of interests, to ensure that they are in compliance with the laws and the Exchange's regulations, and are reasonable and for the highest benefit of the Company;
6. To prepare and to disclose in the Company's annual report, an audit committee's report which much be signed by the audit committee's chairman and consist of at least the following information:

- a. an opinion on the accuracy, completeness, and creditability of the Company's financial report,
  - b. an opinion on the adequacy of the Company's internal control system,
  - c. an opinion on the compliance with the law on securities and exchange, the exchange's regulations, or the laws relating to the Company's business,
  - d. an opinion on the suitability of the auditor,
  - e. an opinion on the transaction that may lead to conflicts of interests,
  - f. the number of the audit committee meetings, and the attendance of such meetings by each committee member,
  - g. an opinion or overview comment received by the audit committee from its performance of duties in accordance with the charter; and
  - 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 Company's Board of Directors.
7. To perform any other act as assigned by the Company's Board of Directors, with the approval of Audit Committees.

### 3.Name of Executive Committee (as of 31 December 2016) :

- |                           |                                  |
|---------------------------|----------------------------------|
| 1. Mr. Somporn Mangmee    | Executive Committee              |
| 2 .Mr. Veraphan Na Ranong | Executive Committee              |
| Miss Sarocha Khamparnonda | Secretary of Executive Committee |

#### Scope of executive authority

1. Perform the goal. And the direction of the company. To comply with the policy set by the Board of Directors by adopting Good Corporate Governance to develop and deploy the system seriously.
2. Set rules, guidelines and guidelines for the operation of the company.
3. Define employee work regulations.
4. Define criteria. And select the projects that participate in the auction. To propose to the next Executive Board.
5. To approve the nomination, transfer, dismissal of supervisors, supervisors, supervisors. And staff
6. Approve the adjustment of wages, salaries and benefits.
7. Approve And conduct the auction Or do business with the agency. Or individuals
8. Take action on matters. Authorized by the Board of Directors to operate



## Nomination of Directors and Executives

For the candidates. The Executive Chairman / Managing Director / Executive Committee will be the primary consideration. To screen qualified individuals with the knowledge, skills and experience that are beneficial to the company's operations and to good understand the company's business. And able to administer achieve objectives and goals set by the Board of Directors and proposed to the Board of Directors for further approval.

How to select the person to be appointed director The shareholders will select the appropriate person in the experience, knowledge, ability to benefit the company. To become a director The resolution of the shareholders' meeting requires the majority votes of the shareholders who attend the meeting and have the right to vote.

### Nomination of Directors and Executives by the Board of Directors

The Company hasn't the specific committee for Board of Directors and Executive Directors. The selection of persons to be appointed as directors will be based on the nature of business and plans in the future. Therefore, the qualifications of the directors must be clearly defined. The Board of Directors has the opportunity to invite the directors and shareholders to participate in the nomination of qualified directors. To accomplish the intent of the company. And the appointment of directors has the following criteria and methods.

- (1) In the election of directors, one shareholder shall have one vote for one vote.
- (2) In the election of directors Each shareholder will use all of the votes in (1) to elect one or several persons to be directors. In the case of election of several persons as directors How many votes can not be divided?
- (3) The persons receiving the highest number of votes in descending order shall be elected as directors, equal to the number of directors to be elected at that time. In cases where the persons elected in descending order have the same number of votes in excess of the number of directors required or will be elected at that time. The chairman of the meeting shall have the casting vote.

#### 4. Name of Independent of Director (as of 31 December 2016) :

1. Mr. Chareon Prajuntan	Chairman of the Board of Directors
2. Sub.Lt. Saroj Sawangridhi	Chairman of Audit Committees
3. Miss. Onchulee Lawsmithkul	Director and Audit Committee
4. Mr. Pannatee Sriwongthai	Director and Audit Committee
Miss Waraphorn Wongsingto	Secretary of Independent of Director

#### Qualification process And the criteria for the selection of independent directors.

Independent Directors The Company determines the composition of the Board of Directors to be composed of at least one-third of the total number of directors of the Company. The meeting authorizes independent directors to participate in the Board of Directors. In 3 of the whole board And at least three independent directors. The criteria for the selection of independent directors shall be in accordance with the criteria for selection of directors. The qualifications of those who will serve as independent directors. Considering the qualifications and prohibitions of directors under the Act. Public Companies and Securities and Exchange Laws, as well as relevant regulatory announcements and / or regulations. Independent directors are qualified. Specialization Work experience And other appropriateness to be proposed to the shareholders' meeting for appointment as a director of the Company. If any one of them is vacated prior to the expiration of the term The

Board of Directors may appoint an independent director who has the qualifications specified above to assume the position. An independent director who is appointed as a substitute director shall be in office only for the remaining term of the independent director whom he replaces.

**The Board of Directors has determined the qualifications of independent directors as follows:**

- Holding no more than 1% of the total voting shares of the Company, parent company, major shareholder or the controlling person of the company, including the shareholding of related persons of the independent director.
- Not being or being a director who is involved in the management of employees, employees, consultants who receive a regular salary. Or the controlling authority of the parent company, the major shareholder Or of the controlling person of the company Unless it has ceased to exist at least two years prior to the date of filing of the application for issuance and offering of securities, such prohibited characteristics shall not include the case where the independent director was a government official. Or consultant Of the government agency which is the major shareholder Or the controlling authority of the company
- Not a person with a blood relationship. Or by legal registration. In the manner of a parent, spouse, sibling and child, including the spouse of the child Other directors, executives, major shareholders Controlling Authority Or persons to be nominated as directors The executive or the controlling person of the company.
- No or have had any business relationship with the parent company, major shareholder or major shareholder. Or the controlling authority of the applicant. In a way that may hinder the use of independent judgment. Including neither being nor ever being a significant shareholder. Or the controlling authority of the person who has a business relationship with the parent company, the major shareholder Or the controlling authority of the applicant. Unless it has ceased to exist at least two years prior to the date of filing the application for issuance and offering of securities.
- Not being or being the auditor of the company, parent company, major shareholder Or the controlling authority of the company And not a significant shareholder. Controlling Authority Or partner of the audit firm. The auditors of the parent company, the major shareholder Or the controlling person of the company is under Unless it has ceased to exist at least two years prior to the date of filing the application for issuance and offering of securities.
- Is not or has been a professional service provider, including providing legal advice or financial advisory services. The service fee is more than 2 million baht per year from the parent company, the major shareholder. Or the controlling authority of the company And not a significant shareholder. Controlling Authority Or the partner of that professional service provider. Unless it has ceased to exist at least two years prior to the date of filing the application for issuance and offering of securities.
- Not being a director appointed to represent the Company's directors. Major Shareholders Or shareholders who are related to major shareholders of the Company
- Not engage in the same business and is a significant competitor to the Company's business. Is not a partner in a partnership? Or a director who is involved in the management of employees, employees, consultants who receive a regular salary. Or hold more than 1 % of the total voting shares of other companies. It operates the same business and is a significant competition for the company.



- There is no other characteristic that makes it impossible to express independent opinions about the Company's operations.
- Not being a director assigned by the Board to make decisions on the Company's business.

## 5. Name of Risk Management Committee(as of 31 December 2016)

1.	Mr. Veraphan	Na Ranong	Chairman of the Risk Management Committee
2.	Mr. Kampol	Kuptavanich	Director
3.	Mr. Jaruk	Promsuwan	Director
4.	Mr. Kittipong	Tanthikul	Director
5.	Mr. Phadung	Nupim	Director
6.	Miss. Wipaphan	Sansuk	Director
	Miss Siriwan Chanduang		Secretary of Risk Management Committee

### Scope of Authority and Responsibilities of the Risk Management Committee

- Set management guidelines and risk management framework.
- Assess various risks, both internal and external.
- Proposed prevention and / or guidance. Reduce the risk level to an acceptable level.
- Monitor, evaluate and improve the implementation plan. To reduce the risk continuously and suit the business conditions.
- Review the adequacy of risk management policies and systems. Including the effectiveness of the system and compliance with the policy





## Number of Board of Directors' Meetings Held and Attended by Each Director :

Name of the Board of Directors	Number of Attendant / Number of Meeting in whole year				
	Annual General Meeting of Shareholders ** 2018	Board of Directors	Audit Committee	Executive Committee	Risk Management Committee
1. Mr. Chareon Prajuntan	1/1	12/12	-	-	-
2. Sub.Lt. Saroj Sawangridhi	1/1	12/12	7/7	-	-
3. Mrs. Urairat Boonakas ***	1/1	2/12	-	-	-
4. Mr. Chaiwat Kannasoot*	1/1	0/12	-	-	-
5. Miss. Wanna Maluengnon*	1/1	4/12	-	-	-
6. Miss. Onchulee Lawsmithkul	1/1	10/12	7/7	-	-
7. Mr. Pannatee Sriwongthai	1/1	12/12	7/7	-	-
8. Mr. Somporn Mangmee	1/1	11/12	-	15/15	-
9. Mr. Arnon Lekasathaporn	1/1	6/12	-	7/15	-
10. Mr. Veraphan Na Ranong	1/1	11/12	-	15/15	3/3
11. Mr. Ratchai Pichayapoom*	1/1	0/12	-	0/15	-
12. Mr. Suriya Tantiwiwat	1/1	2/12	-	-	-
13. Miss. Kulisara Bharintapong	0/1	0/12	-	-	-
14. Mr. Panuwat Boonyakiti*	0/1	0/12	-	-	-
15. Mr. Vorasak Chatkaew**	Not appointed	2/12	-	-	-
16. Mr. Peerach Lerskijroongrueng**	Not appointed	2/12	-	-	-

\*Director resign during the year

\*\*Director Replacement

\*\*\*Director Past away (Mrs. Urairat Boonakas)

## Remuneration for the directors and managements

The Company has regulated the remuneration for directors precisely, by requesting for approval from the shareholders'; and for the remuneration for directors, it will be in accordance with the principles and policies regulated by the Board of Directors. Therefore, this is done in accordance with the Principles of Good Corporate Governance, Clause 10, concerning the set up of remuneration for management. In 2016, the amount of remuneration of directors and management were as stated below:

The remuneration of the Board of Directors and Audit Committees consist of monthly remuneration, meeting allowance, in year 2015 (including directors resignation during year 2015]

Position	Remuneration ** Year 2016 (Baht / Person / Time)
Chairman of the Board of Directors	15,000
Chairman of the Executive Board	10,000
Chairman of the Audit Committee	10,000
Director	6,000
Executive Director	6,000
Audit Committee	6,000

### หมายเหตุ

- \* Directors who hold more than one position They will receive a monthly salary based on the position they received.
- \*\* In case that each committee has more than one meeting in a month, the meeting allowance will be paid to the committee member only once per month.



## Directors and Management Remuneration

The remuneration of the Board of Directors and Audit Committees consist of monthly remuneration, meeting allowance, in year 2015 (including directors resignation during year 2015)

(BAHT)

Name of the Board	Remuneration for directors					
	Annual General Meeting of Shareholders Year 2015	Board of Directors	Audit Committee	Executive Committee	Monthly compensation	Total
1. Mr. Chareon Prajuntan	Not a meeting allowance	120,000	-	-	600,000	720,000
2. Sub.Lt. Saroj Sawangridhi	Not a meeting allowance	70,000	48,000	-	360,000	478,000
3. Mrs. Urairat Boonakas***	Not a meeting allowance	6,000	-	-	128,000	134,000
4. Mr. Chaiwat Kannasoot*	Not a meeting allowance	-	20,000	-	20,000	40,000
5. Miss. Wanna Maluengnon*	Not a meeting allowance	18,000	18,000	-	70,000	106,000
6. Miss. Onchulee Lawsmithkul	Not a meeting allowance	42,000	36,000	-	240,000	318,000
7. Mr. Pannatee Sriwongthai	Not a meeting allowance	48,000	42,000	-	240,000	330,000
8. Mr. Somporn Mangmee	Not a meeting allowance	48,000	-	-	240,000	288,000
9. Mr. Arnon Lekasathaporn	Not a meeting allowance	30,000	-	-	128,666.67	158,666.67
10. Mr. Veraphan Na Ranong	Not a meeting allowance	42,000	-	-	175,666.67	217,666.67
11. Mr. Ratchai Pichayapoom*	Not a meeting allowance	-	-	-	4,666.67	4,666.67
12. Mr. Suriya Tantiwiwat	Not a meeting allowance	6,000	-	-	120,000	126,000
13. Miss. Kulisara Bharintapong	Not a meeting allowance	-	-	-	120,000	120,000
14. Mr. Panuwat Boonyakit*	Not a meeting allowance	-	-	-	78,000	78,000
15. Mr. Vorasak Chatkaew**	Not a meeting allowance	6,000	-	-	40,000	46,000
16. Mr. Peerach Lerskijroongrueng**	Not a meeting allowance	6,000	-	-	40,000	46,000
<b>Total remuneration of Directors</b>						<b>3,283,000.01</b>
<b>PAE Thailand Public Company Limited</b>						

- Remarks -

\* Director resigned (The directors did not receive any compensation due to resignation prior to the meeting.

\*\* New appointments replace vacant positions.

\*\*\* Director past away (Mr. Urairat Boonakas)

### Management's remuneration for the year 2016

(Unit: Thousand Baht)

Remuneration	Year 2015		Year 2016	
	Main company	Subsidiary	Main company	Subsidiary
Short term benefits	12,231	21,175	12,490	22,504
Retired Benefit	4,518	4,518	3,189	5,222
<b>Total</b>	<b>16,749</b>	<b>25,693</b>	<b>15,679</b>	<b>27,726</b>

\*\* Note: Remuneration consists of salary. Group life insurance and group accidents Health Insurance and Social Security



## Corporate Governance

The Company adheres to the Code of Good Corporate Governance Principles. According to the requirements of the Stock Exchange of Thailand as follows:

### Basic Rights of Shareholders

The Company attaches high importance to the basic rights of shareholders, such as trading or transfer of shares. Attendance of shareholders to exercise their right to vote independently. Deciding on major issues of the company, such as the appointment of directors, director remuneration, appointment of Auditor and Auditor's remuneration Including the right to receive accurate and complete corporate information.

### Shareholders Meeting

The Board of Directors has held the Annual General Meeting of Shareholders within 4 months from the end of accounting period. And any extraordinary meeting of shareholders may be called at any time. Accordingly, there will be an important agenda for the shareholders to consider and / or make a decision to make the decision. In the past year, the Company has held the shareholders' meeting. \*\* In 2016, the Company did not have a meeting of shareholders because the Company was in NC stage 1 , and the Court had ordered not to hold the shareholders' meeting. The Company then received a court order and sent a letter to the SET and the shareholders that the Company did not hold any shareholders meeting in 2016 \*\*

### Before the Annual Shareholder Meeting

The Company has called a meeting of the Board of Directors to consider the date and venue, including the agenda of the Annual General Meeting of Shareholders and the Record Date for the right to attend the shareholders' meeting. Before the Annual General Meeting of Shareholders The Company sent more than 7 days advance notice to the shareholders and announced the announcement through the newspaper 3 consecutive days prior to the meeting more than 3 days so that the shareholders had time to consider the agenda prior to the resolution. On the day of the meeting The invitation letter contains the agenda. Details on each agenda. The opinions of the directors clearly. And additional supporting documents such as proxy forms Annual reports in both Thai and English CD format. If any shareholder would like to receive the annual report of the company, the copy of the book can be obtained from the secretary and the Company Department as stated in the notice of the meeting.

### On the annual shareholders' meeting

To attend the Annual General Meeting of Shareholders. A shareholder may appoint a proxy to vote on his / her behalf at the Annual General Meeting of Shareholders. Fill in the proxy form attached with the Invitation Letter. Include the attached documents as required by sending to the company. According to the date stated in the invitation letter or at the registration point at the meeting room. To present in attendance at the shareholders meeting. The Board will allow shareholders to ask questions and / or express their views independently and equally for each agenda item before the resolution. For the shareholders to receive a clear explanation for the consideration of the agenda. The Chairman and the Board of Directors will give clear answers to the

shareholders and / or may delegate them to the shareholders. Responsible or relevant in that regard. As a respondent In case the shareholders need in-depth details of the information. To vote The shareholders shall have one vote per one vote by resolution of the shareholders' meeting. The majority vote of the shareholders attending the meeting and casting their votes shall be considered. The chairman of the meeting shall have one more vote to cast. The meeting was held in Thai. However, documents and staff are provided to translate English information so that foreign shareholders can understand the meeting easily.

### After the annual shareholders' meeting

The Company has submitted the resolutions of the Annual General Meeting of Shareholders to the Stock Exchange of Thailand within the meeting date. And submit the minutes of the Annual General Meeting of Shareholders to the SET. This has been checked by the board. And signed by the chairman of the meeting Together with the company secretary within 14 days after the meeting date, accurately, completely and transparently

### Equitable Treatment of Shareholders in Proxies for Attendance of Shareholders

To attend the Annual General Meeting of Shareholders. Shareholders can come to the meeting or proxy to vote in the meeting. Or may authorize the independent director of the company to be authorized to vote in the meeting instead. The independent director's information was also included with the letter so that the shareholders would be able to know the details of their trustees to vote on. Fill in the proxy form attached with the Invitation Letter.

### Use of ballot papers at the shareholders' meetings

The Company uses the barcode system to count votes on each agenda item of the shareholders' meeting. For accurate and accurate scoring. To facilitate the resolution. And right and instant The shareholders can vote for, approve, disapprove or abstain on any agenda. By separating the votes to be voted equal to the number of shares held. By using the ballot received. In counting votes, counting votes from shareholders who voted against. Or abstain One on each agenda This will deduct the disagreement. And abstain from voting on all points. The staff collected the voting ballot from the shareholders and then summarized the result by including the score from the barcode system that accurately and accurately counts.

### Granting Shareholders Right to Propose Agenda List of Directors And questions to the Annual General Meeting of Shareholders

Before voting on each agenda. The Chairman will give the participants an opportunity to ask questions regarding issues related to the agenda. As appropriate, the shareholders who wish to make a question, please give their names and surname to the meeting prior to making inquiries or making any comments. The chairman of the meeting allowed the shareholders to propose the names of directors to be appointed as directors. The Company also provided shareholders with additional agenda items as appropriate for other agenda items.



## Rights of Stakeholders

The Board of Directors has supervised and put in place a management system that respects the rights and fairness to stakeholders in the business of all groups, customers, creditors, partners, employees and shareholders.

## Customers

The company has focused on the customer segment of the company, whether retail customers. Or a major clientele. It can be seen from the various operations. The quality of service is good and meets the needs of customers. The company has the main customers to trust and ready to work together. And in the past year, the company has expanded its business in both blasting, sandblasting and plantation areas to accommodate a wider customer base and provide a full range of customer services.

## Creditors and partners

The Company discloses transparent information to the creditors of the Company and attempts to repay the debt. And fulfill the conditions given to the creditors. Although the company is experiencing significant financial problems in the past year. But the company is not calm to take any action that will make it possible to repay the debt to the creditors. By the way The company has done everything under clear rules and legal requirements. On the part of the partner. The Company has set operating policies and proper procurement in order for the operation to proceed properly and transparent It can be verified.

## Partners and business competitors

The company operates in good faith and honors its partners and business competitors. Also do not seek the information of partners and business competitors. To carry out the work is not transparent.

## Employees

Employees of the Company are at the heart of the Company's effective operation. The Company recognizes and supports its employees to develop their knowledge and skills to be able to bring benefits to the Company. Activities related to work effectively. And because the company is a provider of engineering and construction services. Petrochemical industry And provide services to the oil and gas industry. Both public and private, so all employees need the skills and expertise. Plus experience To meet the needs of customers. The company has sent staff to attend training seminars as well as testing to ensure the quality of work. So far, the company has become known to a wider audience. The company also organizes activities to connect the employees, executives and the board of directors. To stimulate and instill corporate consciousness with Big Cleaning & Greening Day activities at the head office by using 5S principles, so that everyone realizes that they are able to work effectively under the knowledge, ability and harmony. This is part of the success of the company.

## Shareholder

The Company has paid much attention to its shareholders. By trying various actions. To maintain the rights of shareholders. There is also an effective internal control and audit system. Also disclose various information. The shareholders can be a part of the decision by attending shareholders' meeting with the company or Please contact us for more information or to make a comment to the company by calling our office at Telephone

02-3220222. or E-mail : [info@pae.co.th](mailto:info@pae.co.th)



## Employees

As 31 December 2016, PAE (Thailand) Public Company Limited had total number of employees.

Employee type	Number of employees	
	2015	2016
Regular staff	240	128
Temporary staff	30	46
Daily staff	412	295
<b>Total</b>	<b>646</b>	<b>469</b>

As 31 December 2016, PAE Technical Services Public Company Limited had a total number of employees.

Employee type	Number of employees	
	2015	2016
Regular staff	287	281
Temporary staff	8	4
Daily staff	11	2
<b>Total</b>	<b>306</b>	<b>287</b>

The company provides employees with compensation, overtime, living expenses and allowances. Travel expenses and accommodation. In case of offshore and offshore staff The company has allocated the ability. Responsibility of assigned tasks and responsible positions. The Company has set up a Provident Fund under the management of One Asset Management Limited (Provident Fund) since 2014. The provident fund is provided at the rate of staff

## Human Resources Development Policy

The company focuses on long-term staff development in accordance with policies and circumstances. By developing the knowledge, skills and features of personnel. The company using three development tools, Coaching, Knowledge Sharing, Training for the apply of knowledge to the work. Especially delivering quality of work that exceeds expectations for customers. This will strengthen the organization. The company has developed a comprehensive human development program at all levels, with the following details:

### 1. Key Person Development

The Company is committed to developing personnel preparedness for the key personnel of the unit or key person by selecting qualified personnel. Have expertise in responsible job. Have personality and work behavior with commitment. Including a good attitude to work. The Human Resources Department has combined with the agency to develop an Individual Development Plan (IDP) with learning development models such as coaching, sharing knowledge, internal and external training, etc.

## 2. Training

In addition to the developed project, The Company has focused on the training and development of personnel at all levels, from management level and operational level. To guide the development of personnel. Elevate Training is provided to all levels of personnel, at the heart of training and personal development. Is to track and measure in the received knowledge. Include knowledge transfer to relevant people. In order for staff to bring what they have learned to maximize their work. By 2015, the company has organized 29 in-house training courses and 60 outside the public (Public Training). 420 people were trained at 215 levels and 205 executives.

## Labor disputes

As 31 December 2016, PAE (Thailand) Public Company Limited had legal disputes with the employees pending from the previous year in the total of 1 case because in the previous year, the company had dismissed foreign employees. To hire a Thai employee with equal knowledge and ability to work on behalf of the contract. However, foreign employees do not consent to have a lawsuit. The company has legal action. And the correct reference. The details of the case are as follows.

### Central Labor Court (As a dedicated project)

Mr. Chang Hai Seng, a plaintiff sued PAE (Thailand) Public Company Limited, as the defendant, details the claim for termination, compensation, advance notice. Annual leave, advance payment, arrears amounted to Baht 1,684,520 and PAE (Thailand) Public Co., Ltd. disputed / filed a claim for damages of Baht 8,684,520.

Progress on the Central Labor Court trial on January 31, 2555 to the defendant paid 186,473 baht plus interest from the date of filing on August 6, 2009 until the settlement was completed, the defendant has appealed the judgment / appealed to the Supreme Court on May 3, 2555 The case is under consideration of the Supreme Court.



## Related Transaction

Policy to receive financial assistance from the person concerned in the future.

Related Transaction that may occur in the future. Directors must comply with the regulations. And the director will not approve any item. The persons who may have conflict of interest in any other manner with the Company and / or subsidiaries also, there is no delegation of authority to any person to act on behalf of the conflicting party. It must disclose such transaction to the Board of Directors and / or its subsidiaries for consideration. The Company and / or its subsidiaries To comply with the Securities and Exchange, regulations, notifications, orders or requirements of the Stock Exchange of Thailand. Terms of Disclosure of Related Transactions and the acquisition or disposition of assets of the Company and / or its subsidiaries. Include in accordance with accounting standards. Disclosure about a person or related activities, as determined by the Federation of Accounting Professions under the Royal Patronage.

1. In the event of a normal occurrence The Company and / or its subsidiaries have set the criteria and guidelines for their conduct in line with their commercial nature, based on fair and reasonable prices and conditions and proposed to the Audit Committee for approval in the guidelines and the way to do it.

2. In addition, in the event that the Audit Committee has to give opinions on the appropriateness of such transaction. And the Audit Committee has no expertise in inter-transaction review. The company will provide knowledgeable individuals. Specialized expertise such as independent auditors or independent appraisers provides commentary on inter-company transactions. The opinion of the Audit Committee or persons with special expertise. It will be used for judging by the board of directors or shareholders, as the case may be, to ensure that the transaction is not a move or transfer benefits between the Company or the parties that may have a conflict of interest with the Company. However, it is the transaction that the Company takes into account the maximum benefit of all shareholders. Significant inter-revenue and expenses. Occurring during the year 2016

3. Where the Company is required to obtain financial assistance from a related person in the future, the Company shall continue to pursue a policy of borrowing that requires lower financial or interest expenses than the principal financial institution that the Company applies for loans. In the meantime And no collateral. The procedure for loan approval and loan repayment is as follows:

- 1) Executives submit proposals for approval from the Executive Board. The details requested are the loan amount. Interest rate And the repayment period, etc.
- 2) Loan agreement with money.
- 3) Repay the loan under the contract.



# 1. Business transactions with related persons as follows:

<u>Related parties' names</u>	<u>Relationship style</u>
PAE Technical Services Public Company Limited	Subsidiary by direct holding
(Formerly PAE Technical Service Co., Ltd.)	
Pacific Resources International Limited (BVI)	Subsidiary by direct holding
PAE Energy Solutions Company Limited	Subsidiary by direct holding
(Formerly PAE Construction Resources Company Limited)	
Oasis Development Co., Ltd.	Subsidiary by direct holding
PAE Federal International Co., Ltd.	Subsidiary by direct holding
PPE Energy and Marine Co., Ltd. **	Subsidiary by direct holding ** One common director is Mr. Veraphan Na Ranong.
Mr. Jintana Kawee Wong	Shareholders of the Company
Mrs. Urairat Boonakas	Company director

## 1.2 Business transactions with subsidiaries

<b>Other receivables</b>	<b>31 December 2015</b> (thousand baht)	<b>31 December 2016</b> (thousand baht)
Subsidiary		
PAE Technical Services Public Company Limited	733	399
Pacific Resources International Limited (BVI)	10,798	10,798
Oasis Development Co., Ltd.	90	90
PAE International Co., Ltd.	1,582	1,027
Total	13,934	12,314
Deduction of allowance for doubtful accounts	(11,190)	(10,798)
Net	<b>2,744</b>	<b>1,516</b>

## 1.3 Normal support list

It is a transaction that the company does to support the business of the company. There are general trading terms that do not cause conflict of interest between the Company and related companies and the persons who may have conflict of interest. For example, the rental of office space and office space of PAE Technical Services Public Company Limited, a subsidiary company, the rental rate is in accordance with the agreement. (With an office rental rate of 100,000 Baht and rent The monthly training fee is Baht 25,000 per month including the monthly rental fee of Baht 125,000.) The Audit Committee has commented that the rental of such subsidiary is beneficial to the Company's operation and the area is very good. Convenient transportation and reasonable price.

#### 1.4 List of financial assistance from relevant people

For the reason and the necessity of borrowing from the two directors at that time. Because the company lack of liquidity. In business and money received from normal operations are not enough to pay workers and creditors of goods with credit facilities from financial institutions have used the full amount. Therefore, the company needs to find a source of capital to solve the problem so that the problem is not so severe. By borrowing a director The source of funding is lower cost than borrowing from a third party and does not require any collateral. The procedure for approving items and repaying the loan is as follows:

- 1) The executives brought the matter to the Executive Board for approval, with the details of the loan amount, the interest rate and repayment period.
- 2) Loan agreement with money.
- 3) Repay the loan under the contract.

##### Transaction of loan from Miss Jintana Kaweewong during the period from 2014 to 2016 (Unit: Million Baht)

	Amount of loan increased during the year	Amount paid during the year	Number of outstanding loans at year end Note	Remarks
Year 2014			2.63	<ul style="list-style-type: none"> <li>- Interest rates are between 5% and 10% per annum.</li> <li>- The loan period is between 1 month and 1 year.</li> <li>- The loan amount at the end of the year is in the financial statement. Inspected by an authorized accountant.</li> </ul>
Year 2015	-	-	2.63	
Year 2016	-	-	2.63	

##### Transaction of loans from Mrs. Urairat Boonakas between 2014 and 2016 (Unit: Million Baht)

	Amount of loan increased during the year	Amount paid during the year	Number of outstanding loans at year end Note	Remarks
Year 2014	0.50	0.70	0.03	<ul style="list-style-type: none"> <li>- Interest rates are between 5% and 10% per annum.</li> <li>- The loan period is between 1 month and 1 year.</li> <li>- The loan amount at the end of the year is in the financial statement. Inspected by an authorized accountant.</li> </ul>
Year 2015	-	-	0.03	
Year 2016	-	0.03	-	
<b>**Director is past away**</b>				

## Shareholders Structure

### Securities and shareholders information

#### 1. Amount of paid up capital

1) As at 31 December 2016, the Company's registered capital 8,051,717,322 Baht Paid-up capital Baht 2,770,889,766.00 divided into ordinary shares 2,770,889,766 preferred shares - shares with a par value of Baht 1.00

2) The company has no preferred shares or any other conditions that are different from ordinary shares.

#### 2. Shareholder

##### 1. List of the top 10 major shareholders of the Company.

Along with the number of shares held The shareholding as of October 15, 2015 (latest book closing date) is as follows: \*\* Since PAE (Thailand) Public Company Limited has not held the shareholders' meeting for the year 2017, And the Company's shareholding remains as of October 15, 2015. \*\* The Company does not have a significant stakeholder group that determines its management policies or operations.

No.	Name of Shareholders	Number of Shares (Shares)	%
1.	Mr. Kohchok Sangthong-Aram	185,800,000	6.71
2.	Mr. Chanachai Leenabanchong	129,498,300	4.67
3.	Thai N.V.D.R. Co.,Ltd.	54,988,800	1.98
4.	Mr. Achada Kesornsuk	39,000,000	1.41
5.	Mr. Chinchai Leenabanchong	28,589,400	1.03
6.	Mr. Jirawut Kuwanan	22,300,000	0.80
7.	Mrs. Anothai Songtai	20,752,700	0.72
8.	Mr. Banjerd Techa-Inthawong	20,000,000	0.72
9.	Mrs. Jintana Kaweewong	19,658,050	0.74
10.	Ms.Kannida Tangkittongcharoen	17,100,000	0.62

\*\* Source: Thailand Securities Depository Co., Ltd. as of October 15, 2015

#### Dividend policy of the Company

The Company has a policy to pay a dividend of not less than 40% of net profit each year. After tax and legal reserve Or, where appropriate, depending on the necessity and the dividend payment will not have a significant impact on the Company's normal operations.

Under Section 116 of the Public Companies Act, Section 116, the Company is required to set aside statutory reserve of not less than 5 % of its annual net profit, after deduction of accumulated deficit brought forward (if any) until the reserve reaches 10 % Of the registered capital Unless the company has a statute or other law requiring more reserve funds.

#### Dividend payment policy of subsidiaries

The dividend policy of the subsidiary is based on the performance, capital requirements and financial liquidity of the subsidiaries in that year.



## Corporate Social Responsibilities: CSR

The company takes into account the growing business. Stable and sustainable And business operations need to cooperate with many parties to jointly conduct business with integrity, ethics, social responsibility and the environment. The company recognizes that in order to work in harmony, the company must have a corporate social responsibility that is strong, sustainable and sustainable. And when the organization is strong and sustainable, then it. The company has another responsibility to support the society and the environment outside the community under the principles of good corporate governance, environmental safety standards for stable and sustainable growth.

### Company policy and operation

The company has set the organization's values to be the standard and culture of doing business. The personnel of the organization adhere to the same approach, using the company's identification as a determinant.

#### P : Prosperity

: Emphasize on results based management for our products & services to comply with customer requirements.

#### A : Accountability

: Emphasize on working with high accountability and duties awareness

#### E : Efficiency

: Emphasize on efficiency of Quality, Health, Safety & Environment, Operating Cost to achieve customer requirement

### Social Responsibility Guidelines

#### 1. Business with fairness.

The Company has focused on management to be in line with Good Corporate Governance, which promotes good governance. To achieve transparent management. This will benefit the company, its shareholders, its employees, and its stakeholders.

#### 2. Anti-Corruption

The company recognizes the importance of combating corruption and corruption. And is committed to combating corruption and corruption in all its forms. To ensure that the company has a policy of responsibility. Practical guidelines and operational requirements. To prevent corruption and corruption The company has prepared. The "Anti-Corruption and Corruption Policy" was written up. To be clear guidelines for conducting business. And to keep the personnel at all levels as the norm in the operation. By the years. The company has no complaints or clues related to corruption as well.

#### 3. Respect for human rights

The company attaches great importance to respect for human rights, not to human rights abuses. The company will not support any exclusion or discrimination. For reasons of nationality, race, religion, language, age, gender, marital status, most attitudes, gender, disability, popularity in political parties. Or other personal ideas Include no obstruction or racial activity. National traditions, religions and gender

#### 4. Fair labor practices

##### **Policy on developing knowledge for personnel.**

The company focuses on continuous personnel development. The development of personnel in accordance with policies and circumstances. By developing knowledge and skills, including coaching, knowledge sharing, and training, so that knowledge can be applied in the workplace. Especially delivering quality work that exceeds expectations for customers. This will strengthen the organization. And support for sustainable business growth. The company has developed personnel development projects covering all levels. The details are as follows.

- **Key Person Development**, The Company is committed to developing personnel preparedness for key personnel, or key personnel, by selecting qualified personnel. Have expertise in responsible job. Have personality and work behavior with commitment. Including a good attitude to work. The Human Resources Department has combined with the agency to develop an Individual Development Plan (IDP) with a learning development model such as coaching, sharing knowledge. Internal and external training etc.

- **Training**, The company has put a lot of emphasis on training. And develop personnel at all levels, from management level and operational level. To guide the development of personnel. Elevate Training is provided to all levels of personnel, at the heart of training and personal development. Is to track and measure the knowledge gained, including the knowledge transfer to the relevant person. In order for staff to bring what they have learned to maximize their work. As well as improving the work to be more effective.

- **Knowledge Management**, The company places importance on sharing knowledge in the organization. To employees at all levels, from management level and operational level. Quality, Safety, Occupational Health and Environment, or QHSE, has started the Knowledge Sharing program to increase knowledge. Such knowledge of the quality system. And the environment Health knowledge Relevant laws Quality and Safety Management Tools And other suitable for the state Current events or situations Employees can apply for maximum benefit in work. As well as improving the development of a very effective work, including in everyday life.

#### 5. Consumer Responsibility

The company takes into account the satisfaction of customers and consumers with high regard for the quality of products and services within the specified period. To meet the needs and satisfaction of customers under the highest quality management system ISO9001: 2015.

#### 6. Environmental Care

The company pays attention to the world-class standard management system and has been certified in the latest three versions.

- Quality Management System or ISO 9001: 2015, with emphasis on quality standards for work performance. Corporate risk assessment and management, documentation systems, and staff training for service providers. To give customers a differentiated service experience.

- Environmental Management System or ISO14001: 2015, With emphasis on environmental management, environmental impact assessment and management.

- OHSAS18001: 2007 Occupational Health and Safety Management System, The emphasis is on occupational health and safety management, risk assessment and management in occupational safety.

And since the company is certified in the environmental management system. (ISO14001: 2015), the company has also received the Green Industry Level 3 standard from the Ministry of Industry.





## ISO 14001:2015

## ISO 9001:2015

## OHSAS 18001:2007

### 7. Community or social development

The company provides preventive management. Create awareness and participation to preserve the environment and set a policy to help reduce global warming by the cooperation of employees in energy efficiency. Help turn off the electricity and unnecessary appliances. Includes support for using recycled paper. And the company has focused on creating consciousness. Social responsibility and support to encourage employees to participate and give employees opportunities. Have used the knowledge Ability and power to carry out activities that are beneficial to society and the environment.

### 8. Innovation and innovation.

The company has no information, innovation and innovation. For this topic





## Business Operation

In 2016, the company organized social and environmental activities to support its dedication and benefit to the community and society for the benefit without return. The company has been consistently engaged in a variety of projects and activities, and what is indispensable is Corporate Governance, which is at the heart of long-term social and environmental responsibility or CSR (Corporate Social Responsibility). Corporate Social Response)

1. PAE (Thailand) Public Company Limited has given importance to various departments and to promote the good relationship between the branch and head office which has its branch office in Rayong province. PAYE Rayong is the first community in the community. Along with the landscape painting by the paint to the school house Nong Rakkham. Rayong District Office





# 16 Friday December 2016

## BAN Nong Rakum School, Rayong



Human Resources Department PAE Public CO., LTD are offering "CSR PAE Rayong activity, which is a joint activity between PAE staff, headquarters and Rayong units With teachers and students Ban Nong Rakkum School, Rayong

In addition . The company give Industrial fans for School,serve ice creams and renovate landscape, join the activities with the children because the company foresees the importance of education, development of communities and emphasize between the company and nearby schools .



2. PAE (Thailand) Public Company Limited puts emphasis on employees at all levels. The company provides training, knowledge, skills and work capacity. Including new academic and technological advances to employees consistently. And this time the company. Organized the Operational Excellence Workshop for employees at Takali Hotel, Nakornsrihammarat province, for Offshore Manpower Supply to meet the needs of its customers in safety and operational excellence. To develop the skills for employees to work. In safe conditions, especially offshore work Let employees understand their roles and responsibilities so they can work safely. Encourage cultural behaviors in the safety of employees and strengthen the unity among the staffs. Promote the



company's love for the employees. OE Workshop organized all 4 sessions and conducted two sessions.



**Gumpon Kupadakvinij**  
Operation Director  
Group brainstorm and  
discuss



**Mr. Somporn Mangmee**  
SEVP.OF Operation  
Group brainstorm and discuss



OE Workshop was honored  
by Mr. Somporn Mangmee  
talk to the staff on the off shore.

## PAE Operational Excellence Workshop

OE Workshop at Tamalia Hotel, Nakhon Sri Thammarat, Thailand for offshore manpower supply to meet customer safety and operational excellence. Develop employees' ability to work in safe conditions, especially off-shore.

Let employees understand roles and responsibilities can work safely. Encourage cultural behaviors in safety practices for employees. And strengthen the harmony among the morale of the company's love for the employees. OE Workshop activities are organized all 4 sessions conducted two sessions.



# OIL SPILL RESPONSE TRAINING (MAINTENANCE)

On March 28-31, 2016, which is a training on oil stain removal. In case of leakage in various situations to accommodate future work.

On July 12-13, 2016, there was a workshop on maintenance of oil stain removal equipment by Mr. Gareth Mccorkill from NRC International Services Ltd. The participants were 23 employees from Rayong and Songkhla. PAE (Thailand) Public Company Limited Rayong



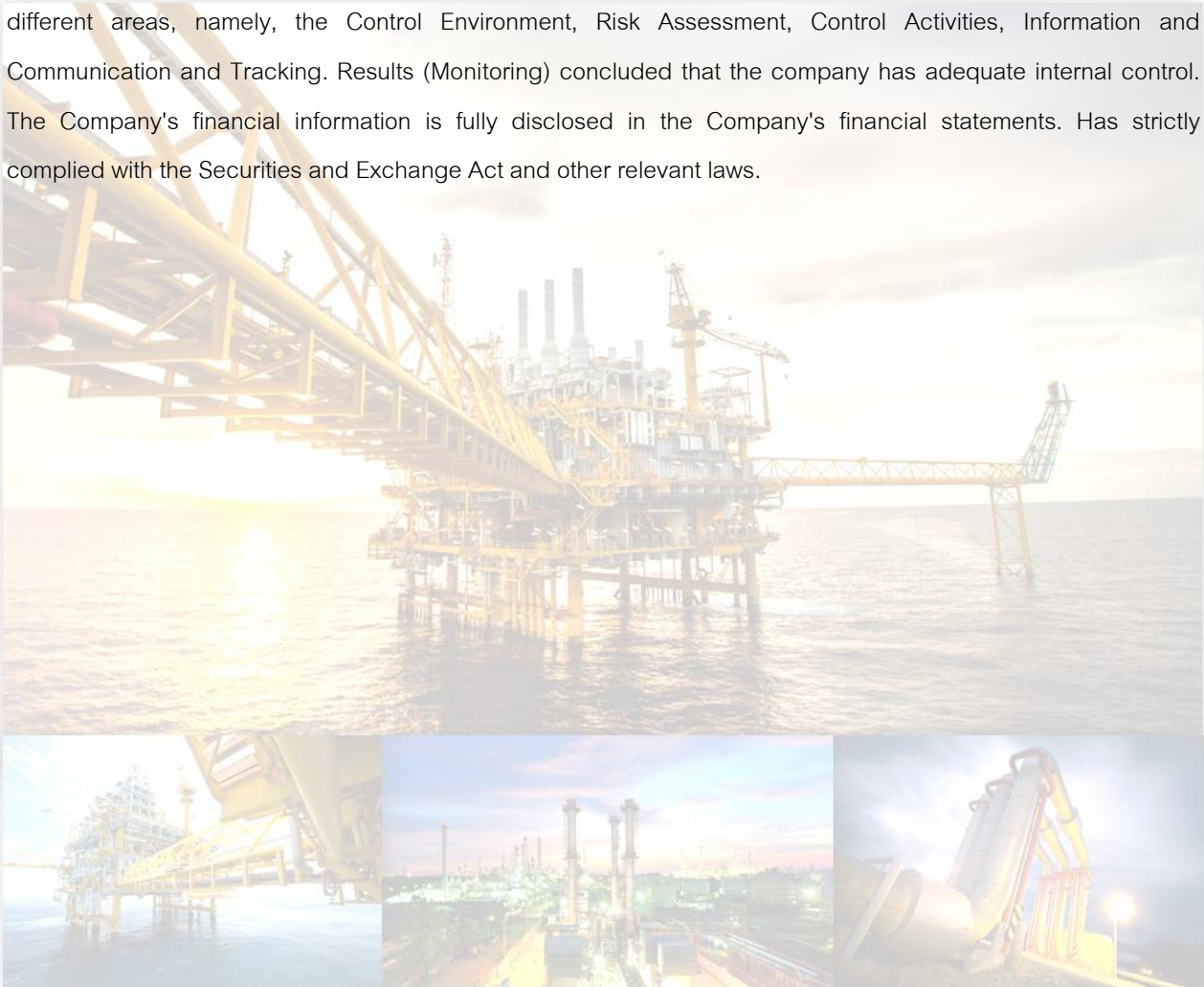
## Internal control and risk management

Internal control and risk management

1. The adequacy and appropriateness of the Company's internal control system.

PAE (Thailand) Public Company Limited recognizes the importance of an adequate and appropriate internal control system. It provides a comprehensive internal financial control system, working Compliance with applicable laws, regulations and regulations.

2. In year 2016, the Audit Committee held 7 meetings with the Company's management. The Board of Directors has evaluated the internal control system of the Company. By asking information from the management in five different areas, namely, the Control Environment, Risk Assessment, Control Activities, Information and Communication and Tracking. Results (Monitoring) concluded that the company has adequate internal control. The Company's financial information is fully disclosed in the Company's financial statements. Has strictly complied with the Securities and Exchange Act and other relevant laws.





## AUDIT COMMITTEE REPORT

The Audit Committee of PAE (Thailand) Public Company Limited consists of four independent directors as follows: Sub.Lt.Saroj Sawangridhi as the chairman, Ms. Wanna Maluengnon, Ms.Onchulee Lawsmithikul and Mr. Pannathee Sriwongthai as committee member. On May 12, 2016 Ms.Wanna Maluengnon resigned from the Audit Committee's member, at present, the Audit Committee consisting of three member as above. All of Audit Committee members with full qualifications conformed to the requirement of Securities and Exchange Commission and the Stock Exchange of Thailand.

The Audit Committee has carried out their duties according to the scope and responsibilities authorized by the Board of Directors and according to the rules and regulations of the Audit Committee which complies with the regulation of the Stock Exchange of Thailand. For the year 2016 the meetings were held 7 times in total of which all members of the Audit Committee presented of management, external auditor and internal auditor, as summarized below:

1. Reviewed the Company's six month period, annual and consolidated financial statements of 2016 which were reviewed and audited by the auditors before presenting them to the Company's board of directors for approval. In meeting with the external auditor and the management were discussed to ensure the financial report are correct, complete and information was sufficiently and disclosed in accordance with accounting standards as well as acknowledging the notes and recommendation of auditor.

2. Reviewed the internal control system to evaluate the appropriateness and effectiveness of The Company's internal control practices. In addition, the Audit Committee considered the internal audit results according to the annual plan prepared pursuant to the rules of risk standard, informed management for responses if issues found and listen to explanations of the external auditor about the internal control system.

3. Oversight of internal auditing to evaluate the performance of the internal audit department which cover missions , scope of operation, duties, responsibilities and independency, approved the annual audit plan and considered quarterly the internal audit result, which the internal auditor provided directly to the Audit Committee.

4. Reviewed compliance with the securities and exchange laws of Thailand and other laws related to the business as well as the compliance with the Company's regulations and other obligations with external parties.



5. Reviewed and advises regarding the inter-related item transactions and other transactions

which may have conflict of interest including the disclosure of such transactions according to the regulation of the Stock Exchange of Thailand and the Securities and Exchange Commission. The Audit Committee agrees disclosure of important information as well as in the financial statements and notes as correct and sufficient.

6. Annually reviewed the Charter of the Audit Committee and Internal Audit to ensure that the

charter still complied with the requirements of the Stock Exchange of Thailand and the Securities and Exchange Commission and suited the Company's business environment. In addition, term of service of the Audit Committee changed to comply with term of service of the Company's board of directors.


7. The Audit Committee considered, nominated and proposed the remunerations for the auditors

based on their knowledge, skill ,independence, performance and appropriateness of audit fee in order to propose it to the Company's board of directors.

In summary the year 2016, the Audit Committee has performed the duties and responsibilities as authorized utilizing their knowledge with independence and has opinion that the Company's reports of financial information and business operations as correct and has appropriate in accordance with the accounting standard, has an internal control system in place with internal audits that are sufficient and in compliance with law, regulations, obligations and the reporting of inter-related items correctly and a proper.

DATE 17 MARCH 2017

On behalf of Audit Committee



(Sub.Lt.Saroj Sawangridhi)

Chairman of Audit Committee

PAE (Thailand) Public Cpmpany Limited

# Management Discussion and Analysis of the Consolidate Financial Statement

## Ratio Analysis

	2016	2015	2014
<b>Liquidity Ratio</b>			
current ratio (times)	0.21	0.52	1.03
quick ratio (times)	0.21	0.50	1.00
cash ratio (times)	0.04	0.11	0.34
<b>Efficiency Ratio</b>			
Account Receivable Turnover (times)	2.90	2.55	3.87
Average Collection Period (day)	126	143	94.43
Inventory Turnover (times)	29.12	27.20	65.30
Inventory (day)	12.53	13.42	5.59
net fixed asset turnover (times)	0.47	0.48	2.97
total asset turnover (times)	0.64	0.69	1.00
<b>Leverage Ratio</b>			
Debt ratio (times)	1.41	1.08	0.95
debt to equity ratio (times)	(3.42)	(14.20)	17.34
Interest coverage ratio (times)	3.51	3.39	(11.39)
EBITDA Coverage (times)	(6.42)	(1.99)	(7.79)
<b>Profitability Ratio</b>			
Gross Profit Margin (%)	3	1	(15)
Operating Profit Margin (%)	(49)	(26)	(48)
Net Profit Margin (%)	(67)	(37)	(53)
Return On Fixed Assets (%)	(44)	(29)	(157)
Return On Assets (%)	(31)	(18)	(53)
Return on Equity (%)	(14)	10	(967)

## Analysis and description of the management.

The company expects the overall Thai economy to grow at a rate of 3.6-4.2%. And the tourism sector will drive momentum. Export sector recovered slightly and consumption continued to increase. Trade balance registered a slight surplus of 33.6 billion US dollars. Current account registered a surplus of no less than 42 billion US dollars. Imports for more investment. Higher inflation from agricultural prices The increase in minimum wages and average energy prices has increased over last year. Economic activity and confidence are on the rise as it will be the election year, with the overall investment sector expected to grow by at least 5.5%. Private investment has grown at a low of 3%. The recovery has reduced capacity and prompted demand for investment to expand production. Transitional stability has ensured the confidence of foreign investors, especially the large investment projects of multinational corporations that want to use Thailand as a base for export production in the ASEAN community.

Private investment is related to investment in transport infrastructure. If progress is to be achieved, investment in private sector will increase, in addition to investment in machinery and equipment with high correlation. Positive Correlation with the expansion of export sector. Consumption growth accelerated at 2.5-3%. The consumption sector recovered not so much as the general level of income did not increase significantly due to the substitution of technology for more work.

For the oil price situation in 2017, Thairoil expects Dubai crude oil prices to average around \$ 50-55 / bbl. This is an increase from 2016 on the global demand for refined oil, which continued to grow at 1.3 million barrels per day. Compared to 2016 (International Energy Agency - DECA, December 2016), due to low oil prices. Including the expansion of the global economy. Including global supply of crude oil is expected to increase less than demand. It was boosted by the cooperation between OPEC producers that cut their combined production by around 1.2 million barrels per day to 32.5 million barrels per day. But the market is also exposed to risks with increases in production volumes in Nigeria and Libya. Including OPEC producers may reduce production capacity less than the agreement. Given the state of demand growth over supply This will result in a 2560 crude oil market likely to be in equilibrium.

### **1) Operation overview**

In 2016, the company continued its expansionary policy for the offshore oil and gas industry. This makes the company. Maintaining continued growth in the offshore oil and gas industry.

Overall operating performance for the year 2016, the Company's total revenues were Baht 528.29 million, a decrease of 28.14% from the year 2015, with total revenue of Baht 735.17 million. The net loss for the year 2016 was Baht 257.86 million. Or a loss increase of 34.80% from 2558 which had a net loss of 191.28 million baht because the company have downgraded non-profitable business units. Describe status and significant changes.

The company's performance in 2016 is expected to improve slightly from the same period of last year. The gross profit was about 10.80 million baht or 2.04 percent of total revenue which improved from the year 2015 with the gross loss of 0.48 percent of the total revenue for profitability. The company has a negative return on asset utilization of 31.40% and a negative of 17.17% in 2016 and 2015, respectively, with a negative return on



equity of 76.08% and a negative of 239.21% in 2016 and year. 2558, respectively, resulting from the company's net loss. According to the reasons mentioned above.

On November 27, 2015, the Company was sued by a commercial creditor to the Central Bankruptcy Court for the rehabilitation of the company. On April 1, 2019, the Central Bankruptcy Court filed a petition for a petition for business rehabilitation in Black Case No. 6/2559, but six creditors filed an objection and wanted to fight the case. During the year 2016, the second defendant, the sole beneficiary of the preferential financial institution, filed a petition to withdraw the objection to the Bankruptcy Court. And the court has ordered the withdrawal of the objection. The case is currently awaiting the testimony of the petitioner. Debtors and witnesses objected to the remaining 5 cases.

### Summary of operating overview and revenue by segment

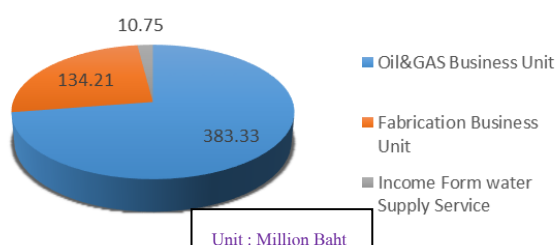
#### • Sales and service income

In the year 2016, the Company had total sales and services income of Baht 528.29 million coming from 3 main businesses: (1) Oil and Natural Gas Service business of Baht 383.33 million; assembly and installation of 134.21 million baht (3) the water works Baht 10.75 million, which decreased by Baht 206.88 million or a decrease of 28.14 percent from 2558, with revenues from sales and services totaled 735.17 million. Baht, the details are as follows.

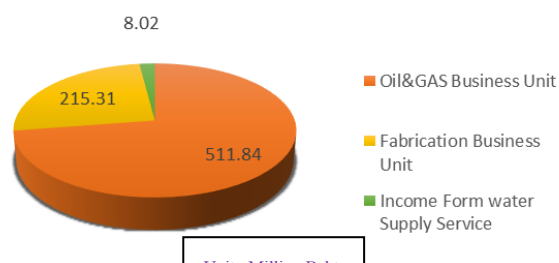
The table shows revenue by business type.

Income	Year 2016		Year 2015	
	Million Baht	%	Million Baht	%
Income from oil and gas industry services.	383.33	72.56	511.84	69.61
Fabrication Business Unit	134.21	25.40	215.31	29.29
Income Form Water Supply Service	10.75	2.04	8.02	1.10
<b>Total income</b>	<b>528.29</b>	<b>100.00</b>	<b>735.17</b>	<b>100.00</b>

Revenue from sales service 2016



Revenue from sales service 2015



Total revenue from sales and services decreased. The Company has a policy of slowing down project receipts, as well as large scale construction and assembly works, to manage the limited liquidity and cash flow. In addition, offshore oil and gas related services related to outsourcing of production were reduced due to fluctuations in oil prices and uncertainty over the renewal of drilling operations. Oil & Gas Business And assembly

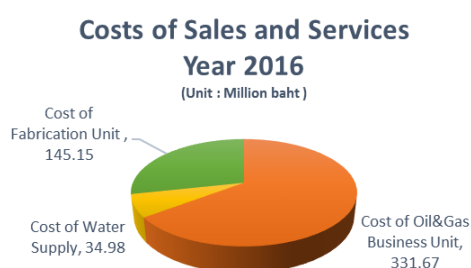
business is the main installation. Since the company has expanded its services in the south of the Gulf of Thailand to more skilled craftsmen and rental equipment.

The oil and gas industry in 2016 is in a state of volatility due to rapidly declining global crude oil prices. Therefore, the exploration and production of oil and natural gas. As a major customer, the slowdown in investment has resulted in limited revenue growth and has not been able to generate enough revenue to compensate for lost revenue from the construction business. The company is confident that the oil and gas industry. As well as the petrochemical industry. There will be an increase in the near term as it is an important consumer product.

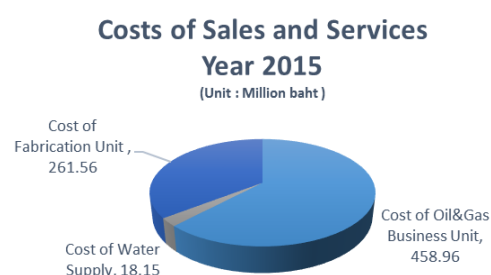
#### • Other income

In 2016, the Company had other incomes totaling Baht 7.12 million, consisting of revenue from sale of property and rental income.

#### • Cost of sales and services



■ Cost of Oil&Gas Business Unit ■ Cost of Water Supply ■ Cost of Fabrication Unit



■ Cost of Oil&Gas Business Unit ■ Cost of Water Supply ■ Cost of Fabrication Unit

Year 2016, cost of sales and services. The sales and services income was Baht 517.50 million or a decrease of Baht 738.67 million or 29.94% from the previous year due to the slowdown in the construction business. The ratio of cost of sales and services revenues, compared with an upward trend.

#### • Selling and administrative expenses and debts.

In the year 2016, the Company's selling and administrative expenses were Baht 119.64 million, slightly decreased from Baht 127.17 million or 22.64% of sales and service income for the year 2016, respectively. doubtful accounts of Baht 76.31 million due mainly to the allowance for doubtful accounts of retentions receivable under construction contracts in the prosecution of 56.13 million baht, the Company.

Year 2559, cost of sales and services. The sales and services income was Baht 517.50 million or a decrease of Baht 738.67 million or 29.94% from the previous year due to the slowdown in the construction business. The ratio of cost of sales and services revenues, compared with an upward trend.

## 2) Overview of Financial Position

As of December 31, 2019, the Company had total assets of Baht 821.08 million, a decrease of 22.21% from the previous year. Most of the assets included Current assets of Baht 238.28 million and property, plant and equipment of Baht 383.18 million. The Company had total liabilities of Baht 1,160.0 million. Current liabilities accounted for 95.71% of total liabilities. As of December 31, 2019, the shareholders' equity was negative of Baht 338.90 million. The shareholders' equity was decreased due to the past operating loss.

### • Cash and cash equivalents

As of December 31, 2016, the Company had cash and cash equivalent of Baht 39.52 million decreased from the previous year. 53.31 per cent. Net cash used in operating activities was Baht 16.41 million and was spent on investment activities of Baht 22.63 million.

### • Inventories and Depreciation

In 2016, the Company's inventories amounted to Baht 10.62 million, a decrease of Baht 12.46 million from the previous year, due to the cancellation of the construction business and the value of each project. Quality management of inventory can be controlled more effectively.

### • Investments in goodwill and impairment

Investments in subsidiaries totaling Baht 255.89 million have been set aside allowance for impairment of investments in subsidiaries of Baht 124.28 million in FY2015. In FY2015, the Company has set aside allowance for impairment of investment in a subsidiary. Baht 52.28 million due to the unsuccessful performance and negative operating results.

### • Trade and other receivables

The Company has a net trade receivable as at 31 December 2016 amounting to 118.43 million baht. Most of the trade receivables are overdue for not more than 3 months. The accounts receivable overdue more than 12 months. See, that is a reasonable enough criteria. And other receivables of Baht 23.48 million.

### • Debt

As at 31 December 2016, the Company had total liabilities of Baht 1,160 million, consisting of trade accounts payable and other payables of Baht 314.91 million and defaulted debts from a local financial institution of Baht 429.41 million. Since January 2559, due to the protection of business under Section 90/12 on "the state of emergency. Debt (Automatic Stay) "

### • Liquidity ratio

In 2016, the Company's working capital ratio was 0.21 times, lower than that of year 2015 due to current liabilities. The defaulted debt has increased by more than Baht 450.0 million due to the fact that the Company has stopped paying principal and interest to such creditors since January 2016. Meanwhile, current assets that are short-term contract receivables decreased from the allowance for debt. Doubtful of loss on receivables of Baht 56.13 million, which is the former high-rise construction debtors in the course of the case.



#### • Profitability ratio

In 2016, the company's profitability increased from 2558. Gross profit was about 10.80 million baht or 2.04 percent of total revenue, which is better than the year 2015 with the gross loss of 0.48 percent. Of the total income for profitability. The Company had a negative return on assets utilization of 31.40%. Return on equity was negative of 76.08%, mainly due to the company's net loss.

#### The adequacy of liquidity and ability to repay debt.

The Company still has sufficient working capital from long-term service income from a major customer, which was renewed on 1 October 2016. The agreement is valid for 3 years from the date of the agreement. They also receive credit support from their trading partners for the normal course of business of the Group. The company mainly manages credit terms with its suppliers by negotiating credit terms with suppliers to match the company's receivables collection period. The Company is confident that it will be able to provide adequate working capital for future business operations.

#### Obligation

As of December 31, 2016, the Company had a letter of guarantee issued by a local financial institution to be bound by the Company's trade agreement amounting to Baht 376.54 million, a decrease of Baht 16.83 million from the previous year, as well as possible liabilities from the case. The current court process is not yet complete. And under the law of business protection under Section 90/12 "On condition of payment (Automatic Stay)".

#### **3) Key factors and influences that may affect future operations or financial position.**

On November 27, 2015, the Company was sued by a commercial creditor to the Central Bankruptcy Court for the Company's rehabilitation. On April 1, 2019, the Central Bankruptcy Court filed a petition for a petition for business rehabilitation in Black Case No. 6/2559, but six creditors filed an objection and wanted to fight the case. During the year 2016, the second defendant, the sole beneficiary of the preferential financial institution, filed a petition to withdraw the objection to the Bankruptcy Court. And the court has ordered the withdrawal of the objection. The case is currently awaiting the testimony of the petitioner and witnesses who opposed the remaining five cases or situations. There is uncertainty about the company's ability to continue.

The Company still has sufficient working capital from long-term service income from a major customer. Which has been renewed on 1 October 2016. The agreement is valid for 3 years from the date of the agreement. And supported credit lines from partners.

## Audit Fee

### Audit Fee 2016 SP AUDIT CO., LTD

(Baht)

Company Name and its subsidiaries	TOTAL
PAE (Thailand) Public Company Limited	1,400,000
PAE Technical Service Public Company Limited	450,000
PPS Energy & Marine Co., Ltd.	170,000
PAE Federal International Company Limited	40,000
Oasis Development Company Limited	40,000
PAE Energy Solution Company Limited	40,000
Pacific Resources International Limited (BVI)	20,000
<b>TOTAL</b>	<b>2,160,000</b>

#### 1. Audit Fee 2016 SP AUDIT CO., LTD

- Total 2,160,000 Baht -

#### 2. (Non-Audit fee)

- None -



## **INDEPENDENT AUDITOR'S REPORT**

To the Shareholders of PAE (Thailand) Public Company Limited and its subsidiaries

### **Opinion**

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

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

### **Basis for Opinion**

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

### **Going Concern**

As discussed in Note 2 to the financial statements, the Group have experienced the continuous operating losses, and the consolidated and separate financial statements for the year ended December 31, 2016, present an operating losses in amount of Baht 259.02 million and in amount of Baht 177.98 million respectively and negative cash flows from operation. As at December 31, 2016, the Group has current liabilities exceed than current assets according to the consolidated and separate financial statements in amount of Baht 872.01 million and in amount of Baht 805.23 million respectively, and the same date, the Group has negative shareholders according to the consolidated and separate financial statements in amount of Baht 338.90



million and in amount of Baht 378.88 million respectively. On November 27, 2015, the Company was filed the petition by one of the creditor to the Central Bankruptcy Court to rehabilitation the business. On April 1, 2016 the court has ordered to accept the petition for business rehabilitation according to Black Case No. F6/2559 and 6 creditors have to filed the objection and wish to litigation the case. And during the year 2016, the second objection creditor which is financial institutions that only one have preferred mortgages of the Company has filed a petition to withdraw the objection to the Central Bankruptcy Court and the court has ordered to withdraw the objection. In currently, the case is awaiting to examination the petitioner and the 5 remaining objection. As stated in Note 2, these conditions, along with other matters as set forth in Note 2, these conditions, indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### Key Audit Matters

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

#### **Recognition of revenues and costs of construction contracts.**

According to the notes to the financial statements no 6.19.1 and 6.20.1

Revenue and the gross margin are recognized on completion of construction work on a contractual basis which is calculated according to the proportion of the cost of construction work completed to date and estimated total cost of construction. The management are required discretion to estimate the revenues initially as agreed in the contract, the amount that related to contract adjustment from the modification work, claims for compensation, the completeness and accuracy of the estimated construction costs until the job is finish and the potential to deliver to customers on time. The final result of the contract may result in several different directions, depending on the accuracy of the assumptions and the discretion in assessing the contract to a specific contract. The discretion changing in relation to the stage of completion and estimated total construction costs will contribute to improving revenue and gross margin significantly, as results both positive and negative. I therefore focus to auditing the accuracy of the rate of completion of construction and the value of total construction costs projection and the value of total construction costs projections which the issue is the key audit matter in my audit.

#### How my audit addressed the key audit matter

- I will test the reliability of the estimated total cost of the project by begin from understand control system designed to be used to the preparation of estimated total cost of the project for evaluate the effectiveness of the Company overall controlling. To test the estimated cost of main construction by comparing information in the customer's contract with accounting information to show on the quantities of materials and labor used in construction (BOQ) which the project engineer prepared and test construction price in BOQ with accounting information. Auditing the documentation for the construction costs recorded in the general ledger compared with the cost estimate in transaction as to test the accuracy of

the cost estimate that defined. Query to the management about controlling method to use in case of adjustment estimated cost that the company will be pay in the future to complete the construction. I found that the estimated all construction costs of the Company are appropriate.

- I have tested the reliability of the percentage of completion construction by asking for the process of preparing the percentage of completion report with the engineering supervisor. Tested the reliability of the taking over certificate from employer including to tested of construction costs incurred after the end of the period to consider the reasonableness of the percentage of completion of the remaining construction. I found that the rate of completion of the construction that the company used are appropriate.

### The recoverable amount of the assets

According to the notes to the financial statements no 13 and 18

In consolidate financial statement, the Group has recognized an allowance for loss impairment of goodwill in amounting of Baht 13.80 million , and in separate financial statement, the Company has recognized an allowance for impairment of investments in subsidiaries in amounting Baht 52.28 million. I determined to testing the recoverable amount of assets is important to my audit due to the evaluation process is complex and the management will be use more discretion in selecting the assumptions to be used in determining the cash inflows and outflow in the future, discount rate. In addition, certain assets refer to fair value from the valuation report of the independent appraiser. So I focused on testing the reasonableness of the assumptions that the management and the appraiser used.

How my audit addressed the key audit matter

- I have assessed the reasonableness of the assumptions and methodology that used by the management to calculate the cash inflows and outflows in the future of the subsidiary by testing the evidence to support the forecast of revenue from tap water production services by compare with historical production data including to forecasts production in the future that management expected, testing the suitability of the growth rate of service fee with reliable information, testing the appropriateness of the expenses that prepared by the management and assessment of the appropriateness of the discount rate that used by the management.
- I have assessed the suitability of the methodology that used by the appraiser to determine the fair value of the assets. Evaluation of the suitability of evidence that used by the appraiser to determine the replacement value of the asset including to assessment of the suitability of lifetime of assets. In addition, I have to assessed the knowledge ,ability and independence of the appraiser.

As a result of testing, I found that the management assumptions used in preparing the discounted cash flow projections and the assumptions that the appraiser used to determine the fair value is reasonable.



## Other Information

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

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

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

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charge with governance to correct the materially misstatement.

### Responsibilities of Management and Those Charge with Governance for the Financial Statements

Managements is responsible for the preparation and fair presentation of the 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.

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

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

### Auditor's Responsibilities for the Audit of the Financial Statements

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



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

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

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

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

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

SP Audit Company Limited



(Miss Yuphin Chumjai)

Certified Public Accountant (Thailand) No.8622

Bangkok

March 17, 2017



# Financial Statements

PAE (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

As at December 31, 2016

(Unit : Baht)

	Notes	Consolidated financial statements			Separate financial statements		
		December 31,	December 31,	January 1,	December 31,	December 31,	January 1,
		2016	2015	2015	2016	2015	2015
			(Restated)	(Restated)			
<b>Assets</b>							
<b>Current assets</b>							
Cash and cash equivalents		39,522,254	84,656,008	265,829,007	11,279,402	60,982,836	240,719,002
Trade and other receivables	7.1, 8	118,428,638	145,495,277	256,168,799	73,963,616	79,429,061	221,476,384
Unbilled receivables		50,557,477	51,279,990	97,485,557	48,250,070	40,126,311	77,630,935
Retention receivables	9	8,393,678	85,691,389	80,150,554	7,860,994	84,175,005	79,128,415
Current portion of receivables under							
Finance lease agreements	20	904,507	788,770	-	-	-	-
Short-term loans and accrued interest income							
to other parties	10	-	-	-	-	-	-
Short-term loans to related parties	7.1	-	-	-	-	-	-
Inventories	11	10,618,013	12,461,052	20,924,908	8,549,079	9,748,984	17,767,330
Other current assets		9,859,913	12,570,908	11,231,949	6,240,622	5,657,352	6,195,854
<b>Total current assets</b>		<b>238,284,480</b>	<b>392,943,394</b>	<b>731,790,774</b>	<b>156,143,783</b>	<b>280,119,549</b>	<b>642,917,920</b>
<b>Non-current assets</b>							
Restricted deposits	12	15,593,953	7,380,663	5,768,338	13,658,749	4,952,356	4,936,138
Investments in Subsidiaries	13	-	-	-	79,328,543	131,611,931	35,000,000
Long-term loans to related parties	7.1	-	-	-	-	-	-
Investment property	15	38,586,947	38,586,947	38,586,947	35,562,946	35,562,946	35,562,946
Property, plant and equipment	16	383,180,172	459,564,246	343,532,692	226,795,274	276,738,674	279,228,783
Water rights		4,223,800	7,323,040	-	-	-	-
Intangible assets	17	6,178,042	7,145,704	8,342,662	4,363,995	5,445,107	7,248,124
Goodwill	18	-	13,799,857	-	-	-	-
Deferred tax assets	19	12,694,868	16,135,030	2,249,193	-	-	-
Receivables under finance lease agreements	20	32,693,242	33,597,750	-	-	-	-
Withholding tax		87,601,102	74,211,403	55,612,619	79,184,559	71,113,474	50,406,410
Other non-current assets		2,048,225	4,838,884	2,502,334	1,113,690	1,812,199	2,132,199
<b>Total non-current assets</b>		<b>582,800,351</b>	<b>662,583,524</b>	<b>456,594,785</b>	<b>440,007,756</b>	<b>527,236,687</b>	<b>414,514,600</b>
<b>Total assets</b>		<b>821,084,831</b>	<b>1,055,526,918</b>	<b>1,188,385,559</b>	<b>596,151,539</b>	<b>807,356,236</b>	<b>1,057,432,520</b>



## PAE (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## STATEMENTS OF FINANCIAL POSITION

As at December 31, 2016

(Unit : Baht)

	Notes	Consolidated financial statements			Separate financial statements		
		December 31,	December 31,	January 1,	December 31,	December 31,	January 1,
		2016	2015	2015	2016	2015	2015
			(Restated)	(Restated)			
Liabilities and shareholders' equity							
Current liabilities							
Defaulted debts	22	472,426,911	22,786,026	-	429,410,958	-	-
Bank overdrafts and short-term loan from financial institutions	23	-	42,259,470	8,843,418	-	42,259,470	8,843,418
Trade and other payables	24	314,912,126	330,857,763	373,172,876	276,031,781	294,080,042	345,592,675
Advance receive from construction contracts		79,086,410	93,094,825	103,972,589	79,086,410	92,781,542	102,579,691
Retention payables	25	27,503,614	42,158,438	39,286,344	27,503,614	41,969,369	39,089,397
Unbilled costs		9,820,849	5,194,978	29,514,780	9,087,336	1,725,680	29,514,780
Estimated loss from construction contract		5,691,210	-	-	5,691,210	-	-
Current portion of long-term liabilities							
Long-term loan from financial institutions	27	7,583,599	41,814,846	33,408,444	-	34,744,016	32,236,792
Liabilities under finance lease agreements	28	3,680,619	5,602,340	4,253,324	509,693	476,418	443,708
Short-term loan from other parties and persons	26	76,784,303	72,284,303	60,367,197	27,588,886	27,588,886	27,588,886
Short-term loan from related persons	7.1	4,115,000	2,654,429	2,654,429	2,625,000	2,654,429	2,654,429
Estimated delay penalty		81,200,250	82,169,892	84,522,058	81,200,251	82,169,892	84,522,059
Income tax payable		-	-	2,265,098	-	-	-
Other current liabilities		27,489,442	19,897,122	27,566,395	22,640,346	13,556,591	21,595,243
Total current liabilities		1,110,294,333	760,774,432	769,826,952	961,375,485	634,006,335	694,661,078
Non-current liabilities							
Long-term loan from financial institutions	27	18,511,846	343,933,157	334,351,476	-	300,707,498	332,906,162
Liabilities under finance lease agreements	28	2,877,138	7,075,418	6,570,740	563,932	1,073,625	-
Deferred tax liabilities	19	7,846,531	8,341,912	-	-	-	-
Employee benefits obligation	29	20,458,471	15,355,600	12,851,998	13,096,756	9,818,693	7,579,780
Total non-current liabilities		49,693,986	374,706,087	353,774,214	13,660,688	311,599,816	340,485,942
Total liabilities		1,159,988,319	1,135,480,519	1,123,601,166	975,036,173	945,606,151	1,035,147,020

## PAE (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## STATEMENTS OF FINANCIAL POSITION

As at December 31, 2016

(Unit : Baht)

	Notes	Consolidated financial statements			Separate financial statements		
		December 31,	December 31,	January 1,	December 31,	December 31,	January 1,
		2016	2015	2015	2016	2015	2015
			(Restated)	(Restated)			
<b>Shareholders' equity</b>							
Share capital							
Authorized share capital	30, 31						
8,051,717,332 Ordinary shares @ Baht 1.00 each		8,051,717,332	8,051,717,332	-	8,051,717,332	8,051,717,332	-
4,093,617,523 Ordinary shares @ Baht 1.00 each		-	-	4,093,617,523	-	-	4,093,617,523
Issued and Paid-up share capital							
2,770,889,766 Ordinary shares @ Baht 1.00 each		2,770,889,766	-	-	2,770,889,766	-	-
2,770,740,964 Ordinary shares @ Baht 1.00 each		-	2,770,740,964	-	-	2,770,740,964	-
2,730,166,349 Ordinary shares @ Baht 1.00 each		-	-	2,730,166,349	-	-	2,730,166,349
Premiums on ordinary shares		128,893,569	128,893,569	128,893,569	128,893,569	128,893,569	128,893,569
Discounts on ordinary shares		(940,360,932)	(940,286,531)	(917,159,000)	(940,360,932)	(940,286,531)	(917,159,000)
Deficits		(2,392,322,651)	(2,151,896,954)	(1,969,727,055)	(2,338,307,037)	(2,097,597,917)	(1,919,615,418)
Other components of equity		67,244,887	67,244,886	70,308,096	-	-	-
<b>Total shareholders' equity</b>		<b>(365,655,361)</b>	<b>(125,304,066)</b>	<b>42,481,959</b>	<b>(378,884,634)</b>	<b>(138,249,915)</b>	<b>22,285,500</b>
Non-Controlling Interests	14	26,751,873	45,350,465	22,302,434	-	-	-
<b>Total shareholders' equity</b>		<b>(338,903,488)</b>	<b>(79,953,601)</b>	<b>64,784,393</b>	<b>(378,884,634)</b>	<b>(138,249,915)</b>	<b>22,285,500</b>
<b>Total liabilities and shareholders' equity</b>		<b>821,084,831</b>	<b>1,055,526,918</b>	<b>1,188,385,559</b>	<b>596,151,539</b>	<b>807,356,236</b>	<b>1,057,432,520</b>



## PAE (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31, 2016

( Unit : Baht )

	Consolidated financial statements		Separate financial statements		
	Notes	2016	2015	2016	2015
		(Restated)			
Revenue from services		383,335,805	511,843,688	236,780,243	324,505,363
Revenue from long term contract services		134,211,141	215,304,974	104,827,457	203,576,026
Revenue from water supply services		10,747,434	8,024,373	-	-
Total revenue from sales services		528,294,380	735,173,035	341,607,700	528,081,389
Cost from services		(331,673,075)	(458,959,387)	(197,736,085)	(320,841,026)
Cost from long term contract services		(145,146,903)	(261,557,654)	(123,379,468)	(250,357,019)
Cost from water supply services		(34,985,679)	(18,151,758)	-	-
Reserve losses for construction projects		(5,691,210)	-	(5,691,210)	-
Total cost of sales and services		(517,496,867)	(738,668,799)	(326,806,763)	(571,198,045)
Gross profit (loss)		10,797,513	(3,495,764)	14,800,937	(43,116,656)
Other incomes		7,116,463	10,895,201	7,286,992	8,536,882
Reverse liabilities		15,033,639	-	15,033,639	1,200,297
Dividend income		-	-	-	26,908,512
Selling expenses		(4,005,357)	(4,382,084)	(3,575,907)	(3,613,612)
Administrative expenses		(115,638,373)	(122,790,854)	(71,536,047)	(81,952,074)
Doubtful accounts		(76,306,974)	(2,296,345)	(72,822,384)	(15,703,991)
Loss for impairment investments in subsidiaries		-	-	(52,283,388)	(32,053,852)
Loss from impairment of goodwill		(13,799,857)	(21,003,994)	-	-
Loss from impairment of assets		(27,441,287)	-	(27,441,287)	-
Finance costs		(56,692,556)	(44,797,491)	(49,729,405)	(38,188,005)
Share of loss of investments in joint ventures		-	(8,092)	-	-
Loss before income tax		(260,936,789)	(187,879,423)	(240,266,850)	(177,982,499)
Income tax (expense) revenue		3,071,702	(3,404,122)	-	-
Loss for the year		(257,865,087)	(191,283,545)	(240,266,850)	(177,982,499)



## PAE (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31, 2016

( Unit : Baht )

Notes	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	(Restated)			
<b>Loss for the year</b>	<b>(257,865,087)</b>	<b>(191,283,545)</b>	<b>(240,266,850)</b>	<b>(177,982,499)</b>
<b>Other comprehensive income</b>				
<b>Items that will be reclassified subsequently to profit or loss :</b>				
Differences exchange rate on conversion of financial statements	-	(3,063,210)	-	-
<b>Total items that will be reclassified subsequently to profit or loss - net income tax</b>	<b>-</b>	<b>(3,063,210)</b>	<b>-</b>	<b>-</b>
<b>Items that will not be reclassified subsequently to profit or loss :</b>				
Actuarial gain (loss) arising from defined benefit plan of employees	(1,338,510)	1,394,299	(442,270)	-
Income tax effect	179,248	(278,860)	-	-
<b>Total items that will not be reclassified subsequently to profit or loss - net income tax</b>	<b>(1,159,262)</b>	<b>1,115,439</b>	<b>(442,270)</b>	<b>-</b>
<b>Total comprehensive income for year - net income tax</b>	<b>(1,159,262)</b>	<b>(1,947,771)</b>	<b>(442,270)</b>	<b>-</b>
<b>Total comprehensive income for year</b>	<b>(259,024,349)</b>	<b>(193,231,316)</b>	<b>(240,709,120)</b>	<b>(177,982,499)</b>
<b>Loss attributable to for the year</b>				
Shareholders of parent company	(239,466,392)	(182,974,311)	(240,266,850)	(177,982,499)
Non-controlling interests	(18,398,695)	(8,309,234)	-	-
	<b>(257,865,087)</b>	<b>(191,283,545)</b>	<b>(240,266,850)</b>	<b>(177,982,499)</b>
<b>Comprehensive income attributable to for the year</b>				
Shareholders of parent company	(240,425,756)	(185,233,109)	(240,709,120)	(177,982,499)
Non-controlling interests	(18,598,593)	(7,998,207)	-	-
	<b>(259,024,349)</b>	<b>(193,231,316)</b>	<b>(240,709,120)</b>	<b>(177,982,499)</b>
Earnings (loss) per share (THB).	32			
Attributable to shareholders of the parent company	(0.086)	(0.144)	(0.087)	(0.140)

## PAE (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For the years ended December 31, 2016

(Unit : Baht)

Consolidated financial statements											
Shareholders' equity of Parent Company											
Other Components of Shareholders' Equity											
Notes	Issued and fully paid-up share capital	Premiums on ordinary shares	Discounts on ordinary shares	Deficits	Other		Total other components of equity	Total Shareholders' equity of parent company	Non-controlling interests	Total shareholders' equity	
					Surplus (discount) on changes of interest in subsidiaries	Comprehensive income Differences exchange rate on conversion of financial statement					
Balance as at January 1, 2015 (Before Restated)	2,730,166,349	128,893,569	(917,159,000)	(1,976,448,738)	(3,499,575)	70,308,096	66,808,521	32,260,701	32,523,692	64,784,393	
Accounting error adjustment	4	-	-	6,721,683	3,499,575	-	3,499,575	10,221,258	(10,221,258)	-	
Balance as at January 1, 2015 (Restated)	2,730,166,349	128,893,569	(917,159,000)	(1,969,727,055)	-	70,308,096	70,308,096	42,481,959	22,302,434	64,784,393	
Transaction with shareholder on directly recorded to equity											
Increase from business acquisition	-	-	-	-	-	-	-	-	22,510,773	22,510,773	
Non-controlling decrease	-	-	-	-	-	-	-	-	(10,404,192)	(10,404,192)	
Capital Increase	30	40,574,615	-	(23,127,531)	-	-	-	17,447,084	-	17,447,084	
Capital Increase in Subsidiaries	-	-	-	-	-	-	-	-	18,939,657	18,939,657	
Transaction with shareholder on directly recorded to equity	40,574,615	-	(23,127,531)	-	-	-	-	17,447,084	31,046,238	48,493,322	
Total comprehensive loss for the year											
Loss for the year (Restated)	-	-	-	(182,974,311)	-	-	-	(182,974,311)	(8,309,234)	(191,283,545)	
Loss other comprehensive for the year	-	-	-	804,412	-	(3,063,210)	(3,063,210)	(2,258,798)	311,027	(1,947,771)	
Total Comprehensive income loss for the year	-	-	-	(182,169,899)	-	(3,063,210)	(3,063,210)	(185,233,109)	(7,998,207)	(193,231,316)	
Balance as at December 31, 2015	2,770,740,964	128,893,569	(940,286,531)	(2,151,896,954)	-	67,244,886	67,244,886	(125,304,066)	45,350,465	(79,953,601)	
Balance as at January 1, 2016 (Before Restated)	2,770,740,964	128,893,569	(940,286,531)	(2,157,939,534)	(3,499,575)	67,244,887	63,745,312	(134,846,220)	66,580,047	(68,266,173)	
Accounting error adjustment	4	-	-	6,042,640	3,499,575	-	3,499,575	9,542,215	(21,229,582)	(11,687,367)	
Balance as at January 1, 2016 (Restated)	2,770,740,964	128,893,569	(940,286,531)	(2,151,896,894)	-	67,244,887	67,244,887	(125,304,005)	45,350,465	(79,953,540)	
Transaction with shareholder on directly recorded to equity											
Increase in share capital from the exercised warrants	30,31	148,802	-	(74,401)	-	-	-	74,401	-	74,401	
Total transaction with shareholder on directly recorded to equity	148,802	-	(74,401)	-	-	-	-	74,401	-	74,401	
Total comprehensive loss for the year											
Loss for the year	-	-	-	(239,466,392)	-	-	-	(239,466,392)	(18,398,695)	(257,865,087)	
Other comprehensive loss for the year	-	-	-	(959,365)	-	-	-	(959,365)	(199,897)	(1,159,262)	
Total comprehensive loss for the year	-	-	-	(240,425,757)	-	-	-	(240,425,757)	(18,598,592)	(259,024,349)	
Balance as at December 31, 2016	2,770,889,766	128,893,569	(940,360,932)	(2,392,322,651)	-	67,244,887	67,244,887	(365,655,361)	26,751,873	(338,903,488)	

**PAE (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**

**For the years ended December 31, 2016**

**( Unit : Baht )**

	Notes	Separate financial statements				Total
		Issued and paid-up share capital	Premiums on ordinary shares	Discounts on ordinary shares	Deficits	
<b>Balance as at January 1, 2015</b>		<b>2,730,166,349</b>	<b>128,893,569</b>	<b>(917,159,000)</b>	<b>(1,919,615,418)</b>	<b>22,285,500</b>
<b>Transaction with shareholder on directly recorded to equity</b>						
Increase share capital	30	40,574,615	-	(23,127,531)	-	17,447,084
<b>Total transaction with shareholder on directly recorded to equity</b>		<b>40,574,615</b>	<b>-</b>	<b>(23,127,531)</b>	<b>-</b>	<b>17,447,084</b>
<b>Comprehensive loss for the year</b>						
Loss for the year		-	-	-	(177,982,499)	(177,982,499)
<b>Total comprehensive loss for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>(177,982,499)</b>	<b>(177,982,499)</b>
<b>Balance as at December 31, 2015</b>		<b>2,770,740,964</b>	<b>128,893,569</b>	<b>(940,286,531)</b>	<b>(2,097,597,917)</b>	<b>(138,249,915)</b>
<b>Transaction with shareholder on directly recorded to equity</b>						
Increase in share capital from the exercised warrants	30,31	148,802	-	(74,401)	-	74,401
<b>Total transaction with shareholder on directly recorded to equity</b>		<b>148,802</b>	<b>-</b>	<b>(74,401)</b>	<b>-</b>	<b>74,401</b>
<b>Comprehensive loss for the year</b>						
Loss for the year		-	-	-	(240,266,850)	(240,266,850)
Other comprehensive loss for the year		-	-	-	(442,270)	(442,270)
<b>Total comprehensive loss for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>(240,709,120)</b>	<b>(240,709,120)</b>
<b>Balance as at December 31, 2016</b>		<b>2,770,889,766</b>	<b>128,893,569</b>	<b>(940,360,932)</b>	<b>(2,338,307,037)</b>	<b>(378,884,634)</b>



**PAE (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**STATEMENTS OF CASH FLOWS**

**For the years ended December 31, 2016**

( Unit : Baht )

	<b>Consolidated financial</b>		<b>Separate financial statements</b>	
หมายเหตุ	2016	2015	2016	2015
<b>Cash flows from operating activities</b>				
Loss before income tax expenses	(260,936,789)	(187,879,423)	(240,266,850)	(177,982,499)
Adjustment to profit (loss) before income tax for cash received (paid)				
from operations				
Depreciation of property, plant and equipment	52,314,259	43,702,842	27,953,804	23,502,005
Amortization of intangible assets	2,104,062	1,998,903	1,841,112	1,803,017
Bad debt	73,672	-	-	-
Doubtful accounts (reversal)	76,306,974	2,296,345	72,822,384	15,703,991
Loss on decline in value of inventories (reversal)	1,294,108	(566,070)	1,161,584	-
Provision for Loss on Construction Projects	5,691,210	-	5,691,210	-
Loss from impairment of deferred tax assets	6,195,730	-	-	-
Write-off income tax withholding	2,017,970	-	2,017,970	-
Loss from impairment of assets	25,423,317	-	25,423,317	-
Loss from impairment of investments in subsidiaries	-	-	52,283,388	32,053,852
Loss from impairment of goodwill	13,799,857	21,003,994	-	-
(Gain) loss on sale / write-off of fixed assets	(886,416)	(790,730)	13,092	(849,729)
Amortization water rights	3,099,240	6,074,064	-	-
Write off of assets into cost of sales	10,197,597	-	-	-
Unrealized loss on exchange rate	(3,419)	27,616	(3,419)	32,209
Gain on written-off of trade and other payables	(4,288,161)	(2,135,277)	(4,288,161)	(2,135,277)
(Gain) from the reversal of short-term loans from related companies.	(29,429)	-	(29,429)	-
(Gain) on retirement liabilities.	(49,989)	-	(49,989)	-
(Gain) Reversal of provision for fines and delays	(969,642)	2,860,196	(969,642)	2,860,196
(Gain) from the reversal of advances received from customers	(9,696,418)	-	(9,696,418)	-
Dividend income	-	-	-	(26,908,512)
Employee benefit expenses	4,267,879	4,170,533	2,835,793	2,569,912
Interest income	(2,664,947)	(2,398,000)	(1,512,793)	(884,231)
Interest expense	56,692,556	44,797,491	49,729,405	38,188,005
Profit (loss) from operating activities before				
Changes in operating assets and liabilities	(20,046,779)	(66,837,516)	(15,043,642)	(92,047,061)

**PAE (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**STATEMENTS OF CASH FLOWS**

**For the years ended December 31, 2016**

( Unit : Baht )

	<b>Consolidated financial</b>		<b>Separate financial statements</b>	
หมายเหตุ	2016	2015	2016	2015
(Increase) decrease in operating assets				
Trade and other receivables	10,280,460	129,866,293	(8,407,799)	159,236,114
Unbilled receivables	722,513	39,638,055	(8,123,759)	30,937,112
Retention receivables	20,554,558	(9,090,029)	19,570,858	(8,595,782)
Receivables under finance lease agreements	788,770	559,482	-	-
Inventories	548,931	9,029,926	38,321	8,018,346
Other current assets	2,711,057	(11,071,171)	(583,270)	(9,193,710)
Other non-current assets	54,900	517,085	-	320,000
Increase (decrease) in operating liabilities				
Trade and other payables	(11,964,661)	(64,671,799)	(16,104,272)	(54,501,637)
Advance receive from construction contracts	(4,311,997)	(8,569,322)	(3,998,714)	(7,489,708)
Retention payables	(14,654,824)	4,063,751	(14,465,755)	4,071,629
Unbilled costs	4,625,871	(24,319,801)	7,361,656	(27,789,099)
Provision for fines and delays	-	(2,352,166)	-	(2,352,167)
Other current liabilities	7,643,543	(7,669,273)	9,134,978	(8,038,651)
Employee benefits obligation	(503,518)	(331,000)	-	(331,000)
Other non-current liabilities	-	(560,748)	-	-
Cash received (paid) from operating activities	(3,551,176)	(11,798,233)	(30,621,398)	(7,755,614)
<b>Cash flows from operating activities (continue)</b>				
Cash received from interest income	2,549,392	2,619,959	113,731	559,171
Cash paid for income tax	(15,407,669)	(24,113,593)	(10,089,055)	(20,707,064)
<b>Net cash provided from (used in) operating activities</b>	<b>(16,409,453)</b>	<b>(33,291,867)</b>	<b>(40,596,722)</b>	<b>(27,903,507)</b>

**PAE (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**STATEMENTS OF CASH FLOWS**

**For the years ended December 31, 2016**

( Unit : Baht )

	<b>Consolidated financial</b>		<b>Separate financial statements</b>	
หมายเหตุ	2016	2015	2016	2015
<b>Cash flows from investing activities</b>				
(Increase) decrease in restricted deposits	(8,213,290)	(1,612,325)	(8,706,393)	(16,218)
Cash paid for short-term loans to subsidiaries	-	-	(108,416)	(90,262)
Cash paid for long-term loans to subsidiaries	-	-	-	(16,000,000)
Cash paid for purchase of investments in subsidiaries	-	(81,801,496)	-	(128,665,783)
Cash received from dividend income	-	-	-	26,908,512
Cash paid for purchase of fixed assets	(15,406,396)	(42,010,645)	(3,446,813)	(19,073,491)
Cash received from disposal of fixed assets	2,126,084	924,727	-	918,688
Cash paid for purchase of Intangible assets	(1,136,400)	(748,400)	(760,000)	-
<b>Net cash provided from (used in) investing activities</b>	<b>(22,630,002)</b>	<b>(125,248,139)</b>	<b>(13,021,622)</b>	<b>(136,018,554)</b>
<b>Cash flows from financing activities</b>				
Increase (decrease) in bank overdrafts	-	27,631,092	11,881,553	27,631,092
Cash received from short-term loan from financial institutions	-	17,676,585	-	17,676,585
Cash paid for short-term loan from financial institutions	11,881,552	(11,891,626)	-	(11,891,626)
Cash received from short-term loan from related persons	5,990,000	-	-	-
Cash paid in asset payable	-	(807,722)	-	(457,511)
Cash paid for long-term loan from financial institutions	(9,452,040)	(34,555,823)	(2,244,772)	(29,691,440)
Cash paid for liabilities under finance lease agreements	(6,120,001)	(4,832,361)	(476,418)	(754,255)
Cash paid for interest expense	(8,468,211)	(41,844,028)	(5,319,854)	(35,782,309)
Cash paid for dividend to non-controlling interests	-	(10,404,192)	-	-
Cash received from capital increase	-	17,447,084	-	17,447,084
Share capital increased from the exercise of warrants	74,401	-	74,401	-
Cash received from non-controlling interests	-	18,939,657	-	-
<b>Net cash provided from (used in) financing activities</b>	<b>(6,094,299)</b>	<b>(22,641,334)</b>	<b>3,914,910</b>	<b>(15,822,380)</b>
Impact of exchange rate changes on cash and cash equivalents	-	8,341	-	8,275
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(45,133,754)</b>	<b>(181,172,999)</b>	<b>(49,703,434)</b>	<b>(179,736,166)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>84,656,008</b>	<b>265,829,007</b>	<b>60,982,836</b>	<b>240,719,002</b>
<b>Cash and cash equivalents at the ending of the year</b>	<b>39,522,254</b>	<b>84,656,008</b>	<b>11,279,402</b>	<b>60,982,836</b>



## PAE (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

### NOTES TO FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED DECEMBER 31, 2016

#### 1. General information

The Company was registered as a company limited in accordance with the Civil and Commercial Code, and converted to a public company limited in accordance with the public limited companies Act B.E 2535 on 29 May 1995, registration number 0107538000291, with its registered head office is located at 69 Soi On-nuch 64, Srinakarin Road, Suanluang, Bangkok Thailand.

The Company is engaged in provision of serviced under civil construction, engineering and industrial services.

#### 2. Going concern

The Group have experienced the continuous operating losses, and the consolidated and separate financial statements for the year ended December 31, 2016 and 2015, present an operating losses in amount of Baht 259.02 million and Baht 193.23 million respectively (the Company only Baht 240.71 million and Baht 177.98 million respectively) and negative cash flows from operation. As at December 31, 2016 and 2015, the Group has current liabilities exceed than current assets according to the financial statements in amount of Baht 872.01 million and Baht 367.83 million respectively (the Company only Baht 805.23 million and Baht 353.89 million respectively), and the same date, the Group has negative shareholders according to the consolidated in amount of Baht 338.90 million and Baht 79.95 million respectively (the Company only Baht 378.88 million and Baht 138.25 million respectively). Presently, the Company has SP sign (Trading Suspension) by SET due to the company's operating performance and financial condition may be in line of delisting the listed Company by SET.

On November 27, 2015, the Company was filed the petition by one of the creditor to the Central Bankruptcy Court to rehabilitation the business. Subsequently, on April 1, 2016, the court has ordered to accept the petition for business rehabilitation according to Black Case No.F6/2559 and 6 creditors have to filed the objection and wish to litigation the case. And during the year 2016, the second objection creditor which is financial institutions that only one have preferred mortgages of the

company has filed a petition to withdraw the objection to the Central Bankruptcy Court and the court has ordered to withdraw the objection. In currently, the case is awaiting to examination the petitioner and the 5 remaining objection.

As discussed in Note to The financial statement no.24 and no.25, the Company was sued by the creditors to civil litigation in order to appeal that the company to pay debts that owed for goods and services including to damages to the creditors (see Note no.40). In addition, the Company has stop to pay principal and interest to financial institution as mentioned in Note to The financial statement no.22

Therefore the stopping payment to the creditors is under to the business protection law of Section 90/12 of the "Moratorium or Automatic Stay", which the Company's management expect to obtain the protection from the law until enter to the rehabilitation plan that will result to the Company having enough working capital to operate the business in the next one year.

Therefore, the consolidated financial statements and separate financial statements for the year ended of December 31, 2016 and 2015 the Group have been prepared on the basis of continuing operations on the assumption that the Company will have sufficient working capital to revenue by long-term service from a major customer, which has been renewed the contract on October 1, 2016. The contract is valid for 3 years from the date of the contract and supported of credit limit from business partner for use in the operations of the Group. The suitability of these assumptions is based on the success of the rehabilitation plan. If the court orders the Company to rehabilitation, appoint the rehabilitation planner and the court approved the rehabilitation plan which is expected to take time about 1 year from the financial statements date. It makes the Group has receive the confidence of business partners to support more credit limit and the financial institution will consider to provide the financial support to the Group as well. And management believes that the debt restructuring is compliance with the payment of debt will be assist to make liquidity for the company that will enable to the Company to generate profits and to pay the debt under the plan.

### 3. Basis of financial statements preparation

3.1 The financial statements issued for Thai reporting purposes are prepared in the Thai language. This English translation of the financial statements has been prepared for the convenience of readers not conversant with the Thai language.



3.2 The consolidated and the separate financial statements were prepared in accordance with the generally accepted accounting principle under the Accounting Act B.E. 2543, which include the already announced accounting standards, financial reporting standards and their interpretation including accounting guidance issued by the Federation of Accounting Professionals established under the Accounting Professions Act B.E. 2547 which reach the conclusion to be promulgated.

The presentation in the financial statements are presented in accordance with the determination stated in the Notification of the Department of Business Development dated September 28, 2011, issued under the Accounting Act, B.E. 2543.

The financial statements were prepared and presented currency in Thai Baht which the Group functional currency , rounded to the nearest thousand baht unless otherwise stated and using historical cost basis except those disclosed otherwise in the accounting policies.

3.3 During the year, the Group adopted a number of new and revised Thai financial reports standards (TFRS) and interpretations, issued by the FAP, that is effective for fiscal years beginning on or after January 1, 2016, as listed below.

	<u>Effective date</u>
TFRS No. 2 Share-based Payment (revised 2015)	January 1, 2016
TFRS No. 3 Business Combinations (revised 2015)	January 1, 2016
TFRS No. 4 Insurance Contracts (revised 2015)	January 1, 2016
TFRS No. 5 Non-current Assets Held for Sale and Discontinued Operations (revised 2015)	January 1, 2016
TFRS No. 6 Exploration for and Evaluation of Mineral Resources (revised 2015)	January 1, 2016
TFRS No. 8 Operating Segments (revised 2015)	January 1, 2016
TFRS No. 10 Consolidated Financial Statements (revised 2015)	January 1, 2016
TFRS No. 11 Joint Arrangements (revised 2015)	January 1, 2016
TFRS No. 12 Disclosure of Interests in Other Entities (revised 2015)	January 1, 2016
TFRS No. 13 Fair Value Measurement (revised 2015)	January 1, 2016
TAS No. 1 Presentation of Financial Statements (revised 2015)	January 1, 2016
TAS No. 2 Inventories (revised 2015)	January 1, 2016
TAS No. 7 Statement of Cash Flows (revised 2015)	January 1, 2016
TAS No. 8 Accounting Policies, Changes in Accounting Estimates and Errors (revised 2015)	January 1, 2016
TAS No. 10 Events after the Reporting Period (revised 2015)	January 1, 2016
TAS No. 11 Construction Contracts (revised 2015)	January 1, 2016
TAS No. 12 Income Taxes (revised 2015)	January 1, 2016



	<u>Effective date</u>
TAS No. 16 Property, Plant and Equipment (revised 2015)	January 1, 2016
TAS No. 17 Leases (revised 2015)	January 1, 2016
TAS No. 18 Revenue (revised 2015)	January 1, 2016
TAS No. 19 Employee Benefits (revised 2015)	January 1, 2016
TAS No. 20 Accounting for Government Grants and Disclosure of Government Assistance (revised 2015)	January 1, 2016
TAS No. 21 The Effects of Changes in Foreign Exchange Rates (revised 2015)	January 1, 2016
TAS No. 23 Borrowing Costs (revised 2015)	January 1, 2016
TAS No. 24 Related Party Disclosures (revised 2015)	January 1, 2016
TAS No. 26 Accounting and Reporting by Retirement Benefit Plans (revised 2015)	January 1, 2016
TAS No. 27 Separate Financial Statements (revised 2015)	January 1, 2016
TAS No. 28 Investments in Associates and Joint Ventures (revised 2015)	January 1, 2016
TAS No. 29 Financial Reporting in Hyperinflationary Economies (revised 2015)	January 1, 2016
TAS No. 33 Earnings per Share (revised 2015)	January 1, 2016
TAS No. 34 Interim Financial Reporting (revised 2015)	January 1, 2016
TAS No. 36 Impairment of Assets (revised 2015)	January 1, 2016
TAS No. 37 Provisions, Contingent Liabilities and Contingent Assets (revised 2015)	January 1, 2016
TAS No. 38 Intangible Assets (revised 2015)	January 1, 2016
TAS No. 40 Investment Property (revised 2015)	January 1, 2016
TAS No. 41 Agriculture	January 1, 2016
TFRIC No. 1 Changes in Existing Decommissioning, Restoration and Similar Liabilities (revised 2015)	January 1, 2016
TFRIC No. 4 Determining whether an Arrangement contains a Lease (revised 2015)	January 1, 2016
TFRIC No. 5 Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds (revised 2015)	January 1, 2016
TFRIC No. 7 Applying the Restatement Approach under TAS 29 (revised 2015) Financial Reporting in Hyperinflationary Economies (revised 2015)	January 1, 2016
TFRIC No. 10 Interim Financial Reporting and Impairment (revised 2015)	January 1, 2016
TFRIC No. 12 Service Concession Arrangements (revised 2015)	January 1, 2016
TFRIC No. 13 Customer Loyalty Programmes (revised 2015)	January 1, 2016
TFRIC No. 14 TAS 19 (revised 2015) - The Limit on a Defined Benefit Assets, Minimum Funding Requirements and their Interaction (revised 2015)	January 1, 2016
TFRIC No. 15 Agreements for the Construction of Real Estate (revised 2015)	January 1, 2016
TFRIC No. 17 Distributions of Non-cash Assets to Owners (revised 2015)	January 1, 2016
TFRIC No. 18 Transfers of Assets from Customers (revised 2015)	January 1, 2016
TFRIC No. 20 Stripping Costs in the Production Phase of a Surface Mine (revised 2015)	January 1, 2016
TFRIC No. 21 Levies	January 1, 2016

Effective date

TSIC No. 10 Government Assistance - No Specific Relation to Operating Activities (revised 2015)	January 1, 2016
TSIC No. 15 Operating Leases - Incentives (revised 2015)	January 1, 2016
TSIC No. 25 Income Taxes - Changes in the Tax Status of an Entity or its Shareholders (revised 2015)	January 1, 2016
TSIC No. 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease (revised 2015)	January 1, 2016
TSIC No. 29 Service Concession Arrangements : Disclosures (revised 2015)	January 1, 2016
TSIC No. 31 Revenue - Barter Transactions Involving Advertising Services (revised 2015)	January 1, 2016
TSIC No. 32 Intangible Assets - Web Site Costs (revised 2015)	January 1, 2016

The Group has adopted such financial reporting standards to the financial statements on the current period. The management believes that they don't have any significant impact on the financial statements for the current period, except for.

Moreover, the Federation of Accounting Profession has notified to apply the following financial reporting standards to the financial statements in the future periods.

	<u>Effective date</u>
TFRS No. 2 Share-based Payment (revised 2016)	January 1, 2017
TFRS No. 3 Business Combinations (revised 2016)	January 1, 2017
TFRS No. 4 Insurance Contracts (revised 2016)	January 1, 2017
TFRS No. 5 Non-current Assets Held for Sale and Discontinued Operations (revised 2016)	January 1, 2017
TFRS No. 6 Exploration for and Evaluation of Mineral Resources (revised 2016)	January 1, 2017
TFRS No. 8 Operating Segments (revised 2016)	January 1, 2017
TFRS No. 10 Consolidated Financial Statements (revised 2016)	January 1, 2017
TFRS No. 11 Joint Arrangements (revised 2016)	January 1, 2017
TFRS No. 12 Disclosure of Interests in Other Entities (revised 2016)	January 1, 2017
TFRS No. 13 Fair Value Measurement (revised 2016)	January 1, 2017
TAS No. 1 Presentation of Financial Statements (revised 2016)	January 1, 2017
TAS No. 2 Inventories (revised 2016)	January 1, 2017
TAS No. 7 Statement of Cash Flows (revised 2016)	January 1, 2017
TAS No. 8 Accounting Policies, Changes in Accounting Estimates and Errors (revised 2016)	January 1, 2017
TAS No. 10 Events after the Reporting Period (revised 2016)	January 1, 2017
TAS No. 11 Construction Contracts (revised 2016)	January 1, 2017
TAS No. 12 Income Taxes (revised 2016)	January 1, 2017
TAS No. 16 Property, Plant and Equipment (revised 2016)	January 1, 2017
TAS No. 17 Leases (revised 2016)	January 1, 2017
TAS No. 18 Revenue (revised 2016)	January 1, 2017
TAS No. 19 Employee Benefits (revised 2016)	January 1, 2017
TAS No. 20 Accounting for Government Grants and Disclosure of Government Assistance (revised 2016)	January 1, 2017
TAS No. 21 The Effects of Changes in Foreign Exchange Rates (revised 2016)	January 1, 2017
TAS No. 23 Borrowing Costs (revised 2016)	January 1, 2017



	Effective date
TAS No. 24 Related Party Disclosures (revised 2016)	January 1, 2017
TAS No. 26 Accounting and Reporting by Retirement Benefit Plans (revised 2016)	January 1, 2017
TAS No. 27 Separate Financial Statements (revised 2016)	January 1, 2017
TAS No. 28 Investments in Associates and Joint Ventures (revised 2016)	January 1, 2017
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TAS No. 36 Impairment of Assets (revised 2016)	January 1, 2017
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TAS No. 38 Intangible Assets (revised 2016)	January 1, 2017
TAS No. 40 Investment Property (revised 2016)	January 1, 2017
TAS No. 41 Agriculture (revised 2016)	January 1, 2017
TAS No. 104 Accounting for Troubled Debts Restructurings (revised 2016)	January 1, 2017
TAS No. 105 Accounting for Investments in Debt and Equity Securities (revised 2016)	January 1, 2017
TAS No. 107 Financial Instruments: Presentation and Disclosures (revised 2016)	January 1, 2017
TFRIC No. 1 Changes in Existing Decommissioning, Restoration and Similar Liabilities (revised 2016)	January 1, 2017
TFRIC No. 4 Determining whether an Arrangement contains a Lease (revised 2016)	January 1, 2017
TFRIC No. 5 Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds (revised 2016)	January 1, 2017
TFRIC No. 7 Applying the Restatement Approach under TAS 29 (revised 2016) Financial Reporting in Hyperinflationary Economies (revised 2016)	January 1, 2017
TFRIC No. 10 Interim Financial Reporting and Impairment (revised 2016)	January 1, 2017
TFRIC No. 12 Service Concession Arrangements (revised 2016)	January 1, 2017
TFRIC No. 13 Customer Loyalty Programmes (revised 2016)	January 1, 2017
TFRIC No. 14 TAS 19 (revised 2016) - The Limit on a Defined Benefit Assets, Minimum Funding Requirements and their Interaction (revised 2016)	January 1, 2017
TFRIC No. 15 Agreements for the Construction of Real Estate (revised 2016)	January 1, 2017
TFRIC No. 17 Distributions of Non-cash Assets to Owners (revised 2016)	January 1, 2017
TFRIC No. 18 Transfers of Assets from Customers (revised 2016)	January 1, 2017
TFRIC No. 20 Stripping Costs in the Production Phase of a Surface Mine (revised 2016)	January 1, 2017
TFRIC No. 21 Levies (revised 2016)	January 1, 2017
TSIC No. 10 Government Assistance – No Specific Relation to Operating Activities (revised 2016)	January 1, 2017
TSIC No. 15 Operating Leases - Incentives (revised 2016)	January 1, 2017
TSIC No. 25 Income Taxes - Changes in the Tax Status of an Entity or its Shareholders (revised 2016)	January 1, 2017
TSIC No. 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease (revised 2016)	January 1, 2017
TSIC No. 29 Service Concession Arrangements : Disclosures (revised 2016)	January 1, 2017
TSIC No. 31 Revenue - Barter Transactions Involving Advertising Services (revised 2016)	January 1, 2017
TSIC No. 32 Intangible Assets - Web Site Costs (revised 2016)	January 1, 2017
Guide on Accounting for Insurance Business in Determining Financial Instruments as Financial Instruments Presented with Fair Value through Profit or Loss	January 1, 2017

The Group do not use financial reporting standards applicable to financial statements in future periods prior to adoption. And management has assessed that there is no impact on the consolidated financial statements in the period of initial adopted.



3.4 In preparation of financial statements in conformity with generally accepted accounting principles the management has to make estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and underlying assumptions are resulted from experience and other factors that the management has reasonably assurance under such circumstance. Actual results may differ from these estimates.

The estimates and underlying assumptions so used in preparation of the financial statements are reviewed on regular basis. Revisions to accounting estimates are recognised in the period in which estimates are revised and in any future periods affected. The areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognized in the Group financial statements include :-

#### Construction revenue and construction costs

Construction revenue and construction costs are recognised by using the percentage of completion method. The stage of completion is measured by reference to the completion of a physical proportion of the contract work performed as assessed by the project engineers.

#### Estimated Construction Project Costs

The Group estimates 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 other miscellaneous costs to be incurred to complete the construction service, taking into account the direction of the movement in these costs. Estimates are reviewed regularly or whenever actual costs differ significantly from the figures used in the original estimates.

#### Provision for Loss on Construction Projects

Management applied judgment 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.

#### Unbilled construction cost payables

Unbilled construction cost payables are estimated based from management experience after taking into consideration of work progress and updated budget project costs incurred as part of the budget.

#### Allowance for doubtful debt, earned revenues not yet billed, retention receivable from customers and other assets

In determining an allowance for doubtful accounts, earned revenues not yet billed, retention receivable from customers and other assets the management needs to make judgment and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

#### Impairment of investments in subsidiaries

The Company treats investments in subsidiaries as impaired if the business operations of such companies are severely impacted by the economic crisis and the investments will take time to recover their value. The management determines devaluation of such investments based on management's judgement. The use of different estimates and assumptions could affect the amounts of allowances for impairment of investments in subsidiaries adjustments to the allowances may therefore be required in the future.

#### Depreciation of plant and equipment

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the Group plant and equipment. The management will review the estimate useful lives and residual values when there are any changes from the estimates made during the prior periods, derecognition of the dilapidated asset or cease of usage from disposal or disused.

In addition, the management is required to review buildings and equipment and intangible assets for impairment on a periodical basis and record impairment losses in the period when it is determined that their recoverable amount is lower than the carrying cost. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

#### Amortization of intangible asset

Intangible asset are amortised by a straight-line method over estimate useful life and will also be considered about decline in value if there is an indication. In recording and measuring the initial value as well as considering decline in value of intangible asset, it needs the managements judgment in estimating the net realizable value in the future.

#### Provision for fines and delays

In recording provision for fines and delays care warrantee, the management estimates the expenses expected to be incurred as a result of provision for fines and delays based on past experiences of each actual expenses claimed.

### Estimate on employee benefit obligations

The present value of the estimate on employee retirement benefit is calculated using various assumptions, including discount rate, which is used to determine the expenses related to the employee retirement benefits. Any change in these assumptions would affect the estimate of employee retirement benefits. The Group determine the appropriate discount rate annually and applied to measure the present value of estimated future cash flows for the settlement of the employee benefit obligations, using the said determined appropriate discount rate. The discount rate is the yield of government bonds that have maturity date approximating the terms of the Group obligations.

### Lease agreement

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgment regarding whether significant risk and rewards of ownership of the leased asset have been transferred, taking into consideration terms and conditions of the arrangement.

### Impairment of goodwill

The Company annually reviews goodwill from investments in subsidiary companies to determine whether it is impaired or not. The recoverable amounts of cash-generating units are determined based on value-in-use calculations. These calculations require the use of management estimates.

### Litigation

The Group normally have contingent liabilities as a result of disputes and litigation. Management use judgment to assess the results of the disputes and litigation and recognize reasonable provision for losses in the accounts at the reporting date. However, actual results could differ from the estimates.

### Fair Value

In determining the fair value of financial instruments which are recognised in the statement of financial position that are not actively traded and for which quoted prices are not readily available in active market, the management has to exercise judgment, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk, liquidity, correlation and long-term volatility of financial instruments. Changes in assumptions about these factors may affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

Other estimates are disclosed under related caption in these notes to financial statements.



#### 4. Accounting error adjustment

##### 4.1 Adjustment of fair value of net assets at the business acquisition date

The company recognized goodwill from business acquisition of a subsidiary during the year 2015 under value as Baht 13.80 million. This error occurred since the acquisition date, the Company recognized the fair value of debtor by financial lease over at Baht 28.85 million, deferred tax assets over at Baht 6.00 million, deferred tax liabilities over at Baht 14.49 million and non-controlling interests over at Baht 6.56 million. In addition, the Company did not recognized deferred tax income (expenses) cause from the reversal in the income statement for the year 2015 in amount of Baht 0.82 million. The error mentions above resulted to at December 31, 2015, the Company recognized the receivables under financelease agreements over at Baht 28.73 million, deferred tax assets over at Baht 6.50 million and deferred tax liabilities over at Baht 15.81 million. Therefore, the management has retroactively adjustment in the financial statements in the acquisition period seem to recognized the correct transaction since beginning.

##### 4.2 Amortization of rights of water supply

The Company recognized the right water supply in the pond, which was acquired with the aquisition of a subsidiary Company during the year 2015 in the amount of Baht 13.40 million value of such rights calculated from amount of raw water that is in the pond at the acquisition date multiplied by the price of raw water to the current customer of subsidiary company and recognized as part of the property, plant and equipment and did not amortization in any way. After that the management has considers the content of such assets and consider that the transaction should be recognized as an intangible asset and amortized by using the yield of raw water use rights. Reflects to the Company has expect to receive economic benefits in the future from as mentioned assets by restated as the amortization of rights of raw water use since the first period recognized and amortization of the right water supply in the pond by number of units sold during the year 2015 in the amount of Baht 6.07 million.

##### 4.3 Equity of non-controlling interest

As at January 1, 2015 and at December 31, 2015 the Company has recognized equity of non-controlling interest over amount to Baht 21.23 million and Baht 10.22 million respectively (Include the effects identified in Note 4.1). The error is resulted to the shareholders of parent company under value by the same amount. The management has considers to adjusted retrospectively consolidated financial statements since the first period presented in the consolidated financial statements for year ended December 31, 2016.

#### 4.4 Affect the financial statements

Affect the consolidated financial statements as at December 31, 2015 and January 1, 2015 are as follows : -

(Unit: Thousand Baht)

##### Consolidated financial statements

	Adjust	After
Before adjust	Increase(decrease)	adjust

##### Statements of financial position as at December 31, 2015

Receivables under finance lease agreements	63,112	(28,725)	34,387
Rights of water supply	-	7,323	7,323
Property, plant and equipment	472,961	(13,397)	459,564
Deferred tax Assets	22,637	(6,502)	16,135
Goodwill	-	13,800	13,800
Deferred tax liabilities	24,156	(15,814)	8,342
Deficit	2,157,940	(6,043)	2,151,897
Other components of equity	63,745	3,500	67,245
Non-controlling interests	66,580	(21,230)	45,350

##### Statements of financial position as at January 1, 2015

Deficit	1,976,449	(6,722)	1,969,727
Other components of equity	66,809	3,500	70,309
Non-controlling interests	32,524	(10,222)	22,302

##### Statement of comprehensive income for the year end December 31 ,2015

Income from water supply services	5,520	2,504	8,024
Cost from water supply services	12,078	6,074	18,152
Other incomes	13,274	(2,379)	10,895
Income tax (expense) revenue	4,228	(824)	3,404
Loss for the year	186,159	5,125	191,284
Comprehensive loss for the year	188,106	5,125	193,231

##### Equity holders of the parent company

Loss for the year	182,606	368	182,974
Total comprehensive loss for the year	184,554	679	185,233
Basic loss per share (Baht)	0.14	-	0.14

##### Non-controlling interests

Loss for the year	3,552	4,757	8,309
Total comprehensive loss for the year	3,552	4,446	7,998

## 5. Basis of the consolidated financial statements preparation

5.1 The consolidated financial statements consist of the financial statements of the Company and subsidiaries (together called “The Group”).

5.2 A subsidiary companies are enterprise under the control of the Group. This control occurs when the Group have a controlling power directly or indirectly in giving direction of financial policy and operation of that company in order to derive benefits from that subsidiary companies. Also the financial statements of the subsidiary companies will be combined into the consolidated financial statements of the Group commencing from the date of control until the cessation date of such control.

5.3 The consolidated financial statements are prepared by using the same accounting policies for similar accounting items or events.

5.4 The accounting period of the subsidiary companies ends on the same date as that of PAE (THAILAND) PUBLIC COMPANY LIMITED.

5.5 The consolidated financial statements has been prepared by including the financial statements of PAE (THAILAND) PUBLIC COMPANY LIMITED and its subsidiaries after eliminate the significant related party balances and transactions. The Company holds directly and indirectly shares at the percentage of :-

<u>Company name</u>	<u>Nature of business</u>	<u>Incorporated in</u>	<u>Percentage of shareholding</u>	
			<u>2016</u>	<u>2015</u>
<b><u>Subsidiaries</u></b>				
PAE Energy Solution Company Limited	Recruitment*	Thai	99.99	99.99
PAE Technical Service Public Company Limited	Construction and hire of work*	Thai	72.12	72.12
Pacific Resources International Limited (BVI)	Construction and supply*	The British Virgin Islands	100.00	100.00
Oasis Development Company Limited	Rental apartment	Thai	54.94	54.94
PAE Federal International Company Limited	Buy and sell oil and gas	Thai	55.00	55.00
PPS Energy & Marine Co., Ltd.	Water Production	Thai	67.77	67.77

\* Presently the subsidiaries company stopped to business.



The financial statements of the subsidiaries are prepared for the same reporting periods as the Company and using consistent significant accounting policies.

The non-controlling interest is measured at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

5.6 The separate financial statements present investments in subsidiaries, joint ventures and associates under the cost method.

## 6. Accounting policies

Significant accounting policies used in the preparation of the financial statements can be summarized as follows :-

6.1 Cash and cash equivalents items include cash, bank deposits in the forms of savings and current accounts, and temporary investments with term not exceeding three months and not subject to withdrawal restrictions.

6.2 Trade and other receivable are stated at their invoice value less allowance for doubtful accounts. The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

6.3 Work in progress comprises the costs of materials, labor, contractor charges, services and overheads, values at the lower of cost and net realizable value.

6.4 Inventories are stated at cost price by first-in first-out method or net realizable value whichever is lower.

6.5 Investments in subsidiaries : in the separate financial statements, the investments in subsidiary companies are recorded by the cost method less accumulated allowance for impairment and recorded the recognition of the change of the investments value in the statement of comprehensive income when the investments has been disposed or impaired.

6.6 Investment property : the Group investment property is their owned land and building without specific purpose of use in the future and/or exploiting for rental income or appreciation of the asset. The Group measures the investment property by the cost value, deducted the accumulated depreciation and the accumulated impairment loss (if any) and calculated depreciation on a straight-line method over their approximate useful-life of 20 years, except for land which is considered to have an indefinite life.

## 6.7 Property, plant and equipment

Property plant and equipment are stated at cost price after deduction of accumulated depreciation and the accumulated impairment loss (if any) and calculated depreciation on a straight-line method over their approximate useful-life as follows:

Building	20 years
Building Improvements	8 – 20 years
Machinery and Equipment	8 – 20 years
Office Equipment	5 years
Vehicles	5 – 8 years

Depreciation of assets occurred during the usage period of producing the other fixed assets is calculated and capitalized as a part of the cost of that other assets and it would be ceased when that other fixed assets is ready for its intended use.

The Group did not carry depreciation for land, land improvements and assets under construction.

Replacement cost will be capitalized as a part of carrying amount of assets when it is probable that the Company will obtain the future economic benefits from that transaction and able to measure the cost of that transaction reliably. Replacement cost will be depreciated by the basis of estimated useful-life. Repair and maintenance expenses are recognized as expenses during the period that they are incurred.

The gain or loss arising on the disposal of an item of property, plant and equipment is determined as the difference between the net proceeds and the carrying amount and recognized as income or expense in profit or loss of that period.

6.8 Intangible Assets : software royalty are stated at cost less accumulated amortization expenses and the accumulated impairment loss and calculated on a straight-line method over their approximate useful-life 5 – 10 years.

## 6.9 Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary undertaking at the date of acquisition. Goodwill on acquisitions of subsidiaries is separately reported in the consolidated statement of financial position.

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose, identified according to operating segment.

6.10 Impairment of assets, the Group assesses at each statement of financial position date whether there is an indication that an asset may be impaired. If any such indication exists, the Group Companies make an estimate of the asset's recoverable amount. When the carrying amount of the asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognized in statements of comprehensive income.

The recoverable amount of assets is the greater of fair value less costs to sell the asset or value in use, under the agreement whichever is the higher.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

6.11 Trade and other payables are stated at cost.

6.12 Interest bearing liabilities are shown at cost and state the expense related to the incurrence of debt as the expense for the year.



## 6.13 Employee benefits

### Short-term employee benefits

The Group recognize salaries, wages, bonuses, contributions to social security fund and provident fund as expense when incurred.

### Post-employment benefits

The Group have jointly established a provident fund. The fund is monthly contributed by employees and by the Group. The fund's assets are held in a separate trust fund and the Group contributions are recognized as expenses when incurred.

The obligation under the defined benefit plans is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method on a regular basis. The projected unit credit method considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Past service costs are recognised on a straight-line basis over the average period until the amended benefits become vested. Gains or losses on the curtailment or settlement of defined benefit obligations are recognised when the curtailment or settlement occurs.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income. The defined benefit obligations are measured at the present value of estimated future cash flows using a discount rate that is similar to the interest rate on government bond.

**6.14 Estimation of liabilities:** The Group will record liability estimates whenever there is certainty that liability or obligation will occur at present legally or by estimation from the result connected with the past event. Such obligation is expected to cause damage to loss of useful or economic resources in order to make payment toward obligation and the amount to be paid is respectfully estimated. If payment made toward liability estimated is recovered fully or partly with certainty, the Group will recorded the recovered payment as asset separately but the amount so recorded must be more than the amount of related liability estimate and the related expense with the liability estimate will be shown in the statement of comprehensive income in the net amount after recovered expense already recognized.

6.15 The recording of long-term lease contracts of the Group (finance lease and hire purchase contract) is both an asset and a liability made in the statement of financial position at the same amount equivalent to fair value of leased asset as at the commencing date of the agreement or the present value of the minimum amount payable under the agreement whichever is the lower. The discount rate to be used in calculating such present value is the interest rate specified in the lease agreement. The directly related initial cost is included in the cost of the asset and the paid lease fee will be appropriated partly as financial expense and other to reduce the principle. The financial expense will be apportioned to various periods throughout the term of agreement so that the interest rate compared to the remaining amount of debt at each period is constant.

Depreciation policy for lease assets conforms to depreciable assets owned by the Group.

6.16 Premiums on ordinary shares when the Company share subscription monies are in excess of the par value of the shares issued, the Company has to set aside this excess amount to a reserve account (“premiums on ordinary shares”). Premiums on ordinary share are not available for dividend distribution.

6.17 Section 116 of the Public Companies Act B.E. 2535 requires that a company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward (if any), to a reserve account, until this account reaches an amount not less than 10% of the registered authorized capital. The legal reserve is not available for dividend distribution.

#### 6.18 Non-controlling interests

Non-controlling interests mean book value of the subsidiaries’ net asset according to the holding ratio of non-controlling interests or interests that are not owned by the shareholders of the parent company. Non-controlling interests will declare any item in shareholders’ equity in the statement of consolidated financial position and the net gains (losses) item of non-controlling interests separateing in consolidated income statement. The comprehensive income will be divided to non-controlling interests even if it make negative balance in non-controlling interests.

#### 6.19 Incomes recognition

6.19.1 The Group recognizes revenue from construction contracts by the percentage of completion method. The stage of completion is measured by referencing to the completion of a physical proportion of the contract work performed as assessed by the project engineers.

The recognised revenues which have not yet been due as per contracts have been shown under the caption of “Unbilled receivables” in the statements of financial position.



- 6.19.2 Revenue from sales is recognized when the significant risks and rewards of ownership have been transferred to the buyer.
- 6.19.3 Revenue from service are recognized when the service has been provided to customer.
- 6.19.4 Interest income is recognised on an accrual basis based on the effective interest rate.
- 6.19.5 Dividend income is recognised when the right to receive the dividends is established.
- 6.19.6 Other incomes are recognized by accrual basis.

## 6.20 Expenses recognition

6.20.1 The Group recognizes costs from construction contracts by the percentage of completion method. The stage of completion is measured by referencing to the completion of a physical proportion of the contract work performed as assessed by the project engineers. The estimated total cost is determined by the Group's project engineers or its responsible person, which is subject to change. The related actual costs are taken up as incurred on an accrual basis. Expected loss on each project is provided and charged as expense in the period when the estimated total costs of the project exceed its total contracted income.

The actual cost of services incurred but not yet recognised as cost of services in profit or loss has been regarded as "Construction in progress" under current assets in the statement of financial position, while contracts of which calculated costs of construction exceed incurred costs of construction are shown as "Unbilled cost" under current liabilities in the statement of financial position.

Construction in progress include the cost of raw materials, direct labour and other expenses incurred for each project. Such construction in progress and project management in progress are valued at the lower of cost or net realisable value.

6.20.2 Payments made under operating leases are recognized in the statement of comprehensive income on a straight line method over the term of the lease. Contingent rentals are charged to the statement of comprehensive income for the accounting period in which they are incurred.

6.20.3 Financial cost consists of interest expense or other expenses in similar nature charged and includes interest default to the statement of comprehensive income in the year such expenses are incurred except in case that they are partly recorded as cost of assets due to the effect of long period of time used to acquire construction or produce such assets prior to direct utilization or for sale. Interest which is part of installment amount under finance lease contract is charged to the statement of comprehensive income by effective rate method.

6.20.4 Other expense is recognized on accrual basis.



- 6.21 Income tax comprises current tax and deferred tax. Income tax is recognized in profit or loss except to the extent that related to items recognized in other comprehensive income or recognized directly in equity which will recognize in other comprehensive income or recognized directly in equity as same as that items.

#### Current tax

The Group recognise the current tax at the amount expected to be paid to the taxation authorities, are calculated based on taxable profits in accordance with Revenue Code.

#### Deferred tax

The Group recognise the deferred tax 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.

At each reporting date, the Group Companies reviews 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 utilized.

- 6.22 The related parties and related companies with the Company and its subsidiaries meant individuals or enterprises which have the controlling power over the Company and its subsidiaries or are controlled by the Company and its subsidiaries either directly or indirectly, or under the same control with the Company and its subsidiaries. Furthermore, the related parties or related companies also meant the associated companies and the parties whose holding the shares with voting rights, either directly or indirectly, and have significant influence to the Company, important managers, directors or the employees of the Company and its subsidiaries who have the power to plan and control the operations of the Company and its subsidiaries including the family members close to the said persons which could persuade or power to persuade to act in compliance with the said persons and business that the said persons have control power or significant influence, either directly or indirectly.

- 6.23 Basic loss per share is calculated by dividing loss for the year of the Parent Company (excludes other comprehensive income) by the weighted averaged number of already issued and fully paid shares during the accounting year.

- 6.24 The sectoral business operation is disclosed under the separate business sectors of the Group. The business segment is the business sector that source products or provide services which have different risks and return from the risks and return of the products or services provide by other business sectors.

6.25 Financial assets and liabilities carried on the statement of financial position include Bank deposit, trade receivables and payables , other receivables and payables, loan receivables and payables, receivable and payable under financial lease contracts. The important accounting policies and measurement of these items are disclosed in the respective accounting policies for related items.

#### 6.26 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group 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 Group measure fair value using valuation technique that are appropriate in the circumstances and maximise 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 categories of input to be used in fair value measurement as follows :-

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities.

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly.

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

At the end of each reporting period, the Group 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.

#### 7. Business transactions with related parties and person

The Company has significant transactions with related parties and individuals. Such transactions are based on commercial terms and bases agreed upon between the Company and those parties. This is normal business It can be summarized as follows:

## 7.1 Inter-assets and liabilities

(Unit: Thousand Baht)

	<u>Consolidated financial statement</u>		<u>Separate financial statement</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
- Other receivable				
Subsidiaries				
PAE Technical Service Public Co., Ltd.	-	-	733	399
Pacific Resources International Limited (BVI)	-	-	10,798	10,798
Oasis Development Co., Ltd.	-	-	90	90
PAE Federal International Co., Ltd	-	-	1,582	1,027
PPS Energy & Marine Co., Ltd	-	-	731	-
Total	-	-	13,934	12,314
<u>Less</u> Allowance for Doubtful Accounts	-	-	(11,190)	(10,798)
Net	-	-	2,744	1,516
Interest receivable				
Subsidiaries				
PPS Energy & Marine Co., Ltd.	-	-	1,609	325
<u>Less</u> Allowance for Doubtful Accounts	-	-	(1,609)	-
Net	-	-	-	325
Accrued income				
Subsidiaries				
PAE Technical Service Public Co., Ltd.	-	-	-	34
PPS Energy & Marine Co., Ltd	-	-	-	-
Total	-	-	-	34
Short-term loan				
Subsidiaries				
PAE Energy Solution Co., Ltd				
Beginning balance of year	-	-	32,724	32,689
Increase in the year	-	-	45	35
Decreased during the year	-	-	-	-
Balance at end of year	-	-	32,769	32,724



	<u>Consolidated financial statement</u>		<u>Separate financial statement</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Subsidiaries(continue)				
Allowance for doubtful accounts				
Beginning balance of year	-	-	(32,724)	(32,689)
Increase in the year	-	-	(45)	(35)
Decreased during the year	-	-	-	-
Balance at end of year	-	-	(32,769)	(32,724)
Net	-	-	-	-
Pacific Resources International Limited (BVI)				
Beginning balance of year	-	-	34,151	34,131
Increase in the year	-	-	18	20
Decreased during the year	-	-	-	-
Balance at end of year	-	-	34,169	34,151
Allowance for doubtful accounts				
Beginning balance of year	-	-	(34,151)	(34,131)
Increase in the year	-	-	(18)	(20)
Decreased during the year	-	-	-	-
Balance at end of year	-	-	(34,169)	(34,151)
Net	-	-	-	-
Oasis Development Co., Ltd.				
Beginning balance of year	-	-	15,010	14,975
Increase in the year	-	-	46	35
Decreased during the year	-	-	-	-
Balance at end of year	-	-	15,056	15,010
Allowance for doubtful accounts				
Beginning balance of year	-	-	(15,010)	(14,975)
Increase in the year	-	-	(46)	(35)
Decreased during the year	-	-	-	-
Balance at end of year	-	-	(15,056)	(15,010)
Net	-	-	-	-
Total	-	-	-	-

	<u>Consolidated financial statement</u>		<u>Separate financial statement</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Long-term loans				
PPS Energy & Marine Co., Ltd.				
Beginning balance of year	-	-	16,000	-
Increase in the year	-	-	-	16,000
Decreased during the year	-	-	-	-
Balance at end of year	-	-	16,000	16,000
Allowance for doubtful accounts				
Beginning balance of year	-	-	(16,000)	-
Increase in the year	-	-	-	(16,000)
Decreased during the year	-	-	-	-
Balance at end of year	-	-	(16,000)	(16,000)
Net	-	-	-	-
Total	-	-	-	-
Trade payable				
Subsidiary				
PAE Technical Service Public Co., Ltd	-	-	174	474
PAE Energy Solution Co.,Ltd..	-	-	135	135
Oasis Development Co., Ltd.	-	-	374	374
Total	-	-	683	983
Accrued expenses				
Subsidiary				
PAE Technical Service Public Co., Ltd	-	-	49	276
Accrued interest				
Related person				
Khun Chintana Kaweewong	626	495	626	495
Khun Urairat Boonakas	-	2,495	-	2,495
Khun Paveera Srikesem	13	13	13	13
Total	639	3,003	639	3,003

Consolidated financial statement
Separate financial statement
As at December 31,
As at December 31,
2016
2015
2016
2015

## Short-term loans

## Related person

## Khun Chintana Kaweewong

Beginning balance of year	2,625	2,625	2,625	2,625
Increase in the year	-	-	-	-
Decreased during the year	-	-	-	-
Balance at end of year	2,625	2,625	2,625	2,625

## Khun Urairat Boonakas

Beginning balance of year	29	29	29	29
Increase in the year	-	-	-	-
Decreased during the year	(29)	-	(29)	-
Balance at end of year	-	29	-	29

## Total short-term loans

2,625	2,654	2,625	2,654
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7.2 Inter-revenues and expenses

(Unit: Thousand Baht)

Consolidated  
financial statements
Separate  
financial statements
For the year as at December 31,
**Inter-transactions with subsidiaries**

## Revenues from services

PAE Technical Service Public Co., Ltd

Mutual agreed contract price

2016
2015
2016
2015

-

-

2,237

1,119

## Dividend income

PAE technical service Public Co., Ltd

According to the resolution  
of the meeting

-

-

-

26,909

## Rental income

PAE Technical Service Public Co., Ltd

Mutual agreed contract price

-

-

1,813

1,500

PAE Federal International Co., Ltd

Mutual agreed contract price

-

-

205

135

PAE Energy &amp; Marine Co.,Ltd..

Mutual agreed contract price

-

-

256

-

## Total

-

-

2,274

1,635



		<u>Consolidated</u>		<u>Separate</u>	
		<u>financial statements</u>		<u>financial statements</u>	
		<u>For the year as at December 31,</u>			
	<u>Pricing Policy</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Other income					
PAE Technical Service Public Co., Ltd	Mutual agreed contract price	-	-	33	75
PPS Energy & Marine Co., Ltd.	Mutual agreed contract price	-	-	120	3
PAE Federal International Co., Ltd	Mutual agreed contract price	-	-	1,048	1,565
Total		-	-	1,201	1,643

Interest income					
PPS Energy & Marine Co., Ltd.	8% per annum	-	-	1,284	342
Cost of services					
PAE Technical Service Public Co., Ltd	Mutual agreed contract price	-	-	490	1,275
<b>Inter-transactions with related persons</b>					
Interest Expense					
Khun Chintana Kawee Wong	5 - 10% per annum	131	131	131	131

### Key management personnel remuneration

(Unit: Thousand Baht)

	<u>Consolidated</u>		<u>Separate</u>	
	<u>financial statements</u>		<u>financial statements</u>	
	<u>For the year ended December 31,</u>			
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Short-term benefits	22,504	21,175	12,490	12,231
Post-employment benefits	5,222	4,518	3,189	4,518
Total	27,726	25,693	15,679	16,749

### 7.3 Relationship of related companies

<u>Name of related parties</u>	<u>Nature of business</u>
PAE Technical Service Public Co., Ltd.	Subsidiary by direct shareholding
Pacific Resources International Limited (BVI)	Subsidiary by direct shareholding
PAE Energy Solution Co., Ltd.	Subsidiary by direct shareholding
Oasis Development Co., Ltd	Subsidiary by direct shareholding
PPS Energy & Marine Co., Ltd.	Subsidiary by direct shareholding
PAE Federal International Co., Ltd	Subsidiary by direct shareholding
Khun Chintana Kaweewong	The Company's shareholding
Khun Urairat Boonakas	The Company's director
Khun Paveera Srikesem	The Company's former director

### 8. Trade and other receivables

Consist of:

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Trade receivables non- related entities	188,004	213,955	136,791	127,441
<u>Less</u> Allowance for doubtful accounts	(93,053)	(90,631)	(69,420)	(70,517)
Total trade receivables	94,951	123,324	67,371	56,924
Other receivables				
- Related entities	-	-	15,543	12,673
- Non- related entities	57,598	42,650	37,847	41,024
Total	57,598	42,650	53,390	53,697
<u>Less</u> Allowance for doubtful accounts	(34,120)	(20,479)	(46,797)	(31,192)
Total other receivables	23,478	22,171	6,593	22,505
Total trade and other receivables	118,429	145,495	73,964	79,429

As at December 31, 2016 and 2015, the aging of trade are as follows :-

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Trade receivables				
Not yet due	43,920	73,257	26,735	30,438
Over due				
- Less than 3 months	35,082	32,224	22,917	13,327
- From 3 to 6 months	1,455	3,447	212	-
- From 6 to 12 months	680	3,727	7	-
- More than 12 months	106,867	101,300	86,920	83,676
Total	188,004	213,955	136,791	127,441
<u>Less</u> Allowance for doubtful accounts	(93,053)	(90,631)	(69,420)	(70,517)
Total trade and notes receivables	94,951	123,324	67,371	56,924
Other receivables				
Other receivables related entities	-	-	13,934	12,314
Other receivables – non related entities	2,357	2,359	2,293	2,294
Accrued income - related entities	-	-	1,609	360
Accrued income - non related entities	18,155	-	116	-
Prepaid Expense	13,294	12,499	11,989	11,620
Advance Payment	5,589	8,320	5,410	7,765
Deposits	18,203	19,472	18,039	19,344
Total other receivable	57,598	42,650	53,390	53,697
<u>Less</u> Allowance for doubtful accounts	(34,120)	(20,479)	(46,797)	(31,192)
Total other receivables	23,478	22,171	6,593	22,505
Total trade and other receivables	118,429	145,495	73,964	79,429



For the year ended December 31, 2016 and 2015 there was movement in the allowance for doubtful debts of trade and other receivable as follows :-

(Unit : Thousand Baht)

	<u>Consolidated</u>		<u>Separate</u>	
	<u>financial statements</u>		<u>financial statements</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
As at January 1,	111,110	107,396	101,709	110,012
<u>Plus</u> Doubtful debts increased during the year	23,317	21,253	15,605	18,279
Increased from business acquisition.	-	17,475	-	-
<u>Less</u> Reversal of allowance for doubtful debts	(1,042)	(5,995)	(1,042)	-
Receive during the year	(6,138)	(29,019)	(55)	(26,582)
Doubtful debts during the year	(74)	-	-	-
As at December 31,	127,173	111,110	116,217	101,709

#### 9. Retention receivables

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Retention receivable amount	3,792	19,551	3,573	18,630
Retention receivable outstanding				
over credit term over 12 months	60,732	67,092	60,418	66,497
Total	63,524	86,643	63,991	(85,127)
<u>Less</u> Allowance for doubtful debts	(56,130)	(952)	(56,130)	(952)
Net	8,394	85,691	7,861	84,175

For the year ended December 31, 2016 and 2015, there was movement in the allowance for doubtful debts of retention receivable as follows :-

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
As at January 1,	952	903	952	903
<u>Plus</u> Doubtful debts increased during the year	56,915	49	56,915	49
<u>Less</u> Reversal of allowance for doubtful debts	(1,737)	-	(1,737)	-
As at December 31,	56,130	952	56,130	952

Allowance for doubtful receivables from retention receivable of the consolidated and separate financial statement as at December 31, 2016 and 2015, as follows :-

(Unit : Thousand Baht)

	<u>Consolidated and separate financial statements</u>	
	<u>As at December 31,</u>	
	<u>2016</u>	<u>2015</u>
A. The Capital Condominium Project	3,045	-
B. Element Srinakarin Project	10,876	-
C. Grace Land Khaolak Pang-Nga Project	26,403	-
D. Ramada Plaza Hotel Sukumvit Soi 15 Project	7,062	-
E. Modus Beach front Condominuim & AI Project	4,505	-
F. Niche Cars Project	2,930	-
G. Other Project	1,309	952
Total	56,130	952

# 10. Short-term loans and accrued interest income to other parties

Consist of

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Short-term loans	55,571	55,571	55,571	55,571
Other receivables	18,574	18,574	18,574	18,574
Accrued interest income	16,666	16,666	16,666	16,666
Total	90,811	90,811	90,811	90,811
<u>Less</u> Allowance for doubtful accounts	(90,811)	(90,811)	(90,811)	(90,811)
Net	-	-	-	-

For the year ended December 31, 2016 and 2015, the Company has not movement of allowance for short-term loans and accrued interest income to other parties.

(Unit : Thousand Baht)

	<u>Consolidated</u>		<u>Separate</u>	
	<u>financial statements</u>		<u>financial statements</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
As at January 1,	90,811	93,775	90,811	93,775
<u>Plus</u> Doubtful debts increased during the year	-	25	-	25
<u>Less</u> Reversal of during the year	-	(2,989)	-	(2,989)
As at December 31,	90,811	90,811	90,811	90,811



## 11. Inventories

Consist of:

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Finished goods	16,362	16,869	14,020	14,058
Work in process	-	42	-	-
Total	16,362	16,911	14,020	14,058
Less Allowance for decline	(5,744)	(4,450)	(5,471)	(4,309)
Net	10,618	12,461	8,549	9,749

For the year ended December 31, 2016 and 2015, the Company has movement of allowance for decline in value of goods as follow:-

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
As at January 1,	4,450	5,016	4,309	4,309
Plus increased during the year	1,295	139	1,162	-
Less Reversal during the year	(1)	(705)	-	-
As at December 31,	5,744	4,450	5,471	4,309

## 12. Restricted deposits

For the consolidated and separate financial statements as at December 31, 2016 and 2015, the Group has pledged the 12 months bank deposit-fixed account, carried at interest rate 0.90 - 1.50% per annum and 0.80 - 1.15% per annum respectively (Separate : 1.05 - 1.50% per annum and 1.35 - 1.50% per annum respectively), as collateral against letters of guarantee. However, the Company and its subsidiaries are allowed to withdraw the amount of interest.

### 13. Investments in subsidiaries

#### Separate financial statements

Name	Paid-up share capital		Investment ratio		Cost method		accumulated loss on impairment		Book value	
	Million Baht		%		(Thousand baht)		(Thousand baht)		(Thousand baht)	
	As at December 31, 2016	As at December 31, 2015	As at December 31, 2016	As at December 31, 2015	As at December 31, 2016	As at December 31, 2015	As at December 31, 2016	As at December 31, 2015	As at December 31, 2016	As at December 31, 2015
PAE Energy Solution Co., Ltd.	5.00	5.00	99.99	99.99	4,999	4,999	4,999	4,999	(4,999)	(4,999)
Pacific Resources International Limited (BVI)	86.68	86.68	100.00	100.00	86,681	86,681	86,681	86,681	(86,681)	(86,681)
PAE Technical Service Public Co., Ltd.	110.00	110.00	72.12	72.12	79,329	79,329	79,329	79,329	-	-
Oasis Development Co., Ltd.	0.54	0.54	54.94	54.94	549	549	549	549	(549)	(549)
PPS Energy & Marine Co., Ltd.	150.00	150.00	67.77	67.77	82,137	82,137	82,137	82,137	(82,137)	(29,979)
PAE Federal International Co., Ltd.	4.00	4.00	55.00	55.00	2,200	2,200	2,200	2,200	(2,200)	(2,075)
Total					255,895	255,895	255,895	255,895	(176,566)	(124,283)

For the year ended December 31, 2015, the Company had receives dividends from the PAE Technical Service Public Co., Ltd in amount of Baht 26.91 million.

For the year ended December 31, 2016 and 2015, the movement of accumulated loss on impairment of investments was as follows:

(Unit : Thousand Baht)

#### Separate

#### financial statements

#### As at December 31,

2016 2015

Beginning balance as at January 1,

124,283 92,229

Increase during the year

52,283 32,054

Reverse during the year

- -

Ending balance as at December 31,

176,566 124,283

#### Establishment of subsidiary

According to the Board of Directors Meeting of the Company No. 1/2015 held on 16 January 2015, it has passed the resolution to approve the establishment of a subsidiary, “PAE Federal International Co., Ltd.” which has the objective to engage in the business of trading products in industry of OIL&GAS service. The Company has established the subsidiary on 10 March 2015, with the shareholding in 55% of authorized share capital.

### Business acquisition

According to the Board of Directors Meeting of the Company No. 2/2015 held on 10 February 2015, it has passed the resolution to approve of investment in PPS Energy and Marine Co., Ltd. by the shareholding in 67.77% of authorized share capital. The Company has completely received the transferring of 1,016,550 shares on 12 March 2015. This will expand the Company's investments in manufacturing and distribution tap water and support the Company's growth in the future. Hereby, the Company determined the date of acquisition on 31 March 2015, because the operating result generating during the period of 12 March 2015 to 31 March 2015 of PPS Energy and Marine Co., Ltd. shall not be material.

Details on the acquisition of PPS Energy & Marine Co., Ltd. at the acquisition date are as follows:-

(Unit : Thousand Baht)

#### Fair value of assets

Cash and cash equivalents	336
Trade and other receivables	5,950
Receivables under finance lease agreements	34,946
Property, plant and equipment	109,183
Water rights	13,397
Intangible assets	17
Deferred tax assets	14,891
Other non-current assets	2,854
<b>Total assets</b>	<b>181,574</b>

#### Fair value of liabilities

Defaulted debts	20,910
Trade and other payables	17,134
Short-term borrowings from other parties	8,850
Long-term borrowings from financial institutions	52,544
Liabilities under finance lease agreements	2,004
Employee benefits obligation	58
Deferred tax liabilities	9,669
Other non-current liabilities	561
<b>Total liabilities</b>	<b>111,730</b>



(Unit : Thousand Baht)

Fair value of net assets value	69,844
<u>Less</u> non-controlling interests	(22,511)
Net assets value in the proportion of 67.77% investments	47,333
<u>Add</u> Goodwill	34,804
Consideration in investments in PPS Energy & Marine Co., Ltd.	82,137
<u>Less</u> Cash and cash equivalents of PPS Energy & Marine Co., Ltd.	(336)
Cash paid for investments in PPS Energy & Marine Co., Ltd.	81,801

As at 31 December 2016 and 2015, the Company had considered to recognize the loss on impairment of goodwill from acquired business of subsidiary in the consolidated financial statement in amount of Baht 34.80 million and Baht 21.00 million respectively, and recognized the loss on impairment of investments in subsidiaries in the separate financial statements in amount of Baht 82.13 million and Baht 29.98 million respectively.

#### 14. Non-controlling interests

The financial information concerning to each subsidiary of the Group which has non-controlling interests before eliminated the inter-transaction was as follows:-

(Unit:Thousand Baht)

As at 31 December 2016

	PPS Energy & Marine Co., Ltd.	PAE Technical Service Public Co., Ltd.	Other Subsidiaries	Total
Non-controlling interests	32.23	27.88		
Current assets	5,018	82,755		
Non-current assets	138,722	80,586		
Current liabilities	(105,894)	(18,416)		
Non-current liabilities	(26,134)	(9,899)		
Net assets	11,712	135,026		
Carrying amount of non-controlling interests	656	37,650	(11,555)	26,751
Revenue	15,052	178,647		
Profit (loss) for the year	(39,764)	(15,475)		
Other comprehensive income (expense) for the year	-	(719)		
Total comprehensive income (expense) for the year	(39,764)	(16,194)		

	As at 31 December 2016			
	PPS Energy & Marine Co., Ltd.	PAE Technical Service Public Co., Ltd.	Other Subsidiaries	Total
Profit (loss) attributable to non-controlling interests	(12,816)	(4,314)	(1,268)	(18,398)
Total comprehensive income (expense) attributable to Non- controlling interests	(12,816)	(4,514)	(1,268)	(18,598)

(Unit:Thousand Baht)

	As at 31 December 2015			
	PPS Energy & Marine Co., Ltd.	PAE Technical Service Public Co., Ltd.	Other Subsidiaries	Total
Non-controlling interests	32.23	27.88		
Current assets	8,854	105,968		
Non-current assets	168,344	81,287		
Current liabilities	(82,104)	(24,891)		
Non-current liabilities	(43,618)	(11,146)		
Net assets	51,476	151,218		
Carrying amount of non-controlling interests	13,472	42,165	(10,287)	45,350
Revenue	12,734	201,611		
Profit (loss) for the year	(18,368)	8,759		
Other comprehensive income (expense) for the year	-	1,115		
Total comprehensive Income (expense) for the year	(18,368)	9,874		
Profit (loss) attributable to non-controlling Interests	(9,038)	2,442	(1,713)	(8,309)
Total comprehensive income (expense) attributable to Non- controlling interests	(9,038)	2,753	(1,713)	(7,998)
Dividends paid to non-controlling interests	-	10,404	-	10,404

## 15. Investment property

Consisted of: -

(Unit : Thousand Baht)

### Consolidated financial statements

#### **Cost:**

	Land	Building	Total
As at January 1, 2015	38,587	13,474	52,061
As at December 31, 2015	38,587	13,474	52,061
As at December 31, 2016	38,587	13,474	52,061

#### **Accumulated amortization:**

As at January 1, 2015	-	(13,474)	(13,474)
As at December 31, 2015	-	(13,474)	(13,474)
As at December 31, 2016	-	(13,474)	(13,474)

#### **Net book value :**

As at December 31, 2015	38,587	-	38,587
As at December 31, 2016	38,587	-	38,587

(Unit : Thousand Baht)

### Separate financial statements

#### Land

#### **Cost:**

As at January 1, 2015	35,563
As at December 31, 2015	35,563
As at December 31, 2016	35,563

#### **Net book value :**

As at December 31, 2015	35,563
As at December 31, 2016	35,563

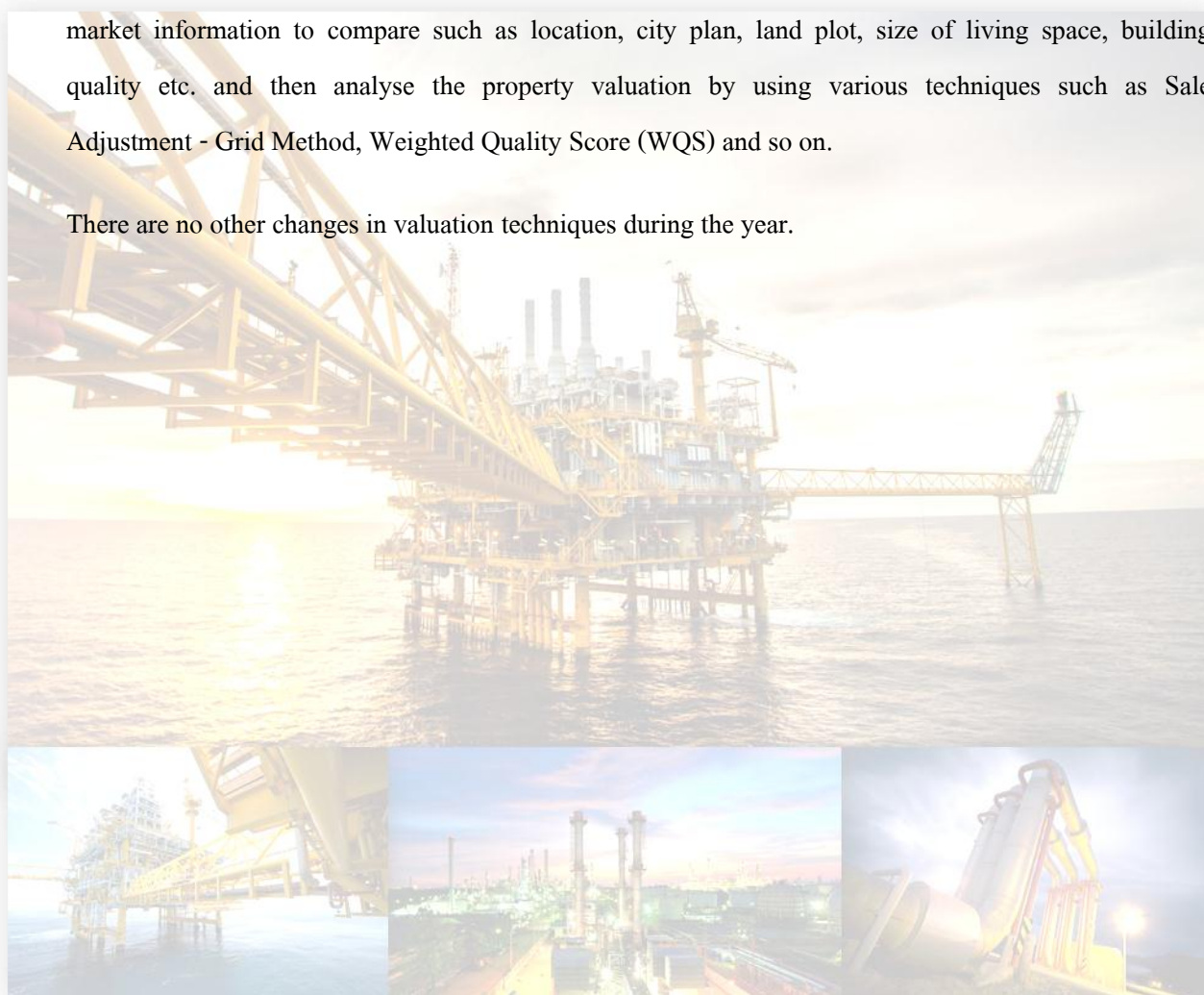
For the consolidated financial statements as at December 31, 2016 and 2015, the Group and its subsidiaries has mortgaged land and building, carrying amount in amount of Baht 38.13 million equally for both years (the Company only : Baht 35.11 million for the year), as collateral against the credit facility from the financial institutions as in Note 21.



For the consolidated and separate financial statements as at December 31, 2016 and 2015, held for currently undetermined future use.

The investment property, the fair value Level 3 in consolidated financial statements amount Baht 75.07 million and Baht 67.68 million respectively (the Company only : Baht 65.04 million and Baht 56.65 million respectively) have calculated by “Market Approach” by comparable properties that are similar and traded that similar or different from the property appraised by sufficient number. The valuation must consider in various factors that affect the value of the property as assessed in comparison with market information to compare such as location, city plan, land plot, size of living space, building quality etc. and then analyse the property valuation by using various techniques such as Sale Adjustment - Grid Method, Weighted Quality Score (WQS) and so on.

There are no other changes in valuation techniques during the year.



## 16. Property, plant and equipment

Consisted of: -

(Unit : Thousand Baht)

### Consolidated financial statements

	Land and Improvement	Building and improvement	Machinery and Equipment	Vehicles	Furniture and Equipment	Construction Progress	Total
<b>Cost :</b>							
As at January 1, 2015	220,850	154,948	127,903	27,786	53,251	82,433	667,171
Increase from business acquisition	53,660	32,736	78,313	3,035	887	367	168,998
Acquisition	-	-	25,377	5,430	7,993	12,277	51,077
Transfer in /Transfer out	-	83,346	-	-	(255)	(83,346)	(255)
Disposal/Written-off	-	(1)	(14,656)	(1,084)	(5,248)	-	(20,989)
As at December 31, 2015	274,510	271,029	216,937	35,167	56,628	11,731	866,002
Acquisition	-	339	8,291	62	3,183	3,533	15,408
Transfer in /Transfer out	-	2,286	9,696	-	367	(12,349)	-
Disposal/Written-off	-	(502)	(10,095)	(5,572)	(72)	(2,616)	(18,857)
As at 31 December 2016	274,510	273,152	224,829	29,657	60,106	299	862,553
<b>Accumulated depreciation:-</b>							
As at January 1, 2015	(36,727)	(93,518)	(79,836)	(15,810)	(40,554)	-	(266,445)
Increase from business acquisition	-	(4,920)	(37,204)	-	-	-	(42,124)
Depreciation for the year	(26)	(15,663)	(16,329)	(5,490)	(6,195)	-	(43,703)
Disposal/Written-off	-	1	14,299	926	5,467	-	20,693
As at December 31, 2015	(36,753)	(114,100)	(119,070)	(20,374)	(41,282)	-	(331,579)
Depreciation for the year	(27)	(18,285)	(22,783)	(5,213)	(6,008)	-	(52,316)
Disposal/Written-off	-	-	382	4,363	59	-	4,804
As at December 31, 2016	(36,780)	(132,385)	(141,471)	(21,224)	(47,231)	-	(379,091)
<b>Net book value :</b>							
<b>Allowance for impairment:-</b>							
As at January 1, 2015	(54,730)	-	(2,428)	-	(35)	-	(57,193)
Increase from business acquisition	(4,102)	(13,589)	-	-	-	-	(17,691)
Disposal/Written-off	-	-	25	-	-	-	25
As at December 31, 2015	(58,832)	(13,589)	(2,403)	-	(35)	-	(74,859)
Increase	(10,124)	(33,911)	-	-	-	-	(44,035)
Decrease	18,612	-	-	-	-	-	18,612
End of December 31, 2016	(50,344)	(47,500)	(2,403)	-	(35)	-	(100,282)
End of December 31, 2015	178,925	143,340	95,464	14,793	15,311	11,731	459,564
End of December 31, 2016	187,386	93,267	80,955	8,433	12,840	299	383,180

Depreciation is included in the statement of comprehensive income for the year

End of December 31, 2015	43,703
End of December 31, 2016	52,316

### Separate financial statements

	Land and Improvement	Building and improvement	Machinery and Equipment	Vehicles	Furniture and Equipment	Construction Progress	Total
<b>Cost :</b>							
As at January 1, 2015	208,220	135,740	72,559	9,155	47,627	82,135	555,436
Acquisition	-	-	10,965	2,110	6,330	1,675	21,080
Transfer in /Transfer out	-	82,988	-	-	-	(82,988)	-
Disposal/Written-off	-	(1)	(5,362)	(852)	(4,962)	-	(11,177)
As at December 31, 2015	208,220	218,727	78,162	10,413	48,995	822	565,339
Acquisition	-	-	930	-	2,517	-	3,447
Transfer in /Transfer out	-	822	-	-	-	(822)	-
Disposal/Written-off	-	-	-	-	(26)	-	(26)
As at December 31, 2016	208,220	219,549	79,092	10,413	51,486	-	568,760
<b>Accumulated depreciation:-</b>							
As at January 1, 2015	(36,669)	(91,594)	(47,206)	(8,754)	(37,254)	-	(221,477)
Depreciation for the year	-	(11,546)	(6,282)	(474)	(5,200)	-	(23,502)
Disposal/Written-off	-	1	5,319	831	4,957	-	11,108
As at December 31, 2015	(36,669)	(103,139)	(48,169)	(8,397)	(37,497)	-	(233,871)
Depreciation for the year	-	(16,438)	(6,201)	(527)	(4,788)	-	(27,954)
Disposal/Written-off	-	-	-	-	13	-	13
As at December 31, 2016	(36,669)	(119,577)	(54,370)	(8,924)	(42,272)	-	(261,812)
<b>Net book value :</b>							
<b>Allowance for impairment:-</b>							
As at January 1, 2015	(54,730)	-	-	-	-	-	(54,730)
Disposal/Written-off	-	-	-	-	-	-	-
As at December 31, 2015	(54,730)	-	-	-	-	-	(54,730)
Increase	(10,124)	(33,911)	-	-	-	-	(44,035)
Decrease	18,612	-	-	-	-	-	18,612
As at December 31, 2016	(46,242)	(33,911)	-	-	-	-	(80,153)
As at December 31, 2015	116,821	115,588	29,993	2,016	11,498	822	276,738
As at December 31, 2016	125,309	66,061	24,722	1,489	9,214	-	226,795

Depreciation is included in the statement of comprehensive income for the year

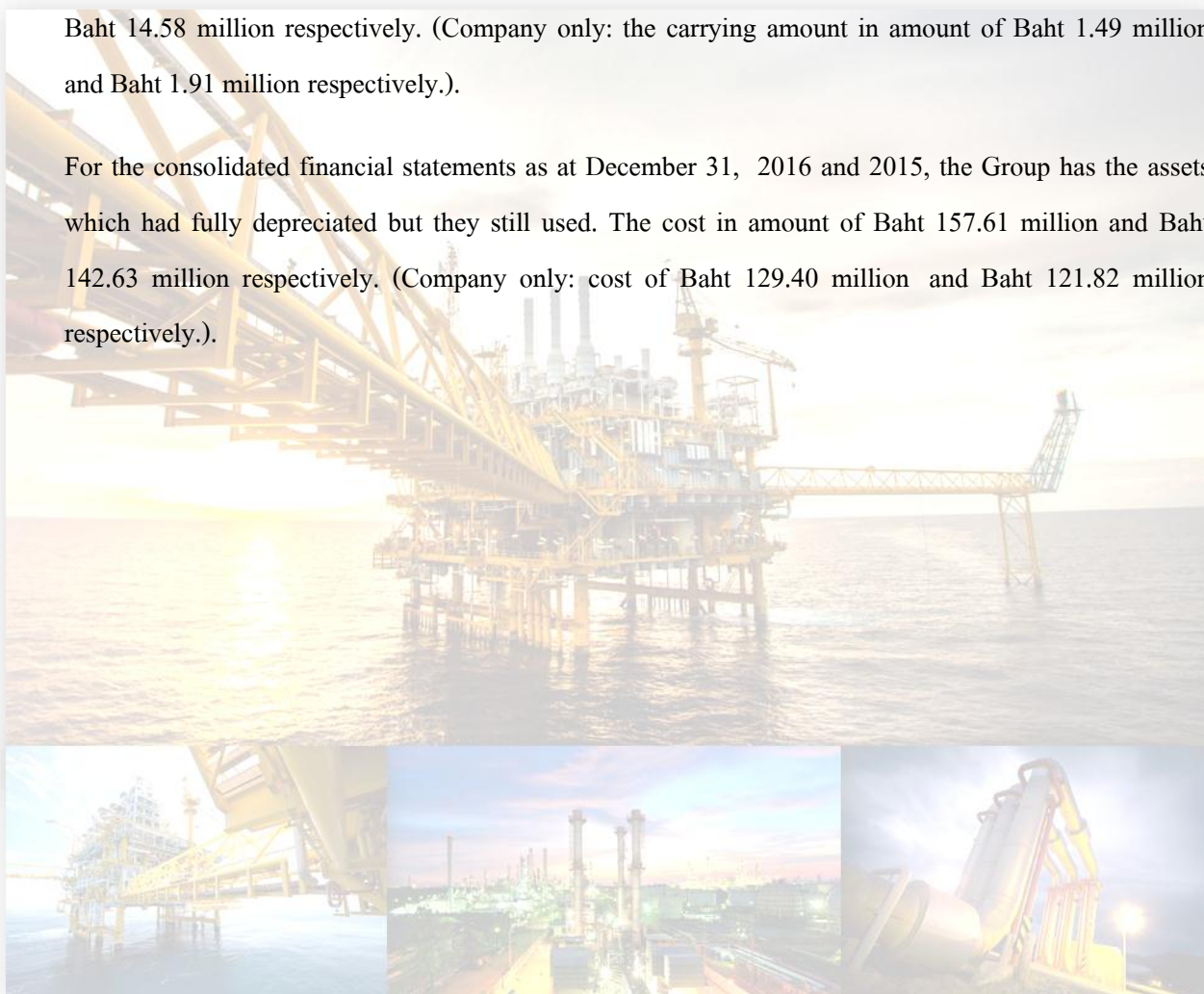
End of December 31, 2015	23,502
End of December 31, 2016	27,954



For the consolidated financial statements as at December 31, 2016 and 2015, the Group has mortgaged land and building, carrying amount in amount of Baht 241.16 million and Baht 219.37 million respectively. (the Company only: Baht 149.02 million and Baht 169.49 million respectively), as collateral against the credit facility from the financial institutions as in Note 21, and against the credit facility from the short-term loan from other parties and persons as in Note 26.

For the consolidated financial statements as at December 31, 2016 and 2015, the Group has the part of assets acquired under finance lease agreements the carrying amount in amount of Baht 7.88 million and Baht 14.58 million respectively. (Company only: the carrying amount in amount of Baht 1.49 million and Baht 1.91 million respectively.).

For the consolidated financial statements as at December 31, 2016 and 2015, the Group has the assets which had fully depreciated but they still used. The cost in amount of Baht 157.61 million and Baht 142.63 million respectively. (Company only: cost of Baht 129.40 million and Baht 121.82 million respectively.).



## 17. Intangible assets

Consisted of: -

(Unit : Thousand Baht)

	<u>Consolidate financial</u> <u>statement</u> <u>Software</u>	<u>Separate financial</u> <u>statement</u> <u>Software</u>
<b>Cost :</b>		
As at January 1, 2015	17,648	16,108
Increase from business acquisition	17	-
Acquisition	785	-
As at December 31, 2015	18,450	16,108
Acquisition	1,136	760
As at December 31, 2016	19,586	16,868
<b>Accumulated depreciation :</b>		
As at January 1, 2015	(9,305)	(8,860)
Disposal	(1,999)	(1,803)
As at December 31, 2015	(11,304)	(10,663)
Disposal	(2,104)	(1,841)
As at December 31, 2016	(13,408)	(12,504)
<b>Net book value :</b>		
As at December 31, 2015	7,146	5,445
As at December 31, 2016	6,178	4,364

Depreciation is included in the statement of comprehensive income for the year

End of December 31, 2015	1,999	1,803
End of December 31, 2016	2,104	1,841

## 18. Goodwill

For the year ended December 31, 2016 and 2015, the movement of goodwill was as follows :-

(Unit : Thousand Baht)

### Consolidated

#### financial statements

	<u>2016</u>	<u>2015</u>
As at January 1,	13,800	-
<u>Add</u> Business acquisition (see note 13)	-	34,804
<u>Less</u> Allowance for impairment	(13,800)	(21,004)
As at December 31,	-	13,800

## 19. Deferred tax assets/liabilities

Deferred tax assets and liabilities as at December 31, 2016 and 2015 were as follows :-

(Unit : Thousand Baht)

### Consolidated financial statements

#### As at December 31,

	<u>2016</u>	<u>2015</u>
Deferred tax assets	12,695	16,135
Deferred tax liabilities	(7,847)	(8,342)





Movements in total deferred tax assets and liabilities for the years ended December 31, 2016 and 2015 were as follows :-

(Unit : Thousand Baht)

	Consolidated financial statements				As at December 31, 2016
	As at January 1, 2016	Loss from impairment	Recognized in the profit (loss) for the year	Recognized in the other comprehensive income (Expense)	
Deferred tax assets					
Trade and other receivables	515	-	667	-	1,182
Property, plant and equipment	14,389	(6,196)	1,859	-	10,052
Employee benefits obligation	1,096	-	186	179	1,461
Unbilled costs	135	-	(135)	-	-
Total	16,135	(6,196)	2,577	179	12,695
Deferred tax liabilities					
Water rights	(1,465)	-	620	-	(845)
Receivables under finance lease agreements	(6,877)	-	157	-	(6,720)
Finance lease assets	-	-	(1,377)	-	(1,377)
Liabilities under finance lease agreements	-	-	1,095	-	1,095
Total	(8,342)	-	495	-	(7,847)
Net	7,793	(6,196)	3,072	179	4,848

(Unit : Thousand Baht)

	Consolidated financial statements				As at December 31, 2015
	As at January 1, 2015	Increase from business acquisition	Recognized in the profit (loss) for the year	Recognized in the other comprehensive income (Expense)	
Deferred tax assets					
Trade and other receivables	1,195	-	(680)	-	515
Property, plant and equipment	-	14,891	(502)	-	14,389
Employee benefits obligation	1,054	-	320	(278)	1,096
Unbilled costs	-	-	135	-	135
Total	2,249	14,891	(727)	(278)	16,135
Deferred tax liabilities					
Water rights	-	(2,680)	1,215	-	(1,465)
Receivables under finance lease agreements	-	(6,989)	112	-	(6,877)
Total	-	(9,669)	1,327	-	(8,342)
	2,249	5,222	600	(278)	7,793

## 20. Receivables under finance lease agreements

Consist of :-

(Unit : Thousand Baht)

### Consolidated financial statements

As at December 31,

2016                      2015

Receivables under finance lease agreements

- Current portion	3,023	2,961
- Due in 1-5 years	51,319	54,342
Total receivables under finance lease agreements	54,342	57,303
<u>Less</u> Future interest receivables	(20,744)	(22,916)
Present value of receivables under finance lease agreements	33,598	34,387
<u>Less</u> Current portion	(905)	(789)
Receivables under finance lease agreements -net	32,693	33,598

As at December 31, 2016 and 2015, the debtor under financial leases are the debtor caused from "Construction design and tap water supply process system" contract dated June 29, 2012 with an unrelated party (the employer), in accordance with the terms of the contract, specify to the Company must invest in the building and tap water production machinery included to proceed to the machine is in working condition under the requirements of the employer. After the Company delivers the assets to the employer within 180 days from the date of the contract, the Company will be granted the concession for the tap water supply for the employer in a period of 20 years commencing from the date of the contract and at the end of the contract the ownership of assets under this contract will be transfer to the employer immediately.

## 21. Credit and guarantees

As at December 31, 2016 and 2015, the Group and its subsidiaries had obtained credits lines in the form of bank overdrafts, loan, letters of guarantee, promissory notes, forward contracts and letters of credit from the financial institutions, which all the credits lines are collateralized by the Company's land and buildings, fixed deposits and directors' private guarantee.

## 22. Defaulted debts

Consist of:

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Minimum lease payments under	17,507	17,507	-	-
finance lease agreements				
Less Deferred input tax	(906)	(906)	-	-
Liabilities under finance				
lease agreements	16,601	16,601	-	-
Bank overdraft	30,000	-	30,000	-
Short-term loans	24,141	-	24,141	-
Long-term loans	350,201	-	333,207	-
Accrued interest expense	51,484	6,185	42,063	-
Total	472,427	22,786	429,411	-

### The Group of defaulted debts

As at December 31, 2016, the Company has overdraft of Baht 30.00 million, short-term loan of Baht 24.14 million and long-term loan of Baht 333.21 million, from a financial institutions for construction and acquisition of equipment for the fabrication shop in Songkhla. Borrowings are due for repayment in installments starting from 30 November 2008 until 18 November 2023, bearing interest at the rate as referred to Standard Profit Rate Long-term (SPRL) plus 0% to 0.5% per annum.

Presently the Company stopped to pay the principal and accrued interest to creditors since January 2016 due to pending for orders to the Company to enter into the rehabilitation plan from the central bankruptcy court as described in the notes no.2 to the financial statements.

### A subsidiaries of defaulted debts

The first loan as at December 31, 2016 and 2015 , has outstanding in amount of Baht 17.86 million and Baht 16.60 million respectively, the whole amount of defaulted debts derived from default of hire-purchase installment in the sell of tap water production machine and leaseback by 2 hire-purchase agreements with a financial institution of the subsidiary, which were cancelled and called for return the



assets together with the loss of benefits on February 27, 2013. Thence, the subsidiary has classified the whole amount of outstanding liabilities as defaulted debts and recognized the defaulted interest, carried at the rate of 15.00% per annum

The second loan as at December 31, 2016, has outstanding loan in amount of Baht 12.25 million, the whole amount of defaulted debts derived from a financial institution has term of repayment for principal and interest every month period 1st - 9th will settle the interest only on a monthly basis, period 10th - 45th will settle by not less than Baht 70,000.00 installment, period 46th – 81st will settle not less than Baht 120,000.00 installment and period 82nd onwards will settle Baht 150,000.00 installment for the period of 7 years, are carried the interest rate of MLR per annum.

The third loan as at December 31, 2016 and 2015, has outstanding loan in amount of Baht 4.74 million for the both of period, the whole amount of defaulted debts derived from a financial institution has term of repayment for principal and interest every month period 1st – 12th will settle the interest only on a monthly basis, and period 13th onwards will settle Baht 50,000.00 installment for the period of 7 years, are carried the interest rate of MLR per annum.

### 23. Bank overdrafts and short-term loan from financial institutions

Consist of:

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Bank overdrafts	-	27,631	-	27,631
Short-Term Loans	-	14,628	-	14,628
Total	-	42,259	-	42,259

Presently the Company stopped to pay the principal and accrued interest to creditors since January 2016 due to pending for orders to the Company to enter into the rehabilitation plan from the central bankruptcy court as described in the notes no.2, in the year 2019 the principal and accrued interest are due and recorded as current liabilities under the subject "Defaulted debts"

## 24. Trade and other payables

Consist of:

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Trade payables				
- Related entities	-	-	683	983
- Non-related entities	237,737	249,874	219,077	233,097
Total trade payables	237,737	249,874	219,760	234,080
Other payables				
Accrued expenses - related entities	639	3,003	688	3,279
Accrued expenses - non-related entities	28,533	29,679	34,676	22,573
Other payables - related entities	-	-	-	-
Other payables - non-related entities	47,288	48,302	20,908	34,148
Advance received	715	-	-	-
Total other payables	77,175	80,984	56,272	60,000
Total trade and other payables	314,912	330,858	276,032	294,080

As at 31 December 2016 and 2015, the Group had a trade payables and accrued interest expenses of Baht 65.55 million and Baht 65.21 million respectively, (the Company only : Baht 54.56 million and Baht 52.00 million respectively), the liabilities was lawsuit by the creditors as discussed in note no.40 to the financial statements.

## 25. Retention payables

As at December 31, 2016 and 2015, the Company had retention payables of Baht 1.68 million for the same amount in two year, the liabilities was lawsuit by the creditors as discussed in note no.40 to the financial statements.

## 26. Short-term loan from other parties and persons

Consist of:

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Short-Term loan from other parties	71,844	71,844	27,589	27,589
Short-Term loan from other persons	4,940	440	-	-
Total	76,784	72,284	27,589	27,589

For the consolidated and separate financial statements as at December 31, 2016 and 2015, short-term loan from other parties in amount of Baht 27.59 million for both period, was loan for working capital of the Company with the loan contract, carried the interest rate of 9.25% per annum and without collateral. The loan was lawsuit by the creditors as discussed in Note no.40 to the financial statements.

For the consolidated financial statements as at December 31, 2016 and 2015, short-term loan from other parties in amount of Baht 35.40 million for both period, was liabilities of a subsidiary with WNSR Pacific Company Limited without contract and interest.

For the consolidated financial statements as at December 31, 2016 and 2015, short-term loan from other parties in amount of Baht 8.85 million for both period, was loan for working capital of a subsidiary with the loan contract, carried the interest rate of 4.76% per annum.

For the consolidated financial statements as at December 31, 2016 and 2015, the whole amount of short-term loan from other persons was loan for working capital of a subsidiary with the loan contract and promissory note, carried the interest rate of 8.00-10.00% per annum and 10.00% per annum respectively, So that the short-term loan of credit limit Baht 10.00 million is guaranteed by the land (pond) which is ownership of subsidiary, the book value is Baht 32.54 million.



## 27. Long-term loan from financial institutions

Consist of :-

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Long-term loan	26,095	385,748	-	335,451
<u>Less</u> Current portion	(7,583)	(41,815)	-	(34,744)
Net	18,512	343,933	-	300,707

The movements in the long-term loans from financial institutions for the year ended December 31, 2016 and 2015, are as follows :-

(Unit : Thousand baht)

	<u>Consolidated</u>		<u>Separate</u>	
	<u>financial statements</u>		<u>financial statements</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
As at January 1,	385,748	367,760	335,452	365,143
Increase from business acquisition	-	54,374	-	-
Additional borrowings during the year	-	-	-	-
Repayment during the year	(9,452)	(36,386)	(2,245)	(29,691)
As at December 31,	376,296	385,748	333,207	335,452
<u>Less</u> Classified as debt default	(350,201)	-	(333,207)	-
Total long-term loan from financial institutions	26,095	385,748	-	335,452

As at December 31, 2016 and 2015, long-term loans from financial institutions are as follow :-

<u>Credit Line</u>		<u>Outstanding</u>		<u>Interest rate</u>		<u>Repayment of principal and interest rate</u>
<u>(Million Baht)</u>		<u>balance</u>		<u>(% p.a.)</u>		
		<u>(Million Baht)</u>				
<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	
381.22	381.22	-	335.45	SPRL+ (0 - 0.05)	SPRL+ (0 - 0.05)	Financial institutions for construction and acquisition of equipment for the fabrication shop in Songkhla. Borrowings are due for repayment in installments starting from November 30, 2008 until November 18, 2023, Interest paid monthly from first withdrawal date *
5.00	5.00	0.20	1.45	MLR+0.50	MLR+0.50	Term of repayment for principal and interest every month in amount of Baht 110,000.00 per month for the period of 5 years Starting from June 10, 2012 untill July 10, 2017 Interest paid monthly from first withdrawal date
40.00	40.00	25.90	31.86	MLR+0.50	MLR+0.50	Term of repayment for principal and interest every month period 1st – 6th will settle the interest only on a monthly basis, period 7th – 36th will settle by Baht 410,000.00 installment, and period 37th onwards will settle Baht 590,000.00 installment, for the period of 7 years. To complete within 84 months from the date of first drawdown (by 2020) Interest paid monthly from first withdrawal date
14.00	14.00	-	12.25	MLR	MLR	Term of repayment for principal and interest every month period 1st – 9th will settle the interest only on a monthly basis, period 10th – 45th will settle by not less than Baht 70,000.00 installment, period 46th – 81st will settle not less than Baht 120,000.00 installment and period 82nd onwards will settle Baht 150,000.00 installment for the period of 7 years. To complete within 130 months from the date of first drawdown (by 2023) Interest paid monthly from first withdrawal date **
6.00	6.00	-	4.74	MLR	MLR	term of repayment for principal and interest every month period 1st – 12th will settle the interest only on a monthly basis, and period 13th onwards will settle Baht 50,000.00 installment for the period of 7 years. To complete within 132 months from the date of first drawdown (by 2023) Interest paid monthly from first withdrawal date **
446.22	446.22	26.10	385.75			

\* Presently the Company stopped to pay the principal and accrued interest to creditors since January 2016 due to pending for orders to the Company to enter into the rehabilitation plan from the central bankruptcy court as described in the notes no.2 to the financial statements which the principal and accrued interest are due and recorded as current liabilities under the subject "Defaulted debts " in the year 2016.

\*\* On June 30, 2015, the subsidiary has made amendments to the loan agreement with a financial institution, for grace period of the principal for a period of 12 months with the interest installment every month. Then, the installment shall be complied with the original loan contract. Presently a subsidiary stopped to pay the principal and interest from financial institutions, which the principal and accrued interest are due and recorded as current liabilities under the subject "Defaulted debts " in the year 2016.

Long-term loans facilities of the Group are secured by mortgages of land, construction and machinery according to Note 15 and 16, the financial statements are pledged as collateral. Together with the Company and its subsidiaries Former Director of Subsidiary And the transfer of claims on jointly secured financial institutions.

## 28. Liabilities under finance lease contracts

Consist of :

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Liabilities under financial lease contracts				
- Within 1 year	3,814	5,916	571	570
- Over 1 year but not over 5 years	2,946	7,283	599	1,170
Total financial lease contracts liabilities	6,760	13,199	1,170	1,740
<u>Less</u> Future interest in the financial lease contracts liabilities	(202)	(522)	(96)	(190)
Total present value of liabilities under financial lease	6,558	12,677	1,074	1,550
<u>Less</u> Current portion of liabilities under financial lease contracts	(3,681)	(5,602)	(510)	(476)
Liabilities under financial lease contracts-net	2,877	7,075	564	1,074



As at December 31, 2016 and 2015, the Group has entered into 27 and 36 financial lease and hire-purchase contracts to purchase vehicles equipments respectively (the Company only 2 contracts for both year), with 4 and 5 of the financial institutions respectively (the Company only 1 contracts for both year). the monthly repayable is Baht 0.38 million and Baht 0.54 million respectively (the Company only the monthly repayable is Baht 0.05 million for both year) and the contract duration contract of 3-5 years same for both year (the Company only contract 3-4 years for both year), which were guaranteed by the Subsidiary Company's directors. When all the contractual payment have been paid the hire-purchase contracts, the ownership of the said vehicles and factory equipments would automatically belong to the Company but financial leases contract the machine's ownership still be the lessor until the Company decides to purchase it.

The Company are obliged to pay a minimum rent under finance leases are as follows :-

(Unit : Thousand Baht)

As at December 31,2016

Consolidated financial statement

	Within 1 year	1 - 5 years	Total
Future minimum lease payments	3,814	2,946	6,760
Deferred interest expense	(133)	(69)	(202)
Present value of future minimum lease payments	3,681	2,877	6,558

(Unit : Thousand Baht)

As at December 31,2015

Consolidated financial statement

	Within 1 year	1 - 5 years	Total
Future minimum lease payments	5,916	7,283	13,199
Deferred interest expense	(314)	(208)	(522)
Present value of future minimum lease payments	5,602	7,075	12,677

(Unit : Thousand Baht)

As at December 31,2016

Separate financial statement

	Within 1 year	1 - 5 years	Total
Future minimum lease payments	571	599	1,170
Deferred interest expense	(61)	(35)	(961)
Present value of future minimum lease payments	510	564	1,074

(Unit : Thousand Baht)

As at December 31, 2015

Separate financial statement

	<u>Within 1 year</u>	<u>1 - 5 years</u>	<u>Total</u>
Future minimum lease payments	570	1,170	1,740
Deferred interest expense	(94)	(96)	(190)
Present value of future minimum lease payments	476	1,074	1,550

29. Employee benefits obligation

For the year ended December 31, 2016 and 2015, employee benefits obligation has the movement as follows:

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Present Value of Obligation as at 1 January	15,356	12,852	9,819	7,580
Increase from business acquisition	-	58	-	-
Recognised part of transitional liability in current year	913	1,483	913	913
Current service cost and interest	3,355	2,687	1,923	1,657
Actuarial gain (losses) arising from defined benefit plan	1,338	(1,394)	442	-
Actual benefit paid during the year	(504)	(331)	-	(331)
Employee benefit obligations as at December 31,	20,458	15,355	13,097	9,819

(Revenue) expenses are recognized in the statement of comprehensive income for the year ended December 31, 2016 and 2015, as follows :-

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Recognised transitional liability in current year	913	1,483	913	913
Current service cost	2,873	2,284	1,632	1,436
Interest Expense	482	403	291	221
Actuarial gain (losses) arising from defined benefit plan	1,338	(1,394)	442	-
Total	5,606	2,776	3,278	2,570

Principal actuarial assumptions as at December 31, 2016 and 2015:-

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Discount Rate	3.40%-3.50%	4.00%-4.20%	3.40%	4.00%-4.20%
Average Salary Increase Rate	2.70%-10.00%	3.00%-10.00%	2.70%-10.00%	3.00%-10.00%
Employee Turnover Rate	7.00%-40.00% per year	0%-23.00% per year	7.00%-40.00% per year	0%-23.00% per year
Retirement Age	60 years	60 years	60 years	60 years

### 30. Share capital

For the year ended December 31, 2016 and 2015, The movements of authorized share capital and issued and paid-up share capital are as follows:

	<u>Par value</u>		<u>2016</u>		<u>2015</u>	
	Per share Baht	Number of share Thousand shares	Amount Thousand Baht	Number of share Thousand shares	Amount Thousand Baht	
<b>Authorized share capital</b>						
Ordinary shares as at January 1,	1.00	8,051,717	8,051,717	4,093,617	4,093,617	
Increase ordinary shares	1.00	-	-	3,958,100	3,958,100	
Written - down unissued ordinary shares	1.00	-	-	(3,917,525)	(3,917,525)	
Increase ordinary shares	1.00	-	-	3,917,525	3,917,525	
Ordinary shares as at December 31,	1.00	8,051,717	8,051,717	8,051,717	8,051,717	
<b>Issued and paid-up share capital</b>						
Ordinary shares as at January 1,	1.00	2,770,741	2,770,741	2,730,166	2,730,166	
Issuing new shares	1.00	-	-	40,575	40,575	
Warrants	1.00	149	149	-	-	
Ordinary shares as at December 31,	1.00	2,770,890	2,770,890	2,770,741	2,770,741	

30.1 On May 14, 2015, the Annual General Meeting of Shareholders for 2015, it has passed the resolutions to approve as follows:

- 1) Increase the authorized share capital of the Company from Baht 4,093,617,523 to Baht 8,051,717,332, by issuing 3,958,099,809 new ordinary shares at par value of Baht 1.00 per share.
- 2) Allotment 3,958,099,809 increased ordinary shares as follows:



- a) Not more than 1,638,099,809 shares to be offered to the existing shareholders at the ratio of 5 existing shares for 3 new shares at the price of Baht 0.43 per share.
- b) Not more than 1,000,000,000 shares to be offered to the private placement at the price of Baht 0.48 per share.
- c) Not more than 1,200,000,000 shares to reserve the exercise of warrants No. 2 (PAE-W2) to the existing shareholders at the ratio of 4.5 existing ordinary shares for 1 unit of warrant PAE-W2.
- d) Not more than 120,000,000 shares to reserve the adjustment of right to exercise of warrants No.1 (PAE-W1).

30.2 On September 30, 2015, the Board of Directors Meeting of the Company No. 10/2015, it has passed the resolutions to approve as follows:

1. Cancel of the allotment of 2,320,000,000 increased ordinary shares as follows:
  - a) Not more than 1,000,000,000 shares to be offered to the private placement at the price of Baht 0.48 per share.
  - b) Not more than 1,200,000,000 shares to reserve the exercise of warrants No. 2 (PAE-W2) to the existing shareholders at the ratio of 4.5 existing ordinary shares for 1 unit of warrant PAE-W2.
  - c) Not more than 120,000,000 shares to reserve the adjustment of right to exercise of warrants No.1 (PAE-W1).
2. Cancel of the issuing and offering of 1,200,000,000 warrants PAE-W2 at the ratio of 4.5 existing ordinary shares for 1 unit of warrant PAE-W2.
3. Decrease authorized share capital of the Company from Baht 8,051,717,332 to Baht 4,134,192,138 by cancelling the 3,917,525,194 unissued ordinary shares at par value of Baht 1.00 per share.
4. Increase authorized share capital of the Company from Baht 4,134,192,138 to Baht 11,931,044,548 by issuing 7,796,852,410 new ordinary shares at par value of Baht 1.00 per share.
5. Allotment of 7,796,852,410 increased ordinary shares as follows:
  - a) Not more than 6,926,852,410 shares to be allotted to existing shareholders at the ratio of 1 existing share to 2.5 new shares at the price of Baht 0.15 per share. The surplus of shares, outstanding from the subscription by the existing shareholders will be allocated to specific investors (Private Placement) provided that such persons are not connected persons of the Company at the price of not less than 90% of market price.

- b) Not more than 870,000,000 shares to reserve the adjustment of right to exercise of warrants No. 1 (PAE-W1).

### 31. Warrants

According to the resolution of Extra ordinary Meeting of Shareholder No. 1/2557 on September 29, 2014, it has passed the resolutions issuing of warrants to ordinary shares of the Company No. 1 (PAE-W1) totaling 1,364,539,174 units to the existing shareholders of the Company without charge on right offering in the ratio of 2 ordinary shares for 1 warrant PAE-W1 as follows :-

Type of Warrant	The First Exercise Date	Exercise Price (Baht per Share)	Conversion Ratio (Warrant : Ordinary Share)	Exercised Ordinary Share (Shares )	Remaining Supported Share (Shares)	Expiry Date of Warrant
PAE-W1	3 November 2014	0.50	1 : 1	1,236,802	1,363,302,372	November 2, 2016

The last exercised warrant was on November 2, 2016, which were exercised totalling 148,802 units. The Company has registered the change in issued and paid-up share capital resulted from the exercised warrants from 2,770,740,964 common shares at Baht 1 par value to be 2,770,889,766 common shares at Baht 1 par value with the Ministry of Commerce on November 29, 2016. The Company had discount on share capital of Baht 0.07 million from such exercised warrants. Subsequent, registered increase such share capital resulted the Company has a paid-up share capital totalling Baht 2,770.89 million.

As at December 31, 2016, the whole amount of the Company's warrants has not yet been exercised and expired Amount 1,363,302,372 Unit.

### 32. Loss per share

For the year ended December 31, 2016 and 2015, the basic loss per share were calculated from the loss for the year attributable to ordinary shareholders of the Company and the weighted average number of ordinary share outstanding during the period as follows :-

Consolidated financial statements
For the year ended December 31,
2016 2015

Loss attributable to ordinary shareholders of		
the Company (Thousand Baht)	(239,466)	(182,974)
Weighted average number of ordinary shares for the period		
(Thousand share)	2,770,766	1,273,304
Basic loss per share (Baht)	(0.086)	(0.144)

Separate financial statements
For the year ended December 31,
2016 2015

Loss attributable to ordinary shareholders of		
the Company (Thousand Baht)	(240,267)	(177,982)
Weighted average number of ordinary shares for the period		
(Thousand share)	2,770,766	1,273,304
Basic loss per share (Baht)	(0.087)	(0.140)

### 33. Capital management

The primary objectives of the Group's and its subsidiaries in capital management are to maintain their abilities to continue as a going concern and to maintain an appropriate capital structure.

As at December 31, 2016 and 2015, the consolidated financial statements have shown the debt to equity ratio in (3.42):1 and (14.20):1 respectively, and the separate financial statements have shown the debt to equity ratio in (2.57):1 and (6.84):1 respectively.



### 34. (Income tax (expense) revenue

Income tax which is recognized in profit or loss for the year ended December 31, 2016 and 2015, consist of:

(Unit:Thousand Baht)

#### Consolidated financial statements

For the year ended December 31,

2016                      2015

Current income tax		
Current income tax (expense) revenue	-	(4,004)
Deferred income tax		
Deferred income tax (expense) revenue	3,072	(600)
Income tax (expense) revenue recognized in profit or loss for the year	<u>3,072</u>	<u>(3,404)</u>

The difference between income tax (expense) revenue calculated from accounting profit at the tax rate for the year ended December 31, 2015 of 20% are as follows:-

(Unit:Thousand Baht)

#### Consolidated financial statements

For the year ended December 31,

2016                      2015

Profit (loss) before income tax	-	(181,930)
Income tax (expenses) revenue calculated at the tax rate of 20%	-	36,386
Revenues (expenses) not deductible for income tax	3,072	(8,308)
Tax losses in current year not recognized as deferred tax assets	-	(31,482)
Income tax (expense) revenue recognized in profit or loss for the year	<u>3,072</u>	<u>(3,404)</u>

Income tax which is recognized in the other comprehensive income (expense), consist of :-

(Unit:Thousand Baht)

#### Consolidated financial statements

	<u>Amount</u>	<u>Income tax</u>	<u>Amount</u>
	<u>before Tax</u>	<u>(expense) revenue</u>	<u>net of tax</u>
<b>For the year ended December 31,2016</b>			
Actuarial loss	(1,338)	179	(1,159)
<b>For the year ended December 31,2015</b>			
Actuarial gain	1,393	(278)	1,115

Separate financial statements

	<u>Amount</u>	<u>Income Tax</u>	<u>Amount</u>
	<u>Before Tax</u>	<u>(Expense) Revenue</u>	<u>Net of Tax</u>
<b>For the year ended December 31,2016</b>			
Actuarial loss	(442)	-	(442)

The Group is not liable to corporate income tax for the year ended December 31, 2016 (Company : is not liable to corporate income tax for the year ended December 31, 2026 and 2015) due to tax loss in the current year.

As at December 31, 2016 and 2015 the Group had the deductible temporary differences and unused tax losses for which no deferred tax assets are recognized in the statement of financial position due to the Group's managements considered that it is not probable the Group future taxable profit will be available against which the deferred tax assets can be utilized. Consisted of :-

(Unit : Thousand Baht)

	<u>Consolidated financial</u>		<u>Separate financial</u>	
	<u>statements</u>		<u>statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
<u>Deferred tax assets</u>				
Allowance for doubtful account doubtful and allowance for impairment				
- Allowance for doubtful accounts receivable	9,934	9,934	9,934	9,934
- Allowance for impairment of land and buildings	18,748	13,663	16,031	10,946
- Allowance for impairment of investments in subsidiaries	-	-	35,313	24,856
- Retention allowance from the customer	8,789	-	8,789	-
Obligation under finance leases	217	681	215	310
Employee benefits obligation	2,619	1,964	2,619	1,964
Estimated loss from construction contract	1,138	-	1,138	-
Unbilled costs	1,817	345	1,817	345
Total	43,262	26,587	75,856	48,355
<u>Deferred tax liabilities</u>				
Assets under finance lease	303	467	298	382
<u>Unused tax losses</u>				
Tax losses carry forward	176,687	142,729	155,473	126,304

As at December 31, 2016 and 2015, the whole amount of deferred tax assets for tax losses, which was classified by expiring year of tax benefits as follows :-

(Unit:Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Expiring year of tax benefits				
2016	-	127	-	-
2017	27,378	27,378	27,348	27,348
2018	50,663	50,663	41,932	41,932
2019	64,561	64,561	57,024	57,024
2020	34,085	-	29,169	-
Total	176,687	142,729	155,473	126,304

Deferred tax assets for deductible temporary differences do not expire under current tax legislation.

The Company has not recognized the above deferred tax assets because it is not probable that future taxable profit will be available which the Company can utilize the tax benefits therefrom.

### 35. Expenses by nature

Consist of :

(Unit:Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>For the year ended December 31,</u>		<u>For the year ended December 31,</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Changes in inventories and work in progress	(2,656)	11,446	39	8,018
Raw materials and consumables used	167,059	317,914	108,431	274,406
Loss from decline in value of inventories (reversal)	1,342	(566)	1,162	-
Loss on construction contract	5,691	-	5,691	-
Loss on impairment of assets	31,619	-	25,423	-
Loss on impairment of investment in subsidiaries	-	-	52,283	32,054
Loss on impairment of goodwill	13,800	21,004	-	-
Employee Expense	320,125	385,923	212,019	292,555
Management's remuneration	27,726	25,693	15,679	16,749
Depreciation and amortization	57,517	51,776	29,795	25,305
Doubtful accounts	76,307	2,296	72,822	15,704
Withholding tax is amortized.	2,018	-	2,018	-
Other Expenses	54,141	73,656	29,104	39,731
Total	754,689	889,142	554,466	704,522



### 36. Operating segment

Information on business sector operations is as follows :-

(Unit:Thousand Baht)

#### Consolidated financial statements

For the year ended December 31,2016

	<u>Civil</u>	<u>Oil and gas</u>	<u>Water</u>	<u>Other</u>	<u>Total</u>	<u>Eliminated</u>	<u>Total</u>
	<u>construction</u>	<u>service</u>	<u>production</u>	<u>segment</u>	<u>segment</u>	<u>Items</u>	
Revenue from sales and services							
Outside customers	134,211	382,833	10,747	503	528,294	-	528,294
Iner-segment	-	2,204	2,961	33	5,198	(5,198)	-
Total	134,211	385,037	13,708	536	533,492	(5,198)	528,294
Cost of sales and services	(150,838)	(330,765)	(22,023)	(3,911)	(507,537)	(9,960)	(517,497)
Gross profit (loss)	(16,627)	54,272	(8,315)	(3,375)	25,955	(15,158)	10,797
Other incomes							22,150
Selling expenses							(4,005)
Administrative expenses							(233,186)
Finance costs							(56,693)
Profit (loss) before income tax							(260,937)
Income tax (expense) revenue							3,072
Non-controlling interests							18,399
Profit (loss) attributable to the Parent Company							(239,466)
<b>Segment assets :</b>							
Permanent asset	27,215	151,150	141,016	8,056	327,437	(50,696)	276,741
Unallocated assets							544,344
Total assets							821,085

Consolidated financial statements

For the year ended December 31,2015

	<u>Civil</u>	<u>Oil and gas</u>	<u>Installation</u>	<u>Water</u>	<u>Other</u>	<u>Total</u>	<u>Eliminated</u>	<u>Total</u>
	<u>construction</u>	<u>service</u>	<u>and assembly</u>	<u>production</u>	<u>segment</u>	<u>segment</u>	<u>Items</u>	
Revenue from sales and services								
Outside customers	215,305	511,636	15	8,024	193	735,173	-	735,173
Iner-segment	-	1,275	-	-	34	1,309	(1,309)	-
Total	215,305	512,911	15	8,024	227	736,482	(1,309)	735,173
Cost of sales and services	(261,558)	(456,416)	(4)	(18,152)	(4,681)	(740,811)	2,142	(738,669)
Gross profit (loss)	(46,253)	56,495	11	(10,128)	(4,454)	(4,329)	833	(3,496)
Other incomes								10,895
Selling expenses								(4,382)
Administrative expenses								(146,091)
Finance costs								(44,797)
Share of loss of investments in joint venture								(8)
Profit (loss) before income tax								(187,879)
Income tax (expense) revenue								(3,404)
Non-controlling interests								8,309
Profit (loss) attributable to the Parent Company								(182,974)
<b>Segment assets :</b>								
Permanent asset	24,036	181,058	-	123,994	9,693	338,781	(40,833)	297,948
Unallocated assets								757,579
Total assets								1,055,527

37. Additional cash flow information

37.1 Cash and cash equivalents items as following details :-

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>			
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Cash	644	861	224	367
Cheque received	389	3,461	-	3,425
Deposits at banks	38,489	80,334	11,055	57,191
Total	39,522	84,656	11,279	60,983

As at December 31, 2016 and 2015 deposits saving accounts and fixed deposits of the Group bearing interest at the rates of 0.38% to 0.80% per annum (2015 : 0.38% to 0.50% per annum) ( Separate : 0.38% to 0.50% per annum, 2015 : 0.38 per annum).

### 37.2 Non- cash transactions

Consisted of :-

(Unit : Thousand Baht)

	<u>Consolidated financial</u>		<u>Separate financial</u>	
	<u>statements</u>		<u>statements</u>	
	<u>For the year end December 31,</u>			
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Offsetting between				
Trade receivables transferred to trade and other payables	-	149	-	-
Retention receivables as contracts transferred to retention for construction	-	1,192	-	1,192
Retention receivables as contracts transferred to advances received from construction contracts	-	2,308	-	2,308
Other payables transferred to construction contracts	2,616	-	-	-
Purchased fixed assets on credit	-	4,343	-	399
Purchased fixed assets under finance lease contract	-	4,331	-	1,608
Fixed assets from the asset swap	-	160	-	-
Sales fixed assets on credit	-	1	-	-
Purchased intangible assets on credit	-	36	-	-
Actuarial gains arising from defined benefit plan of employees	(1,159)	1,394	(442)	-



### 38. Financial instruments

#### Policy of financial risk management

The Group has no policy to hold or issue financial instruments for speculation or trading.

#### Interest rate risk

Interest rate risk arises from the fluctuation of market interest rates in the future which will affect the financial performance and cash flows of the Group, which the Group has financial assets and financial liabilities which it exposes to the risk from interest rate as follows:

(Unit: Thousand Baht)							
Consolidated financial statements							
As at December 31, 2016							
Fixed interest rates							
	Within 1 year	1- 5 years	Over 5 years	Floating interest rate	Non-interest bearing	Total	Interest rate Real (Percentage per year)
<b>Financial assets</b>							
Cash and cash equivalents	517	-	-	36,093	2,912	39,522	0.38-0.80
Trade and other receivables	-	-	-	-	118,313	118,313	-
Unbilled receivables	-	-	-	-	50,557	50,557	-
Retentions receivable under the contract.	-	-	-	-	8,394	8,394	-
Receivable under financial lease agreement	904	32,693	-	-	-	33,597	5.32
Restricted bank deposits	15,594	-	-	-	-	15,594	0.90-1.50
Total	17,015	32,693	-	36,093	180,176	265,977	
<b>Financial liabilities</b>							
Defaulted debts	-	-	-	420,943	-	420,943	15.00
Trade and other payables	-	-	-	-	299,302	299,302	-
Advance receive from construction	-	-	-	-	79,086	79,086	-
Retention payable to contractors	-	-	-	-	27,504	27,504	-
Short-term loans from other persons and	41,379	-	-	-	35,405	76,784	4.76-10.00
Short-term loans from related persons	2,625	-	-	-	1,490	4,115	8.00
Long-term loans from financial institutions	7,583	18,512	-	-	-	26,095	6.28-7.00
Liabilities under finance lease agreements	3,681	2,877	-	-	-	6,558	2.80-8.36
Total	55,268	21,389	-	420,943	442,787	940,387	

## Consolidated financial statements

As at December 31, 2015

## Fixed interest rates

	Within 1 year	1- 5 years	Over 5 years	Floating interest rate	Non-interest bearing	Total	Interest rate Real (Percentage per year)
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## Financial assets

Cash and cash equivalents	-	-	-	77,166	7,490	84,656	0.38-0.50
Trade and other receivables	-	-	-	-	145,495	145,495	-
Unbilled receivables	-	-	-	-	51,280	51,280	-
Retentions receivable under the contract	-	-	-	-	85,691	85,691	-
Receivable under financial lease agreement	789	33,598	-	-	-	34,387	5.32
Restricted bank deposits	7,381	-	-	-	-	7,381	0.80-1.15
<b>Total</b>	<b>8,170</b>	<b>33,598</b>	<b>-</b>	<b>77,166</b>	<b>289,956</b>	<b>408,890</b>	

## Financial liabilities

Defaulted debts	-	-	-	16,601	-	16,601	15.00
Overdraft and short-term loans	-	-	-	42,259	-	42,259	7.75-8.00
Trade and other payables	-	-	-	-	318,104	318,104	-
Advance receive from construction	-	-	-	-	93,095	93,095	-
Retention payable to contractors	-	-	-	-	42,158	42,158	-
Short-term loans from other persons and	72,284	-	-	-	-	72,284	4.88-10.00
Short-term loans from related persons	2,655	-	-	-	-	2,655	5.00
Long-term loans from financial institutions	41,815	343,933	-	-	-	385,748	7.20-15.00
Liabilities under finance lease agreements	5,602	7,076	-	-	-	12,678	0.17-0.70
<b>Total</b>	<b>122,356</b>	<b>351,009</b>	<b>-</b>	<b>58,860</b>	<b>453,357</b>	<b>985,582</b>	

(Unit: Thousand Baht)

## Separate financial statements

As at December 31, 2016

## Fixed interest rates

	Within 1 year	1- 5 years	Over 5 years	Floating interest rate	Non-interest bearing	Total	Interest rate Real (Percentage per year)
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## Financial assets

Cash and cash equivalents	-	-	-	11,024	255	11,279	0.38-0.50
Trade and other receivables	-	-	-	-	73,964	73,964	-
Unbilled receivables	-	-	-	-	48,250	48,250	-
Retentions receivable under the contract.	-	-	-	-	7,861	7,861	-
Restricted bank deposits	13,659	-	-	-	-	13,659	1.05-1.50
<b>Total</b>	<b>13,659</b>	<b>-</b>	<b>-</b>	<b>11,024</b>	<b>130,330</b>	<b>155,013</b>	

## Separate financial statements

As at December 31, 2016

	Fixed interest rates					Interest rate	
							Real
	Within	1- 5	Over	Floating	Non-interest		
	1 year	years	5 years	interest rate	bearing	Total	(Percentage per year)
Defaulted debts	-	-	-	387,348	-	387,348	15.00
Trade and other payables	-	-	-	-	261,771	261,771	-
Advance receive from construction	-	-	-	-	79,086	79,086	-
Retention payable to contractors	-	-	-	-	27,504	27,504	-
Short-term loans from related persons	27,589	-	-	-	-	27,589	9.25
Long-term loans from financial institutions	2,625	-	-	-	-	2,625	8.00
Liabilities under finance lease agreements	510	564	-	-	-	1,074	6.60-8.36
Total	30,724	564	-	387,348	368,361	786,997	

(Unit: Thousand Baht)

## Separate financial statements

As at December 31, 2015

	Fixed interest rates					Total	Interest rate
	Within	1- 5	Over	Floating	Non-interest		Real
	1 year	years	5 years	interest rate	bearing		(Percentage per year)
<b><u>Financial assets</u></b>							
Cash and cash equivalents	-	-	-	57,161	3,822	60,983	0.38
Trade and other receivables	-	-	-	-	79,429	79,429	-
Unbilled receivables	-	-	-	-	40,126	40,126	-
Retentions receivable under the contract.	-	-	-	-	84,175	84,175	-
Restricted bank deposits	4,952	-	-	-	-	4,952	1.35-1.50
Total	4,952	-	-	57,161	207,552	269,665	

**Financial liabilities**

Overdraft and short-term loans	-	-	-	42,259	-	42,259	7.75-8.00
Trade and other payables	-	-	-	-	282,165	282,165	-
Advance receive from construction	-	-	-	-	92,782	92,782	-
Retention payable to contractors	-	-	-	-	41,969	41,969	-
Short-term loans from other persons and	27,589	-	-	-	-	27,589	9.25
Short-term loans from related persons	2,655	-	-	-	-	2,655	5.00
Long-term loans from financial institutions	34,744	300,707	-	-	-	335,451	7.75-15.00
Liabilities under finance lease agreements	476	1,074	-	-	-	1,550	0.55-0.70
<b>Total</b>	<b>65,464</b>	<b>301,781</b>	<b>-</b>	<b>42,259</b>	<b>416,916</b>	<b>826,420</b>	



## Foreign currency risk

The Group exposes to foreign currency risk relates to its assets and liabilities in foreign currencies which are not hedged by derivative financial instruments, however the management of the Group believed that does not effect significantly to the financial statement.

As at December 31, 2016 and 2015, the Group had assets and liabilities in foreign currencies that were not hedged by derivative financial instruments were as follows :-

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Unhedged assets	(unit : '000)		(unit : '000)	
HKD	-	574	-	-
Unhedged liabilities				
USD	14	14	14	14

## Credit risk.

The Group has the credit risk related to accounts receivable which the Group has several and various customers. However, the Group has a conservative credit policy thus the Group expects no significant damage from collecting debt of such accounts receivable. The Group also estimates the allowance for doubtful accounts based on the management assessment regarding the account receivables' debt service ability in the past which the management believes it is sufficient.

## Fair value

Due to the financial assets and liabilities are mainly short-term type and some loans has interest rates similarly to market rates, the Group believes that the carrying amount of such financial assets and financial liabilities reflect values which do not materially differ from their fair values.

### 39. Commitments and contingent liabilities

Apart from liabilities reflected in the consolidated and separate statements, The Group still have other obligations and contingent liabilities as follows :-

39.1 As at December 31, 2016 and 2015, the Group have obligations to banks as follows :-

(Unit : Million Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Letters of Guarantee	376.54	393.37	373.98	390.86

39.2 As at December 31, 2016 and 2015 the Company's and a subsidiary's promissory note facilities which have not yet been drawn down amount Baht 17.44 million and Baht 6.95 million respectively, (the Company only : Baht 17.44 million and Baht 6.95 million respectively) and overdraft facilities which have not yet been drawn down amount Baht 5.70 million and Baht 11.37 million respectively (the Company only as December 31, 2015 at Baht 2.37 million).

39.3 As at December 31, 2016 and 2015, the Group have obligations on unrendered service agreement as follows :-

(Unit : Million Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Commitments regarding to the agreement for contruction in progress	86.65	148.62	46.90	119.72

39.4 As at December 31, 2015 according to the consolidated and separate financial statements, the Group have obligations related to employment of subcontractors in amount of Baht 33.60 million.

39.5 As at December 31, 2016 and 2015, the Group have lease which are classified by due of payment as follows :-

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Within 1 year	3,739	1,545	2,919	336
Over 1 year but not over 5 years	4,931	1,208	4,529	574
Total	8,670	2,753	7,448	910

#### 40. Lawsuit

As at December 31, 2016 and 2015 the Group are involved in a number of litigations which the results have not yet been finalised as follows :-

##### 40.1 Litigations of the Company

##### 1) Labour and Infringe Cases

(Unit: Million Baht)

<u>Black Case</u>	<u>Prosecuted</u>	<u>As defendant</u>	<u>In charge of</u>	<u>Damage called</u>	<u>Adjudication</u>
<u>Number</u>	<u>Case</u>	<u>No.</u>	<u>or mistake</u>	<u>by Plaintiff</u>	
4910/2552	Civil	1	Infringe	1.68	The case is currently under investigation by the Court of Supreme
264/2557	Civil	1	Inventory	1.92	The case is currently under investigation by the Court of supreme (record in amount of Baht 1.82 million)
350/2557	Civil	1	Inventory	0.29	The case is currently under investigation by the Court of supreme (record in amount of Baht 0.26 million)
2293/2557	Civil	1	Rent	0.91	The case is currently under investigation by the Court of appeal (record in amount of Baht 0.25 million)
1243/2557	Civil	1	Wage	10.43	The case is currently under investigation by the Court of appeal (record in amount of Baht 8.03 million)



<u>Black Case</u>	<u>Prosecuted</u>	<u>As defendant</u>	<u>In charge of</u>	<u>Damage called</u>	<u>Adjudication</u>
<u>Number</u>	<u>Case</u>	<u>No.</u>	<u>or mistake</u>	<u>by Plaintiff</u>	
1418/2557	Civil	1	Inventory	1.09	The Company has performed compromise contract in Legal, the Company accept to pay Baht 1.09 million. (record in amount of Baht 1.09 million as at December 31, 2016 Balance at Baht 0.31 milion)
1404/2014	Civil	1	Wage	9.52	The Company has performed compromise contract in Legal. (record in amount of Baht 7.69 million as at December 31, 2016 Balance Baht 6.39 milion)
1554/2557	Civil	1	Rent	0.88	The Company has performed compromise contract in Legal. the Company accept to pay Baht 0.30 million (record in amount of Baht 0.14 million as at December 31, 2016 Balance Baht 0.09 milion)
1709/2557	Civil	1	Infringe	186.89	Court of Appeal affirmed with the judgment of the Court of First Instance to ordered to dispose of the case.
2018/2557	Civil	1	Inventory	0.38	The Company has performed compromise contract in Legal. the Company accept to pay Baht 0.34 million (record in amount of Baht 0.34 million as at December 31, 2016 at Balance Baht 0.04 milion)
1849/2557	Civil	1	Wage	0.60	The Company has performed compromise contract in Legal. the Company accept to pay Baht 0.54 million (record in amount of Baht 0.54 million as at December 31, 2016 Balance at Baht 0.14 milion)
1243/2557	Civil	2	Wage	42.70	On 11 August 2016 Court of First Instance judge that the company has not responsible for the debt as stated
729/2558	Civil	1	Inventory	0.85	The Company has performed compromise contract in legal. the

<u>Black Case</u>	<u>Prosecuted</u>	<u>As defendant</u>	<u>In charge of</u>	<u>Damage called</u>	<u>Adjudication</u>
<u>Number</u>	<u>Case</u>	<u>No.</u>	<u>or mistake</u>	<u>by Plaintiff</u>	
					Company accept to pay Baht 0.61 million (record in amount of Baht 0.61 million as at December 31, 2016 Balance at Baht 0.58 milion)
849/2558	Civil	1	Loan agreements and promissory note	31.86	In the process of take evidence (record in amount of Baht 34.75 million)
848/2558	Civil	1	Loan agreements and promissory note	73.43	In the process of take evidence
P.111/2557	Civil	1	Infringe	0.74	The Company has performed compromise contract in Legal. the Company accept to pay Baht 0.55 million (record in amount of Baht 0.55 million as at December 31, 2016 Balance Baht 0.52 milion)
691/2558	Civil	1	Rent	0.26	The case is currently under investigation by the Court (record in amount of Baht 0.23 million)
2002/2559	Civil	1	Wage	4.87	The case is currently under investigation by the Court (record in amount of Baht 4.42 million)
RY. 38-43, 65-77/2559	Civil	1	Wage	0.31	The case is currently under investigation by the Court
1140/2559	Civil	1	Wage	1.32	The case is currently under investigation by the Court

## 2) Counter claim for breach of Service Contract – Black Case No. 858/2556

The Company, as a plaintiff, sued a company for breach of contract (on the ground of delayed performance) with dispute in amount of Baht 59.21 million. That company had given rise to a lawsuit and counter claim the plaintiff. Currently, with dispute in amount of Baht 538.82 million. The case is under appointment to trial the witnesses.

However, on 1 April 2016, the Court had ordered to acknowledge the petition to request for the rehabilitation of the Company, Therefore, the above cases are under the provision of Section 90/12 of the Bankruptcy Act B.E. 2483.

### 40.2 Litigations of Subsidiaries

(Unit: Million Baht)

Black Case Number	Prosecuted As defendant Case	In charge of No	Damage called or mistake by Plaintiff	Adjudication
1086/2557	Civil	1	Damages	The case is currently under consideration of the Court.
4937/2557	Civil	1	Infringe	The Subsidiary company has performed compromise contract in Legal. the Company accept to pay Baht 2.82 million (record in amount of Baht 2.82 million as at December 31, 2016 Balance Baht 0.60 milion, subsequently in January 2017, the Subsidiary company paid the whole amount)
3520/2558	Civil	1	Infringe	The Company has performed compromise contract in. Legal. the Company accept to pay Baht 10.39 million (record in amount of Baht 10.39 million as at December 31, 2016 Balance at Baht 10.39 milion)



#### 41. Reclassification

The reclassifications are as follows :-

(Unit: Thousand Baht)

##### Consolidated statement of financial position

	<u>As at December 31, 2015</u>			<u>As at January 1, 2015</u>		
	<u>As previously reported</u>	<u>Increase (Decrease)</u>	<u>As reclassified</u>	<u>As previously reported</u>	<u>Increase (Decrease)</u>	<u>As reclassified</u>
Trade and other receivables	230,605	(85,110)	145,495	306,125	(49,956)	256,169
Other current assets	3,484	9,087	12,571	19,021	(7,789)	11,232
Other non-current assets	3,027	1,812	4,839	370	2,132	2,502
Withholding Tax	-	74,211	74,211	-	55,613	55,613
Trade and other payables	433,328	(102,470)	330,858	486,724	(113,551)	373,173
Estimated delay penalty	-	82,170	82,170	-	84,522	84,522
Advance received from customers	92,782	313	93,095	102,580	1,393	103,973
Retention Payable	42,064	95	42,159	39,188	98	39,286
Other current liabilities	5	19,892	19,897	28	27,538	27,566

(Unit: Thousand Baht)

##### Separate statements of financial position

	<u>As at December 31, 2015</u>			<u>As at January 1, 2015</u>		
	<u>As reclassified</u>	<u>As previously reported</u>	<u>As reclassified</u>	<u>As previously reported</u>	<u>As reclassified</u>	<u>As previously reported</u>
Trade and other receivables	154,527	(75,098)	79,429	261,188	(39,712)	221,476
Other current assets	3,485	2,173	5,658	19,022	(12,826)	6,196
Other non-current assets	-	1,812	1,812	-	2,132	2,132
Income tax withholding	-	71,113	71,113	-	50,406	50,406
Trade and other payables	389,802	(95,722)	294,080	451,682	(106,089)	345,593
Estimated delay penalty	-	82,170	82,170	-	84,522	84,522
Other current liabilities	5	13,552	13,557	28	21,567	21,595

Reported the reclassifications had no effect to previously profit (loss) or shareholders' equity.

#### 42. Approval of the financial statements

The financial statements have been approved for issue by the Board of Directors' the Company on March 17, 2017.



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