



PAE (Thailand) Public Company Limited



# PAE (Thailand) Public Company Limited



## Annual Report 2017

THE WORLD LEADER  
IN ENGINEERED PROCESS SYSTEMS

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## Important Financial Information

Subject	2017	2016	2015
<b>Operating Performance</b>			
Revenue from Sales and Construction	417.58	528.29	735.17
Total Revenue	422.59	535.41	746.04
Gross Profit (Loss)	12.73	10.80	(3.50)
Net Profit (Loss)	(161.54)	(252.02)	(193.23)
<b>Financial Status</b>			
Total Assets	703.14	821.08	1,055.53
Total Liabilities	1,201.72	1,159.99	1,135.48
Total Shareholders' Equity	(498.57)	(338.90)	(79.95)
<b>Financial Ratios</b>			
Current Ratio	0.20	0.21	0.52
Debt/Equity Ratio	(2.41)	(3.42)	(14.20)
Gross Profit (Loss) (%)	0.03	0.02	0.00
Net Profit (Loss) (%)	(0.39)	(0.49)	(0.26)
Net Profit/Share (THB)	(0.05)	(0.09)	(0.14)
No. of Paid-up shares (million shares)	2,770.89	2,770.89	2,770.74

## Message from the Chairman

In the past few years, the company has continued to expand its offshore oil and gas services business. As a result, the company continues to maintain its continued growth in the offshore oil and gas industry. And the company has expanded its services. Management of personnel, maintenance of electrical equipment in other industrial sectors.

However, due to the oil and gas industry in the year 2017, the fluctuation of world crude oil prices has been decreasing sharply and continuously. Therefore, the exploration and production of oil and natural gas. The slowdown in investment has resulted in limited revenue growth and a lack of sufficient revenue to compensate for lost revenue from the construction business. However, the company is confident that the oil and gas industry and the petrochemical industry. There will be an increase in the near term as it is an important consumer product.

In 2018, the Company has restructured its structure to match its current status. The company continues to focus on the oil and gas industry. As well as the management of personnel, maintenance of electrical equipment in other industries. This will create opportunities and increase revenue for the company as well as its affiliated companies. Even during the oil and gas industry, petroleum, petrochemicals were in a slowdown. The company also provides maintenance and inspection services. The company remains confident that the company continues to be recognized by its customers for its quality and performance, as well as its good experience and reputation.

On behalf of the Board of Directors of PAE (Thailand) Public Company Limited, we would like to express our sincere thanks to all shareholders and stakeholders who always trust and support our operations. We strongly believe that the Board of Directors, the Management, and all employees are committed to the full realization of their duties. In order for the organization to achieve sustainable and lasting 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 70 ปี
- คุณวุฒิการศึกษา/การอบรม
  - ปริญญาโท รัฐศาสตรมหาบัณฑิต มหาวิทยาลัยธรรมศาสตร์
  - ปริญญาตรี วิศวกรรมศาสตรบัณฑิต สถาบันเทคโนโลยีพระจอมเกล้าธนบุรี
  - นิติศาสตรบัณฑิต มหาวิทยาลัยสุโขทัยธรรมาธิราช
  - ประกาศนียบัตรหลักสูตร Director Accreditation Program 56/2006 จาก IOD
  - ประกาศนียบัตรหลักสูตร Director Certification Program 56/2006 จาก IOD
  - ประกาศนียบัตรหลักสูตร Audit Committee Program 14/2006 จาก IOD
  - หลักสูตร Improve The Quality of financial reporting QFR/2006
- ประสบการณ์การทำงาน ปัจจุบัน
  - ประธานกรรมการ และกรรมการอิสระ บริษัทพีเออี (ประเทศไทย) จำกัด (มหาชน)
  - ประธานกรรมการตรวจสอบ และกรรมการสรรหาค่าตอบแทน บริษัททาคูนิ กรุ๊ป จำกัด (มหาชน)
- ประสบการณ์การทำงาน ( 5 ปีย้อนหลัง)
  - ผู้ตรวจราชการกระทรวงพลังงาน
  - รองอธิบดี (นักบริหาร 9) กรมธุรกิจพลังงาน
  - ผู้เชี่ยวชาญเฉพาะด้านนโยบายและแผน (งานโยธาธิการ)
- 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 76 ปี
- คุณวุฒิการศึกษา/การอบรม
  - ปริญญาตรี นิติศาสตรบัณฑิต เนติบัณฑิตไทย มหาวิทยาลัยธรรมศาสตร์
  - ประกาศนียบัตรหลักสูตร Director Certification Program 56/2006 จาก IOD
- ประสบการณ์การทำงาน ปัจจุบัน
  - ประธานกรรมการ และกรรมการอิสระ บริษัทพีเออี (ประเทศไทย)จำกัด (มหาชน)
- ประสบการณ์การทำงาน (5ปีย้อนหลัง)
  - นายทหารประจำศูนย์รักษาความปลอดภัยสำนักงานผู้บัญชาการทหารสูงสุด
  - กรรมการสมาคมศิษย์เก่าอำนวยการศิลป์
  - เลขาธิการสโมสรการไฟฟ้านครหลวง
  - กรรมการองค์การรถไฟฟ้ามหานคร
  - กรรมการบริษัท บจ. กรุงเทพมหานคร
  - รองผู้ว่าการงานธุรกิจการไฟฟ้านครหลวง
- การดำรงตำแหน่งกรรมการอื่นในปัจจุบัน / - ไม่มี-
- สัดส่วนในการถือหุ้นในบริษัท / - ไม่มี-
- ความสัมพันธ์ทางครอบครัวระหว่างกรรมการรายอื่น ผู้บริหาร ผู้ถือหุ้นรายใหญ่ หรือ บริษัทย่อย / - ไม่มี -
- ประวัติการทำผิดกฎหมายในระยะ 10 ปีที่ผ่านมา / - ไม่มี -

## Board of Directors

### นายปณณณธีร์ ศรีว่องไทย

- ตำแหน่ง กรรมการบริษัท, กรรมการตรวจสอบและกรรมการอิสระ (วันที่ได้รับแต่งตั้ง 21 พฤษภาคม 2557)
- อายุ 55 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 – คล๊าค ประเทศไทย จำกัด
  - ที่ปรึกษากฎหมายและทนายความ บริษัท เป้าเงินจง จำกัด และบริษัทในเครือ
  - ที่ปรึกษากฎหมายและทนายความ โรงแรมมารีไวด์ รีสอร์ท แอนด์ สปา และบริษัทในเครือ
- การดำรงตำแหน่งกรรมการอื่น ๆ ในปัจจุบัน
  - 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 50 ปี
- คุณวุฒิการศึกษา/การอบรม
  - ปริญญาโท การเงิน มหาวิทยาลัย เซนต์หลุยส์ สหรัฐอเมริกา
  - ปริญญาตรี คณะพาณิชยศาสตร์และการบัญชี จุฬาลงกรณ์ มหาวิทยาลัย
  - ประกาศนียบัตรหลักสูตร Director Certification Program จาก IOD
- ประสบการณ์การทำงาน ปัจจุบัน
  - กรรมการบริษัท, กรรมการตรวจสอบและกรรมการอิสระ บริษัทพีเออี (ประเทศไทย) จำกัด (มหาชน)
  - กรรมการบริษัท กรรมการตรวจสอบและกรรมการอิสระ บริษัท แมสเทค ลิงค์ จำกัด
  - ประธานเจ้าหน้าที่การเงิน บริษัท ไฮแอท คลาวด์ คอมพิวติ้ง จำกัด
- ประสบการณ์การทำงาน (5ปีย้อนหลัง)
  - ประธานเจ้าหน้าที่การเงิน บริษัท ไฮแอท คลาวด์ คอมพิวติ้ง จำกัด
- การดำรงตำแหน่งกรรมการอื่นในปัจจุบัน
  - กรรมการบริษัท , กรรมการตรวจสอบและกรรมการบริษัท 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 บริษัทพีโออี (ประเทศไทย)จำกัด (มหาชน)
  - ประธานเจ้าหน้าที่บริหาร บริษัท ไฮแอท คอนสตรัคชั่น จำกัด
  - กรรมการบริษัท ไมยราพ คอนสตรัคชั่น จำกัด
- ประสบการณ์การทำงาน (5ปีย้อนหลัง)
  - ผู้จัดการฝ่ายการตลาด บริษัท ไฮแอท เทคโนโลยี จำกัด
  - ผู้จัดการทั่วไป บริษัท ไซอิก เอ็นจิเนียริง จำกัด
  - วิศวกร บริษัท ไทยสงวน วานิช บิสิเนส ซิสเต็มส์ จำกัดประธานเจ้าหน้าที่การเงิน
- การดำรงตำแหน่งกรรมการอื่นๆในปัจจุบัน
  - กรรมการบริษัท ไมยราพ คอนสตรัคชั่น จำกัด
- สัดส่วนในการถือหุ้นในบริษัท / - ไม่มี-
- ความสัมพันธ์ทางครอบครัวระหว่างกรรมการรายอื่น ผู้บริหาร ผู้ถือหุ้นรายใหญ่ หรือ บริษัทย่อย / - ไม่มี -
- ประวัติการทำผิดกฎหมายในระยะ 10 ปีที่ผ่านมา / - ไม่มี -

## Board of Directors

### นายวรศักดิ์ จัตรแก้ว

- ตำแหน่ง กรรมการบริษัท (วันที่ได้รับแต่งตั้ง 24 สิงหาคม 2559)
- อายุ 63 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,และกรรมการอิสระ บริษัทพีเออี (ประเทศไทย)จำกัด (มหาชน)
  - รองผู้ว่าการ (วิศวกรรมและการก่อสร้าง) การประปานครหลวง
- ประสบการณ์การทำงาน (5ปีย้อนหลัง)
  - ผู้เชี่ยวชาญการประปานครหลวงระดับ 10
  - ผู้ช่วยผู้ว่าการ (บริการ 2) การประปานครหลวง
  - ผู้ช่วยผู้ว่าการ (บริการ 5) การประปานครหลวง
  - ผู้จัดการสำนักงานประปา สาขาประจวบ
- 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 62 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
- ประสบการณ์การทำงานและกรรมการอื่นในปัจจุบัน
  - กรรมการบริษัท,และกรรมการอิสระ บริษัทพีเออี (ประเทศไทย) จำกัด (มหาชน)
  - กรรมการผู้จัดการ บริษัท เอกมัต กรู๊ป จำกัด
  - กรรมการผู้จัดการ บริษัท กัปตันบุชพัฒนา จำกัด
  - กรรมการผู้จัดการ บริษัท เค.พี.เอ. เรย์ลเอสเตท 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 49 ปี
- คุณวุฒิการศึกษา / การอบรม
  - ปริญญาโท รัฐประศาสนศาสตร์ สถาบันบัณฑิตพัฒนบริหารศาสตร์
  - ปริญญาตรี วิศวกรรมศาสตร์ จุฬาลงกรณ์มหาวิทยาลัย
  - ประกาศนียบัตรหลักสูตร Director Certification Program รุ่น 226/2016 จาก IOD
  - ประกาศนียบัตรชั้นสูง การบริหารภาครัฐและกฎหมายมหาชน รุ่นที่ 12 สถาบันพระปกเกล้า
  - หลักสูตรนักบริหารระดับสูง ธรรมศาสตร์เพื่อสังคม (นมช3)
- ประสบการณ์การทำงาน ปัจจุบัน
  - กรรมการบริษัท, กรรมการบริหาร, กรรมการผู้มีอำนาจลงนามแทนบริษัท บริษัทพีเออี (ประเทศไทย) จำกัด (มหาชน)
  - รองกรรมการผู้จัดการอาวุโส สายงานปฏิบัติการ
  - ที่ปรึกษา บริษัท กลอรี่คอนสตรัคชั่น จำกัด
- ประสบการณ์การทำงาน (5ปีย้อนหลัง)
  - กรรมการ บริษัท ไฮควอลิตี้ อินด์สเทรียลโปรดักส์ จำกัด
- การดำรงตำแหน่งกรรมการอื่นๆในปัจจุบัน / - ไม่มี-
- สัดส่วนในการถือหุ้นในบริษัท / - ไม่มี-
- ความสัมพันธ์ทางครอบครัวระหว่างกรรมการรายอื่น ผู้บริหาร ผู้ถือหุ้นรายใหญ่ หรือ บริษัทย่อย / - ไม่มี -
- ประวัติการทำผิดกฎหมายในระยะ 10 ปีที่ผ่านมา / - ไม่มี -

## Board of Directors

### นายวีรพันธ์ ฤ ระนอง

- ตำแหน่ง กรรมการบริษัท, กรรมการบริหาร, กรรมการผู้มีอำนาจลงนามแทนบริษัท (วันที่ได้รับแต่งตั้ง 27 กุมภาพันธ์ 2558)
- อายุ 56 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 เทคโนโลยีคอลเซอรัวส์ 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 -

## Board of Directors

### นายกัมพล คุปตะวินิจ

- ตำแหน่ง กรรมการบริษัท (วันที่ได้รับแต่งตั้ง 20 มิถุนายน 2560)
- อายุ 67 ปี
- คุณวุฒิการศึกษา/การอบรม
  - : ปริญญาโท บริหารธุรกิจ Asian Institute of Management Manila Philippines
  - : ปริญญาตรี วิศวกรรมศาสตร์- California Polytechnic State University San Luis Obispo, California, USA
- ประสบการณ์การทำงานและกรรมการอื่นๆในปัจจุบัน
  - ผู้อำนวยการฝ่ายปฏิบัติการ / Operation Director บริษัท พีเออี (ประเทศไทย) จำกัด (มหาชน)
  - รองผู้อำนวยการ / Vice President Mitsui Engineering Thailand Co., LTD.
  - รองผู้อำนวยการ ฝ่ายบริการน้ำมันและก๊าซธรรมชาติ บริษัท พีเออี (ประเทศไทย) จำกัด (มหาชน)
  - ผู้อำนวยการ แผนกบริการอุตสาหกรรมและการค้า บริษัท พีเออี (ประเทศไทย) จำกัด (มหาชน)
  - ผู้จัดการ แผนกพัฒนารัฐกิจ บริษัท พีเออี (ประเทศไทย) จำกัด (มหาชน)
- ประสบการณ์การทำงาน (5 ปีย้อนหลัง)
  - กรรมการผู้จัดการ บริษัท APEX Health Care
- สัดส่วนในการถือหุ้นในบริษัท / - ไม่มี -
- ความสัมพันธ์ทางครอบครัวระหว่างกรรมการรายอื่น ผู้บริหาร ผู้ถือหุ้นรายใหญ่ หรือ บริษัทย่อย / - ไม่มี -
- ประวัติการทำผิดกฎหมายในระยะ 10 ปีที่ผ่านมา / - ไม่มี -

## General Information

<b><u>Name of Holding Company</u></b>	PAE (Thailand) Public Company Limited
Registration No.	0107538000291 (Bor. Mor. Jor. 0552)
<b><u>Address</u></b>	
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, Bangkok
Rayong Branch	67/8 Hadsaithong Rd, Map Ta Phut, Muang, Rayong, 21150
<b><u>Contact</u></b>	
Telephone (Head Office)	0-2322-0222 (Auto)
Facsimile (Head Office)	0-2322-2970-1
Email address	<a href="mailto:info@pae.co.th">info@pae.co.th</a>
Company Website	<a href="http://www.pae.co.th">www.pae.co.th</a>
<b><u>Stock Registrar</u></b>	
Name	Thailand Securities Depository Company Limited
Location	62 Ratchadaphisek Road, Klongtoey, Klongtoey, Bangkok 10110
Telephone	02-009-9000
Facsimile	02-009-9991
<b><u>Auditor</u></b>	
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. Wandee 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

WE WILL BE THE MOST RECOGNIZED SERVICE PROVIDER. IN ENGINEERING, PERSONNEL, FACILITIES, EQUIPMENT, TOOLS. ENERGY INDUSTRY OIL AND GAS, PETROCHEMICAL AND RELATED INDUSTRIES

## Business goals and strategies

*Maintaining a leading position in the Engineering, Procurement and Construction (EPC) business, as well as the delivery of skilled personnel to the oil and gas exploration and production industry both domestically and regionally. The company aims to be the leading provider of engineering, procurement and construction (EPC) services. The delivery of skilled personnel, experience and expertise to the client. And services. In the energy industry, oil, gas and petrochemicals, which are the core businesses of the company.*

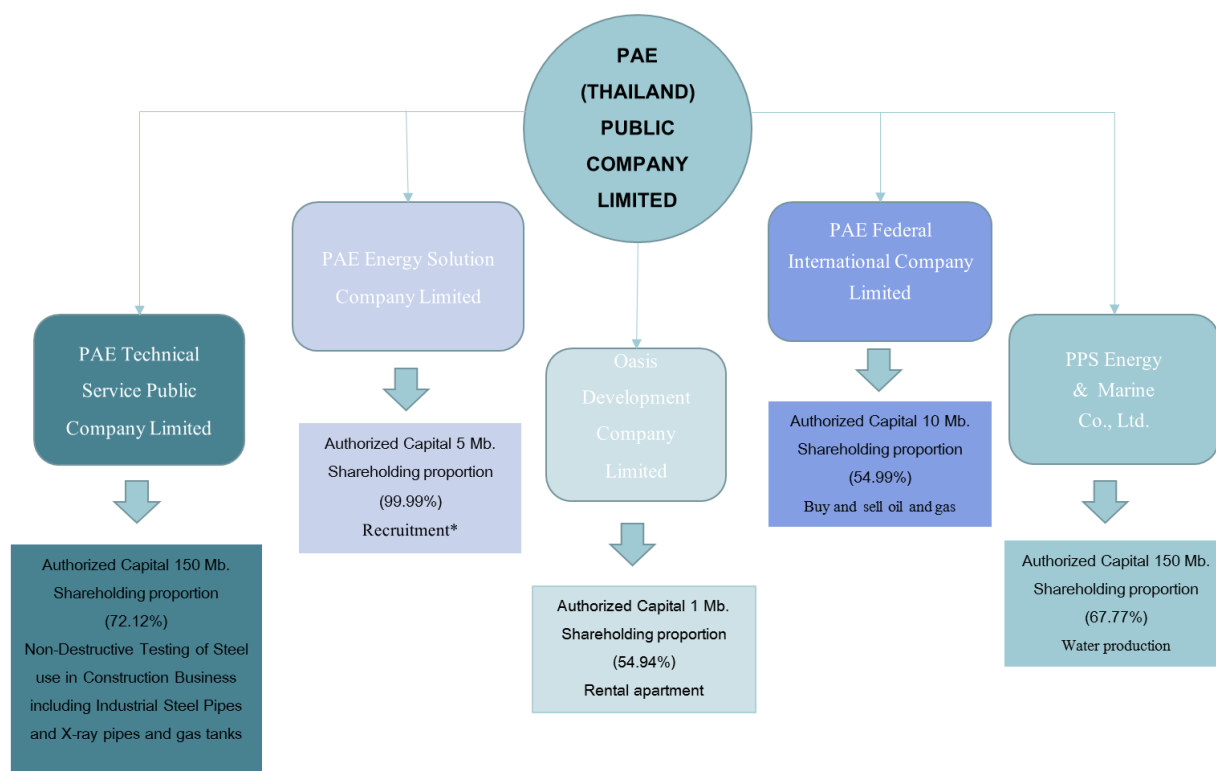
## MISSION

- ✚ It is a leader in providing comprehensive EPC, Engineering, Procurement and Construction services in the energy industry, Oil and gas, petrochemical and alternative energy, both domestic and regional.
- ✚ Providing qualified personnel to work in the oil and gas exploration and production industry both domestically and regionally.
- ✚ Operational cost management And effective customer service. To achieve all business goals.
- ✚ Continuously develop management systems and promote new technologies to increase the company's growth capabilities and personnel development to meet the company's goals.
- ✚ To focus on management of corporate social responsibility and corporate governance for transparent management.
- ✚ Sustainable and continuous growth of the organization. To benefit the shareholders. Business partner Employees in the organization Including society and environment.

## Nature of Business

Authorized Capital 8,051,717,332.00 Baht

Paid-up Capital 2,770,889,766.00 Baht



\* PAE Federal International Company Limited Presently the subsidiaries company stopped to business.

\*\* On process of liquidation and settlement

## 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 its subsidiaries				% shareholder of Company	2017		2016		2015	
					Thousand Baht	%	Thousand Baht	%	Thousand Baht	%
	Company name									
	1.1	PAE (Thailand) Public Co.,Ltd			208,527	49.90	236,780	44.82	324,505	44.14
		1.1.1	Fabrication, Songkhla							
		1.1.2	Fabrication, Rayong							
		1.1.3	Fabrication, Lankrabue							
	Revenue form contract services									
	2.1	PAE (Thailand) Public Co.,Ltd			43,296	10.36	104,827	19.84	203,576	27.69
	2.2	PAE Technical Services Public Co.,Ltd		72.12%	39,419	9.43	29,384	5.56	11,729	1.60
	Revenue from Non Destructive Testing									
	3.1	PAE Technical Services Public Co.,Ltd		72.12%	112,617	26.959.43	146,565	27.74	187,338	25.48
	Testing and Certification Services									
	Revenue from water supply services									
	4.1	PPS Energy & Marine Co., Ltd.		67.77%	7,240	1.73	10,747	2.03	8,024	1.09
	Revenue from sales Products									
	5.1	PAE Federal International Company Limited**		55.55%	6,754	1.62	-	-	-	-
	Other income									
	6.1	Oasis Development Company Limited*		54.94%	-	-	-	-	-	-
	6.2	PAE Energy Solution Company Limited*		99.99%	-	-	-	-	-	-
				TOTAL	417,852	100.00	258,294	100.00	735,173	100.00

\* Presently the subsidiaries company stopped to business.

\*\* On process of liquidation and settlement



## Nature of Business

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

### 1. Oil & Gas, Petrochemical and Hydrocarbon

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

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.

## Nature of Business and Services of the Company and Subsidiaries

### LOCATION MAP



- ★ Engineering Department (BKK)
- ★ RAYONG Fabrication Yard
- ★ Oil & Gas Services SONGKHLA
- ★ S1 Sinikit Field (Kampangpetch)



- Bangkok HQ Office
- Sriracha Branch
- Rayong Branch



- Bangkok HQ Office



- Bangkok HQ Office



## Product and Service

<b>Engineering Department</b>	<ul style="list-style-type: none"> <li>Provides engineering design services. Field Survey, Conceptual Design, Front End Engineering Design (FEED) to Detailed Design, Procurement, Selection of materials and equipment for each project, Procurement Assistant, Manpower Supply and Project Management.</li> </ul>
<b>Fabrication Shop</b>	<ul style="list-style-type: none"> <li>Rayong Plant Provide services. Structural work (Fabrication) provides installation services. (Installation) at the client's site. Installation of equipment used in industrial plants, refineries and petrochemicals. Warehouse Mechanical, Electrical, Piping, Instrumentation and other</li> <li>Songkhla Songkhla Factory Providing core services in structural work to offshore customers at Songkhla factory. It is the center of offshore services and support in the Gulf of Thailand, including the delivery of technical personnel. Procurement, procurement and rental of equipment Machine to customers in this business group. The factory consists of Cutting &amp; Punching, Forming, Welding, Blasting and Painting. The company has the best Blasting and Paint Shop in Songkhla area.</li> </ul>
<b>Oil &amp; Gas Services Department</b>	<ul style="list-style-type: none"> <li>The company provides engineering services to technicians, workers, both onshore and offshore. In general, labor recruitment services, including engineers and staff, are responsible for the work on the rig. The main customers are Chevron Thailand Exploration and Production Ltd.</li> <li>The company also provides rental equipment for both onshore and offshore. The dispatch of skilled workers as well as tools to the front of the job quickly and speedily as planned.</li> </ul>
<b>Non-Destructive Testing Services, NDT Department</b>	<ul style="list-style-type: none"> <li>Provided by PAE Technical Services Public Company Limited, a subsidiary of the Company, is the first Non Destructive Testing (NDT) service provider in Thailand. All of our staff are competent and experienced in all types of non-destructive testing, such as radiation testing. Radiographic Testing, Ultrasonic Testing, Liquid Penetrant Testing.</li> <li>Comprehensive testing of structural and pipelines both onshore and offshore. It can be used in factories or field work by skilled personnel in the inspection. It is well trained and well trained. Training Manual Manual QCP-13 (Rev-02), US equivalent (ASNT SNT-TC-1A)</li> </ul>

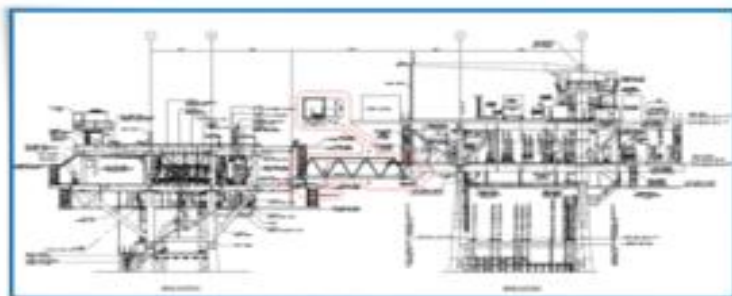
## Engineering department

Provides engineering design services. Field Survey, Conceptual Design, Front End Engineering Design (FEED) to Detailed Design, Procurement, Selection of materials and equipment for each project, Procurement Assistant, Manpower Supply and Project Management

### EPC Service



### Conceptual, Feed & Detailed Engineering for Oil & Gas and Petrochemical Industry



## CONSTRUCTION



### Civil / Structure Work



Project : DSO 13-024  
To improve utility water supply and related facilities  
for new office and accommodation



## CONSTRUCTION



### Piping & Mechanical Work



Project : Relocation and installation  
51

## CONSTRUCTION



### E & I Work



Project Name: GREEN ABS EXPANSION (ABS VI)  
Location: IRPC, Rayong

# CONSTRUCTION



## Fire Fighting System



Project : LKU-Modification Fire fighting system (Phase 2)  
water line for T-301 & T-302 & Fire Water Pump

## RAYONG FABRICATION YARD





## - [Fabrication Shop Rayong](#)

Rayong Plant Provide services. Structural work (Fabrication) provides installation services. (Installation) at the client's site. Installation of equipment used in industrial plants, refineries and petrochemicals. Warehouse Mechanical, Electrical, Piping, Instrumentation and other

## **TOOLS & EQUIPMENT**





**Fabrication shop Songkhla** Songkhla Factory Providing core services in structural work to offshore customers at Songkhla factory. It is the center of offshore services and support in the Gulf of Thailand, including the delivery of technical personnel. Procurement, procurement and rental of equipment Machine to customers in this business group. The factory consists of Cutting & Punching, Forming, Welding, Blasting and Painting. The company has the best Blasting and Paint Shop in Songkhla area.

## **SONGKHLA FABRICATION YARD**



# SONGKHLA FABRICATION YARD



- Offshore and Onshore Operation & Maintenance
- Fabrication
- Manpower Supply
- Procurement Service
- Equipment Rental



## Oil & Gas Services Department

- The company provides engineering services to technicians, workers, both onshore and offshore. In general, labor recruitment services, including engineers and staff, are responsible for the work on the rig. The main customers are Chevron Thailand Exploration and Production Ltd.
- The company also provides rental equipment for both onshore and offshore. The dispatch of skilled workers as well as tools to the front of the job quickly and speedily as planned.

## Equipment rental for offshore/ onshore work













## Rental of equipment.

### **CLOSED SYSTEM (@Songkhla)** **Steel Grit Blast & Painting 1,680 sq.m.**



### **EQUIPMENT RENTAL (@Rayong)**



Hiab Truck 3 Ton	Hiab Truck 6 Ton and Water supply truck	Shuttle Truck 6 Wheel
		
		
		

# RAYONG FABRICATION YARD

## Equipment Rental



Crane		Heavy equipment		10 Wheel Trailer
	CRANE LCD-180 18 TON LORAIN		SCAT TRAK 1300 C SCAT TRAK	
	CRANE 30 TON ZOOMLION		EXCAVATOR KOMATSU	
	SKY TRAK 3 TON SKY TRAK		JCB 3 CX JCB	

# RAYONG FABRICATION YARD

## Equipment Rental



Fork lift		Generator		Air compressor	
	FORK LIFT 3 TON CATERPILAR		GENERATOR 35 KVA		AIR COMPRE SSOR 185 CFM
			GENERATOR 100 KVA		
			GENERATOR 350 KVA		

## Non-Destructive Testing Services, NDT Department

PAE Technical Services Public Company Limited is a third party engineering services provider for non-destructive testing. Non-Destructive Testing (NDT) and Inspection and Certification, as well as the verification and certification of LPG and NGV pipelines for organizations to achieve their objectives. Quality according to international standards. And the requirements that customers want. Or legal requirements With a team of highly experienced and highly experienced tools and technology. To meet and satisfy customers is widely accepted

### 3.2.1 Service Type

#### 1. Non-Destructive Testing Services: NDT

Non destructive testing Non-Destructive Testing (NDT) refers to the technical process of verification. Using physical principles, evaluating defects and inspecting materials or components of machinery. Gas pipelines, chemicals, high pressure boilers and large steel structures. To find defects inside the material structure that can not be seen with the naked eye. It does not change the structure of the previous. New Construction during In Service and Turnaround Shutdown for estimated lifetime. The company has staff who have the knowledge, expertise, monitoring and Experienced non-destructive testing. All staffs are well trained and trained. The company also has mobile monitoring and measuring equipment that can be used in the factory or fieldwork, which makes it a company. Providing testing services for both domestic and foreign customers. It can not be divided into two categories.

#### 2. (Conventional NDT)

It is a long way. Currently, the company offers five non-destructive testing services.

Type of test	Description
Ultrasonic Testing : UT	High Frequency Ultrasonic Inspection: checks for defects and measures the thickness of the workpiece such as metal structure, piping In the refinery. Petrochemical plants
Radiographic Testing : RT	Radiation Radiation Test: A defect detection within a material. Using radioactive substances The film is used to record data, such as the connection of the pipeline.
Magnetic Particle Testing : MT	Magnetic Particle Inspection: As a Magnetic Powder Test Method And the magnetic induction process. To measure the discontinuity of the surface and under the surface of the material.
Liquid Penetrant Testing : PT	Infiltration Test: is a method of water penetration to penetrate defects open to the surface of workpieces or welds such as pipes, structures, metals.
Visual Inspection Testing : VT	Visual inspection: is a basic process. For structural assessment Or components The evaluation of the acceptance level (Acceptance) or non-acceptance (Rejection) with the use of eyes.

The company also provides NDT services on Inspection & Testing.

#### 1. Ultrasonic Thickness Measurement (U.T.M.)

It is one of the techniques used to determine the thickness of a material such as walls, tanks, vessels, boilers and pipe lines. The purpose of this technique is to detect the material. Corrosion test Corrosion problems are repeated at the same location. Record and make statistics so that it can identify corrosion rates. And evaluate the life remaining when used.

#### 2. Positive Materials Identification: P.M.I.

It checks to determine the type of chemical components of the material that are needed by the metal in the industry.

#### 3. Hydrostatic Testing

It's a test to find a leak. Welding strength And joints of the assembly. By compressing the water into the tank to be tested to full. And the pressure as needed.

#### 4. Holiday Detector / Leak Test : H/L


Check for defects in the coating. The coating prevents corrosion of the material.

#### 5. Hardness Testing

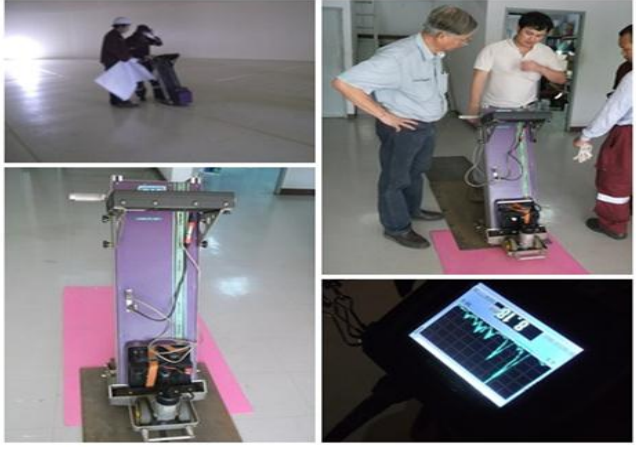
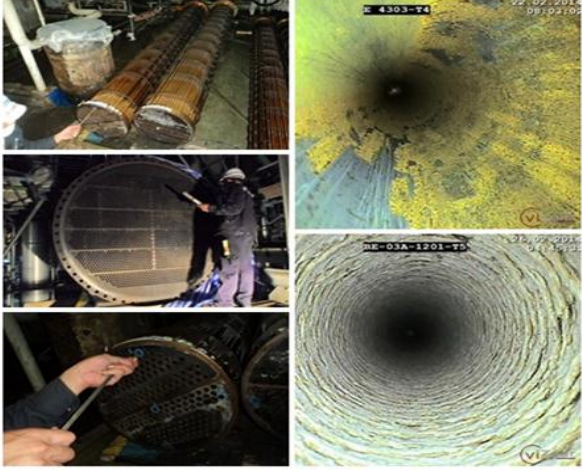
Metal hardness testing in resistance to permanent processing. This is useful for designing various pressure vessels.

#### 6. Advanced NDT

Continued development of non-destructive testing methods. By examining the use of more sophisticated technology and tools. It will use personnel. And a little test time can give you results. Clear audit Security And fast test results. More precisely It also covers more. Non-destructive testing (Conventional NDT), such as

Type of test	Description
Storage Tank inspection	<p>Inspection of oil tanks, chemicals and molasses using API 653 international standards and applicable national laws.</p> <p><u>example</u></p> 



Type of test	Description
Magnetic Flux Leakage (MFL)	<p>Checking the corrosion under the tank floor. To find the erosion, such as the tank Oil refinery Petrochemical plants</p> <p><u>example</u></p> 
Bore Scope Inspection	<p>How to check by endoscopy To check the internal condition of the workpiece that can not be used for VT inspection, such as heat pipe work.</p> <p><u>example</u></p> 

In addition, the company has provided advanced equipment for non-destructive testing.

- Phase Array Ultrasonic Testing (PAUT)

The high frequency sound. In the detection of metal imperfections. This makes the ability.

Precise inspection of the workpiece. And show the image as a real flaw.





#### - Tubular Inspection

Internal inspection of various Tube and Pipe

The NDT service will start to work. The employer will determine the NDT method used to test the company. Specify the specimen to be tested. After the test of the workpiece method. Various as mentioned above. In the next step The test takers will report the results of the test to the employer. To evaluate the completeness of the work in accordance with the Code (Code) that will continue to work with the work of the company. Testing and reporting according to international standards.

## 2. Inspection & Certification

Quality Assurance and Inspection Services It is a continuous process or a continuation of the test.

Non-destructive testing of various types, including non-destructive testing of workpieces. And test process. They also report on the use of the workpiece. It will be concluded that the piece is suitable for use or not. The inspection can be done both the inspection of each work piece. Performed during new production at the factory. Or during the installation at the place of use. Including after-use operations such as annual inspection and certification for gas tanks. Or inspection, including the system. (Plant Inspection Service).

The company is a quality inspection and certification service provider. As an independent party (Third party) in accordance with legal requirements. It is made by various types of test methods and tested, and reports are issued to certify usage conditions. There are four types of inspection and certification services

### 2.1 Tank Inspection

- Tank External & Internal Inspection by Code & Laws
- Welding Works
- Providing accredited auditors. API 653 API 510 API 507 และ NDT Level I & II (Supply API 653 API 510 API 507 Inspector & NDT Level I & II inspector)

### 2.2 Plant Inspection Service)

- On-Stream Inspection/CUI Inspection of Pressure Vessel & Piping
- In Service Inspection during Plant Shutdown/Turnaround of Pressure Vessel & Piping

- Boiler, Hot Oil, Boiler and Hot Oil Inspection & Certification as per MOI
- Risk Based Inspection (RBI) and consulting services.
- Define Work Shop for Shutdown or Plant Turnaround (TA Scope Development & Scope Challenge)
- Plant Inspection and Corrosion Monitoring (Plant Inspection & Corrosion Monitoring)
- Failure Analysis, Root Cause Analysis : RCA
- Maintenance of equipment and piping during stoppage of machinery.(TA/SD Maintenance Service) Welding Works
- Providing accredited auditors. API 653 API 510 API 507 และ NDT Level I & II (Supply API 653 API 510 API 507 Inspector & NDT Level I & II Inspector)
- Crane and Lifting Equipment Inspection

### 2.3 Checking and certifying gas cylinders (LPG and NGV)

- Testing of containers At the end of the year and 5 years. (LPG Storage Tank Inspection)
- Gas Truck Inspection
- Gas Stations Inspection
- Liquid Hydrocarbon Storage Tank Inspection
- Storage Tank Inspection & License Service

### 2.4 Welder Training Center

Because skilled personnel is an important part of the business. The company provides certified personnel development services for both internal and external testing. We focus on producing quality personnel that are adequate and comprehensive for the business. are as follows;

#### - Welding and Welding Service Training (Welder / Welding Qualification Test)

1. The company provides personnel training and certification services in the field of welding according to international standards. The training center of the company. Licensed by the Ministry of Labor. In the welding tester service. ASME, AWS, ISO, and EN standards are also available. The certificate is issued in both theoretical and practical aspects. Training is provided by the welding engineers who have passed the German Welding and Training Course (SLV Mannheim Germany). Italian company Sino-Thai Engineering and Construction Public Company Limited, High Steel Products Co., Ltd., Siam Construction Group Premier Metals (2003) Co., Ltd., LPN Engineering Co., Ltd., BP Air and Engineering Co., Ltd.

The Company's main customers are PTT Public Company Limited, Bangchak Petroleum Public Company Limited and many other major and minor contractors.

- Metal Arc Welding
- Metal arc welding using gas.
- Tungsten arc welding uses gas.
- Arc Welding Flux Arc welding under flux

**Welding inspection Compliance with international standards. (Weld Inspection (CSWIP))**

- Welding and welding inspection. (Welding Procedure Qualification Test & Welder Qualification Test)
- Welding Inspection for Vendors / Manufacturers (Supply Welding Inspector For Vendor / Fabrication Shop)

To develop the capacity of personnel to support the work at a high standard. The operational plan is expanded. Can increase the ability to generate revenue. The company is in the process of expanding the scope. Calibration, tools, calibration and testing tools, and standardized training centers at international level.

Prepare Inspection Service Non Destructive (NDT)

### [PPS Energy and Marine Company Limited](#)

Importer sells equipment and tools used in the construction of drilling rigs, producing and distributing raw water / drinking water / tap water, which the Company holds 67.77% of the registered capital. To expand production and sales of tap water and support future growth of the company

## **PPS ENERGY AND MARINE COMPANY LIMITED**

We are a leader in the water treatment and production system, is determined to offer you our best service and escort you toward your ultimate goal. With our state-of-the-art technology and innovative water treatment and production system that conform to standard of the World Health Organization (WHO), we endeavor ourselves to raise living standard of people society and environment on sustainable level.





**Manage water treatment 10,000 Sq.m./day in  
AMATA NAKORN (CHONBURI)**

## Marketing and Competition

Company Focus Provides engineering services, construction, maintenance services, equipment repairs. To the energy industry companies, including the delivery of staff with experience in the work. To work with leading companies. Onshore & offshore both domestically and internationally. The company is focused on safety at work. The personnel, materials, equipment, machinery and the environment as well as the quality of the work delivered to the customer.

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

### **Competitive Strategy**

The Company focuses on and prioritizes the quality of its work, including the provision of both before and after services. The company believes that it will impress 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 refinery, gas separation plant, petrochemical industry And energy. By providing excellent service and ability. If customers are satisfied with the work of the company and have been certified by many customers. As a result, the company has been entrusted with the work of many other agencies.

### **Characteristics of customers and prospects**

The Company's customers can be divided into 2 groups according to their business characteristics: Hydrocarbon group customers and infrastructure group 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 Mill and Power Plant, the proportion of the Company's customers may vary due to economic conditions and circumstances. Therefore, the operation of the company may not depend on particular customers.

### **State of the Industry Overview**

Continued decline in crude oil prices in the world market has led to new projects. It is likely to slow down or slow down. But big projects. Foreign companies are bidding mainly. The price competition for each project is likely to be higher and more intense every year. Therefore, contractors need to adjust their strategies or find partners to get more jobs.

## **Industry and Competition Situation**

The company has the ability to compete against the same type of competitors who receive the work from the private sector. The company believes that in the future. If the company has more investment or investment in the operation. The Company believes that the Company has enough capacity to receive the work from government agencies. Or large enterprises increase Now companies of the same type operate more and more. But with the expertise of many companies in the field, including the ability to send employees with the ability to go onshore and offshore maintenance work, the company has three factories support the company is considered. The key strategy in this industry's competition. 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. Number of competitors in the same industry.**

For the current EPC contractor industry in the country. There are more intense competition. Because the service provider With the same competition, they have developed their own potential. Including the ability to manage projects. 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 industry can cause a hindrance to a company's performance.

#### **2. New competitors in a single day industry.**

For the company's business, there are many new competitors. This is because contractors have the expertise to set up and operate their own businesses, which see their profits. The competition is a lot and is considered a barrier to work. With so many competitors competing for high prices, each project has a relatively low profit margin.

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

The company has a relatively low bargaining power with suppliers because of its relatively low raw material resources and the Approve Material List (AML). This means that the company must purchase raw materials from the AML only, so the company can not choose other suppliers, it is another obstacle to work. As a result, operating expenses increased, resulting in lower profit.

### **4. Substitute Products**

In the core business is considered a replacement product is quite a lot. This is a barrier 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. Since businesses have a lot of competitors and now offer E-Auction bidding, which is a Real Time Bidding process that allows the company to bid in a timely manner, making that decision immediately available for bidding on the job. there The company will have to reduce the price as much as possible to win the competition, which holds that the customer has the power to negotiate.

## Project Awarded

The company has always been trusted by customers. In early January 2017, the Company received the Oil and Natural Gas Industry Service from Chevron (Thailand) Exploration and Production Limited. Songkhla and Nakhon Si Thammarat The Company provides construction and installation services, equipment and supplies, equipment and tools. Rental of machine tools. Including labor supply for off shore work worth 198,011,051.80 million baht.

- In January 2016, the Company conducted construction work (continuous operation). The Company provided the Rayong Oil and Gas Industry Services to PTT Global Chemical, the TOPs HG project, with a total value of Baht 5.85 million.
- In January 2016, the Company continued construction work with PTT for construction, civil, mechanical and electrical and instrument works. In 2016, the Tank B100 project at Lamlukka Petroleum Terminal valued at Baht 31.5 million.
- In January 2016, the company continued construction work (continued), providing electrical & instrument construction works from IRPC Co., Ltd. in Rayong Zone. Several projects worth 12.44 million baht.
- In February 2017, the company signed a contract with PTT for construction work on additional gas loading. Main gas station, PTT, Banbueng, Chonburi valued at Baht 2.90 million.
- From August 2017 to November 2017, the company received an additional contract for the Electrical & Instrument Contruction Work from IRPC Co., Ltd. in Rayong Zone worth 1.1 million baht.
- From February 2017 to May 2017, the Company received an additional service contract for the engineering, plumbing and mechanical TOPS project from PTTGC valued at Baht 1.46 million.
- In August 2016, the company received orders for Consultant services and scaffolding services in PTTGC totaling Baht 0.675 million.
- Throughout the year, the Company provided Maintainence & Rental Service totaling Baht 0.658 million.
- In September 2017, the Company was awarded the contract of Manpower Supply at E & I from Siam Kraft Industry Co., Ltd., worth Bt. 54.680 million and overtime at THB 12.875 million.



## Project Complete

As at December 31, 2017, the details are as follows:

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 building, design And use energy-saving materials.	8.52
4.	Mixed Oil Pump	Engineering	1.44
5.	TPK –Electrical office	Electrical Engineering	5.452
6.	Renovate Service Station-PTT	Engineering	11.03
7.	E&I Boiler TPK	E & I Work	9.28
8	Supply Meterical / Rented Crane LEC	Procurement	2.067
9	TOPS HG Polisher (Addition work)	Engineering, Pipins, Mechanic	3.90
10	TOPS HG Polisher (Addition work)	Engineering, Pipins, Mechanic	1.46
11	Instrument Raffinate – IRPC	Instrument & E	0.597
12	Electrical for HCN Feed-IRPC	Electrical work	1.167
13	Tank B100 – PTT	Engineering  Piping , Mechanical	28.00
14	Maintemamec & Rental Service	Service	0.658
15	Construction and Installation  Contract – Chevron Songkhla	Manpower Supply Equipment  Rental & Faicilitation	198.011



# PAST EXPERIENCE

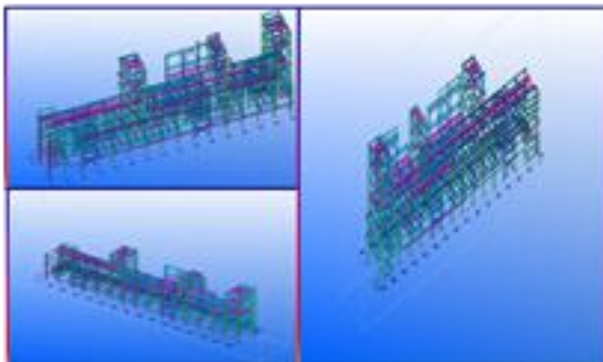


## **BEWW TWIN PLATFORM TOPSIDES MODIFICATIONS (PHASE II), CHEVRON**



- Offshore engineering , fabrication and erection work

## **STEEL STRUCTURE & ERECTION WORK**



Labix Project (Mitsui& Thai Paraxylene)

Structure work Total : 1400 Ton

Pipe Rack (Unit 58300) : 580 Tons

Pipe Rack (Unit 58200) : 520 Tons

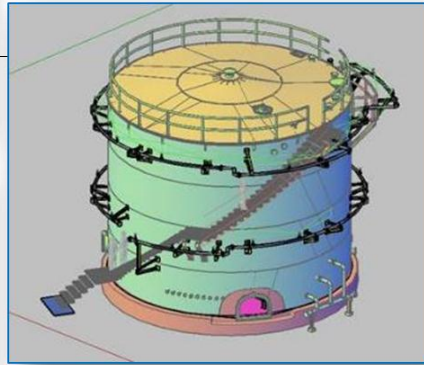
Shelter Structure : 300 Tons





## **EPC CRUDE OIL STORAGE TANK**

- Engineering work
- Storage tank fabrication and erection work
- Painting work



## **E&I CONSTRUCTION WORKS FOR TPK ETHANOL PRODUCTION PLANT 340,000 LPD**

Installation Support & Cable Tray for  
Instrument Works at TPK Ethanol Plant,  
Nakorn-ratchasima







บริษัท ที พี เค เอทานอล จำกัด  
T.P.K. ETHANOL COMPANY LIMITED

## E & I for Boiler System



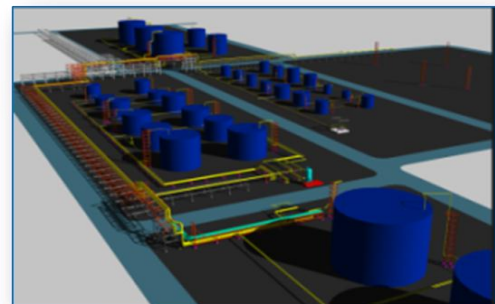
- INSTALL CABLE TRAY
- INSTALL CONDUIT
- INSTALL SUPPORT CABLE TRAY
- CABLE PULLING MOTOR FEEDER

## PAST EXPERIENCE

### CONSTRUCTION WORK FOR VRU PROJECT, PTTGC



- Civil and Structure work
- Mechanical installation and piping work
- E&I work



## PART EXPERIENCE



### Renovation & Modification PTT Station : KALASIN



- Civil and structure work
- Piping work
- Underground piping work

### EQUIPMENT PLATFORM & LADDER FABRICATION WORK



Labix Project (Mitsui& Thai Paraxylene)

Sets of Platform/ Ladder 36 sets for Column, Reactor and vessel (Total: 285 Tons)

- Platform : 136 Tons
- Handrail & Ladder : 86 Tons
- Grating : 63 Tons



### Works under construction and not yet delivered as at 31 December 2017

No.	Project	Description	Value (Million Baht)
1.	Tops,Hg Polisher PTTGC	Piping Work Mechanical	1.95
2.	Instrument System – IRPC	EPC Intrument E & I	0.597
3	Tank B100-PTT	Civil, Gas Tank, Piping	3.50
4	Manpower Supply, E&I (Siamkraf Industry)	Manpower Supply	49.43
5	Manpower Supply	Manpower Supply (O.T)	12.25

### Work under construction of the Company (2013 - 2017)

No.	Partner / Client / Project	Total value (Million baht)	Project timeline	Description
1.	PTTGlobal	33.17	Oct 12 –Dec 16	EPC GHU Scrubber piping and Instrument system project
2.	TPK	43.8	Jan 14 – Dec 15	E&I
3	IRPC	26.85	Nov 16 – Dec 16	งาน 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



## PROJECT ON HAND 2017 (BACKLOG)



### TE-4353 TOPs Hg Polisher Project



•Piping Works, Foundation & Structure Works and Mechanical Installation.



### Electrical system installation for improve unit 100 to 120 % of capacity for HCN feed



## Instrument for Raffinate and Toluene Mixed-Xylene to Gasoline blending BTX & TF2

Installation JB Boxes



Connection for instrument system



Support for JB Boxes



QA/QC rechecked



## Electrical Raffinate and Toluene Mixed-Xylene to Gasoline blending BTX & TF2



## Progress of Changing and Development

The Company has made significant changes and developments in its business and administration over the past several years.

### 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 0.15 per 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, effective 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
- 29 February 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.

## Year 2017

- On March 9, 2016, the SET PAE has to improve its financial position and operation (NC Phase 2) as the Stock Exchange of Thailand has revised its approach to listed companies that need to improve their financial status. And the operation under Clause 9 (6) of the SET regulations. The SET will allow listed companies to adjust their financial status and operations for a period of 3 years and will

announce the names of each period. Currently, PAE (Thailand) Co., Ltd. (PAE) has not yet resolved its financial status and performance. The Stock Exchange of Thailand (SET) will announce the name of the company to improve its financial position and operations for the second phase (NC Phase 2), effective from March 9, 2017 onwards. The Stock Exchange of Thailand The company has to adjust the financial status and operations for 3 years. It will be 3 periods for each period of 1 year and will announce the list of all stages: NC Stage 1, NC Stage 2 and Stage 3 NC. It may be extended for a period of not more than 1 year (total period of not more than 4 years). If the company can not meet the eligibility for withdrawal within the specified period. The Stock Exchange of Thailand The Company will consider delisting the Company's securities.

- On June 20, 2017, the Company clarified the progress of the resolution of the delisting of securities. Resignation of Director and Change of Director On March 9, 2016, the Stock Exchange of Thailand The Stock Exchange of Thailand ("SET") has issued a resolution requiring the Company to adjust its financial status and operating performance since the shareholders' equity is less than zero. Subsequently, the Company has resolved the Board of Directors' Meeting No. 5/2559 on April 4, 2019 to approve the Company to proceed with business rehabilitation through the Central Bankruptcy Court under the Bankruptcy Act. However, since at that time, the Company had been filed with the commercial bankruptcy court by Central Bankruptcy Court. Therefore, it is necessary to enter the process of business rehabilitation of the Central Bankruptcy Court, based on the case that the creditors have already filed. According to the law, companies can not apply for business rehabilitation by themselves. The company subsequently reported the progress of the case to you for a period. However, after the investigation of the petition, the court issued an order for the company's rehabilitation. The reason is that the business situation of the company can continue. There is no reason to order the company to rehabilitate the business.
- The Company has clarified that due to the fact that the Court filed the petition for the rehabilitation mentioned above. As a result of the creditors filed a lawsuit before. The Company has a number of obstacles in presenting information to the court. The wrong information into the case. As a result, the court understands that the financial status of the company is still good. There is no reason to revoke the business and raise the petition. In fact, the financial status of the company was in trouble until the business was rehabilitated, as the Stock Exchange had previously announced to the public. And when the meeting of the Board of Directors No. 2/2560, held on 19 June 2017, was officially reported on the court's petition, the meeting resolved to approve the Company to file a petition for business rehabilitation. To the Central Bankruptcy Court under the Bankruptcy Act is a new lawsuit filed by the company itself. In this filing. The Company, as the debtor, will be the solicitor. The information will be presented to the court correctly and completely. The Company is in the condition that the business rehabilitation under the Bankruptcy Act In addition, the Company will continue to consider this

approach as a guideline for resolving the delisting. The Company will consider the rehabilitation plan as approved by the court in the future as a plan to rectify the delisting. The Company believes that it will be able to rectify it within the time limit set by the SET.

- June 20, 2060. Acknowledged the resignation of Miss Kisisra Brittanapong. The effective date is June 19, 2016 onwards and the resolution to appoint Mr. Kampol GuptaVinit is the director to replace the resigned director. Effective from June 19, 2560 onwards.
- June 20, 2016 Progress, Reasons for Delisting, and Notification of the Court's Order Not to Allow the Company to Hold the Annual General Meeting of Shareholders for the year 2017 PAE (Thailand) Public Company Limited ("The Company") has informed the Stock Exchange of Thailand ("SET"). The Company will proceed with the rehabilitation process through the Central Bankruptcy Court. The Bankruptcy Act To rectify the cause of the delisting The company has entered into a rehabilitation case where creditors have filed a lawsuit. However, the court has raised the petition for the rehabilitation of the creditors. However, the Company continues to implement the rehabilitation process through the Central Bankruptcy Court. The Board of Directors Meeting No. 2/2060 held on June 19, 2017 resolved to file a petition to the Central Bankruptcy Court for a new case. The Company, as a debtor, will file a petition for business rehabilitation by explaining that on June 21, 2016, the Company filed a petition for business rehabilitation with the Central Bankruptcy Court. Black case number 23/2560 and the court has ordered the petition is considered. The court scheduled the hearing on September 11, 2017.
- • On June 29, 2017, the Company further clarified that the Annual General Meeting of Shareholders of the Company stated that in 2016, the Company could not hold the ordinary shareholders 'meeting because the Central Bankruptcy Court has ordered not to allow the Company to hold the ordinary shareholders' meeting. Annual General Meeting of Shareholders for the year 2016 due to the company being prosecuted. The company is in a state of forced moratorium. Any act of encumbrance or burdening of property will cause the property of the Company to be reduced if it violates criminal, imprisonment or fine. In accordance with the Bankruptcy Act, Section 90/12 (9), in conjunction with Section 90/82, the Court held that the holding of the general meeting of shareholders constituted a burden for many companies. All debtors in the process of business rehabilitation under the Bankruptcy Act do not allow the Company to hold the Annual General Meeting of Shareholders for the year 2016. The effect of such court order is effective. The Company filed a petition with the Central Bankruptcy Court for the court to consider the order of the Annual General Meeting of Shareholders for the year 2017. As the meeting of each shareholder had to pay for the meeting. This is a breach of the Bankruptcy Act BE 2483, Section 90/12, including the failure of the court order in this case. The conflict with the court orders that have been issued or has the decision already existing guidelines. The court has received the petition and has ordered the Company not to hold the Annual General Meeting of Shareholders for the year 20160 until the court orders another change. The meeting can be held until the court issues a permit.

- On 18 September 2017, the Board of Directors' Meeting No. 5/2017 passed a resolution to PAE Federal International Public Company Limited (subsidiary) to dissolve the business and to liquidate. Low risk but high business risk. Currently, the subsidiary is in the process of liquidation.

## 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)



### **Risk Assessment**

- 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.

**Level of opportunity (Likelihood) The risk and level of risk are divided into 4 levels.**

Level	LIKELIHOOD	Expectation Occur
1	Rare	Not occur within 10 years
2	A Few	1 time within 6-10 years
3	Moderate	1 time within 3 - 6 years
4	Many	1 time within 1 - 3 years
5	Most	More than 1 time within 1 year

## Level of Impact

### 1. Impact on organization and finance

Ranking	IMPACT	Damage value (Baht)
1	Very little / able to Control.	Up to 5,000
2	Less impact	>5,000 - 50,000
3	Moderate impact	>50,000 - 100,000
4	Impacted significantly	>100,000 - 10,000,000
5	Severe impact on the organization	>10,000,000

### 2. Impact on employees

Ranking	IMPACT	Incident
1	Very little / able to Control.	First Aid
2	Less impact	Admission in hospital and 1-5 days
3	Moderate impact	Admission in hospital and 1-5 days
4	Impacted significantly	To be seriously wounded Admission in hospital and strike > 5 days
5	Severe impact on the organization	Lost

## RISK Level MAP

Impact	5	5	10	15	20	25
	4	4	8	12	16	20
	3	3	6	9	12	15
	2	2	4	6	8	10
	1	1	2	3	4	5
		1	2	3	4	5
		Likelihood				

15-25	Very high level of risk. Must be taken immediately (Extreme)
7-14	High risk To hurry (High)
3-6	Medium Risk Level
1-2	Low risk It should be monitored continuously (Low)

### 3. Risk Assessment

**Consists of two main processes:**

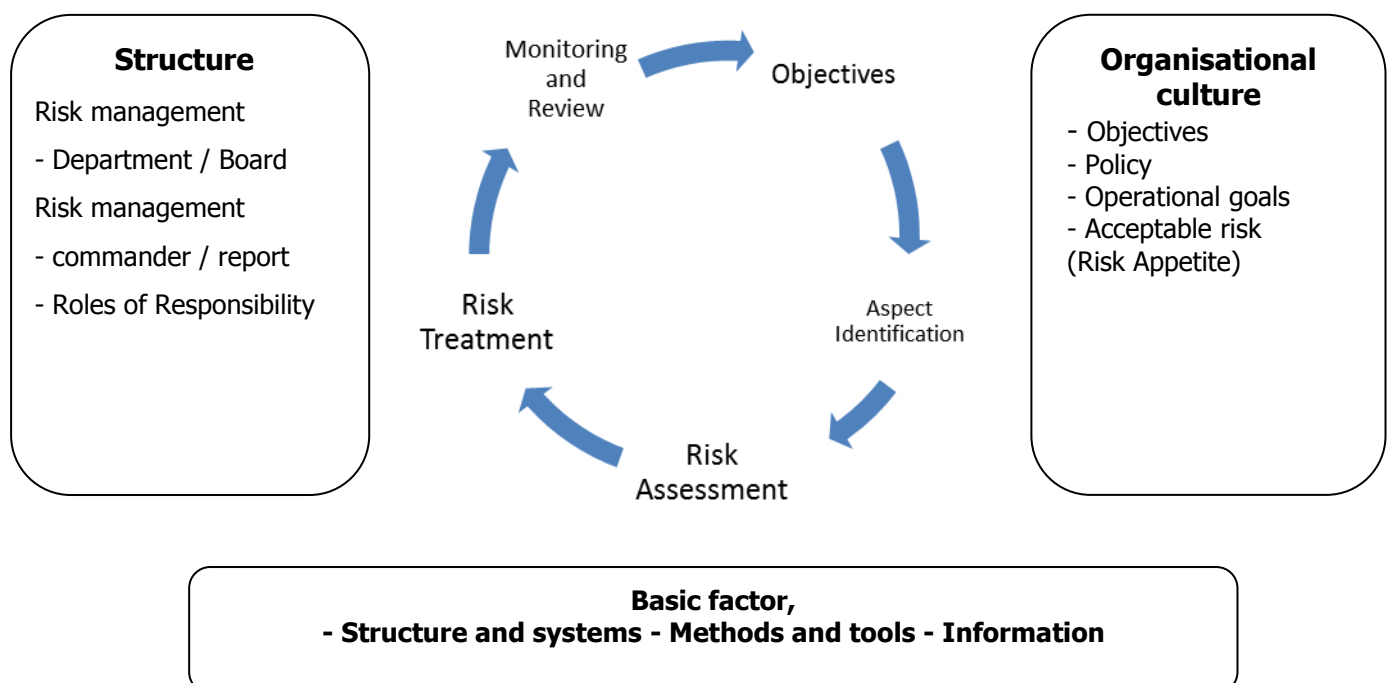
- **Risk Analysis** It will consider the causes and sources of risk, both positive and negative. And the likelihood of potential consequences. Identify factors that affect the impact. There may be many sides. Include measures to eliminate the risks and effectiveness that are currently available.
- **Risk 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.

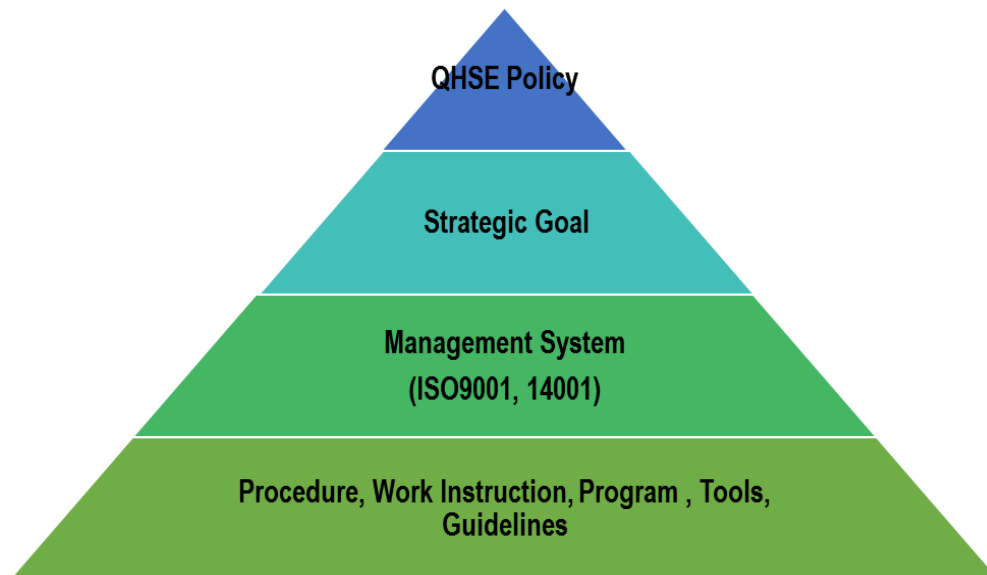
Management will analyze / track changes in the environment and external factors as well as changes in potential risks. This may require review of risk management and prioritization, and may be used to review the overall risk management framework.

#### (Enterprise Risk Management)



#### 4. QHSE (Quality, Health, Safety and Environment) Risk Framework

PAE (Thailand) Public Company Limited has set policies for quality, occupational health, safety and environment. To demonstrate the commitment of the organization and a framework for managing the QSHE, executives and employees in the organization implement it as a goal, strategic plan, operational plan. Including metrics based on the plan. Including monitoring and evaluation of performance targets. To assess compliance with policy. Including in the internal audit as the plan.



Strategy implementation focuses on strengthening the QSHE culture and QHSE management system as an important tool for improving effectiveness and operational efficiency. To create innovations as well as to develop the process and performance to meet the target. Reduce risk, loss and negative impact on society and the environment. To reflect its commitment to its mission, QSHE Goals have been targeted through the analysis of internal and external factors that affect the company's operations. Key Performance Indicators (KPIs) are targeted at the enterprise level. Each agency will determine the goals of the agency and transfer them to the department / department level as appropriate. Which will be tracked Evaluate goals by each level.

#### 5. Financial Risk Management Policy

**Exchange Rate Risk** The Company is exposed to foreign exchange risk. The Company has assets and liabilities denominated in foreign currency which have not been hedged. It is believed that there will be no material impact on the Company's financial statements.

##### 5.1 Interest rate risk

Interest rate risk arises from the change in interest rates in the future. This will affect the Company's operations and cash flow. There are financial assets and financial liabilities open to interest rate risk. **Exchange Rate Risk** The Company is exposed to foreign currency risk. The Company has assets and liabilities denominated in

foreign currency which have not been hedged. My responsibility is to issue a report on these financial statements based on my reviews. I believe that my audits provide a reasonable basis for my opinion.

### 5.2 Risks from long-term leases The Group is the lessee.

Long-term leases where most of the risks and rewards of ownership have been transferred to the Group (lessee) are financial leases. Finance leases are capitalized at the lower of the fair value of the leased property. The net present value of the amount the Group pays according to the leases, whichever is lower. The outstanding rental obligations, net of finance charges, are included in other long-term payables. Interest expenses are charged to the statement of comprehensive income over the lease period. Assets acquired under finance leases Depreciation is calculated over the useful life of the asset.

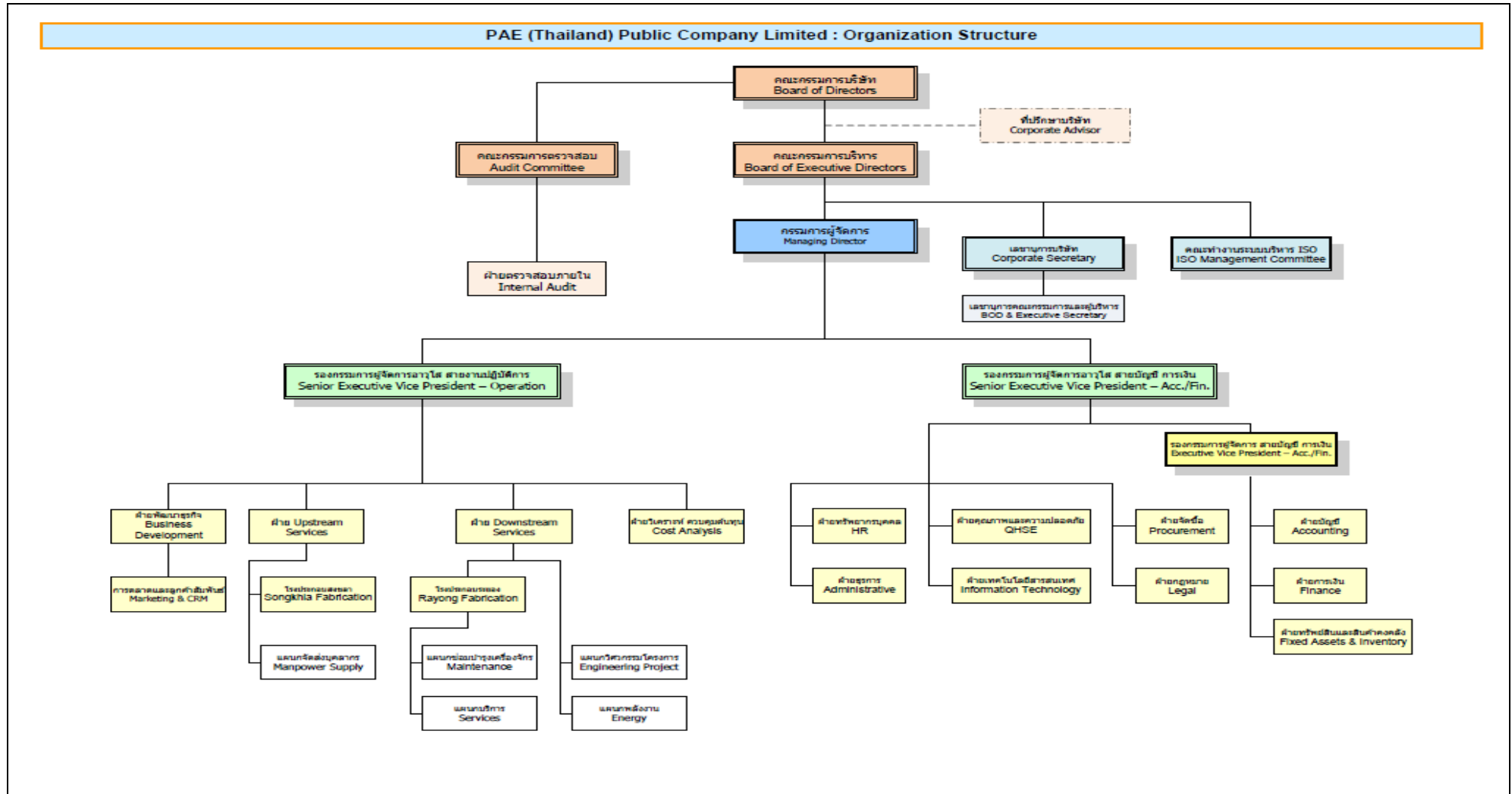
### 5.3 Investment risk of securities holders

On March 9, 2016, the Stock Exchange of Thailand The Stock Exchange of Thailand ("SET") has issued a resolution requiring the Company to adjust its financial status and operating performance since the shareholders' equity is less than zero. Subsequently, the Company has resolved the Board of Directors' Meeting No. 5/2559 on April 4, 2019 to approve the Company to proceed with business rehabilitation through the Central Bankruptcy Court under the Bankruptcy Act. However, since at that time, the Company had been filed with the commercial bankruptcy court by Central Bankruptcy Court. Therefore, it is necessary to enter the process of business rehabilitation of the Central Bankruptcy Court, based on the case that the creditors have already filed. According to the law, companies can not apply for business rehabilitation by themselves. However, after the investigation of the petition, the court issued an order for the company's rehabilitation. The reason is that the business situation of the company can continue. Therefore, when the meeting of the Board of Directors No. 2/2560, held on June 19, 2017, was officially reported to the Court of Appeal. Therefore, the Company has approved the Company to file a petition for business rehabilitation to the Central Bankruptcy Court under the Bankruptcy Act as a new case filed by the Company. own In this filing. The Company, as the debtor, will be the solicitor. The information will be presented to the court correctly and completely. The Company is in the condition that the business rehabilitation under the Bankruptcy Act In addition, the Company will continue to adopt this guideline as a guideline for resolving the delisting due to the Company has no other way. To revive the business. The rehabilitation plan will be reviewed by the court in the future as a plan to resolve the revocation. The Company is confident that it will be able to rectify it within the time limit set by the SET.

### 5.4 Credit risk

The Company is exposed to credit risk primarily with respect to trade accounts receivable. However, the management of the Group has a policy to provide credit to customers with caution. Therefore, the Group does not expect to incur material financial losses from the collection of these receivables. In addition, the Group estimates the allowance for doubtful accounts. Based on the management's assessment of the debtor's ability to pay debts in the past. Management believes that enough.

## Oganuzation Structure





# Management

## 1. Management Structure

### The Board of Directors as of 31<sup>st</sup> December 2017

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
11.Mr. Gumpon	Kupadavinij	Director **
Miss Waraphorn	Wongsingto	Company Secretary

- Remarks -

\* Director resigned

\*\* New appointments replace vacant positions.

### 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.

#### Authority And responsibilities of the Board of Directors

1. Perform duties in accordance with the law, objectives, regulations of the company. Board resolution And resolutions of the shareholders' meeting With responsibility Careful And honesty

2. Considering the details and approving the vision, business strategy. Direction of business Business Policy And the budget of the company. As the Board of Directors And management.

3. Supervise the management and performance of the Executive Committee. Chairman of the board Managing Director, Management or any person assigned to perform such duties. To be in line with the policy set by the Board of Directors.

4. Follow up the Company's performance. Continuously to comply with the Company's operating plan and budget.

5. To oversee and ensure the adequacy of the financial reporting system, including the internal control system. And the internal audit system. And financial

6. Make a statement of financial position. And the statement of comprehensive income at the end of the fiscal year. And signed to certify the financial statements. To be proposed to the shareholders' meeting at the annual general meeting. For approval

7. To approve the selection and appointment of auditors. And the appropriate remuneration. As proposed by the Audit Committee. Prior to the Annual General Meeting of Shareholders For approval

8. To set up a written policy on corporate governance in accordance with good corporate governance. And to implement such policies effectively. To be confident that the company. Responsible for all stakeholders with fairness.

9. To consider and approve the appointment of qualified and non-qualified persons as prescribed in the Public Limited Company Act BE 2535 (as amended), the Securities and Exchange Act BE 2535 (as amended). Further, including relevant regulatory and / or regulatory announcements. Take position In the case where the director vacates office for any reason other than the expiration of his term, he / she shall consider and approve the appointment of directors replacing those retired by rotation. The directors 'remuneration is proposed to the shareholders' meeting for approval.

10. Appointment of Subcommittees Including the Audit Committee. Executive Committee Nomination and Remuneration Committee Or any other committees The duties and responsibilities of such committees are to support and support the performance of duties of the Board.

11. To consider and fix the name of the authorized director of the Company.

12. To consider the appointment of an executive as defined by the Securities and Exchange Commission or the Capital Market Supervisory Board. The Company also considers the remuneration of such executives as proposed by the Nomination and Remuneration Committee.

13. Ask for professional opinions from external organizations. If necessary, to make the right decision.

14. Promoting directors and management of the Company Attended the seminar of the Thai Institute of Directors Association In the course related to the duties and responsibilities of the directors and management.

15. To supervise the performance of the Company effectively and to protect any interests related to all stakeholders.

#### **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 Board of Directors as of 31<sup>st</sup> December 2017

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 office is 2 years and the rules of the Audit Committee include the purpose of setting up the Audit Committee, scope of duties and responsibilities, composition and qualifications, term of office. 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 must 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 2017) :

1. Mr. Somporn Mangmee	Executive Committee
2 .Mr. Veraphan Na Ranong	Executive Committee
Miss Sarocha Khampanonda	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 2017) :

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.

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**5. Name of Risk Management Committee(as of 31 December 2017)**

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

## 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 2017, 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 2017 (including directors resignation during year 2017))

Position	Remuneration ** Year 2017 (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

### Remark

\* 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 2017 (including directors resignation during year 2017)

(BAHT)

### Directors and Management Remuneration

Name of Board		Annual General Meeting 2016	Board of Directors	Audit Committee	Excutive Committee	Montly Compensation	Total
1 Mr. Chareon	Prajumtan	Not a meeting allowance	75,000	-	-	600,000	675,000
2. Sub.Lt. Saroj	Sawangridhi	Not a meeting allowance	30,000	50,000	-	360,000	440,000
3. Mr. Pannatee	Sriwongthai	Not a meeting allowance	30,000	30,000	-	240,000	276,000
4. Miss. Onchulee	Lawsmithkul	Not a meeting allowance	18,000	18,000	-	240,000	276,000
5. Mr. Somporn	Mangmee	Not a meeting allowance	30,000	-	120,000	120,000	270,000
6. Mr. Veraphan	Na Ranong	Not a meeting allowance	30,000	-	120,000	120,000	270,000
7. Mr. Suriya	Tantiwiwat	Not a meeting allowance	12,000	-	-	120,000	132,000
8. Miss.Kulisara	Bharintapong *	Not a meeting allowance	-	-	-	56,000	56,000
9. Mr. Vorasak	Chatkaew	Not a meeting allowance	18,000	-	-	120,000	138,000
10.Mr.Peerach	Lerskijroongrueg	Not a meeting allowance	12,000	-	-	120,000	132,000
11 Mr. Gumpon	Kupadavinij**	Not a meeting allowance	18,000	-	-	64,000	82,000
Total remuneration of Directors						2,771,000	
PAE Thailand Public Company Limited							

- Remark -

\* Directors resigned

\*\* New appointments replace vacant positions

### Management's remuneration for the year 2017

(Unit: Thousand Baht)

Remuneration	Subsidiary		Main Company	
	2017	2016	2017	2016
Short term benefits	18,364	17,597	9,427	9,007
Retired Benefit	2,514	2,588	575	555
Total	20,878	20,185	10,002	9,562

\*\*Note Remuneration consists of salary, Group Life Insurance and Accident Insurance Health Insurance and Social Security

\*\* Remuneration of Directors

- The Chairman and the Board of Directors do not receive any remuneration. In addition to meeting allowances and monthly remuneration.

## Corporate Governance

Compliance with Good Corporate Governance Principles. The Company has complied with the Code of Business Conduct. The Stock Exchange of Thailand

- **Customer**

The company has focused on the customer segment of the company, whether retail customers. Or a large customer. Can be seen from the operation. The quality of service and meet the needs of customers. The company has the main customers to trust and ready to expand the work together.

- **Creditos and partners**

The Company discloses transparent information to the creditors of the Company and attempts to repay the debt. And comply with 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 pay debts to creditors. This thread The Company has done everything under the rule and legal requirements clearly. On the part of the partner. The Company has set policy. And the procurement is appropriate. To make the operation properly. Thorough and transparent, can be verified.

- **Partners and business partners**

The Company operates in good faith and honors its partners and business competitors. Including not seeking information of partners and business competitors. To implement the work is not transparent.

- **Employee**

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 useful for the Company. Activities related to work effectively. Since the company is a provider of engineering and construction services. Petrochemical industry And provides services to the oil and gas industry. All employees must use their skills and expertise. Combined with experience To meet the needs of customers. The company has sent employees to attend training seminars as well as testing to ensure the quality of work. The company is known in the wider customer group. The company has organized activities to connect the employees, executives and directors to stimulate and love the organization with Big Cleaning & Greening Day at the head office by using 5S principles. Be able to work effectively under the ability and unity. This is part of the success of the company.

- **Basic Rights of Shareholders**

The Company attaches great 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 such as the appointment of directors Directors' remuneration Appointment of Auditor and Auditor's Remuneration The Company has the right to receive accurate and complete information.



## Shareholders' Meeting

The Board of Directors has held the Annual General Meeting of Shareholders within 4 months after the end of the accounting period. An extraordinary meeting of shareholders may be called at any time. However, there will be an important agenda for the shareholders to consider and / or make a decision to make decision. In the past year, the Company has held the shareholders' meeting. \*\* In 2016 and 2017, the Company did not have a meeting of shareholders because the Company was in the NC Stage 1 and NC Phase 2 because the Central Bankruptcy Court has ordered the Company not to do so. Annual General Meeting of Shareholders for the year 2016 The company is in the process of being prosecuted. The Company then received a court order and sent a letter to the Stock Exchange of Thailand and shareholders informing that the Company did not hold a meeting of shareholders in the year. But somehow \*\*

### Before the Annual General Meeting of Shareholders

The Company has convened 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. Prior to the Annual General Meeting of Shareholders The Company sent more than 7 days advance notice to the shareholders and announced the announcement via the newspaper 3 consecutive days prior to the meeting more than 3 days to allow the shareholders to have time to consider the agenda prior to the resolution. On the day of the meeting The invitation letter will contain the agenda. Details on each agenda. The opinions of the directors clearly. Additional documents such as Proxy Form Annual Report in both Thai and English CD format. If any shareholder wishes to receive the annual report of the company, the copy of the book can be obtained from the secretary and the company's business department as stated in the invitation letter.

### At the Annual General Meeting of Shareholders

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. Please fill in the proxy form attached with the Invitation Letter. Include the documents as required. By sending the company. According to the date stated in the invitation letter Or at the registration point in front of the meeting room. To present in the meeting attendance at the shareholders' meeting. The Board of Directors will allow shareholders to ask questions and / or express their views independently and equally for each agenda item before the resolution. For shareholders to receive a clear explanation for consideration in the agenda. After the meeting has been completed, the Chairman and the Board will give clear answers to the shareholders and / or may delegate them to the shareholders. Responsible or involved in that matter. Is the answer In case shareholders need in-depth information. To vote The shareholders shall have one vote per one vote. The majority of the votes casted by the shareholders attending the meeting and casting their votes. If there are equal votes. The chairman of the meeting shall have one more vote to cast. The meeting was held in Thai. However, documents and staff have been prepared to translate English information so that foreign shareholders can understand the meeting easily.

## After the Annual General Meeting of Shareholders

The Company has submitted the resolution of the Annual General Meeting of Shareholders to the Stock Exchange of Thailand within the meeting date. The Minutes of the Annual General Meeting of Shareholders to the Stock Exchange of Thailand This has been reviewed by the Board. And signed by the chairman of the meeting. The company secretary within 14 days after the meeting date accurately and completely.

## Equal treatment for shareholders in attending shareholders' meetings

To attend the Annual General Meeting of Shareholders Shareholders may attend the meeting or authorize another person to vote in the meeting. Or may authorize the independent director of the company to be authorized to vote in the meeting instead. The information of the independent directors is attached together with the letter so that the shareholders can know the information of the person they trust to vote. Please fill in the proxy form attached with the Invitation Letter.

## Use of ballot paper at shareholders' meeting

The Company uses the barcode system to count the votes in each agenda item of the shareholders' meeting. For accurate and accurate scoring. To facilitate the resolution. And right and instant. Shareholders can vote in favor, disapprove or abstain on any agenda. By separating the vote to be equal to the number of shares held. Using the ballot received. The counting of votes will be counted by the shareholders who voted against. Or abstain Any one on each agenda. This will deduct the disagreement. And abstained from voting. The staff collected the ballot papers from the shareholders and then summarized the results 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. The shareholders would like to ask questions, please give the name and surname to the meeting prior to any questions or comments. The chairman of the meeting allowed the shareholders to propose the names of directors to be appointed as directors. Moreover, the shareholders have the opportunity to propose additional agenda as appropriate for other agenda items.

## Rights of Stakeholders

The Board of Directors has supervised and set up the management system by respecting the rights. The fairness of the parties involved in the business of all groups including customers, creditors, partners, employees and shareholders. strictly The Company pays attention to its shareholders. I tried to do it. To maintain the rights of shareholders. In addition, there are effective internal control and audit systems. It also discloses various information. The shareholders can take part in decision making by attending shareholders' meeting with the Company or can contact or express opinions to the Company. For more information, please call 02-3220222 or E-mail: [ir@pae.co.th](mailto:ir@pae.co.th) or Investor Relations. [www.pae.co.th](http://www.pae.co.th)

## Employees

As at 31 December 2017, PAE (Thailand) Public Company Limited had total employees.

Department	Number of employees in main line of company	
	2016	2017
Monthly Staff	128	120
Employee Temporary Contract	46	102
Daily Worker	295	273
<b>Total</b>	<b>469</b>	<b>495</b>

As at 31 December 2017, PAE Technical Services Public Company Limited had total employees.

Department	Number of employees in main line of company	
	2016	2017
Monthly Staff	281	242
Employee Temporary Contract	4	2
Daily Worker	2	-
<b>รวม</b>	<b>287</b>	<b>244</b>

\*\* The company provides other compensation / welfare benefits to employees in the form of Social Security Fund, Provident Fund, Annual Health Check, Group Health Insurance, Group Life Insurance, Group Accident Insurance, Employees both OPD and IPD based on the amount of work they are responsible for. For other remuneration, the Company provides employees in the form of overtime, living expenses and allowances. Travel expenses and accommodation in the case of employees working in and out of the country. The company has allocated capacity. Responsibility of assigned tasks and responsible positions. The Company has set up a Provident Fund under the management of One Asset Management Limited ("Fund") since 2014 with provision for provident fund at the rate of staff

## Human Resources Development Policy

Thailand Human Resources Development Plan 4.0 To prepare human resource management to keep up with the changes that businesses must compete with. Innovative, the company is therefore a social focus of engagement within the organization. And create opportunities for employees. Include customers who purchase products and services of the organization. Can participate in the exchange of knowledge, knowledge and creativity at any time. The technology is used in the management of the car, such as booking car. Online through the Intranet and the notification via Mobile Technology as well, and in the future may be expanding the communication system more and more. The company has branches in many provinces. Everything is close to reaching in the technology to manage.

The company also plans to develop human resources. This is a policy of management and development. Are needed And link the company's strategic plan.

### Manpower

To manage and control the company's human resources to the company's plan. In the manpower plan, the right manpower is set.

### Recruitment Plan

The map is placed as a map based on the manpower plan. When the company knows what the company's human resources plan is. The next thing is When will the company find out who will need it and how.

### Human Resources Development Plan

This plan is the next plan that tells the company. Who are the employees in the company? Some organizations may plan to develop an overview of the strategic plan they have in the past year. What does the company need to develop? And the company will set out to be the necessary course. It is also a guideline for developing people.

### Employee Retention Plan

This plan will be reflected in the company's compensation and welfare management plan. You must ask yourself. The company also has to develop in terms of compensation and welfare. In order to serve as a tool to keep the company's employees to work with us willingly.

### Succession Plan

English is called succession plan, it is planned that the main job. The staff is there. If there is a replacement. Who can replace it. What will be the development of those who will replace it?

### Annual training 2560

There are 17 in-house programs, 36 in public, 53 in training, 443 in staff, 64 in supervisors and 1 in management.

## **Labor disputes are important.**

As at 31 December 2017, PAE (Thailand) Public Company Limited had legal disputes with employees pending from the previous year, including one case because in the previous year, the Company had terminated the employment of foreign employees. To hire a Thai worker with equal knowledge and ability to work instead of having to complete all contracts, but foreign employees do not consent. As a result, the Company filed a lawsuit. The lawsuit and the correct reference have been made, with details as follows:

### **Labor Court (As a contractual employment contract)**

Mr. Chang Heng Seng is the plaintiff sued PAE (Thailand) Public Company Limited as a defendant.

Details of termination claim, advance notice fee The annual advance payment for the outstanding amount is Baht 1,684,520 and PAE (Thailand) Public Company Limited is disputing / counting the damages in the amount of Baht 8,684,520.

Litigation Progress The Central Labor Court ruling on January 31, 2012, the defendant paid 186,473 baht with interest from the date of filing on August 6, 2009 until the defendant has settled the dispute. / Appeal to the Supreme Court on May 3, 2012. Consideration of the Supreme Court

### **Other Cases**

In addition to the above cases and disputes. The Company has no unresolved legal disputes. The Company is a partner or partner with negative impact on assets of more than 5% of shareholders' equity. Or higher than 10 percent. The Company and its subsidiaries do not have a business relationship with the Company or its subsidiaries Company.



## Related Party Transaction

Related Party Transaction may occur in the future. Directors must comply with the regulations. The set up. And the director shall not approve any item. A person or a person who may have conflict of interest in any other manner with the Company and / or its subsidiaries, and does not authorize any other person to act on behalf of such conflict of interest. The transaction must be disclosed to the Board of Directors. The Company and / or its subsidiaries must comply with the laws governing securities and exchange, regulations, notifications, orders or requirements of the Stock Exchange of Thailand. Terms of Disclosure of Connected Transaction And the acquisition or disposition of assets of the Company. And / or subsidiaries. It also complies with accounting standards. Personal Information Disclosure Or related activities as determined by the Federation of Accounting Professions under the Royal Patronage.

The Company and its subsidiaries have set the criteria. And the way to do it according to the trader in general. Based on reasonable prices and conditions, reasonable and reasonable. The Board recommends the Audit Committee to consider and approve this matter. And the way to do it. In the case where the Audit Committee has to give opinions on the appropriateness of such transaction. The Audit Committee has no expertise in reviewing inter-company transactions. 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 judgment of the Board of Directors or shareholders, as the case may be, to ensure that such transaction is not a move. Or transfer benefits between the Company. Or persons with possible conflict of interest of the Company. However, it is the transaction that the Company takes into account the maximum benefit of all shareholders

### Transactions with subsidiaries

Other receivables	December 31, 2017 (thousand baht)	December 31, 2016 (thousand baht)
<b>Subsidiary</b>		
PAE Technical Services Public Company Limited	847	733
Pacific Resources International Limited (BVI)	10,798	10,798
OASIS Development Co., Ltd.	90	90
PAE Federal International Factory Co., Ltd.	98	1,582
PPS Energy and Marine Co., Ltd.	2,372	731
<b>Total</b>	<b>14,232</b>	<b>13,934</b>
<u>Deduct</u> Allowance for doubtful accounts	(11,529)	(11,190)
<b>Net</b>	<b>2,703</b>	<b>2,744</b>

**The parties may have conflicts. The relationship can be summarized as follows.**

No	Name of the person involved	Relationship
1	PAE Technical Services Public Company Limited	<ul style="list-style-type: none"> <li>- The Company is a major shareholder holding 72.12% of the paid-up capital of PTECH. (As of December 31, 2015)</li> <li>- One common director is Mr. Veerapan Na Ranong.</li> </ul>
2	PPS Energy and Marine Co., Ltd. ("PPS")	<ul style="list-style-type: none"> <li>- Subsidiaries Relationship directly held</li> <li>- Long-term loans receivable</li> </ul>
3	Capital City Engineering Network Public Company Limited	<ul style="list-style-type: none"> <li>- Related companies / major shareholders</li> </ul>

Inter-company transactions with persons that may have conflicts. For the fiscal year ended December 31, 2016 and for the year. As at December 31, 2017, the transaction can be summarized as follows:

**1. Normal business transactions:**

The transactions between the Company and related companies are made in accordance with the normal course of business. Therefore, the Company and related companies will continue to have such transactions in the future. The major business transactions are as follows:

- Non-destructive inspection services. Non-Destructive Testing Services
- Inspection & Certification Services

Terms of service. It is in accordance with the general commercial terms that the Company provides to other customers. The price includes other conditions. Which does not make the company lose.

**2. Normal Business Support Items:**

It is the transaction that the company made to support the business of the company. The general terms of trade do not make the company. And related companies and persons who may have conflict of interest. And the company expects to have this kind of transaction in the future. The important items are as follows:

- Office space rental Including the area around the office. The Company has leased office space and office space from major shareholders of the Company. The rental rate is in accordance with the rate stipulated in the agreement. Such rental transactions are beneficial and convenient for the business operation of the Company.
- Services list. This is likely to occur continuously, such as water, electricity charges, with the rates are in accordance with the rates specified in the contract.
- The subsidiaries had loans from related parties amounting to Baht 8.85 million in the form of loan agreements. The interest rate is 4.76% per annum for the same two years. Purpose for use in business.



Name of the person involved	Item Description	Transaction Value (Thousand Baht)		Necessity and appropriateness of related party transactions	Opinion of the Audit Committee
1. PAE	<u>Service revenue</u>	Dec 16	Dec 17		
Technical	- Service revenue	441	339	Revenue from services includes NDT services and Inspection & Certification. The Company sets prices and terms of service in the same way that pricing and conditions are applicable to other customers, both related and unrelated to the Company.	The transaction is a transaction that occurs under normal business operation of the Company. The terms and conditions of the service agreements are in line with those of other customers, both related and unrelated to the Company, so that such transaction is reasonable. The company has paid the entire amount.
Services	- Other income	-	-		
Public	- Trade accounts receivable	174	17		
Company Limited	- Accrued income	49	17		



Name of the person involved	Item Description	Transaction Value (Thousand Baht)		Necessity and appropriateness of related party transactions	Opinion of the Audit Committee
	Rental Items Head office rental area Welding Training Center and Operations Headquarters	1,933	2,332	On 1 April 2015, the Company entered into a space rental agreement with PAE for PTECH to use as its office. Located at 69 Soi Onnuch 64, Srinakarin Road, Suanluang, Suanluang, Bangkok. The lease term is 2 years, commencing from April 1, 2015 and ending March 31, 2017. Monthly rental fee is Baht 100,000 and at the end of the lease term. The edition The Company has renewed the new lease agreement dated April 28, 2017 for the lease of part of the 1st floor of the 2-storey building. Additional office space on the 1st floor of a 5-storey building with a monthly rental fee of 162,500 Baht. The lease term is 3 years from 1 April 2017 to 31 March 2020. In addition, On February 24, 2560, the Company entered into a land lease agreement. It is used as a training center and a workshop area.	The Audit Committee considered that the lease of the area was beneficial to the Company.  The area is convenient transportation. The rental rates are reasonable in comparison with living space and market price.



Name of the person involved	Item Description	Transaction Value (Thousand Baht)	Necessity and appropriateness of related party transactions	Opinion of the Audit Committee
2.PPS Energy and Marine Co., Ltd.	Loans	16,000	Loan agreement with a loan rate of 8% per annum. The purpose is to improve the water supply plant of PPS. The loan is repayable on a monthly basis. 18 months, the first installment will be on March 15, 2016 and other installments will be paid every 15th of the month until the payment is completed.	The Board of Directors is of the opinion that the said subsidiary is to help the subsidiary to have more income and not be regarded as a connected transaction. Therefore, it has approved the additional loan to PPS as proposed.



## Transactions with related parties

<u>Name of person or business</u>	<u>Relationship</u>	<u>Type of Relationship</u>
PAE Technical Services Public Company Limited	Subsidiary	Direct shareholding
Pacific Resources International Limited (BVI)	Subsidiary	Direct shareholding
PAE Energy Solutions Co., Ltd.	Subsidiary	Direct shareholding
OASIS Development Co., Ltd.	Subsidiary	Direct shareholding
PPS Energy and Marine Co., Ltd.	Subsidiary	Direct shareholding
PAE Federal International Co., Ltd.	Subsidiary	Direct shareholding
Capital Engineering Network Public Company Limited	Related companies	Major shareholders of the same group
Federal Capital PTE Ltd.	Related companies	The shareholders of PAE Federal International (45.00%)
Federal Hardware Engineering Co.Pte.Ltd	Related companies	Affiliated Companies Federal Capital PTE Ltd.
Ms.Chintana Kaweewong	Related parties	Shareholder

## Transaction of loan from Miss Chintana Kaweewong during the year 2015 to 2017

	<b>Additional borrowings during the year</b>	<b>Repayment during the year</b>	<b>Number of outstanding loans at the end of the year ( Million baht )</b>	<b>Remark</b>
<b>2015</b>			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 amount of the loan at the end of the year is based on the financial statements. Checked out by an authorized accountant</li> </ul>
<b>2016</b>	-	-	2.63	
<b>2017</b>	-	-	2.63	

## Shareholding Structure

### Securities and Shareholder Information

#### 1. The registered and paid-up capital as at 31 December 2017 is as follows:

Registered capital	amount	8,051,717,322	baht
Paid-up capital	amount	2,770,889,766.	baht
Common stock	number	2,770,889,766	share
Preferred stock	Number	–	share
Par value	Per share		1 baht

Ordinary shares as at 31 December 2017 amounting to 2,770,889,766 shares

- The Company does not have any preferred shares or other types of shares in which there are any rights or other conditions that are different from ordinary shares.

#### 1. Shareholders

List of the top 10 major shareholders of the Company The number of shares held. The shareholding as of October 15, 2015 (latest book closing date) is as follows.

\*\* Due to PAE (Thailand) Public Company Limited, the Company may be delisted and in the process of revising its financial status and operations to comply with SET regulations. To rectify the cause of the delisting The company has entered into a rehabilitation case. The Company has not yet been able to hold the Annual General Meeting of Shareholders because the Central Bankruptcy Court has ordered the Company not to hold the Annual General Meeting of Shareholders for the year 2017 because the Company is still in existence. During the prosecution proceedings. Therefore, the list of shareholders and the proportion of shareholding remain unchanged as of October 15, 2015 (latest book closing date). \*\* The Company does not have a major shareholder group that defines management policies or procedures. The Company's operations are significant.

No	List of Shareholders	Number of shares held (shares)	Shareholding
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 (latest book closing date)

## 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 as appropriate Depending on the necessity, 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 of the Company Legal reserve can not be paid.

### Dividend Payment Policy of Subsidiaries PAE Technical Services Public Company Limited

The Board of Directors may consider the annual dividend payment of the Company. It must be approved by the meeting. Shareholder, except for interim dividend payment. The Board of Directors is authorized to pay dividends from time to time when it is deemed that the Company is profitable enough to do so. The meeting should be informed at the next meeting.

The subsidiary has a policy to pay dividends at the rate of not less than 40.0% of net profit after deduction of the reserve. All categories are defined in the Company's Articles of Association and in accordance with the law. If there are no other necessities, the dividend payment will not significantly affect the normal operation of the Company.

### Dividend policy of other subsidiaries

The dividend policy of other subsidiaries will depend on the results of the capital needs and financial liquidity of the subsidiaries in that year.

## Corporate Social Responsibilities: CSR

The company has taken into account the growing business. Sustainable and sustainable. Businesses need to cooperate with each other to engage in business with integrity, ethics, social responsibility and environmental responsibility. The Company recognizes that in order to cooperate unitedly, the Company must be responsible for the society of the internal organization to be strong, sustainable and sustainable. And when the organization is strong and sustainable. The Company has another duty to support society and the environment outside the community, under the good governance, environmental safety standards for stable and sustainable growth.

**Company policy and operation** The Company has set the corporate values to be the standard and the culture of doing business so that the personnel of the organization adhere to the same principle.

### **P : Prosperity**

Focus on the success of the service portfolio that corresponds to the needs of the customer. 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

## **Corporate Social Responsibility Guidelines**

### **1. Operation 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 and Corruption**

The company recognizes the importance of combating corruption and corruption. It is committed to the fight against corruption and corruption in all its forms. To ensure that the company has a responsible policy. Practical guidelines and requirements. To prevent corruption and corruption. So the company has prepared. The "Anti-Corruption and Corruption Policy" is in writing. To be clear guidelines for conducting business. It is important for all levels of staff to adhere to the norm. Last year The company has no complaints or clues related to corruption or corruption in any way.

### **3. Respect for human rights**

The company respects human rights, not related to human rights abuses. The company will not support any exclusion or discrimination. For reasons of nationality, race, religion, language, age, sex, marital status, most attitudes, gender, disability, popularity in political parties. Or other personal ideas. It does not impede or racial activity. National traditions, religions and gender

### **4. Fair Labor Practices**

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

The company focuses on continuous staff development. The personnel development has been in line with the policy and the situation. The development of knowledge and skills, including coaching, knowledge sharing, training, and the application of knowledge to the work. In particular, delivering quality work that exceeds expectations. This will strengthen the organization. And to sustain business growth. The company has developed human resource development programs at all levels. The details are as follows.

- **The development of key staff (Key Person Development)** The Company is committed to develop the preparation of personnel development for the key personnel of the unit or Key Person by selecting qualified personnel. Have knowledge in the responsible job. Have a personality and work behavior with determination. Include a good attitude to work. The Human Resources Department has merged with the agency to develop an Individual Development Plan (IDP) with a learning development model, such as teaching, sharing knowledge. Internal and external training.
- **Training** The company has given importance to training. Develop and develop personnel at all levels, from management level and operational level. This is a guideline for the development of personnel. Elevate Training is provided to all levels of personnel. It is the monitoring and evaluation of the knowledge gained, including the transfer of knowledge to the concerned. In order for the staff to bring what they have learned to maximize their work. Improve the work to be more effective.
- **Knowledge Management** The company has given importance to 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 project to increase knowledge. Knowledge of the quality system. And environment Knowledge of health. Laws related Quality and Safety Management Tools And other suitable for the state. Current events or situations Employees can apply for maximum benefit in work. Improve the work to be very effective as well.

### **5. Consumer Responsibility**

The Company has taken great care of its customers and consumers by emphasizing 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 protection**

The company recognizes the importance of the world-class standard management system and has been certified in the latest three versions.

- Quality Management System or ISO 9001: 2015

The emphasis is on quality standards in the workplace. Corporate risk assessment and management Documentation system and training of service personnel. To provide customers with differentiated services.

- Environmental Management System or ISO14001:2015

The emphasis is on environmental management, environmental assessment and management.

- Occupational Health and Safety Management System or OHSAS18001:2007

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 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. To create awareness and participate in environmental protection and to set a policy to help reduce global warming by the cooperation of employees in energy efficiency. Help turn off the electricity and unnecessary appliances. Including support for recycled paper. And the company has focused on creating consciousness. The Company's employees are encouraged to participate in the Company's corporate social responsibility and to encourage employees to participate. Use the knowledge Capable of contributing to social and environmental benefits.

## 8. Innovation

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



## Business Operation

In 2017, the company took into account the security perspective. Health and Occupational Health Perspectives encourage all employees to be healthy. And eliminate the risk factors that affect health and occupational health. This is the first factor that customers will consider in bidding. To see if the company has any management system that will provide confidence in the management of the job. If you manage an organization or project. Must manage the company's employees or employees to the quality and standards before. From the above mentioned, the company has the scope of work for the management system. The company has been certified by SGS (Thailand) Co., Ltd., covering its head office in Bangkok, Songkhla and Rayong.



โดยหัวข้อการอบรม ได้แก่ Valve & Fitting Safety, Tube Fitting Installation, Thread and End Connection Identification และ Hand Tube Bender ซึ่งเป็นการอบรมร่วมกับเครื่องมือ และอุปกรณ์ที่พนักงาน Manpower Offshore ได้ใช้งานจริงในการทำงาน ปัจจุบัน ถือเป็นการทบทวน และแลกเปลี่ยนความรู้ ข้อสงสัย ให้สามารถกลับไปปฏิบัติงานได้อย่างถูกต้อง และมีประสิทธิภาพค่ะ







## Training Multi-Skill Offshore Requirement

บริษัท พีเออี (ประเทศไทย) จำกัด (มหาชน) ร่วมกับ M.J. Bangkok Valve&Fitting หรือ Swagelok ได้จัดการอบรมให้กับพนักงาน Manpower Offshore ตำแหน่งงาน Construction E&I จำนวน 15 คน ณ ห้องอบรมเชิงวิชาการและปฏิบัติการ P-Tech พีเออี สำนักงานใหญ่



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## Internal control and risk management

PAE (Thailand) Public Company Limited recognizes the importance of adequate internal control system. There is a comprehensive internal financial control system. Compliance with applicable laws, regulations and regulations.

In the year 2017, the Audit Committee held 6 meetings with the Company's management. The Board evaluated the internal control of the Company by inquiring from the Management in five aspects: control environment, risk assessment, activity control. Information and Communication and Result Tracking (Monitoring). The Company's financial information is disclosed in the Company's financial statements and complies 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.Onchulee Lawsmithikul and Mr. Pannathee Sriwongthai as committee member. 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 2017 the meetings were held 6 times in total of which all members of the Audit Committee presented of management, external auditor and internal auditor, as summarized below:

Reviewed the Company's six month period, annual and consolidated financial statements of 2017 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.

1. 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.
2. 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.
3. 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.
4. 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.

5. 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 2017, 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.

On behalf of Audit Committee



(Sub.Lt.Saroj Sawangridhi)

Chairman of Audit Committee

PAE (Thailand) Public Company Limited

MARCH, 22 2018

## Management Discussion and Analysis of the Consolidate Financial

### Statement Ratio Analysis

<u>Liquidity ratio</u>	<u>Consolidated</u> <u>financial statement</u>			<u>Separate</u> <u>financial statement</u>		
consist of	31 December 2017	31 December 2016	31 December 2015	31 December 2017	31 December 2016	31 December 2015
Liquidity Ratio (Times)	0.20	0.21	0.52	0.15	0.16	0.44
Turnover Ratio (Times)	4.69	4.30	3.66	4.11	4.45	3.51
Average collection period (days)	78.00	85.00	100.00	89.00	82.00	104.00
Accounts payable turnover ratio (times)	1.36	1.60	1.81	0.95	1.15	1.53
Average repayment period (days)	268.96	227.74	202.00	386.14	318.37	238.27
<b>Profitability Ratios</b>						
Gross margin (%)	3.05%	2.04%	-0.48%	3.61%	4.33%	-8.16%
Net profit margin (%)	-38.66%	-49.03%	-26.28%	-44.24%	-70.46%	-33.70%
Return on Equity (%)	-32.40%	-76.43%	-241.68%	-22.80%	-63.53%	-128.74%
<b>Performance Ratio</b>						
Return on Assets (%)	-22.97%	-31.55%	-18.31%	-21.37%	-40.38%	-22.05%
Asset Turnover (%)	0.59	0.64	0.70	0.48	0.57	0.65



## Analysis and description of management

Thailand's Economic Overview It is expected that the 3.8% growth in exports will be an important factor for all parties to believe that they will drive the country's economy as well as to invest in large state-owned enterprises. This project will be implemented within the middle of this year to promote the continued growth of the global economy. The average price of crude oil is \$ 50-60 / bbl, and the exchange rate is \$ 33-35 / US \$ / bbl. 1% World oil prices in 2018 Oil and gas industry trends in 2018 Automotive and solar industry Renewable Energy Group The PTT Group's Fuel Analyst Team (PRISM) PTT Group, the world economic growth trend, In 2018, it will increase by 1.4-1.5 million years, with the global trade in goods and services of GDP growing by 3.7%. Rapid expansion, such as expansion of China and India. The industry as well as the electric vehicle (electricity) infrastructure will be more popular. However, the number of electric cars with only 0.1% of all cars, including the approval of the Paris Agreement (COP21), will result in oil supply. Continued in 2018

In addition, supply-side factors in oil prices also included a reduction in capacity to bring the market into balance as the OPEC and non-OPEC producers agreed to resume production of Shale Oil. The technology used in the production. However, the global crude oil situation in 2018 is still fluctuating, with oil price is expected to be in the range of \$ 52-57 / barrel. There are other factors. The need to keep track of changes in technology in the digital age. Politics Economy in the Eastern and Western Hemisphere The future direction of the automotive industry will focus on the production of cars that use electricity and renewable energy.

### 1) Operation Overview

In the year 2017, the Company continued its expansion policy for offshore oil and gas services. This makes the company. Continuing to grow in offshore oil and gas services, in addition, in the year 2017, it expanded its management of personnel for electrical equipment maintenance in other industries.

The overall operating performance for the year 2017 was Baht 417.85 million, a decrease of 20.90% from the year 2019, with total revenue of Baht 528.29 million. The net loss for the year 2017 was Baht 161.54 million. Or loss decreased 37.63% from 2016 with a net loss of 259.02 million baht because the company Reorganized in line with current conditions and reduced non-profit units.

### Describe status and significant changes.

The Company's performance in 2017 is expected to improve slightly from the same period of last year. The gross profit was approximately Baht 12.73 million, or 3.05 percent of total revenue, which improved from the year 2016 with the gross margin of 2.04 percent of the total revenue for profitability. The negative return on asset utilization was 22.97% and negative of 31.55% in 2017 and 2016, respectively. The return on equity was minus 32.40% and negative of 76.42% in the year 2017, respectively. 2019, due to the company's net loss. The reason mentioned above.

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 business rehabilitation petition. According to Black Case No. 6/2559, 6 creditors filed their 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 opposition to the bankruptcy court. And the court ordered the withdrawal of the objection. Subsequently, on May 19, 2017, the Central Bankruptcy Court dismissed the petition. On 20 June 1960, on 19 June 2017, the Board of Directors' Meeting No. 2/2560 passed a resolution approving the Company to request for the rehabilitation of the Company by itself. On June 21, 2017, the Central Bankruptcy Court ordered the business rehabilitation. Black Case No. 23/2560, and on March 8, 2017, the Central Bankruptcy Court dismissed the petition. According to the red case No. 9/2560, the Company is currently in the process of submitting an appeal against the Central Bankruptcy Court's order to the Court of Appeal for Special Administrative Cases. Central Bankruptcy

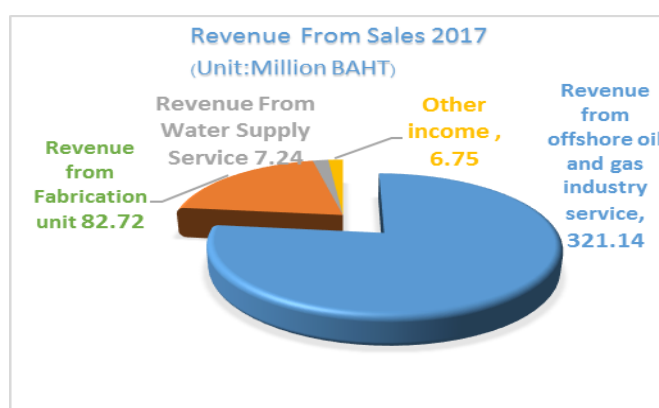
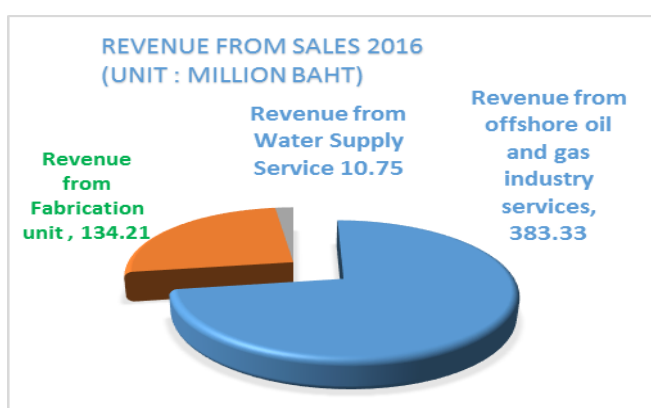
### Summary of Operational Overview and Revenue Segmentation

- Sales and service income

In the year 2017, the Company had total revenues from sales and services of Baht 417.85 million, mainly from: (1) Baht 321.14 million from the oil and natural gas service business; Construction services of Baht 82.72 million. (3) Revenue from tap water production of Baht 7.24 million. (4) Other revenue of Baht 6.75 million, decreased by Baht 110.44 million or a decrease of 20.90% from year 2016. Sales and service M of 528.29 million baht, with details as follows

## Revenue by business type.

Income	2016		2017	
	Million baht	%	Million baht	%
Revenue from offshore oil and gas industry services	383.33	72.56	321.14	76.86
Revenue from construction, assembly and installation	134.21	25.40	82.72	19.80
Income from water supply	10.75	2.04	7.24	1.73
Other income	-	-	6.75	1.61
<b>Total revenue</b>	<b>528.29</b>	<b>100.00</b>	<b>417.85</b>	<b>100.00</b>



Total revenue from sales and services decreased. The Company has a policy of delaying the acceptance of projects, as well as large scale construction and installation works, to manage the liquidity and cash flow of the Company. In addition, offshore oil and gas related services related to outsourcing of production. Due to fluctuations in oil prices and uncertainty over the renewal of drilling operations, in 2560, the company maintained its oil and gas business base. And the assembly business is installed. As the company has expanded its services in the southern Gulf of Thailand, it has been able to deliver more skilled craftsmen and equipment for hire on the southern Thai Gulf drilling platforms. The company has also expanded its management of personnel for electrical equipment maintenance in other industries. Longer term commitment

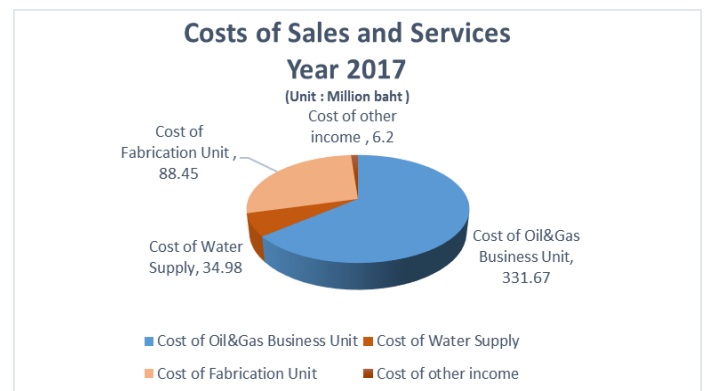
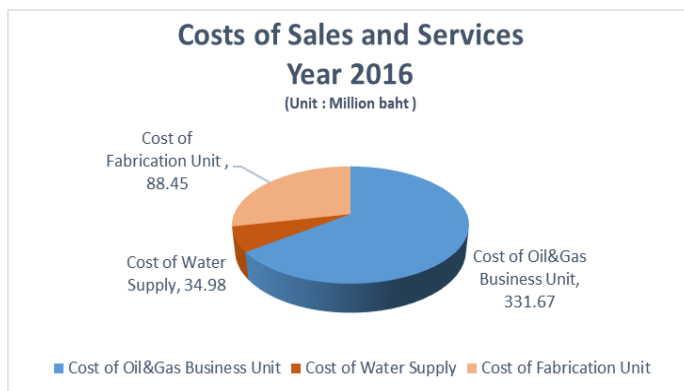
The oil and gas industry in 2017 is still in a volatile condition due to rapidly declining crude oil prices in the global market. Therefore, the exploration and production of oil and natural gas. As a result, the Company's revenue growth is limited and it can not generate enough revenue to compensate for lost revenue from the construction business. The company is confident that the oil and gas industry The petrochemical industry. There will be an increase in the near term as it is an important consumer product. There are other factors. The need to keep track of changes in technology in the digital age. Politics Economy in the Eastern and Western Hemisphere The future direction of the automotive industry will focus on the production of cars that use electricity and renewable energy.

- Other income

In the year 2017, the Company had other incomes totaling Baht 4.74 million, consisting of revenue from sale of property and rental income.

- Cost of sales and services

2017 Cost of Sales and Services The revenue from sales and services decreased by Baht 517.50 million or 21.72% from the same period of last year due to the slowdown in the construction, assembly and installation business. However, the ratio of cost of sales and services to revenue is likely to improve slightly



- Selling / administrative expenses and doubtful accounts

In the year 2016, the Company had selling and administrative expenses of Baht 96.78 million, slightly decreased from Baht 121.58 million in 2008 or 23.16% of sales and service income. Losses from litigation amounting to Baht 41.10 million, which the Company pledged against the employer. On charges of breach of contract The employer has filed a lawsuit against the company. Currently appealed to the court. The Company recognizes loss on impairment and amortization of land. Plant and equipment of a subsidiary amounted to Baht 7.01 million and Baht 8.42 million, respectively.

## 2) Overview of Financial

As of December 31, 2017, the Company had total assets of Baht 703.14 million, a decrease of 14.36% from the previous year. Total assets include: Total assets amounted to Baht 1,201.72 million. Current liabilities accounted for 85.96% of total liabilities. As of December 31, 2017, the Company's shareholders' equity was negative of Baht 498.57 million. The shareholders' equity was decreased due to the operating loss of the Company.

- **Cash and cash equivalents**

As of December 31, 2017, the Company had cash and cash equivalents of Baht 47.62 million, an increase of 20.50% from the previous year. Net cash received from operating activities was Baht 28.10 million, spent on investment activities of Baht 9.89 million. Cash flow used in financing activities was Baht 10.11 million.

- **Inventories and Depreciation**

In the year 2016, the inventories of the Company amounted to Baht 9.81 million, a decrease of Baht 10.62 million as compared to the year 2016 due to the cancellation of the construction business as well as the value of each project, the reduced project value and the short-term project. The management of inventory quality can be controlled more effectively.

- **Investments in goodwill and impairment**

Investments in a subsidiary amounting to Baht 2.20 million. The Board of Directors Meeting No. 5/2560 held on September 18, 2017, resolved to liquidate and liquidate the subsidiary. Because the company provides a low return. But there is a high risk of doing business. And the loss of earnings. Currently, the subsidiary is in the process of liquidation.

- **Accounts receivable and other receivables**

The Company had net trade receivables as at 31 December 2017 amounting to Baht 77.95 million. For accounts receivable overdue more than 12 months, the Company has set aside nearly a hundred percent of allowance for doubtful accounts, which is considered to be adequate. And other receivables of Baht 5.47 million.

- **Debt**

As at December 31, 2017, the Company had total liabilities of Baht 1,201.72 million, consisting of trade accounts payable and other payables of Baht 282.13 million and defaulted debts from a local financial institution amounting to Baht 491.00 million. Since January 2559, under the protection of the business under Section 90/12, which states that " Automatic Stay "

- **Liquidity ratio**

In the year 2560, the Company's working capital ratio was 0.20 times at the same level as the year 2016 caused by the current liabilities. The defaulted debt amounted to Baht 491.0 million due to the fact that the Company stopped paying principal and interest to such creditors from January 2016, while the current assets were close to the previous year.

- **Profitability Ratios**

In 2017, the company's profitability increased from 2016 with an gross margin of approximately Baht 12.73 million or 3.05 percent of total revenue which improved from the year 2016 with a gross profit margin of 2.04 percent. Of total revenue for profitability. The Company had a negative return on assets utilization of 22.97%. Return on equity was minus 32.40% due to the company's net loss.

## Sufficiency of liquidity and ability to repay debt

The Company still has sufficient working capital from long-term service income from a major customer, which has been renewed on October 1, 2016. The agreement is valid for 3 years from the date of the agreement. Long-term service contracts for electrical equipment and instrumentation in the manufacturing sector. Commencing on October 1, 2016, the agreement is valid for 2 years from the date of the agreement. In addition, the credit line from trading partners is used to support normal business operations of the Group. The company mainly manages credit terms with its trading partners. By negotiating the credit term with the supplier in accordance with the billing period of the company's trade receivables. The Company is confident that it will be able to provide sufficient working capital for future business operations.

### Obligation

As at 31 December 2016, the Company has a letter of guarantee issued by a local financial institution. The Company is obliged to pay Bt. 312.09 million on the Company's trade contract, a decrease of THB 64.45 million from the previous year, as well as the potential liabilities from the case, which is currently in the process of the Court's consideration. And under the law of business protection under Section 90/12 on "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 rehabilitation of the company. On April 1, 2019, the Central Bankruptcy Court filed a petition for a business rehabilitation petition. According to Black Case No. 6/2559, 6 creditors filed their 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 opposition to the bankruptcy court. And the court ordered the withdrawal of the objection. Subsequently, on May 19, 2017, the Central Bankruptcy Court dismissed the petition. On 20 June 1960, on 19 June 2017, the Board of Directors' Meeting No. 2/2560 passed a resolution approving the Company to request for the rehabilitation of the Company by itself. On June 21, 2017, the Central Bankruptcy Court ordered the business rehabilitation. Black Case No. 23/2560, and on March 8, 2017, the Central Bankruptcy Court dismissed the petition. According to the red case No. 9/2560, the Company is currently in the process of submitting an appeal against the Central Bankruptcy Court's order to the Court of Appeal for Special Administrative Cases. Central Bankruptcy Court Such a situation. There may be uncertainty about the company's ability to continue as a going concern.

However, the Company still has sufficient working capital from long-term service income from a major customer. The contract is renewed on 1 October 2016. The agreement is valid for 3 years from the date of the agreement. In addition, the company has expanded its customer service management for electrical equipment maintenance in other industries. This is a long-term contract. In addition, they are supported by trading partners' credit lines for the normal course of business of the Group. The economy is recovering. The government has issued policies to stimulate the economy and increase spending on the public sector, such as infrastructure development projects. This is good for the economy of the country. This will result in the growth of the Company's business.



In addition, the Company has improved its organizational structure to match its current financial position. Long term strategy will expand the company's business from upstream to downstream. This will create opportunities and increase revenue for the company as well as its affiliated companies. Even during the oil and gas industry, petroleum, petrochemicals were in a slowdown. The company also provides maintenance and inspection services.

## Audit Fee

### Audit Fee 2017 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
TOTAL	2,160,000

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

- Total 2,160,000 Baht -

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

- 28,430 –

## 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, 2017, 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, 2017, 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.

### Material Uncertainty Related to 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, 2017, present an operating losses in amount of Baht 161.54 million and in amount of Baht 111.92 million respectively. As at December 31, 2017, the Group has current liabilities exceed than current assets according to the consolidated and separate financial statements in amount of Baht 821.67 million and in amount of Baht 756.55 million respectively, the Group has negative shareholders according to the consolidated and separate financial statements in amount of Baht 498.57 million and in amount of Baht 490.80 million respectively. In addition, the Company was requested by the Central Bankruptcy Court to raise a petition for rehabilitation to filed by the

creditor by the red case No. พ. 20/2560, dated May 19, 2017, and raise a petition for rehabilitation filed by the Company under the red case No. พ. 9/2561, dated March 8, 2018, In the currently, the Company is in the process of appealing the dispute to the Central Bankruptcy Court to the Court of Appeal to Specialized Cases, Bankruptcy Case Division, within one month from the date the court reads the order to raise a petition for rehabilitation. 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 5.19.1 and 5.20.1

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 matters in my audit.

#### *How my audit addressed the key audit matters*

- 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 16

In consolidate financial statement, the Group has recognized a loss impairment of property, plant and equipment in amounting of Baht 7.01 million. I determined to testing the recoverable amount of assets is the key audit matters in my audit because the fair value of most assets is reference from the independent appraiser's valuation report which have condition and limitations by profession that may affect the fair value of the assets assessed significantly. So, I focused on testing the reasonableness of the assumptions that the management and the appraiser used.

#### ***How my audit addressed the key audit matters***

- I have assessed the suitability of the information used by the assessor to determine the replacement cost of the asset included inquiries about how to consider factors that will affect the depreciation rate of the asset.
- I have assessed the suitability of the assets that the assessor selects to reference market price such as spec of assets are close to the assessing assets, number of assets be compared there must be enough, how to choose method to assess, including to the appropriateness of calculate costs of sales that the management set up. In addition, I have evaluated the efficacy and independence of the assessor.
- I have observed the asset condition at the end of the year together with the assessment of the knowledge and independence of the assessor.

As a result of testing, I found that the assumptions that the appraiser used to determine the fair value is reasonable.

***The estimated loss from litigation***

According to the notes to the financial statements no 38.1

The Company has considered to set the estimated loss from litigation amounting of Baht 106.31 million, (effected to profit or loss for the year amounting of Baht 41.10 million). During year 2014, the Company is a plaintiff to suing a company (the employer) on the plaint of breached of the contract with the suing capital amount of Baht 56.26 million. The employer filed a lawsuit against the Company by claim the damages and interest from the Company totaling Baht 415.83 million. Subsequently, on August 17, 2017, the Civil Court issued a judgment under the red case No. 1239/2559 to pay damages to the employer (the defendant) totaling Baht 209.52 million. Currently, the Company is in the process of appealing to the court. In such cases, the management of the Company is required to use more judgment in assessing assessment of opportunity and the amounts which pay to creditor according to the judgment. Therefore, I determine that is the key audit matters in my auditing.

***How my audit addressed the key audit matters***

I have requested a written confirmation from the Company's legal experts about the facts of the case, inquiry to the management about legal guidelines for such matters. An auditing to the evidence which collected by the management for use in assessment of opportunity and the amounts which pay to creditor according to the judgment. From my auditing, I have found that the consideration of the estimated loss from litigation, it is sufficient and appropriate.

**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 22, 2018

**PAE (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**
**STATEMENTS OF FINANCIAL POSITION**

As at December 31, 2017

(Unit : Baht)

	Notes	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Assets					
Current assets					
Cash and cash equivalents	35.1	47,620,354	39,522,254	28,179,096	11,279,402
Trade and other receivables	6.1, 7	77,951,747	100,295,486	49,170,883	73,963,616
Unbilled receivables	8	65,932,812	68,690,629	45,318,880	48,250,070
Retention receivables	9	1,265,036	8,393,678	464,007	7,860,994
Current portion of receivables under financial lease contract	20	1,027,853	904,507	-	-
Short-term loans and accrued interest income to other parties	10	-	-	-	-
Short-term loans to related parties	6.1	-	-	-	-
Inventories	11	9,815,187	10,618,013	7,528,414	8,549,079
Other current assets		7,183,441	9,859,913	3,977,128	6,240,622
Total current assets		210,796,430	238,284,480	134,638,408	156,143,783
Non-current assets					
Restricted bank deposits	12	12,873,224	15,593,953	10,373,224	13,658,749
Investments in subsidiaries	13	-	-	79,328,543	79,328,543
Long-term loans to related parties	6.1	-	-	-	-
Investment property	15	38,586,947	38,586,947	35,562,946	35,562,946
Property, plant and equipment	16	341,140,236	383,180,172	220,583,976	226,795,274
Water rights		4,159,562	4,223,800	-	-
Intangible assets	17	4,096,856	6,178,042	2,420,778	4,363,995
Goodwill	18	-	-	-	-
Deferred tax assets	19	11,106,576	12,694,868	-	-
Receivables under financial lease contracts	20	31,665,389	32,693,242	-	-
Withholding tax		47,209,199	87,601,102	39,803,362	79,184,559
Other non-current assets		1,507,226	2,048,225	1,055,690	1,113,690
Total non-current assets		492,345,215	582,800,351	389,128,519	440,007,756
Total assets		703,141,645	821,084,831	523,766,927	596,151,539

Notes to financial statements are an integral part of these financial statements.

**PAE (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**
**STATEMENTS OF FINANCIAL POSITION**

As at December 31, 2017

(Unit : Baht)

		Consolidated financial statements		Separate financial statements	
	Notes	2017	2016	2017	2016
Liabilities and shareholders' equity					
Current liabilities					
Defaulted debts	21	490,996,191	472,426,911	451,436,043	429,410,958
Trade and other payables	6.1, 22	282,128,628	314,912,126	239,892,726	276,031,781
Advance receive from construction contracts		62,725,680	79,086,410	62,725,680	79,086,410
Retention payables	23	27,695,325	27,503,614	27,695,325	27,503,614
Unbilled cost		5,266,283	9,820,849	5,266,283	9,087,336
Estimated loss from construction contract		18,929	5,691,210	18,929	5,691,210
Current portion of long-term liabilities					
Loan from financial institutions	25	2,464,000	7,583,599	-	-
Liabilities under finance lease contracts	26	1,794,780	3,680,619	333,456	509,693
Short-term loan from other parties	24	69,434,303	67,934,303	27,588,886	27,588,886
Short-term loan from related parties	6.1	11,475,000	12,965,000	2,625,000	2,625,000
Estimated delay penalty		61,360,358	81,200,250	61,360,358	81,200,251
Other current liabilities		17,108,148	27,489,442	12,248,552	22,640,346
Total current liabilities		1,032,467,625	1,110,294,333	891,191,238	961,375,485
Non-current liabilities					
Long-term loans from financial institutions	25	28,492,054	18,511,846	-	-
Liabilities under financial lease contracts	26	943,846	2,877,138	191,283	563,932
Deferred income tax liability	19	7,851,894	7,846,531	-	-
Employee benefits obligation	27	25,655,921	20,458,471	16,879,999	13,096,756
Estimated loss from litigation	38.1	106,305,244	-	106,305,244	-
Total non-current liabilities		169,248,959	49,693,986	123,376,526	13,660,688
Total liabilities		1,201,716,584	1,159,988,319	1,014,567,764	975,036,173

Notes to financial statements are an integral part of these financial statements.

**PAE (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**
**STATEMENTS OF FINANCIAL POSITION**

As at December 31, 2017

(Unit : Baht)

	Notes	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Shareholders' equity					
Share capital					
Authorized share capital	28, 29				
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
Issued and Paid-up share capital					
2,770,889,766 Ordinary shares @ Baht 1.00 each		2,770,889,766	2,770,889,766	2,770,889,766	2,770,889,766
Premiums on ordinary shares		128,893,569	128,893,569	128,893,569	128,893,569
Discounts on ordinary shares		(940,360,932)	(940,360,932)	(940,360,932)	(940,360,932)
Deficits		(2,537,265,627)	(2,392,322,650)	(2,450,223,240)	(2,338,307,037)
Other components of equity		67,244,887	67,244,887	-	-
Total shareholders' equity		(510,598,337)	(365,655,360)	(490,800,837)	(378,884,634)
Non-controlling interests	14	12,023,398	26,751,872	-	-
Total shareholders' equity		(498,574,939)	(338,903,488)	(490,800,837)	(378,884,634)
Total liabilities and shareholders' equity		703,141,645	821,084,831	523,766,927	596,151,539

Notes to financial statements are an integral part of these financial statements.

**PAE (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**
**STATEMENTS OF COMPREHENSIVE INCOME**
**For the year ended December 31, 2017**
**(Unit : Baht)**

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Revenue from services		321,143,838	383,335,805	209,668,029	236,780,243
Revenue from construction project contract services		82,714,699	134,211,141	43,296,168	104,827,457
Revenue from water supply services		7,239,631	10,747,434	-	-
Revenue from goods sold		6,753,759	-	-	-
Total revenue from sales and services		417,851,927	528,294,380	252,964,197	341,607,700
Cost of services		(294,942,831)	(331,673,075)	(181,719,017)	(197,736,085)
Cost of construction projects contract services		(88,448,762)	(145,146,903)	(62,099,981)	(123,379,468)
Cost of water supply services		(15,501,877)	(34,985,679)	-	-
Cost of goods sold		(6,204,536)	-	-	-
Losses for construction contracts		(18,929)	(5,691,210)	(18,929)	(5,691,210)
Total cost of sales and services		(405,116,935)	(517,496,867)	(243,837,927)	(326,806,763)
Gross profit		12,734,992	10,797,513	9,126,270	14,800,937
Other income		4,742,597	7,116,463	7,760,496	7,286,992
Profit from reverse liabilities		7,672,835	15,033,639	5,565,305	15,033,639
Selling expenses		(3,536,175)	(4,005,357)	(3,133,671)	(3,575,907)
Administrative expenses		(93,241,508)	(117,582,671)	(58,974,762)	(73,554,017)
Doubtful debt (reversal)		814,195	(76,380,646)	(4,500,437)	(72,822,384)
Loss from impairment of investments in subsidiaries		-	-	-	(52,283,388)
Loss from impairment of goodwill	18	-	(13,799,857)	-	-
Profit (loss) from impairment of property, plant and equipment	16	(7,013,937)	(25,423,317)	76,099	(25,423,317)
Loss from write-off of property, plant and equipment		(8,422,661)	-	-	-
Loss for liquidate in subsidiary	13	-	-	(2,366,321)	-
Provision for loss on litigation claim	38.1	(41,101,469)	-	(41,101,469)	-
Financial cost		(33,218,676)	(56,692,556)	(24,367,713)	(49,729,405)
Loss before tax (expense) revenues		(160,569,807)	(260,936,789)	(111,916,203)	(240,266,850)
Income tax (expense) revenue	32	(1,469,712)	3,071,702	-	-
Loss for the year		(162,039,519)	(257,865,087)	(111,916,203)	(240,266,850)

Notes to financial statements are an integral part of these financial statements.



**PAE (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**
**STATEMENTS OF COMPREHENSIVE INCOME**
**For the year ended December 31, 2017**
**(Unit : Baht)**

	Notes	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Loss for the year		(162,039,519)	(257,865,087)	(111,916,203)	(240,266,850)
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss :					
Actuarial gain (loss) arising from defined benefit plan of employees		619,714	(1,338,510)	-	(442,270)
Income tax effect	32	(123,943)	179,248	-	-
Total items that will not be reclassified subsequently to profit (loss) - net income tax		495,771	(1,159,262)	-	(442,270)
Total other comprehensive income (loss) for the year - net income tax		495,771	(1,159,262)	-	(442,270)
Total comprehensive loss for the year		(161,543,748)	(259,024,349)	(111,916,203)	(240,709,120)
Loss attributable to for the year					
Shareholders of parent company		(145,300,508)	(239,466,392)	(111,916,203)	(240,266,850)
Non-controlling interests		(16,739,011)	(18,398,695)	-	-
		(162,039,519)	(257,865,087)	(111,916,203)	(240,266,850)
Total comprehensive loss attributable to for the year					
Shareholders of parent company		(144,942,977)	(240,425,756)	(111,916,203)	(240,709,120)
Non-controlling interests		(16,600,771)	(18,598,593)	-	-
		(161,543,748)	(259,024,349)	(111,916,203)	(240,709,120)
Basis loss per share (Baht).	30				
Attributable to shareholders of the parent company		(0.052)	(0.086)	(0.040)	(0.087)

Notes to financial statements are an integral part of these financial statements.



PAE (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For the year ended December 31, 2017

(Unit : Baht)

Consolidated financial statements

Shareholders' equity of Parent Company									
		Other components of equity							
		Other							
		Comprehensive income							
		Issued and	Premiums on	Discounts on	Deficits	Differences exchange	Total	Total	
		fully paid-up	ordinary shares	ordinary shares		rate on conversion	other components	Shareholders'equity	Non-controlling
	Notes	share capital				of financial statement	of equity	of parent company	interests
			ordinary shares	ordinary shares				of equity	shareholders' equity
Balance as at January 1, 2016		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
Transaction with shareholder on directly recorded to equity									
Increase in share capital from the exercised warrants	28,29	148,802	-	(74,401)	-	-	-	74,401	-
Total transaction with shareholder on directly recorded to equity		148,802	-	(74,401)	-	-	-	74,401	-
Comprehensive loss for the year									
Loss for the year		-	-	-	(239,466,392)	-	-	(239,466,392)	(18,398,695)
Other comprehensive loss for the year		-	-	-	(959,364)	-	-	(959,364)	(199,898)
Total comprehensive loss for the year		-	-	-	(240,425,756)	-	-	(240,425,756)	(18,598,593)
Balance as at December 31, 2016		2,770,889,766	128,893,569	(940,360,932)	(2,392,322,650)	67,244,887	67,244,887	(365,655,360)	26,751,872
Transaction with shareholder on directly recorded to equity									
Non-controlling interests increase from liquidate		-	-	-	-	-	-	-	1,872,297
Total transaction with shareholder on directly recorded to equity		-	-	-	-	-	-	-	1,872,297
Comprehensive loss for the year									
Loss for the year		-	-	-	(145,300,508)	-	-	(145,300,508)	(16,739,011)
Other comprehensive income for the year		-	-	-	357,531	-	-	357,531	138,240
Total comprehensive loss for the year		-	-	-	(144,942,977)	-	-	(144,942,977)	(16,600,771)
Balance as at December 31, 2017		2,770,889,766	128,893,569	(940,360,932)	(2,537,265,627)	67,244,887	67,244,887	(510,598,337)	12,023,398

Notes to financial statements are an integral part of these financial statements.

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**PAE (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**
**For the year ended December 31, 2017**
**( Unit : Baht )**

Separate financial statements						
	Notes	Issued and paid-up share capital	Premiums on ordinary shares	Discounts on ordinary shares	Deficits	Total
Balance as at January 1, 2016		2,770,740,964	128,893,569	(940,286,531)	(2,097,597,917)	(138,249,915)
Transaction with shareholder on directly recorded to equity						
Increase in share capital from the exercised warrants	28,29	148,802	-	(74,401)	-	74,401
Total transaction with shareholder on directly recorded to equity		148,802	-	(74,401)	-	74,401
Comprehensive loss for the year						
Loss for the year		-	-	-	(240,266,850)	(240,266,850)
Other comprehensive loss for the year		-	-	-	(442,270)	(442,270)
Total comprehensive loss for the year		-	-	-	(240,709,120)	(240,709,120)
Balance as at December 31, 2016		2,770,889,766	128,893,569	(940,360,932)	(2,338,307,037)	(378,884,634)
Total comprehensive loss for the year						
Loss for the year		-	-	-	(111,916,203)	(111,916,203)
Other comprehensive income for the year		-	-	-	-	-
Total comprehensive loss for the year		-	-	-	(111,916,203)	(111,916,203)
Balance as at December 31, 2017		2,770,889,766	128,893,569	(940,360,932)	(2,450,223,240)	(490,800,837)

Notes to financial statements are an integral part of these financial statements.

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**PAE (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**
**STATEMENTS OF CASH FLOWS**
**For the year ended December 31, 2017**
**( Unit : Baht )**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
<b>Notes</b>	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
Cash flows from operating activities				
Loss before income tax expenses	(160,569,807)	(260,936,789)	(111,916,203)	(240,266,850)
Adjustment to profit (loss) before income tax for cash received (paid)				
from operations				
Depreciation	41,014,069	52,314,259	18,976,046	27,953,804
Amortization	2,004,866	2,104,062	1,722,988	1,841,112
Doubtful debt (reversal)	(814,195)	76,380,646	4,500,437	72,822,384
Loss on decline in value of inventories (reversal)	(3,658,335)	1,294,108	(3,575,894)	1,161,584
Loss from impairment of deferred tax assets	-	6,195,730	-	-
Loss from unused tax withholding	4,109,679	2,017,970	-	2,017,970
Loss from impairment of assets	7,144,427	25,423,317	54,390	25,423,317
Loss from impairment of investments in subsidiaries	-	-	-	52,283,388
Loss from impairment of goodwill	-	13,799,857	-	-
(Gain) loss on sale property, plant and equipment	(2,175,673)	(886,416)	(967,940)	13,092
Loss from write-off of assets	8,512,401	10,197,597	89,740	-
Amortization water rights	64,238	3,099,240	-	-
(Gain) unrealized on exchange rate	-	(3,419)	-	(3,419)
(Gain) from the reversal of liability	(7,672,835)	(15,033,639)	(5,565,306)	(15,033,639)
Estimated loss from litigation	41,011,729	-	41,011,729	-
Service cost and interest expense	6,095,946	4,267,879	4,062,025	2,835,793
Interest income	(342,596)	(2,664,947)	(1,501,292)	(1,512,793)
Interest expense	33,218,676	56,692,556	24,367,713	49,729,405
Loss from operating activities before				
Changes in operating assets and liabilities	(32,057,410)	(25,737,989)	(28,741,567)	(20,734,852)
(Increase) decrease in operating assets				
Trade and other receivables	20,877,273	10,280,460	18,489,651	(8,407,799)
Unbilled receivables	1,963,740	722,513	2,931,190	(8,123,759)
Retention receivables	10,159,530	20,554,558	10,427,876	19,570,858
Receivables under financial lease contract	904,507	788,770	-	-
Inventories	4,461,161	548,931	4,596,559	38,321
Other current assets	2,487,029	2,711,057	58,000	(583,270)
Other non-current assets	541,000	54,900	2,186,984	-
Increase (decrease) in operating liabilities				
Trade and other payables	(396,124)	(11,964,661)	(2,952,735)	(16,104,272)
Advance receive from construction contracts	-	(4,311,997)	-	(3,998,714)
Retention payables	311,952	(14,654,824)	311,952	(14,465,755)
Unbilled costs	(4,554,566)	4,625,871	(3,821,053)	7,361,656
Provision for fines and delays	3,069,734	-	3,069,734	-
Provision for loss on construction contracts	(5,672,281)	5,691,210	(5,672,281)	5,691,210
Other current liabilities	(10,381,291)	7,643,543	(10,391,793)	9,134,978
Employee benefits obligation	(278,782)	(503,518)	(278,782)	-
Cash received (paid) from operating activities	(8,564,528)	(3,551,176)	(9,786,265)	(30,621,398)

Notes to financial statements are an integral part of these financial statements.

**PAE (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**
**STATEMENTS OF CASH FLOWS**
**For the year ended December 31, 2017**
**( Unit : Baht )**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
<b>Notes</b>	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
Cash flows from operating activities (continue)				
Cash received from interest income	386,446	2,549,392	273,050	113,731
Cash paid for income tax	(13,980,284)	(15,407,669)	(9,007,244)	(10,089,055)
Cash received from withholding tax	50,262,508	-	48,388,440	-
Net cash provided from (used in) operating activities	28,104,142	(16,409,453)	29,867,981	(40,596,722)
Cash flows from investing activities				
(Increase) decrease in restricted bank deposits	2,720,728	(8,213,290)	3,285,525	(8,706,393)
(Increase) decrease in short-term loans to related parties	-	-	-	(108,416)
Cash paid for acquired of property, plant and equipment	(14,468,104)	(15,406,396)	(12,739,441)	(3,446,813)
Cash received from sale of property, plant and equipment	1,999,401	2,126,084	1,018,732	-
Cash paid for acquired of intangible assets	(143,909)	(1,136,400)	-	(760,000)
Net cash used in investing activities	(9,891,884)	(22,630,002)	(8,435,184)	(13,021,622)
Cash flows from financing activities				
Repayment for defaulted debts	(4,000,000)	-	(4,000,000)	-
Increase (decrease) in short-term loan from financial institutions	-	11,881,552	-	11,881,552
Increase (decrease) in short-term loan from another person	1,500,000	-	-	-
Increase (decrease) in short-term loan from related parties	420,000	5,990,000	-	-
Paid for long-term loan from financial institutions	(3,889,391)	(9,452,040)	-	(2,244,772)
Paid for liabilities under financial lease contracts	(3,629,691)	(6,120,001)	(472,376)	(476,418)
Paid for interest expense	(2,387,374)	(8,468,211)	(60,727)	(5,319,853)
Share capital increased from the exercise of warrants	-	74,401	-	74,401
Profit from liquidation of non-controlling interests	1,872,298	-	-	-
Net cash provided from (used in) financing activities	(10,114,158)	(6,094,299)	(4,533,103)	3,914,910
Net increase (decrease) in cash and cash equivalents	8,098,100	(45,133,754)	16,899,694	(49,703,434)
Cash and cash equivalents at the beginning of the year	39,522,254	84,656,008	11,279,402	60,982,836
Cash and cash equivalents at the ending of the year	47,620,354	39,522,254	28,179,096	11,279,402

Note to the financial statements are an integral part of these financial statements.

**PAE (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES****NOTES TO FINANCIAL STATEMENTS****FOR THE YEAR ENDED DECEMBER 31, 2017****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, 2017 and 2016, present an operating losses in amount of Baht 161.54 million and Baht 259.02 million respectively (the Separate in amount of Baht 111.92 million and Baht 240.71 million respectively). As at December 31, 2017 and 2016, the Group has current liabilities exceed than current assets according to the financial statements in amount of Baht 821.67 million and Baht 872.01 million respectively (the Separate in amount of Baht 756.55 million and Baht 805.23 million respectively), and the same date, the Group has negative shareholders according to the consolidated in amount of Baht 498.57 million and Baht 338.90 million respectively (the Separate in amount of Baht 490.80 million and Baht 378.88 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.

**Filing a petition for rehabilitation**

1<sup>st</sup> time : 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. พ.6/2559 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. Later on May 19, 2017, the central bankruptcy court has judged to raise the petition for the rehabilitation plan according to the red case no. พ. 20/2560.

2<sup>nd</sup> time : According to the resolution of the board of directors meeting no. 2/2017 on June 19, 2017, has resolution to the Company to filed the rehabilitation plan to the central bankruptcy court by itself and on June 21, 2017, the central bankruptcy court to receive a petition for rehabilitation in the black case no. พ. 23/2560. Later, on March 8, 2018, the central bankruptcy court has judged to raise the petition for the rehabilitation plan according to the red case no. พ. 9/2561.

At present, the Company is in the process of appealing argument to the Central Bankruptcy Court's to The Court of Appeal for Specialized Cases, Bankruptcy case division, within one month from the date the court reads the petition for the rehabilitation that is in accordance with Section 24 of the Bankruptcy Court enactment and Central Bankruptcy Procedure 2015.

As discussed in note no.38, the Group was sued by the creditors to civil litigation in order to appeal that the Group to pay debts that owed for goods and services including to damages to the creditors. In addition, the Company has stop to pay principal and interest to financial institution as mentioned in note no.21, Therefore the stopping payment to the creditors is under to the business protection law of Section 90/12 of the "Moratorium or Automatic Stay". However, since March 8, 2018, the Company has not been subject to legal protection due to the court has settled petition of rehabilitation as described in the preceding paragraph.

However, the consolidated and separate financial statements for the years ended December 31, 2017 and 2016 are prepared in according to the continuous operating on the assumption that the company will have sufficient working capital from. 1) Long-term service income from major customers (3 years contract from October 1, 2016) 2) Long-term service income from new customers (2 years contract from October 1, 2017) and 3) Support for credit line from business partners for normal business operation. At present, the Company is in the process of negotiating with customers about the new service contract. In addition, the Company's management has reorganizational structure of the Company to consistent the current financial position of the Company. The appropriateness of these assumptions will depend on the success of the negotiation with major creditors to restructure of repayment. Management believes that debt restructuring is consistent with the repayment of debt to the creditor will be helps to create liquidity for the Company and can continue to operate in the next 12 months. In addition, under Section 9 of the Bankruptcy Act (No. 10) 2018, the Company may appeal a third times business rehabilitation petition after the end of six months from the date the court orders the petition for rehabilitation (on March 8, 2018).



### 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 The Federation of Accounting Profession (FAP) has notified to apply the following financial reporting standards to the financial statements having an accounting period beginning on or after January 1, 2017.

	Effective date
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

	<u>Effective date</u>
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
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
TAS No. 29 Financial Reporting in Hyperinflationary Economies (revised 2016)	January 1, 2017
TAS No. 33 Earnings per Share (revised 2016)	January 1, 2017
TAS No. 34 Interim Financial Reporting (revised 2016)	January 1, 2017
TAS No. 36 Impairment of Assets (revised 2016)	January 1, 2017
TAS No. 37 Provisions, Contingent Liabilities and Contingent Assets (revised 2016)	January 1, 2017
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 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, 2018
TFRS No. 3 Business Combinations (revised 2016)	January 1, 2018
TFRS No. 4 Insurance Contracts (revised 2016)	January 1, 2018
TFRS No. 5 Non-current Assets Held for Sale and Discontinued Operations (revised 2016)	January 1, 2018
TFRS No. 6 Exploration for and Evaluation of Mineral Resources (revised 2016)	January 1, 2018
TFRS No. 8 Operating Segments (revised 2016)	January 1, 2018
TFRS No. 10 Consolidated Financial Statements (revised 2016)	January 1, 2018
TFRS No. 11 Joint Arrangements (revised 2016)	January 1, 2018
TFRS No. 12 Disclosure of Interests in Other Entities (revised 2016)	January 1, 2018
TFRS No. 13 Fair Value Measurement (revised 2016)	January 1, 2018
TAS No. 1 Presentation of Financial Statements (revised 2016)	January 1, 2018
TAS No. 2 Inventories (revised 2016)	January 1, 2018
TAS No. 7 Statement of Cash Flows (revised 2016)	January 1, 2018
TAS No. 8 Accounting Policies, Changes in Accounting Estimates and Errors (revised 2016)	January 1, 2018
TAS No. 10 Events after the Reporting Period (revised 2016)	January 1, 2018
TAS No. 11 Construction Contracts (revised 2016)	January 1, 2018
TAS No. 12 Income Taxes (revised 2016)	January 1, 2018
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TAS No. 18 Revenue (revised 2016)	January 1, 2018
TAS No. 19 Employee Benefits (revised 2016)	January 1, 2018
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TFRIC No. 1 Changes in Existing Decommissioning, Restoration and Similar Liabilities (revised 2016)	January 1, 2018
TFRIC No. 4 Determining whether an Arrangement contains a Lease (revised 2016)	January 1, 2018
TFRIC No. 5 Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds (revised 2016)	January 1, 2018
TFRIC No. 7 Applying the Restatement Approach under TAS 29 (revised 2016) Financial Reporting in Hyperinflationary Economies (revised 2016)	January 1, 2018
TFRIC No. 10 Interim Financial Reporting and Impairment (revised 2016)	January 1, 2018
TFRIC No. 12 Service Concession Arrangements (revised 2016)	January 1, 2018
TFRIC No. 13 Customer Loyalty Programmes (revised 2016)	January 1, 2018
TFRIC No. 14 TAS 19 (revised 2016) - The Limit on a Defined Benefit Assets, Minimum Funding Requirements and their Interaction (revised 2016)	January 1, 2018

	<u>Effective date</u>
TFRIC No. 15 Agreements for the Construction of Real Estate (revised 2016)	January 1, 2018
TFRIC No. 17 Distributions of Non-cash Assets to Owners (revised 2016)	January 1, 2018
TFRIC No. 18 Transfers of Assets from Customers (revised 2016)	January 1, 2018
TFRIC No. 20 Stripping Costs in the Production Phase of a Surface Mine (revised 2016)	January 1, 2018
TFRIC No. 21 Levies (revised 2016)	January 1, 2018
TSIC No. 10 Government Assistance – No Specific Relation to Operating Activities (revised 2016)	January 1, 2018
TSIC No. 15 Operating Leases - Incentives (revised 2016)	January 1, 2018
TSIC No. 25 Income Taxes - Changes in the Tax Status of an Entity or its Shareholders (revised 2016)	January 1, 2018
TSIC No. 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease (revised 2016)	January 1, 2018
TSIC No. 29 Service Concession Arrangements : Disclosures (revised 2016)	January 1, 2018
TSIC No. 31 Revenue - Barter Transactions Involving Advertising Services (revised 2016)	January 1, 2018
TSIC No. 32 Intangible Assets - Web Site Costs (revised 2016)	January 1, 2018
Guide on Accounting for Insurance Business in Determining Financial Instruments as Financial Instruments Presented with Fair Value through Profit or Loss	January 1, 2018

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 cost

Unbilled cost 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, trade and other receivable, unbilled receivable, retention receivable and other assets

In determining an allowance for doubtful trade and other receivable, unbilled receivable, retention receivable 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

The management is required to make estimates of the useful lives and residual values of the 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 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 amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

#### Amortization of intangible asset

The management is assessing the useful life of intangible assets, the useful life that the management determined must be related to the future use format of the asset. In determining whether an intangible asset has an indication that it will be impaired or not, the management is required to use discretion to assess the recoverable amount of assets.

#### 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.

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

## 4. Basis of the consolidated financial statements preparation

- 4.1 The consolidated financial statements consist of the financial statements of the Company and subsidiaries (together called “The Group”).
- 4.2 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.
- 4.3 The consolidated financial statements are prepared by using the same accounting policies for similar accounting items or events.
- 4.4 The accounting period of the subsidiary companies ends on the same date as that of PAE (THAILAND) PUBLIC COMPANY LIMITED.



4.5 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>2017</u>	<u>2016</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.

\*\* On process of liquidation and settlement

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

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

## 5. Accounting policies

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

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

5.2 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.

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

- 5.4 Inventories as consumables and spare parts are stated at cost price by first-in first-out method or net realizable value whichever is lower.
- 5.5 Investments in subsidiaries: in the separate financial statements 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.
- 5.6 Investment property of the Group are land and building without specific purpose of use in the future and exploiting for rental income or appreciation of the asset. The Group measures the investment property by the cost value, deducted the accumulated depreciation and 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.
- 5.7 Property, plant and equipment

Lands are stated at cost price after deduction of accumulated allowance for impairment loss (if any), building and equipment are stated at cost price after that plant and equipment are stated at cost deduction of accumulated depreciation and 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
Furniture and 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.

5.8 Intangible assets as 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.

#### 5.9 Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Company'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.

5.10 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 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.

5.11 Trade and other payables are stated at cost.

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

### 5.13 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 has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The defined benefit plan is defined as the post-employment benefit plan.

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.

- 5.14 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.

### 5.15 Financial lease

#### Leases in the financial statements of lessors

Under a finance lease substantially all the risks and rewards incidental to legal ownership are transferred by the lessor. The Group shall recognise assets held under a finance lease as “receivable under financial lease” in their statements of financial positions and present them as a receivable at an amount equal to the net investment in the lease. The sales revenue recognised at the commencement of the lease term is the fair value of the asset, or, if lower,

the present value of the minimum lease payments accruing to the lessor, computed at a market rate of interest. The cost of sale recognised at the commencement of the lease term is the cost, or carrying amount if different, of the leased property less the present value of the unguaranteed residual value. The difference between the sales revenue and the cost of sale is the selling profit, which is recognised in accordance with the Group's policy for outright sales.

#### Leases in the financial statements of lessees

Leases which transferring a significant portion of the risks and rewards of ownership to the lessee are classified as financial leases. Financial leases are recorded as capital expenditures at the lower of the fair value of the leased assets as at the inception of the lease or the present value of the minimum lease payments. Financial lease obligation less financial expenses will record as corresponding long-term liabilities. Interest charges will record directly to statements of comprehensive income on over the term of the lease.

Leased assets are depreciated on over the useful lives of the leased assets.

5.16 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.

5.17 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.

#### 5.18 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.

#### 5.19 Incomes recognition

5.19.1 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.

5.19.2 Revenue from sales is recognized when the significant risks and rewards of ownership have been transferred to the buyer.

5.19.3 Revenue from service are recognized when the service has been provided to customer.

5.19.4 Interest income is recognised on an accrual basis based on the effective interest rate.

5.19.5 Dividend income is recognised when the right to receive the dividends is established.

5.19.6 Other incomes are recognized by accrual basis.

## 5.20 Expenses recognition

5.20.1 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.

5.20.2 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.

5.20.3 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.

5.20.4 Other expense is recognized on accrual basis.

5.21 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 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.

- 5.22 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.
- 5.23 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.
- 5.24 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.
- 5.25 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.



## 5.26 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.

## 6. 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:

### 6.1 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>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Other receivable				
PAE Technical Service Public Co., Ltd.	-	-	874	733
Pacific Resources International Limited (BVI)	-	-	10,798	10,798
Oasis Development Co., Ltd.	-	-	90	90
PAE Federal International Co., Ltd	-	-	98	1,582
PPS Energy & Marine Co., Ltd	-	-	2,372	731
Total	-	-	14,232	13,934
<u>Less</u> Allowance for doubtful debt	-	-	(11,529)	(11,190)
Net	-	-	2,703	2,744
Interest receivable				
PPS Energy & Marine Co., Ltd.	-	-	2,889	1,609
<u>Less</u> Allowance for doubtful debt	-	-	(2,889)	(1,609)
Net	-	-	-	-
Short-term loan				
PAE Energy Solution Co., Ltd				
Beginning balance	-	-	32,769	32,724
Increase in the year	-	-	-	45
Decreased during the year	-	-	-	-
Ending balance	-	-	32,769	32,769
Allowance for doubtful				
Beginning balance	-	-	(32,769)	(32,724)
Increase in the year	-	-	-	(45)
Decreased during the year	-	-	-	-
Ending balance	-	-	(32,769)	(32,769)
Net	-	-	-	-

(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>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Pacific Resources International Limited (BVI)				
Beginning balance	-	-	34,169	34,151
Increase in the year	-	-	-	18
Decreased during the year	-	-	-	-
Ending balance	-	-	34,169	34,169
Allowance for doubtful debt				
Beginning balance	-	-	(34,169)	(34,151)
Increase in the year	-	-	-	(18)
Decreased during the year	-	-	-	-
Ending balance	-	-	(34,169)	(34,169)
Net	-	-	-	-
Oasis Development Co., Ltd.				
Beginning balance	-	-	15,056	15,010
Increase in the year	-	-	-	46
Decreased during the year	-	-	-	-
Ending balance	-	-	15,056	15,056
Allowance for doubtful debt				
Beginning balance	-	-	(15,056)	(15,010)
Increase in the year	-	-	-	(46)
Decreased during the year	-	-	-	-
Ending balance	-	-	(15,056)	(15,056)
Net	-	-	-	-
Total	-	-	-	-
Long-term loans				
PPS Energy & Marine Co., Ltd.				
Beginning balance	-	-	16,000	16,000
Increase in the year	-	-	-	-
Decreased during the year	-	-	-	-
Ending balance	-	-	16,000	16,000

(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>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Allowance for doubtful debt				
Beginning balance	-	-	(16,000)	(16,000)
Increase in the year	-	-	-	-
Decreased during the year	-	-	-	-
Ending balance	-	-	(16,000)	(16,000)
Net	-	-	-	-
Total	-	-	-	-
Inter-acquired asset				
PAE Federal International Co., Ltd	-	-	3,170	-
PPS Energy & Marine Co., Ltd	-	-	650	-
Total	-	-	3,820	-

As at December 31, 2017 and 2016, short-term loans to related parties are unsecured loans, no inter-contracts and interest was not inter-charge.

As at December 31, 2017 and 2016, long-term loans to related parties are unsecured loan contract and period of loan contract are 18 month from the date of issue. Interest was charged at the rates of 8.00% per annum equally for both year.

(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>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Trade payable				
PAE Technical Service Public Co., Ltd	-	-	6	174
PAE Energy Solution Co.,Ltd.	-	-	135	135
Oasis Development Co., Ltd.	-	-	374	374
Total	-	-	515	683
Other payable				
Capital Engineering Network PLC	848	848	-	-
Federal Capital PTE Ltd.	93	-	-	-
Total	941	848	-	-

(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>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Advance received				
Khun Thanasedth Burinchotisin	520	-	-	-
Khun Somporn Mangmee	200	-	-	-
Total	720	-	-	-
Accrued expenses				
PAE Technical Service Public Co., Ltd	-	-	17	49
Accrued interest				
Khun Chintana Kaweewong	757	626	757	626
Khun Urairat Boonakas	-	-	-	-
Khun Paveera Srikesem	13	13	13	13
Total	770	639	770	639
Short-term loans				
Khun Chintana Kaweewong				
Beginning balance	2,625	2,625	2,625	2,625
Increase in the year	-	-	-	-
Paid during the year	-	-	-	-
Ending balance	2,625	2,625	2,625	2,625
Khun Urairat Boonakas				
Beginning balance	-	29	-	29
Increase in the year	-	-	-	-
Paid during the year	-	(29)	-	(29)
Ending balance	-	-	-	-
Federal Capital Pte Ltd.				
Beginning balance	1,490	-	-	-
Increase in the year	210	1,490	-	-
Debt forgiveness	(1,700)	-	-	-
Ending balance	-	1,490	-	-

(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>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Federal Hardware Engineering Co.Pte.Ltd				
Beginning balance	-	-	-	-
Increase in the year	13,676	-	-	-
Paid during the year	(13,466)	-	-	-
Debt forgiveness	(210)	-	-	-
Ending balance	-	-	-	-
Capital Engineering Network PLC				
Beginning balance	8,850	8,850	-	-
Increase in the year	-	-	-	-
Paid during the year	-	-	-	-
Ending balance	8,850	8,850	-	-
Total short-term loans	11,475	12,965	2,625	2,625

For the consolidated and separate financial statements as at December 31, 2017 and 2016, short-term loans from related person in amount of Baht 2.63 million for both year, are loan unsecured promissory notes and period of promissory note are 3 month from the date of issue. Interest was charged at the rates of 5.00% per annum equally for both year.

For the consolidated financial statements as at December 31, 2016, short-term loan from related parties of a foreign subsidiary in amount of Baht 1.49 million, are unsecured loan contract, and due at call. Interest was not inter-charge. Subsequently, on October 31, 2017, the subsidiary registered the dissolution, as a result, the loan has been terminated.

For the consolidated financial statements as at December 31, 2017 and 2016, short-term loan from related parties in amount of Baht 8.85 million for both year, was loan for working capital of a subsidiary with the loan contract, carried the interest rate of 4.76% per annum equally for both year.

## 6.2 Inter-revenues and expenses

(Unit: Thousand Baht)					
		<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>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Revenues from services					
PAE Technical Service Public Co., Ltd	Mutual agreed contract price	-	-	1,662	2,237
PAE Federal International Co., Ltd	Mutual agreed contract price	-	-	793	-
PPS Energy & Marine Co., Ltd	Mutual agreed contract price	-	-	1,277	-
Total		-	-	3,732	2,237
Rental income					
PAE Technical Service Public Co., Ltd	Mutual agreed contract price	-	-	2,270	1,813
PAE Federal International Co., Ltd	Mutual agreed contract price	-	-	150	205
PAE Energy & Marine Co.,Ltd..	Mutual agreed contract price	-	-	264	256
Total		-	-	2,684	2,274
Other income					
PAE Technical Service Public Co., Ltd	Mutual agreed contract price	-	-	4	33
PPS Energy & Marine Co., Ltd.	Mutual agreed contract price	-	-	6	120
PAE Federal International Co., Ltd	Mutual agreed contract price	-	-	-	1,048
Total		-	-	10	1,201
Interest income					
PPS Energy & Marine Co., Ltd.	8% per annum	-	-	1,280	1,284
Cost of services					
PAE Technical Service Public Co., Ltd	Mutual agreed contract price	-	-	356	490
Interest expense					
Khun Chintana Kaweewong	5% per annum	131	131	131	131
Federal Hardware Engineering Co.Pte.Ltd	1.50-5.00% per principle	350	-	-	-
Total		481	131	131	131



### Key management 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>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Short-term benefits	18,364	17,597	9,427	9,007
Post-employment benefits	2,514	2,588	575	555
Total	20,878	20,185	10,002	9,562

### 6.3 Relationship of related companies

<u>Name of related parties</u>	<u>Relationship</u>	<u>Nature of relationship</u>
PAE Technical Service Public Co., Ltd.	Subsidiary	Direct shareholding
Pacific Resources International Limited (BVI)	Subsidiary	Direct shareholding
PAE Energy Solution Co., Ltd.	Subsidiary	Direct shareholding
Oasis Development Co., Ltd	Subsidiary	Direct shareholding
PPS Energy & Marine Co., Ltd.	Subsidiary	Direct shareholding
PAE Federal International Co., Ltd	Subsidiary	Direct shareholding
Capital Engineering Network PLC	Related company	Major shareholder single group
Federal Capital PTE Ltd.	Related company	Shareholders of PAE Federal International Co., Ltd (45.00%)
Federal Hardware Engineering Co.Pte.Ltd	Related company	Affiliated Companies with Federal Capital PTE Ltd.
Khun Chintana Kaweewong	Related person	The Company's shareholding
Khun Urairat Boonakas	Related person	Former subsidiary's director

## 7. Trade and other receivables

Consisted 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>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Trade receivables non- related entities	162,702	187,909	113,147	136,791
<u>Less</u> Allowance for doubtful debt	<u>(90,220)</u>	<u>(93,053)</u>	<u>(71,052)</u>	<u>(69,420)</u>
Total trade receivables	<u>72,482</u>	<u>94,856</u>	<u>42,095</u>	<u>67,371</u>
Other receivables				
- Related entities	-	-	14,232	13,934
- Non- related entities	2,789	2,390	2,721	2,293
Accrued interest receivables				
- Related entities	-	-	2,889	1,609
- Non- related entities	72	116	64	116
Prepaid expense	13,951	13,294	13,056	11,989
Advance payment	5,666	5,589	5,479	5,410
Deposits	18,035	18,190	17,885	18,039
Total	<u>40,513</u>	<u>39,579</u>	<u>56,326</u>	<u>53,390</u>
<u>Less</u> Allowance for doubtful debt	<u>(35,043)</u>	<u>(34,140)</u>	<u>(49,250)</u>	<u>(46,797)</u>
Total other receivables	<u>5,470</u>	<u>5,439</u>	<u>7,076</u>	<u>6,593</u>
Total trade and other receivables	<u>77,952</u>	<u>100,295</u>	<u>49,171</u>	<u>73,964</u>

As at December 31, 2017 and 2016, 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>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Trade receivables				
Not yet due	52,012	43,826	30,668	26,735
Over due				
- Less than 3 months	8,036	35,082	1,766	22,917
- From 3 to 6 months	2,561	1,455	-	212
- From 6 to 12 months	282	680	-	7
- More than 12 months	99,811	106,866	80,713	86,920
Total	162,702	187,909	113,147	136,791
<u>Less</u> Allowance for doubtful debt	(90,220)	(93,053)	(71,052)	(69,420)
Total trade receivables	72,482	94,856	42,095	67,371

For the year ended December 31,2017 and 2016 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>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
As at January 1,	127,193	111,130	116,217	101,709
<u>Plus</u> Increased during the year	9,339	23,317	10,889	15,605
<u>Less</u> Reversal during the year	(10,152)	(1,116)	(5,687)	(1,042)
Repayment during the year	(1,117)	(6,138)	(1,117)	(55)
As at December 31,	125,263	127,193	120,302	116,217

## 8. Unbilled receivables

Consist of:

	(Unit : Thousand Baht)			
	<u>Consolidated</u>		<u>Separate</u>	
	<u>financial statements</u>		<u>financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Accrued revenue under service contracts	296,786	285,862	275,471	267,728
Completion value waiting for collection	5,169	18,150	5,169	15,843
Total	301,955	304,012	280,640	283,571
<u>Less</u> Allowance for doubtful debt	(236,022)	(235,321)	(235,321)	(235,321)
Net	65,933	68,691	45,319	48,250

As at December 31, 2017 and 2016, the completion value waiting for collection as follow :

	(Unit : Thousand Baht)			
	<u>Consolidated</u>		<u>Separate</u>	
	<u>financial statements</u>		<u>financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Value of contract	55,247	109,081	55,247	104,226
Revenue recognised on percentage				
of completion basis	55,100	68,396	55,100	64,133
<u>Less</u> Value of progress billings (Installment)	(49,931)	(50,246)	(49,931)	(48,290)
Completion value waiting for collection (Assets)	5,169	18,150	5,169	15,843

The additional data of construction in progress are as follow :-

	(Unit : Thousand Baht)			
	<u>Consolidated</u>		<u>Separate</u>	
	<u>financial statements</u>		<u>financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Cost of construction and gain are recognized				
(less loss are recognized) until present	55,100	68,396	55,100	64,133
<u>Less</u> Value of progress billings (Instalment)	(49,931)	(50,246)	(49,931)	(48,290)
Gross amounts due from customers	5,169	18,150	5,169	15,843

For the year ended December 31, 2017 and 2016, there was movement in the allowance for doubtful debts of unbilled receivables as follows :-

	(Unit : Thousand Baht)			
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
As at January 1,	235,321	235,321	235,321	235,321
<u>Plus</u> Increased during the year	701	-	-	-
As at December 31,	<u>236,022</u>	<u>235,321</u>	<u>235,321</u>	<u>235,321</u>

#### 9. Retention 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>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
On due according to contracts	851	3,792	464	3,573
Outstanding over credit term over 12 months	53,513	60,732	53,099	60,418
Total	54,364	64,524	53,563	63,991
<u>Less</u> Allowance for doubtful debts	(53,099)	(56,130)	(53,099)	(56,130)
Net	<u>1,265</u>	<u>8,394</u>	<u>464</u>	<u>7,861</u>

For the year ended December 31, 2017 and 2016, 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>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
As at January 1,	56,130	952	56,130	952
<u>Plus</u> Increased during the year	-	56,915	-	56,915
<u>Less</u> Reversal during the year	(3,031)	(1,737)	(3,031)	(1,737)
As at December 31,	<u>53,099</u>	<u>56,130</u>	<u>53,099</u>	<u>56,130</u>

Allowance for doubtful receivables from retention receivable of the consolidated and separate financial statement as at December 31, 2017 and 2016, as follows:-

	(Unit : Thousand Baht)	
	<u>Consolidated and separate</u>	
	<u>financial statements</u>	
	<u>As at December 31,</u>	
	<u>2017</u>	<u>2016</u>
A. The Capital Condominium Project	3,045	3,045
B. Element Srinakarin Project	10,876	10,876
C. Grace Land Khaolak Pang-Nga Project	26,403	26,403
D. Ramada Plaza Hotel Sukumvit Soi 15 Project	7,062	7,062
E. Modus Beach front Condominuim & AI Project	4,505	4,505
F. Niche Cars Project	-	2,930
G. Other Project	1,208	1,309
Total	53,099	56,130

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>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</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 debt	(90,811)	(90,811)	(90,811)	(90,811)
Net	-	-	-	-

For the year ended December 31, 2017 and 2016, the Company has movement of allowance for short-term loans and accrued interest income to other parties.

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
As at January 1,	90,811	90,811	90,811	90,811
Plus Increased during the year	-	-	-	-
As at December 31,	<u>90,811</u>	<u>90,811</u>	<u>90,811</u>	<u>90,811</u>

#### 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>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Finished goods	11,901	16,362	9,423	14,020
Less Allowance for decline in value of goods	(2,086)	(5,744)	(1,895)	(5,471)
Net	<u>9,815</u>	<u>10,618</u>	<u>7,528</u>	<u>8,549</u>

For the year ended December 31, 2017 and 2016, the Company has movement of allowance for decline in value of goods (Allowance for deteriorate and slow-moving) as follow:-

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
As at January 1,	5,744	4,450	5,471	4,309
Plus Increased during the year	85	1,295	-	1,162
Less Reversal during the year	(3,743)	(1)	(3,576)	-
As at December 31,	<u>2,086</u>	<u>5,744</u>	<u>1,895</u>	<u>5,471</u>



## 12. Restricted bank deposits

For the consolidated and separate financial statements as at December 31, 2017 and 2016, the Group has pledged the 12 months bank deposit-fixed account, carried at interest rate 0.75 – 1.50% per annum and 0.90 – 1.50% per annum respectively (Separate : 1.30% per annum and 1.05% – 1.50% per annum respectively), as collateral against letters of guarantee. as mentioned in Note no.37.1. However, the Company and its subsidiaries are allowed to withdraw the amount of interest.

## 13. Investments in subsidiaries

As at December 31, 2017 and 2016, investments in subsidiaries are as follows :-

Name	Separate financial statements									
	<u>Paid-up share capital</u>		<u>Investment ratio</u>		<u>Cost value</u>		<u>accumulated loss on</u>		<u>Carrying amount</u>	
							<u>impairment</u>			
	<u>(Million Baht)</u>		<u>(%)</u>		<u>(Thousand Baht)</u>		<u>(Thousand Baht)</u>		<u>(Thousand Baht)</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
PAE Energy Solution Co., Ltd.	5.00	5.00	99.99	99.99	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)	-	-
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.	1.00	1.00	54.94	54.94	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)	-	-
PAE Federal International Co., Ltd.	-	4.00	-	55.00	-	2,200	-	(2,200)	-	-
Total					253,695	255,895	(174,366)	(176,566)	79,329	79,329

For the year ended December 31, 2017 and 2016, subsidiaries have no dividend payment. Since the operating loss.

The Board of Directors Meeting No. 5/2560, dated September 18, 2017, passed resolution to PAE Federal International Co., Ltd. (subsidiary) to liquidation and settlement. This is because of the company has a low return on investment but has high operating risk and continuously loss. Currently, the subsidiary is in the process of liquidation.

For the year ended December 31, 2017 and 2016, the movement of accumulated loss on impairment of investments was as follows:

	(Unit : Thousand Baht)	
	<u>Separate financial statements</u>	
	<u>2017</u>	<u>2016</u>
As at January 1,	176,566	124,283
<u>Plus</u> Increase during the year	-	52,283
<u>Less</u> Reversal during the year	(2,200)	-
As at December 31,	<u>174,366</u>	<u>176,566</u>

#### 14. Non-controlling interests

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

	(Unit:Thousand Baht)			
	As at December 31, 2017			
	PPS Energy & Marine Co., Ltd.	PAE Technical Service Public Co., Ltd.	Other Subsidiaries	Total
Percentage of non-controlling interests	32.23	27.88		
Current assets	5,459	78,510		
Non-current assets	112,197	68,225		
Current liabilities	(107,884)	(16,363)		
Non-current liabilities	(34,689)	(9,951)		
Net assets	(24,917)	120,421		
Carrying amount of non-controlling interests	<u>(11,149)</u>	<u>33,578</u>	(10,406)	12,023
Revenue	7,240	153,029		
Loss for the year	(36,628)	(15,101)		
Other comprehensive profit for the year	-	496		
Total comprehensive loss for the year	<u>(36,628)</u>	<u>(14,605)</u>		
Loss for the year attributable to non-controlling interests	(11,805)	(4,211)	(723)	(16,739)
Other comprehensive loss for the period attributable to non-controlling interests	-	138	-	138

(Unit : Thousand Baht)

	As at December 31, 2016			
	PPS Energy & Marine Co., Ltd.	PAE Technical Service Public Co., Ltd.	Other Subsidiaries	Total
Percentage of 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	(11,554)	26,752
Revenues	15,052	178,647		
Loss for the year	(39,764)	(15,475)		
Other comprehensive loss for the year	-	(719)		
Total comprehensive loss for the year	(39,764)	(16,194)		
Loss for the year attributable to non-controlling interests	(12,816)	(4,314)	(1,268)	(18,398)
Total comprehensive loss for the year attributable to non- controlling interests	-	(200)	-	(200)

For the year ended December 31, 2017 and 2016, the Company have movement of non-controlling interests was as follows:-

	(Unit:Thousand Baht)	
	Consolidated financial statements	
	2017	2016
As at January 1,	26,752	45,350
<u>Plus</u> Share of loss for the year	(16,739)	(18,398)
Other comprehensive pofit (loss)	138	(200)
<u>Less</u> Liquidation of subsidiaries	1,872	-
As at December 31,	12,023	26,752

15. Investment property

Consisted of: -

(Unit : Thousand Baht)

		<u>Consolidated financial statements</u>		
		Land	Building	Total
<b>Cost:</b>				
As at January 1, 2016		38,587	13,474	52,061
As at December 31, 2016		38,587	13,474	52,061
As at December 31, 2017		38,587	13,474	52,061
<b>Accumulated depreciation</b>				
As at January 1, 2016		-	(13,474)	(13,474)
As at December 31, 2016		-	(13,474)	(13,474)
As at December 31, 2017		-	(13,474)	(13,474)
<b>Net book value :</b>				
As at December 31, 2016		38,587	-	38,587
As at December 31, 2017		38,587	-	38,587

(Unit : Thousand Baht)

		<u>Separate financial statements</u>
		Land
<b>Cost:</b>		
As at January 1, 2016		35,563
As at December 31, 2016		35,563
As at December 31, 2017		35,563
<b>Net book value :</b>		
As at December 31, 2016		35,563
As at December 31, 2017		35,563

For the consolidated financial statements as at December 31, 2017 and 2016, the Group has mortgaged land with construction, carrying amount of Baht 38.13 million equally for both years (Separate : Baht 35.11 million for the year), as collateral against the credit facility from the financial institutions as in Note 21 and 37.1.

For the consolidated and separate financial statements as at December 31, 2017 and 2016, Investment property as land and buildings are for the benefit of rental income and land held for currently undetermined future use.

For the consolidated and separate financial statements the fair value Level 2 of investment property in amounting Baht 75.07 million and Baht 65.04 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

Consist of: -

(Unit : Thousand Baht)

	Consolidated financial statements						
	Land and improvement	Building and improvement	Machinery and equipment	Vehicles	Furniture and equipment	Construction progress	Total
Cost :							
As at January 1, 2016	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 December 31, 2016	274,510	273,152	224,829	29,657	60,106	299	862,553
Acquisition	76	500	10,639	-	2,942	311	14,468
Transfer in /Transfer out	-	311	-	-	-	(311)	-
Disposal/Written-off	-	-	(39,091)	(3,135)	(9,417)	-	(51,643)
As at 31 December 2017	274,586	273,963	196,377	26,522	53,631	299	825,378
Accumulated depreciation:-							
As at January 1, 2016	(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)
Depreciation for the year	(28)	(9,835)	(22,112)	(3,810)	(5,229)	-	(41,014)
Disposal/Written-off	-	-	30,685	3,135	9,343	-	43,163
As at December 31, 2017	(36,808)	(142,220)	(132,898)	(21,899)	(43,117)	-	(376,942)
Allowance for impairment:-							
As at January 1, 2016	(58,832)	(13,589)	(2,403)	-	(35)	-	(74,859)
Loss from impairment	(10,124)	(33,911)	-	-	-	-	(44,035)
Reclassification	18,612	-	-	-	-	-	18,612
As at December 31, 2016	(50,344)	(47,500)	(2,403)	-	(35)	-	(100,282)
Loss from impairment	(535)	(6,555)	-	-	-	-	(7,090)
Reversal	76	-	-	-	-	-	76
As of December 31, 2017	(50,803)	(54,055)	(2,403)	-	(35)	-	(107,296)
Net book value :							
As at December 31, 2016	187,386	93,267	80,955	8,433	12,840	299	383,180
As at December 31, 2017	186,975	77,688	61,076	4,623	10,479	299	341,140

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

End of December 31, 2016	52,316
End of December 31, 2017	41,014

(Unit : Thousand Baht)

### 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, 2016	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
Acquisition	-	-	9,497	650	2,592	-	12,739
Transfer in /Transfer out	-	-	-	-	-	-	-
Disposal/Written-off	-	-	(6,149)	-	(9,236)	-	(15,385)
As at 31 December 2017	208,220	219,549	82,440	11,063	44,842	-	566,114
<b>Accumulated depreciation:-</b>							
As at January 1, 2016	(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)
Depreciation for the year	-	(7,973)	(6,446)	(498)	(4,059)	-	(18,976)
Disposal/Written-off	-	-	6,149	-	9,186	-	15,335
As at December 31, 2017	(36,669)	(127,550)	(54,667)	(9,422)	(37,145)	-	(265,453)
<b>Allowance for impairment:-</b>							
As at January 1, 2016	(54,730)	-	-	-	-	-	(54,730)
Loss from impairment	(10,124)	(33,911)	-	-	-	-	(44,035)
Reclassification	18,612	-	-	-	-	-	18,612
As at December 31, 2016	(46,242)	(33,911)	-	-	-	-	(80,153)
Loss from impairment	-	-	-	-	-	-	-
Reversal	76	-	-	-	-	-	76
As at December 31, 2017	(46,166)	(33,911)	-	-	-	-	(80,077)
<b>Net book value :</b>							
As at December 31, 2016	125,309	66,061	24,722	1,489	9,214	-	226,795
As at December 31, 2017	125,385	58,088	27,773	1,641	7,697	-	220,584

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

End of December 31, 2016	27,954
End of December 31, 2017	18,976



According to consolidated financial statements as at December 31, 2017, the Company recognized a loss on impairment of building and water supply plant unused in operation total Baht 7.09 million (Separate : As at December 31, 2016 amount Baht 25.42 million). The recoverable amount of assets calculated from fair value less by costs to sell that contain with the fair value of the land is determined based on the Market-Comparison Approach method and the fair value of the building and water supply plant calculated based on The Replacement-Cost Approach method which prepared by independent appraisers.

According to the consolidated financial statements as at December 31, 2017 and 2016, the Group have mortgaged land with construction in carrying amount of Baht 233.42 million and Baht 252.62 million respectively. (Separate : as at December 31, 2017 and 2016, amount Baht 143.06 million and Baht 149.02 million respectively), as collateral against the credit facility from the financial institutions as in Note no.21 and 37.1 and short-term loans from third parties as in note no.24.

According to the consolidated financial statements as at December 31, 2017 and 2016, the Group have the part of assets acquired under finance lease agreements the carrying amount of Baht 8.91 million and Baht 26.01 million respectively. (Separate : as at December 31, 2017 and 2016, amount Baht 1.07 million and Baht 1.49 million respectively).

According to the consolidated financial statements as at December 31, 2017 and 2016, the Group have the assets which had fully depreciated but they still used. The cost in amount of Baht 204.05 million and Baht 160.94 million respectively. (Separate : as at December 31, 2017 and 2016, amount Baht 169.20 million and Baht 136.73 million respectively).

According to the consolidated financial statements as of December 31, 2017 and 2016, the Group have unused assets these are land with construction and water supply plant in carrying amount of Baht 113.86 million and Baht 131.28 million respectively. (Separate : as at December 31, 2017 and 2016, amount Baht 35.84 million and Baht 37.30 million respectively).

According to the consolidated financial statements as at December 31, 2017 and 2016, the Group have buildings and water supply plant located on land owned by third-party in carrying amount of Baht 6.15 million and Baht 21.24 million, respectively. (Cost price on year 2017: Baht 48.97 million and year 2016: Baht 86.26 million respectively).

17. Intangible assets

All amount are software as follow:-

	(Unit : Thousand Baht)	
	<u>Consolidate</u>	<u>Separate</u>
	<u>financial statement</u>	<u>financial statement</u>
<b>Cost :</b>		
As at January 1, 2016	18,466	16,108
Acquisition	1,136	760
As at December 31, 2016	19,602	16,868
Acquisition	144	-
Transfer to expenses	(520)	(520)
As at December 31, 2017	19,226	16,348
<b>Accumulated amortization:</b>		
As at January 1, 2016	(11,320)	(10,663)
Amortization	(2,104)	(1,841)
As at December 31, 2016	(13,424)	(12,504)
Amortization	(2,005)	(1,723)
Transfer to expense	430	430
As at December 31, 2017	(14,999)	(13,797)
<b>Allowance for impairment:-</b>		
As at January 1, 2016	-	-
Impairment losses	-	-
As at December 31, 2016	-	-
Impairment losses	(130)	(130)
As at December 31, 2017	(130)	(130)
<b>Net book value :</b>		
As at December 31, 2016	6,178	4,364
As at December 31, 2017	4,097	2,421

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

End of December 31, 2016	2,104	1,841
End of December 31, 2017	2,005	1,723

## 18. Goodwill

Consist of:

	(Unit : Thousand Baht)	
	<u>Consolidated financial statements</u>	
	<u>As at December 31</u>	
	<u>2017</u>	<u>2016</u>
Goodwill	34,804	34,804
<u>Less</u> Allowance for impairment	(34,804)	(34,804)
Net	-	-

All amount of goodwill is from the purchase price of the common shares (consideration transferred) of PPS Energy and Marine Co., Ltd (Subsidiary company) is higher than the fair value of net assets of the subsidiary at the acquisition date and after the acquisition the management of the Company has found that the subsidiary has not complied performance with the business plan because of the impact of not being able to increase capital in 2015. The management is therefore evaluating the recoverable amount of cash generating unit (CGU) of a subsidiary (assets used in tap water production) and individual assets (non-operating assets). After testing, the Company's management has determined that the recoverable amount is lower than the carrying amount of the subsidiary's investment. As a result, the management is realizing whole amount of loss of impairment of goodwill.

## 19. Deferred tax assets and liabilities

Deferred tax assets and liabilities as at December 31, 2017 and 2016 were as follows :-

	(Unit : Thousand Baht)	
	<u>Consolidated financial statements</u>	
	<u>As at December 31,</u>	
	<u>2017</u>	<u>2016</u>
Deferred tax assets	11,107	12,695
Deferred tax liabilities	(7,852)	(7,847)

Movements of deferred tax assets and liabilities for the years ended December 31, 2017 and 2016 were as follows:-

(Unit : Thousand Baht)

	Consolidated financial statements			
	As at January 1, 2017	Recognized in the profit (loss) for the year	Recognized in the other comprehensive income	As at December 31, 2017
Deferred tax assets				
Trade receivables	1,182	(893)	-	289
Property, plant and equipment	10,052	(978)	-	9,074
Employee benefits obligation	1,461	407	(124)	1,744
Total	12,695	(1,464)	(124)	11,107
Deferred tax liabilities				
Water rights	(845)	13	-	(832)
Receivables under financial lease contract	(6,720)	182	-	(6,538)
Asset under financial lease contract	(1,377)	430	-	(947)
Liabilities under financial lease contract	1,095	(630)	-	465
Total	(7,847)	(5)	-	(7,852)
Net	4,848	(1,469)	(124)	3,255

(Unit : Thousand Baht)

	Consolidated financial statements				
	As at January 1, 2016	Loss from impairment	Recognized in the profit (loss) for the year	Recognized in the other comprehensive income	As at December 31, 2016
Deferred tax assets					
Trade 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 financial lease contract	(6,877)	-	157	-	(6,720)
Asset under financial lease contract	-	-	(1,377)	-	(1,377)
Liabilities under financial lease contract	-	-	1,095	-	1,095
Total	(8,342)	-	495	-	(7,847)
Net	7,793	(6,196)	3,072	179	4,848

## 20. Receivable under financial lease contract

Consist of:

	(Unit : Thousand Baht)	
	<u>Consolidated financial statements</u>	
	<u>As at December 31,</u>	
	<u>2017</u>	<u>2016</u>
Receivable under financial lease contract		
- Within 1 year	3,085	3,023
- More than 1 year	48,233	51,319
Total receivable under financial lease contract	51,318	54,342
<u>Less</u> Deferred interest income	(18,625)	(20,744)
The present value of receivable under financial lease contract	32,693	33,598
<u>Less</u> Current portion	(1,028)	(905)
Net	31,665	32,693

As at December 31, 2017 and 2016, 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 subsidiary must invest in the building and tap water supply plant included to proceed to the machine is in working condition under the requirements of the employer. After the subsidiary delivers the assets to the employer within 180 days from the date of the contract, the subsidiary 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. Defaulted debts

Consist of:

(Unit : Thousand Baht)

	<u>Consolidated</u>		<u>Separate</u>	
	<u>financial statements</u>		<u>financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Minimum lease payments under financial lease contracts	16,808	17,507	-	-
Less Deferred input tax	(906)	(906)	-	-
Liabilities under financial lease contracts	15,902	16,601	-	-
Bank overdraft	30,000	30,000	30,000	30,000
Short-term loans (promissory note)	20,141	24,141	20,141	24,141
Long-term loans	343,886	350,201	333,207	333,207
Accrued interest expense	81,067	51,484	68,088	42,063
Total	490,996	472,427	451,436	429,411

### The Company of defaulted debts

As at December 31, 2017 and 2016, the Company has overdraft of Baht 30.00 million for both year short-term loan of Baht 20.14 million and long-term loan of Baht 333.21 million for both years. The whole amount is a loan from a financial institution.

Long-term loan 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, bearing interest at the rate as referred to Standard Profit Rate Long-term (SPRL) plus 0% to 0.5% per annum.

Accrued interest is calculated at the highest interest rate in the case of default of the bank lender (18% 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.

### A subsidiary of defaulted debts

#### Liabilities financial lease contract

As at December 31, 2017 and 2016, has outstanding in amount of Baht 26.59 million and Baht 26.10 million respectively, consisted of : the principal in amount Baht 15.90 million and Baht 16.60 million respectively, (net VAT in amount Baht 0.91 million) and accrued interest expenses in amount Baht 10.69 million and Baht 9.50 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, 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.

On July 14, 2017, subsidiary, a former director of a subsidiary and one company (A counterparty to subsidiary) was sued by a financial institution to the Civil Court in Black Case No. วป.4709/2560, in the case of breach of a hire purchase contract, a guarantee of recovery of property. It requires the subsidiary to deliver 2 machines in working condition to the creditors. If unable to deliver, the subsidiary and the defendant must jointly compensate Baht 51.77 million, including principal included VAT of Baht 16.81 million, accrued interest expenses of Baht 0.70 million (calculated for filing), late payment of Baht 9.99 million, and delinquent amount of Baht 24.27 million. Currently, in between filed for declaration to close the case within April 5, 2018.

#### Long-term loan

As at December 31, 2017 and 2016, Long-term loan classified to defaulted debts are as follow: -

<u>Credit Line</u>		<u>Outstanding balance</u>		<u>Accrued interest expenses</u>		<u>Repayment of principal and interest</u>
<u>(Million Baht)</u>		<u>(Million Baht)</u>		<u>(Million Baht)</u>		
<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	
4.00	4.00	3.50	3.50	1.31	0.13	<ul style="list-style-type: none"> <li>- Term of repayment for principal and interest every month period 1<sup>st</sup> – 9<sup>th</sup> will settle the interest only on a monthly basis, period 10<sup>th</sup> – 45<sup>th</sup> will settle by Baht 20,000.00 installment, , period 46<sup>th</sup> – 81<sup>th</sup> will settle by Baht 34,400.00 installment and period 82<sup>th</sup> onwards will settle Baht 43,000.00 installment, To complete within 130 months from the date of first drawdown (by 2023).</li> <li>- Interest paid monthly from first withdrawal date.</li> <li>- Interest rate is MLR per annum, the creditors start to calculated the default interest from August 30, 2016 (default interest rate of 18% per annum).</li> </ul>

<u>Credit Line</u>		<u>Outstanding balance</u>		<u>Accrued interest expenses</u>		<u>Repayment of principal and interest</u>
<u>(Million Baht)</u>		<u>(Million Baht)</u>		<u>(Million Baht)</u>		
<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	
10.00	10.00	2.44	8.75	0.01	0.32	<ul style="list-style-type: none"> <li>- Term of repayment for principal and interest every month period 1<sup>st</sup> – 9<sup>th</sup> will settle the interest only on a monthly basis, period 10<sup>th</sup> – 45<sup>th</sup> will settle by Baht 50,000.00 installment, period 46<sup>th</sup> – 81<sup>th</sup> will settle by Baht 85,700.00 installment and period 82<sup>th</sup> onwards will settle Baht 107,000.00 installment, To complete within 130 months from the date of first drawdown (by 2023).</li> <li>- Interest paid monthly from first withdrawal date.</li> <li>- Interest rate is MLR per annum, the creditors start to calculated the default interest from September 30, 2016 (default interest rate of 18% per annum).</li> </ul>
6.00	6.00	4.74	4.74	0.96	0.18	<ul style="list-style-type: none"> <li>- Term of repayment for principal and interest every month period 1<sup>st</sup> – 12<sup>th</sup> will settle the interest only on a monthly basis, and period 13<sup>th</sup> onwards will settle Baht 50,000.00 installment, complete within 132 months from the date of first drawdown (by 2023).</li> <li>- Interest paid monthly from first withdrawal date.</li> <li>- Interest rate is MLR per annum, the creditors start to calculated the default interest from September 30, 2016 (default interest rate of 18% per annum).</li> </ul>
20.00	20.00	10.68	16.99	2.28	0.63	

On May 22, 2017, the subsidiary and one of former director was sued by a financial institution to the civil court in black case no. ว11.2848/2560 on offense about breach of loan agreement, guarantee and mortgage agreement by request to the subsidiary company and former directors to pay principal and accrued interest of Baht 12.97 million (debt load as at May 22, 2017), consisting the principal of Baht 10.68 million and accrued interest expense of Baht 2.29 million. And on December 7, 2017, the creditor filed a claim with Thai Credit Guarantee Corporation (TCG) for Baht 8.75 million. The court found that the subsidiary intended to pay the debt and the contract party was conduct to the consent agreement. However, the creditor has yet to receive information about the present outstanding debt. The court allowed the postponement of the appointment for compromise and examination testimony to May 28, 2018.

As at December 31, 2017, the management of the subsidiary has classified defaulted debts as consistd the principal amounting Baht 6.31 million and accrued interest expenses amounting Baht 2.44 million totaling amount Baht 8.75 million (Credit line Baht 10.00 million) as long-term loan from financial institutions.

The overdue debt for the entire amount of the guarantee by land included buildings, ownership of the Company and subsidiary and well water supply plant are owned by the subsidiary as described in Note no.15 and 16.



## 22. Trade and other payables

Consist of:

	(Unit : Thousand Baht)			
	<u>Consolidated</u>		<u>Separate</u>	
	<u>financial statements</u>		<u>financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Trade payables				
- Related parties	-	-	515	683
- Third – parties	193,796	226,767	186,845	219,077
Post-date cheque	862	718	862	-
Total trade payables	194,658	227,485	188,222	219,760
Other payables				
Other payables				
- Related parties	941	848	-	-
- Third – parties	46,314	45,435	35,819	35,315
Assets payable	3,760	10,012	-	-
Accrued expenses				
- Related parties	-	-	17	49
- Third – parties	12,175	14,807	5,360	6,647
Accrued interests expenses				
- Related parties	770	639	770	639
- Third – parties	12,284	14,971	9,705	13,622
Advance received				-
- Related parties	720	-	-	-
- Third – parties	507	715	-	-
The guarantee of entering into a joint venture agreement	10,000	-	-	-
Total other payables	87,471	87,427	51,671	56,272
Total trade and other payables	282,129	314,912	239,893	276,032

The Group had trade and other payable and accrued interest expenses of Baht 29.60 million and Baht 65.55 million respectively, (Separate : Baht 28.61 million and Baht 54.56 million respectively), the liabilities was lawsuit by the creditors as discussed in Note no.38.

The guarantee of entering into a joint venture agreement of Baht 10.00 million is the guarantee between PPS Energy and Marine Co., Ltd (a subsidiary) and the counterparties as described in note to financial statement No.37.5.

### 23. Retention payables

As at December 31 2017 and 2016, the Company had retention payables of Baht 1.68 million for the both year, the liabilities was lawsuit by the creditors as discussed in Note no.38.

### 24. Short-term loan from third - 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>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Short-Term loan from other entities	62,994	62,994	27,589	27,589
Short-Term loan from other persons	6,440	4,940	-	-
Total	<u>69,434</u>	<u>67,934</u>	<u>27,589</u>	<u>27,589</u>

According to the consolidated and separate financial statements as at December 31, 2017 and 2016, short-term loan from other entity is in amount of Baht 27.59 million for both year, 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 is a loan that has been pledged by the creditors as discussed in Note no. 38.

According to the consolidated financial statements as December 31, 2017 and 2016, short-term loan from other entity in amount of Baht 35.40 million for both year, was liabilities of a subsidiary with WNSR Pacific Company Limited without contract and interest.

According to the consolidated financial statements as at December 31, 2017 and 2016, 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 for both year. A part loan in amount of Baht 6.00 million (credit line in amount Baht 10.00 million) is secured by the land (well) which belongs to a subsidiary, the carrying amount of Baht 32.54 million.

## 25. Long-term loan from financial institutions

Consist of:

(Unit : Thousand Baht)

	<u>Consolidated</u>		<u>Separate</u>	
	<u>financial statements</u>		<u>financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Long-term loan from financial institutions	22,206	26,095	-	-
Long-term loan from TCG	8,750	-	-	-
<u>Less</u> Current portion	(2,464)	(7,583)	-	-
Net	28,492	18,512	-	-

The movement in the long-term loans from financial institutions for the year ended December 31, 2017 and 2016, are as follow:-

(Unit : Thousand Baht)

	<u>Consolidated</u>		<u>Separate</u>	
	<u>financial statements</u>		<u>financial statements</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
As at January 1,	26,095	385,748	-	335,452
<u>Plus</u> Transferred from debt default	8,750	-	-	-
<u>Less</u> Repayment	(3,889)	(9,452)	-	(2,245)
Total	30,956	376,296	-	333,207
<u>Less</u> Reclassified to defaulted debt	-	(350,201)	-	(333,207)
As at December 31,	30,956	26,095	-	-

### The Company

Presently, the Company stopped to pay the principal and accrued interest expenses 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 expenses are due and recorded as current liabilities under the subject "Defaulted debts " (see note to financial statement no. 21).

### The subsidiary

The subsidiary has stop to pay principal and accrued interest expenses to a financial institution since 2015 due to the termination of the contract by a contracting party. As a result, the subsidiary has severe liquidity problems, the management of the subsidiary has classified all principal and accrued interest expenses as current liabilities under subject "Debt default" (see note to financial statement no. 21).

As at December 31, 2017 and 2016, long-term loans from financial institutions are as follow :-

<u>Credit Line</u>		<u>Outstanding balance</u>		<u>Interest rate</u>		<u>Repayment of principal and interest rate</u>
<u>(Million Baht)</u>		<u>(Million Baht)</u>		<u>(% p.a.)</u>		
<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	
5.00	5.00	-	0.20	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 May 10, 2017. - Interest paid monthly from first withdrawal date.
40.00	40.00	22.21	25.90	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) ( Currently, repayment instalments in amount of Baht 616,000.00 and debt moratorium in a period 12 month from the August 2017). - Interest paid monthly from first withdrawal date.
10.00	-	8.75	-	7.50	-	- Repayment all principle and interest under the agreement within January 7, 2018. Currently, the subsidiary is in the process of negotiating for extension of repayment period with the creditor.
55.00	45.00	30.96	26.10			

The credit line of long-term loan of the subsidiaries have pledged the water supply plants as mentioned in the notes to financial statements No. 20, and the former subsidiary's directors offered their guarantee.

## 26. Liabilities under financial lease contracts

Consist of :

	(Unit : Thousand Baht)			
	<u>Consolidated</u>		<u>Separate</u>	
	<u>financial statements</u>		<u>financial statements</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Liabilities under financial lease contracts				
- Within 1 year	1,953	3,814	386	571
- Over 1 year but not over 5 years	1,005	2,946	213	599
Total liabilities financial lease contracts	2,958	6,760	599	1,170
<u>Less</u> Future interest	(219)	(202)	(75)	(96)
Total present value of liabilities under financial lease contracts	2,739	6,558	524	1,074
<u>Less</u> Current portion	(1,795)	(3,681)	(333)	(510)
Net	944	2,877	191	564

As at December 31, 2017 and 2016, the Group has entered into 13 and 27 financial lease and hire-purchase contracts to purchase vehicles respectively (Separate : 2 contracts for both year), with 3 of the financial institutions (Separate : 1 financial institution for both year), the monthly repayable is Baht 0.18 million and Baht 0.38 million respectively (Separate : the monthly repayable is Baht 0.05 million for both year) and the contract duration contract of 3-5 years for both year (Separate : contract 3-4 years for both year), which were guaranteed by the Subsidiary's directors. When all the contractual payment have been paid the hire-purchase contracts, the ownership of the said vehicles would automatically belong to the Group but financial leases contract the vehicle's ownership still be the lessor until the Group decides to purchase it.

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

	(Unit : Thousand Baht)		
	<u>Consolidated financial statement</u>		
	<u>As at December 31, 2017</u>		
	<u>Within 1 year</u>	<u>1 - 5 years</u>	<u>Total</u>
Future minimum lease payments	1,953	1,005	2,958
Deferred interest expense	(158)	(61)	(219)
Present value of future minimum lease payments	1,795	944	2,739

(Unit : Thousand Baht)

Consolidated financial statement

As at December 31, 2016

	<u>Within 1 year</u>	<u>1 - 5 years</u>	<u>Total</u>
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)

Separate financial statement

As at December 31, 2017

	<u>Within 1 year</u>	<u>1 - 5 years</u>	<u>Total</u>
Future minimum lease payments	386	213	599
Deferred interest expense	(53)	(22)	(75)
Present value of future minimum lease payments	333	191	524

(Unit : Thousand Baht)

Separate financial statement

As at December 31, 2016

	<u>Within 1 year</u>	<u>1 - 5 years</u>	<u>Total</u>
Future minimum lease payments	571	599	1,170
Deferred interest expense	(61)	(35)	(96)
Present value of future minimum lease payments	510	564	1,074

## 27. Employee benefits obligation

For the year ended December 31, 2017 and 2016, employee benefits obligation has the movement as follows:

(Unit : Thousand Baht)

	<u>Consolidated</u>		<u>Separate</u>	
	<u>financial statements</u>		<u>Financial statements</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Employee benefit obligation as at January 1,	20,458	15,356	13,097	9,819
Current service cost and interest	6,096	4,268	4,062	2,836
Actuarial gain (losses) arising from defined benefit plan	(619)	1,338	-	442
Gain (losses) from actual payment	(279)	(504)	(279)	-
Employee benefit obligations as at December 31,	<u>25,656</u>	<u>20,458</u>	<u>16,880</u>	<u>13,097</u>

(Revenue) expenses are recognized in the statement of comprehensive income for the year ended December 31, 2017 and 2016, as follows :-

(Unit:Thousand Baht)

	<u>Consolidated financial</u>		<u>Separate financial</u>	
	<u>statements</u>		<u>statements</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Current service cost	5,448	3,786	3,638	2,545
Interest expense	647	482	424	291
Actuarial gain (losses) arising from defined benefit plan	(619)	1,338	-	442
Gain (losses) from actual payment	(279)	-	(279)	-
Total	<u>5,197</u>	<u>5,606</u>	<u>3,783</u>	<u>3,278</u>

Principal actuarial assumptions as at December 31, 2017 and 2016:-

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Discount rate	2.71%-3.40%	3.40%-3.50%	3.40%	3.40%
Average salary increase rate	2.70%-10.00%	2.70%-10.00%	2.70%-10.00%	2.70%-10.00%
Employee turnover rate	5.00%-40.00%	7.00%-40.00%	7.00%-40.00%	7.00%-40.00%
Retirement age	60 years	60 years	60 years	60 years

## 28. Share capital

For the year ended December 31, 2017 and 2016, the movements of authorized share capital and issued and paid-up share capital are as follows:

Consolidated and Separate financial statements					
		2017		2016	
	Per value	Number of share	Amount	Number of share	Amount
	(Baht : Share)	(Thousand shares)	(Thousand Baht)	(Thousand shares)	(Thousand Baht)
<u>Authorized share capital</u>					
Ordinary shares as at January 1,	1.00	8,051,717	8,051,717	8,051,717	8,051,717
Ordinary shares as at December 31,	1.00	8,051,717	8,051,717	8,051,717	8,051,717
<u>Issued and paid-up share capital</u>					
Ordinary shares as at January 1,	1.00	2,770,890	2,770,890	2,770,741	2,770,741
Warrants	1.00	-	-	149	149
Ordinary shares as at December 31,	1.00	2,770,890	2,770,890	2,770,890	2,770,890

## 29. 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 (Shares)	Expiry date of warrant
PAE-W1	November 3, 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.

### 30. Basic loss per share

For the year ended December 31, 2017 and 2016, the basic loss per share were calculated from the loss for the year attributable to ordinary shareholders of the Company (excludes other comprehensive income) and the weighted average number of ordinary share outstanding during the year as follows :-

	<u>Consolidated financial statements</u>	
	<u>For the year ended December 31,</u>	
	<u>2017</u>	<u>2016</u>
Loss attributable to ordinary shareholders of the Company (Thousand Baht)	(145,301)	(239,466)
Weighted average number of ordinary shares for the period (Thousand share)	2,770,890	2,770,766
Basic loss per share (Baht)	(0.052)	(0.086)
	<u>Separate financial statements</u>	
	<u>For the year ended December 31,</u>	
	<u>2017</u>	<u>2016</u>
Loss attributable to ordinary shareholders of the Company (Thousand Baht)	(111,916)	(240,267)
Weighted average number of ordinary shares for the period (Thousand share)	2,770,890	2,770,766
Basic loss per share (Baht)	(0.040)	(0.087)

### 31. 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, 2017 and 2016, the consolidated financial statements have shown the debt to equity ratio in (2.41) : 1 and (3.42) : 1 respectively, and the separate financial statements have shown the debt to equity ratio in (2.07) : 1 and (2.57) : 1 respectively.

## 32. Income tax (expense) revenue

Income tax which is recognized in profit or loss consist of:

	(Unit:Thousand Baht)	
	<u>Consolidated financial statements</u>	
	<u>For the year ended December 31,</u>	
	<u>2017</u>	<u>2016</u>
Current income tax		
Current income tax (expense) revenue	-	-
Deferred income tax		
Deferred income tax (expense) revenue (note no. 19)	(1,469)	3,072
Income tax (expense) revenue recognized in profit or loss for the year	<u>(1,469)</u>	<u>3,072</u>

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

	(Unit:Thousand Baht)	
	<u>Consolidated financial statements</u>	
	<u>For the year ended December 31,</u>	
	<u>2017</u>	<u>2016</u>
Actuarial gain(loss) arising from defined benefit plan of employees	124	(179)

The Group is not liable to corporate income tax for the year ended December 31, 2017 and 2016, because due to tax loss in the current year.

As at December 31, 2017 and 2016 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 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</u>		<u>Separate</u>	
	<u>financial statements</u>		<u>financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
<u>Deferred tax assets</u>				
Allowance for doubtful account doubtful and allowance for impairment				
- Allowance for doubtful debt	8,693	9,934	8,693	9,934
- Allowance for impairment of land and buildings	20,379	18,748	16,015	16,031
- Allowance for impairment of investments in subsidiaries	-	-	34,873	35,313
- Allowance for retention	8,203	8,789	8,203	8,789
Liability under financial leases contracts receivable	110	217	110	215
Employee benefits obligation	3,376	2,619	3,376	2,619
Estimated loss from construction contract	4	1,138	4	1,138
Estimated loss from litigation	8,202	-	8,202	-
Unbilled costs	1,053	1,817	1,053	1,817
Total	50,020	43,262	80,529	75,856
<u>Deferred tax liabilities</u>				
Assets under financial lease contract	213	303	213	298
<u>Unused tax losses</u>				
Tax losses carry forward	155,373	162,939	132,400	146,621

As at December 31, 2017 and 2016, 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>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Expiring year of tax benefits				
2017	-	27,378	-	27,348
2018	47,873	47,873	41,932	41,932
2019	53,674	53,674	48,172	48,172
2020	34,014	34,014	29,169	29,169
2021	19,812	-	13,127	-
Total	155,373	162,939	132,400	146,621

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

### 33. 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>2560</u>	<u>2559</u>	<u>2560</u>	<u>2559</u>
Changes in inventories and work in progress	4,461	(2,656)	4,597	39
Raw materials and consumables used	125,453	167,059	76,073	108,431
Loss from decline in value of inventories (reversal)	(3,658)	1,342	(3,576)	1,162
Loss on construction contract	19	5,691	19	5,691
Loss on impairment of assets (reversal)	7,014	31,619	(76)	25,423
Loss on write-off of property, plant and equipment	8,423	-	-	-
Loss on impairment of investment in subsidiaries	-	-	-	52,283
Loss on impairment of goodwill	-	13,800	-	-
Employee Expense	268,668	320,125	180,463	212,019
Management's remuneration	18,364	27,726	9,427	15,679
Depreciation and amortization	43,019	57,517	20,699	29,795
Provision for loss on litigation claim	41,101	-	41,101	-
Doubtful accounts	(814)	76,307	4,500	72,822
Loss from liquidation of subsidiaries	-	-	2,366	-
Withholding tax is amortized	4,110	2,018	-	2,018
Other Expenses	41,458	54,141	18,245	29,104
Total	557,618	754,689	353,838	554,466

### 34. Operating segment

Information on business sector operations is as follows :-

(Unit : Thousand Baht)

Consolidated financial statements							
For the year ended December 31, 2017							
	Civil construction	Oil and gas service	Water production	Other segment	Total segment	Eliminated items	Total
Revenue from sales and services							
Outside customers	82,715	321,144	9,358	6,754	419,971	-	419,971
Iner-segment	-	2,135	3,023	3,170	8,328	(8,328)	-
Total	82,715	323,279	12,381	9,924	428,299	(8,328)	419,971
Cost of sales and services	(88,468)	(297,972)	(19,559)	(9,279)	(415,278)	10,161	(405,117)
Gross profit (loss)	(5,753)	25,307	(7,178)	645	13,021	1,833	14,854
Other incomes							10,297
Selling expenses							(3,536)
Administrative expenses							(133,529)
Loss on impairment of property, plant and equipment	-	76	(7,090)	-	(7,014)	-	(7,014)
Loss on write-off of property, plant and equipment	-	-	(9,564)	-	(9,564)	1,141	(8,423)
Finance costs							(33,219)
Loss before income tax expenses							(160,570)
Income tax expenses							(1,470)
Non-controlling interests							16,739
Loss attributable to the Parent Company							(145,301)
<b>Segment assets :</b>							
Fixed asset	50,020	101,795	67,170	6,562	225,547	-	225,547
Receivables under financial lease contract	-	-	32,693	-	32,693	-	32,693
Water rights	-	-	4,160	-	4,160	-	4,160
Unallocated assets							440,742
Total assets							703,142

For the year ended December 31, 2017, the Group have revenues from operation from major customer, as 45.73 % of the revenues from operation.

(Unit : Thousand Baht)

<u>Consolidated financial statements</u>							
<u>For the year ended December 31, 2016</u>							
	<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	12,919	503	530,466	-	530,466
Iner-segment	-	2,204	2,961	33	5,198	(5,198)	-
Total	134,211	385,037	15,880	536	535,664	(5,198)	530,466
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	(6,143)	(3,375)	28,127	(15,158)	12,969
Other incomes							19,978
Selling expenses							(4,005)
Administrative expenses							(207,763)
Loss on impairment of property, plant and equipment	-	(25,423)	-	-	(25,423)	-	(25,423)
Finance costs							(56,693)
Loss before income tax revenue							(260,937)
Income tax revenue							3,072
Non-controlling interests							18,399
Loss attributable to the Parent Company							(239,466)
<b>Segment assets :</b>							
Fixed asset	27,215	151,150	90,320	8,056	276,741	-	276,741
Receivables under							
financial lease contract	-	-	33,598	-	33,598	-	33,598
Water rights	-	-	4,224	-	4,224	-	4,224
Unallocated assets							506,522
Total assets							821,085

For the year ended December 31, 2016, the Group have revenues from operation from major customer, as 43.60 % of the revenues from operation.

### 35. Additional cash flow information

#### 35.1 Cash and cash equivalents items as following details :-

Consist of :

	<u>Consolidated</u>		<u>Separate</u>	
	<u>financial statements</u>		<u>financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Cash	300	644	189	224
Cheque received	241	389	-	-
Deposits at banks	47,079	38,489	27,990	11,055
Total	47,620	39,522	28,179	11,279

As at December 31, 2017 and 2016 deposits saving accounts and fixed deposits of the Group bearing interest at the rates of 0.37% to 0.40% per annum (2016 : 0.38% to 0.80% per annum) ( Separate : 0.37% to 0.40% per annum, 2016 : 0.38% to 0.50% per annum).

#### 35.2 Non- cash transactions

Consisted of :-

(Unit : Thousand Baht)

	<u>Consolidated</u>		<u>Separate</u>	
	<u>financial statements</u>		<u>financial statements</u>	
	<u>For the year end December 31,</u>			
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Transfer deferred value added tax to offsetting liabilities under				
financial lease contract	189	-	77	-
Transfer accrued interest expenses to defaulted debts	4,401	-	4,401	-
Transfer defaulted debts to long-term loan from financial institution	8,750	-	-	-
Transfer other payables to estimated loss from litigation	25,970	-	25,970	-
Offsetting cash from sale vehicle with other payable				
(Advance received from director)	234	-	-	-
Offsetting other payables with work in construction	-	2,616	-	-
Transfer advance receive from construction contracts				
to estimated loss from litigation	16,361	-	16,361	-
Transfer retention payable to estimate loss from litigation	53	-	53	-
Transfer estimated delay penalty to estimate loss from litigation	22,910	-	22,910	-
Actuarial gains (loss) arising from defined benefit plan of employees	357	(1,159)	-	(442)

### 36. 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, 2017						
	Fixed interest rates						Interest rate
	Within 1 year	1- 5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total	Real (Percentage per year)
<b>Financial assets</b>							
Cash and cash equivalents	-	-	-	46,827	793	47,620	0.37-0.40
Trade and other receivables	-	-	-	-	77,116	77,116	-
Unbilled receivables	-	-	-	-	65,933	65,933	-
Retentions receivable	-	-	-	-	1,265	1,265	-
Receivable under financial lease contracts	1,028	5,521	26,144	-	-	32,693	5.32
Restricted bank deposits	2,000	-	-	10,873	-	12,873	0.75-1.50
Total	3,028	5,521	26,144	57,700	145,107	237,500	
<b>Financial liabilities</b>							
Defaulted debts	-	-	-	409,929	81,067	490,996	15.00-18.00
Trade and other payables	-	-	-	-	280,902	280,902	-
Advance receive from construction contracts	-	-	-	-	62,726	62,726	-
Retention payable	-	-	-	-	27,695	27,695	-
Short-term loans from other persons and parties	34,029	-	-	-	35,405	69,434	8.00-10.00
Short-term loans from related persons	11,475	-	-	-	-	11,475	4.76-8.00
Long-term loans from financial institutions	8,750	-	-	22,206	-	30,956	MLR+0.50,7.50
Liabilities under financial lease contracts	1,795	944	-	-	-	2,739	2.80-8.36
Total	56,049	944	-	432,135	487,795	976,923	



(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	-	-	-	36,610	2,912	39,522	0.38-0.80
Trade and other receivables	-	-	-	-	100,295	100,295	-
Unbilled receivables	-	-	-	-	68,691	68,691	-
Retentions receivable	-	-	-	-	8,394	8,394	-
Receivable under financial lease contract	904	4,935	27,758	-	-	33,597	5.32
Restricted bank deposits	-	-	-	15,594	-	15,594	0.90-1.50
<b>Total</b>	<b>904</b>	<b>4,935</b>	<b>27,758</b>	<b>52,204</b>	<b>180,292</b>	<b>266,093</b>	

## Financial liabilities

Defaulted debts	-	-	-	420,943	51,484	472,427	7.75-15.00
Trade and other payables	-	-	-	-	314,197	314,197	-
Advance receive from construction contracts	-	-	-	-	79,086	79,086	-
Retention payable	-	-	-	-	27,504	27,504	-
Short-term loans from other persons and parties	32,529	-	-	-	35,405	67,934	8.00-10.00
Short-term loans from related persons	11,475	-	-	-	1,490	12,965	4.76-8.00
Long-term loans from financial institutions	-	-	-	26,095	-	26,095	MLR+0.50
Liabilities under financial lease contracts	3,681	2,877	-	-	-	6,558	2.80-8.36
<b>Total</b>	<b>47,685</b>	<b>2,877</b>	<b>-</b>	<b>447,038</b>	<b>509,166</b>	<b>1,006,766</b>	

(Unit: Thousand Baht)

## Separate financial statements

As at December 31, 2017

## 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	-	-	-	27,959	220	28,179	0.370-0.400
Trade and other receivables	-	-	-	-	49,171	49,171	-
Unbilled receivables	-	-	-	-	45,319	45,319	-
Retentions receivable	-	-	-	-	464	464	-
Restricted bank deposits	-	-	-	10,373	-	10,373	1.30
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>38,332</b>	<b>95,174</b>	<b>133,506</b>	

(Unit: Thousand Baht)

Separate financial statements							
As at December 31, 2017							
Fixed interest rates							Interest rate
Within 1 year	1- 5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total		Real (Percentage per year)
<b>Financial liabilities</b>							
Defaulted debts	-	-	-	383,348	68,088	451,436	18.00
Trade and other payables	-	-	-	-	239,893	239,893	-
Advance receive from construction contracts	-	-	-	-	62,726	62,726	-
Retention payable	-	-	-	-	27,695	27,695	-
Short-term loans from other parties	27,589	-	-	-	-	27,589	9.25
Short-term loans from related parties	2,625	-	-	-	-	2,625	8.00
Liabilities under financial lease contracts	333	191	-	-	-	524	6.60-8.36
Total	30,547	191	-	383,348	398,402	812,488	

(Unit: Thousand Baht)

Separate financial statements							
As at December 31, 2016							
Fixed interest rates							Interest rate
Within 1 year	1- 5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total		Real (Percentage per year)
<b>Financial assets</b>							
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	-	-	-	-	7,861	7,861	-
Restricted bank deposits	-	-	-	13,659	-	13,659	1.05-1.50
Total	-	-	-	24,683	130,330	155,013	

<b>Financial liabilities</b>							
Defaulted debts	-	-	-	387,348	42,063	429,411	7.75
Trade and other payables	-	-	-	-	276,032	276,032	-
Advance receive from construction contracts	-	-	-	-	79,086	79,086	-
Retention payable	-	-	-	-	27,504	27,504	-
Short-term loans from other parties	27,589	-	-	-	-	27,589	9.25
Short-term loans from related parties	2,625	-	-	-	-	2,625	8.00
Liabilities under financial lease contracts	510	564	-	-	-	1,074	6.60-8.36
Total	30,724	564	-	387,348	424,685	843,321	

### 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, 2017 and 2016, 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>2017</u>	<u>2016</u>	<u>2017</u>	<u>2559</u>
	(unit : '000)		(unit : '000)	
Unhedged liabilities				
USD	14	14	14	14

### Credit risk

The Group has the credit risk related to trade receivable. 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 debt 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.

### 37. 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 :-

37.1 As at December 31, 2017 and 2016, 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>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Letters of guarantee	312.09	376.54	306.29	373.98

37.2 As at December 31, 2016 the subsidiary's promissory note facilities which have not yet been drawn down amount Baht 17.44 million, and as at December 31, 2017 and 2016 the subsidiary's overdraft facilities which have not yet been drawn down amount Baht 7.00 million and Baht 5.70 million respectively.

37.3 As at December 31, 2017 and 2016, 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>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Commitments regarding to the agreement for construction in progress	36.34	86.65	3.41	46.90

37.4 As at December 31, 2017 and 2016, 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>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Within 1 year	5,436	3,739	4,765	2,919
Over 1 year but not over 5 years	3,431	4,931	2,905	4,529
Total	8,867	8,670	7,670	7,448

37.5 As at December 31, 2017, a subsidiary entered into a memorandum of understanding (MOU) to joint venture for the BOT project with a company (joint venture), dated November 15, 2017). The condition of joint venture agreement determined that 1) The joint venture must lease the building and machinery used for tap water supply with transfer of rights and obligations under the concession agreement is described in Note to financial statement No. 20, with the rental fee payable to the subsidiary throughout the life of the project at Baht 25.00 million 2) The joint venture will have to purchase land which is a well of a subsidiary company at Baht 32.00 million (carrying amount of Baht 32.54 million) and 3) The subsidiary must be invest in such project at the rate of 10% (project value is about Baht 129.00 million). As at the date of the agreement, the joint venture has agreed to pay the guarantee fee to the subsidiary amounting to Baht 10.00 million and the subsidiary agrees to repay the debt to the creditors under the compromise agreement in Black Case No. 3520/2558 dated on May 16, 2016. Currently, in between implementation by the condition of agreement.

### 38. Lawsuit

As at December 31, 2017 and 2016 the Group are involved in a number of litigations which the results have not yet been finalised as follows:

#### 38.1 Litigations of the Company

##### 1) Labour and infringe cases

<u>Black case number</u>	<u>Prosecuted case</u>	<u>As defendant No.</u>	<u>In charge of or mistake</u>	<u>Damage called by plaintiff</u> (Million Baht)	<u>Adjudication</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	Rental	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 8.09 million).

<u>Black case</u> <u>number</u>	<u>Prosecuted As defendant</u> <u>case</u>	<u>No.</u>	<u>In charge of</u> <u>or mistake</u>	<u>Damage called</u> <u>by plaintiff</u> (Million Baht)	<u>Adjudication</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, 2017, balance at Baht 0.31 million).
1404/2557	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, 2017, balance at Baht 6.39 million).
1554/2557	Civil	1	Rental	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, 2017, balance at Baht 0.09 million).
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, 2017, balance at Baht 0.04 million).
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, 2017, balance at Baht 0.14 million).
729/2558	Civil	1	Inventory	0.85	The Company has performed compromise contract in legal. the Company accept to pay Baht 0.61 million (record in amount of Baht 0.61 million as at December 31, 2017, balance at Baht 0.58 million).
849/2558	Civil	1	Default of 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	Infringe	73.43	In the process of take evidence.
พ.111/2558	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, 2017, balance at Baht 0.52 million).

<u>Black case</u> <u>number</u>	<u>Prosecuted As defendant</u> <u>case</u>	<u>No.</u>	<u>In charge of</u> <u>or mistake</u>	<u>Damage called</u> <u>by plaintiff</u> (Million Baht)	<u>Adjudication</u>
691/2558	Civil	1	Rental	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).
๕๘. 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.
2461/2560	Civil	2	Compensation layoff	0.37	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 claims the plaintiff. Currently, with dispute in amount of Baht 538.82 million. The case is under appointment to trial the witnesses. However, on April 1, 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. 1940.

Black Case No. 3598/2557 - The Company is a plaintiff to suing a company (the employer) on the plaintiff of breached of the contract with the suing capital amount of Baht 56.26 million. The employer filed a lawsuit against the Company by claim the damages and interest from the Company totaling Baht 415.83 million. Subsequently, on August 17, 2017, the Civil Court issued a judgment under the red case No. 1239/2559 to pay damages to the employer (the defendant) totaling Baht 209.52 million. The Company is in the process of appealing to the court (filed on January 25, 2018). The Company's management has already recognized the estimated loss from litigation in amount of Baht 106.31 million.

### 38.2 Litigations of subsidiary

<u>Black case number</u>	<u>Prosecuted case</u>	<u>As defendant No.</u>	<u>In charge of or mistake</u>	<u>Damage called by plaintiff</u> (Million Baht)	<u>Adjudication</u>
1086/2557	Civil	1	Damages	10.33	On 26 December 17, the court issued a judgment to dismissing the plaintiff. The defendant filed an extension of the appeal. to the court and allowed to extended appealing to February 26, 2018. In currently, the defendant does not file an appeal to the court.
(Black)553/2558 (Red)993/2558	Civil	1	Infringe	9.43	The subsidiary has performed compromise contract in. Legal. the subsidiary accept to pay Baht 2.82 million. In the later, on January 2017, the subsidiary had fully paid the full amount of the debt.
3520/2558	Civil	1	Infringe	14.38	The subsidiary has performed compromise contract in. Legal. the subsidiary accept to pay Baht 10.39 million to be complete on May 16, 2018, As at December, 2017 balance at Baht 0.39 million. (See note no. 37.5)
พ.ล. 2848/2560	Civil	1	Breach of loan agreement	20.40	On December 7, 2017, the creditor filed a claim with Thai Credit Guarantee Corporation (TCG) for Baht 8.75 million. The court found that the subsidiary intended to pay the debt and the contract party was conduct to the consent agreement. However, the creditor has yet to receive information about the present outstanding debt. The court allowed the postponement of the appointment for compromise and examination testimony to May 28, 2018.  As at December 31, 2017, the subsidiary recognized the debt in the financial statements of Baht 12.97 million.
พ.ล. 4709/2560	Civil	1	Breach of lease contract	51.77	Between filed for declaration to close the case within 5 April 2018, as at December 31, 2017, the subsidiary recognized the debt in the financial statements of Baht 26.59 million.

### 39. Approval of the financial statements

The financial statements have been approved for issue by the Board of Directors' the Company on March 22, 2018.



