

รายงานประจำปี 2552
Annual Report 2009



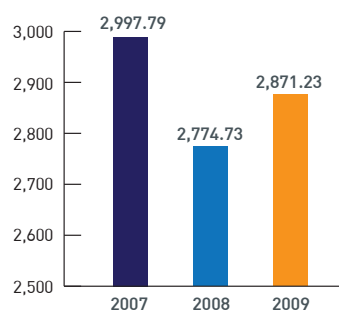
บริษัท อีเอ็มซี จำกัด (มหาชน)
EMC PUBLIC COMPANY LIMITED



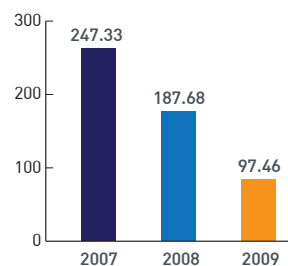
Summary of Financial Information



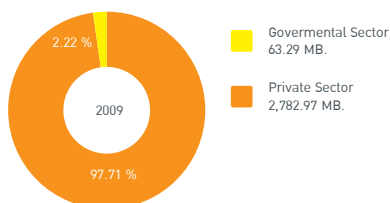
Total Revenue (MB)



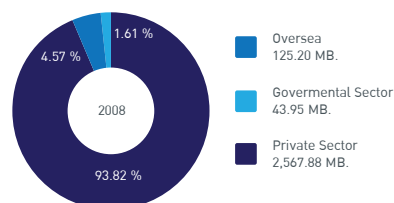
Gross Profit (MB)



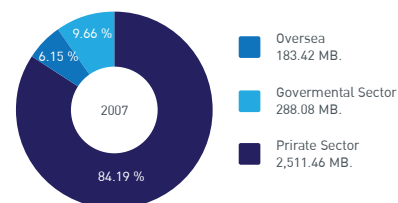
Revenues (MB)



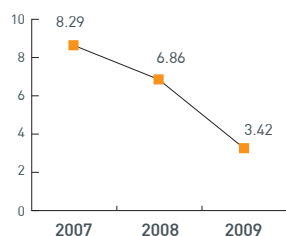
Revenues (MB)



Revenues (MB)



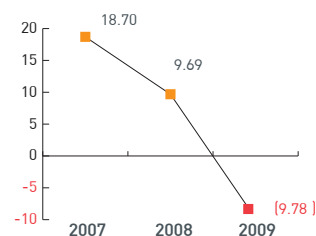
Gross Profit Margin (%)



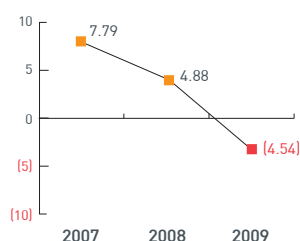
Net Profit Margin (%)



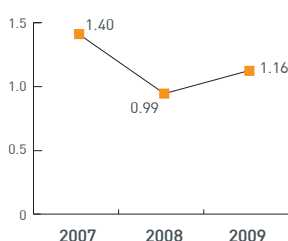
Return On Equity (%)



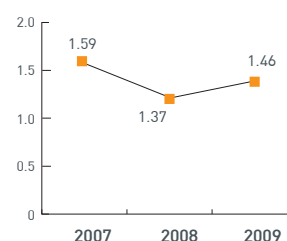
Return On Asset (%)



Debt to Equity Ratio (Times)



Total Asset Turnover (Times)





	Consolidated		Separate Financial Statements					
	2009		2009		2008		2007	
	Mil.Baht	%	Mil.Baht	%	Mil.Baht	%	Mil.Baht	%
Total Assets	1,971.99	(2.62)	1,967.77	(2.83)	2,025.06	7.72	1,879.95	10.54
Total Liabilities	1,057.03	5.11	1,052.81	4.69	1,005.67	(8.33)	1,097.04	6.83
Shareholders' Equity	914.95	(10.25)	914.96	(10.24)	1,019.39	30.21	782.91	16.20
Service Revenues	2,848.32	4.07	2,844.90	3.94	2,737.03	(8.24)	2,982.96	31.58
Total Revenues	2,871.23	3.48	2,867.87	3.36	2,774.73	(7.48)	2,999.07	31.36
Gross Profit	97.46	(48.07)	97.40	(48.10)	187.68	(24.12)	247.33	121.57
Net Profit	(89.46)	(190.58)	(89.46)	(190.58)	98.76	(32.53)	146.38	298.66

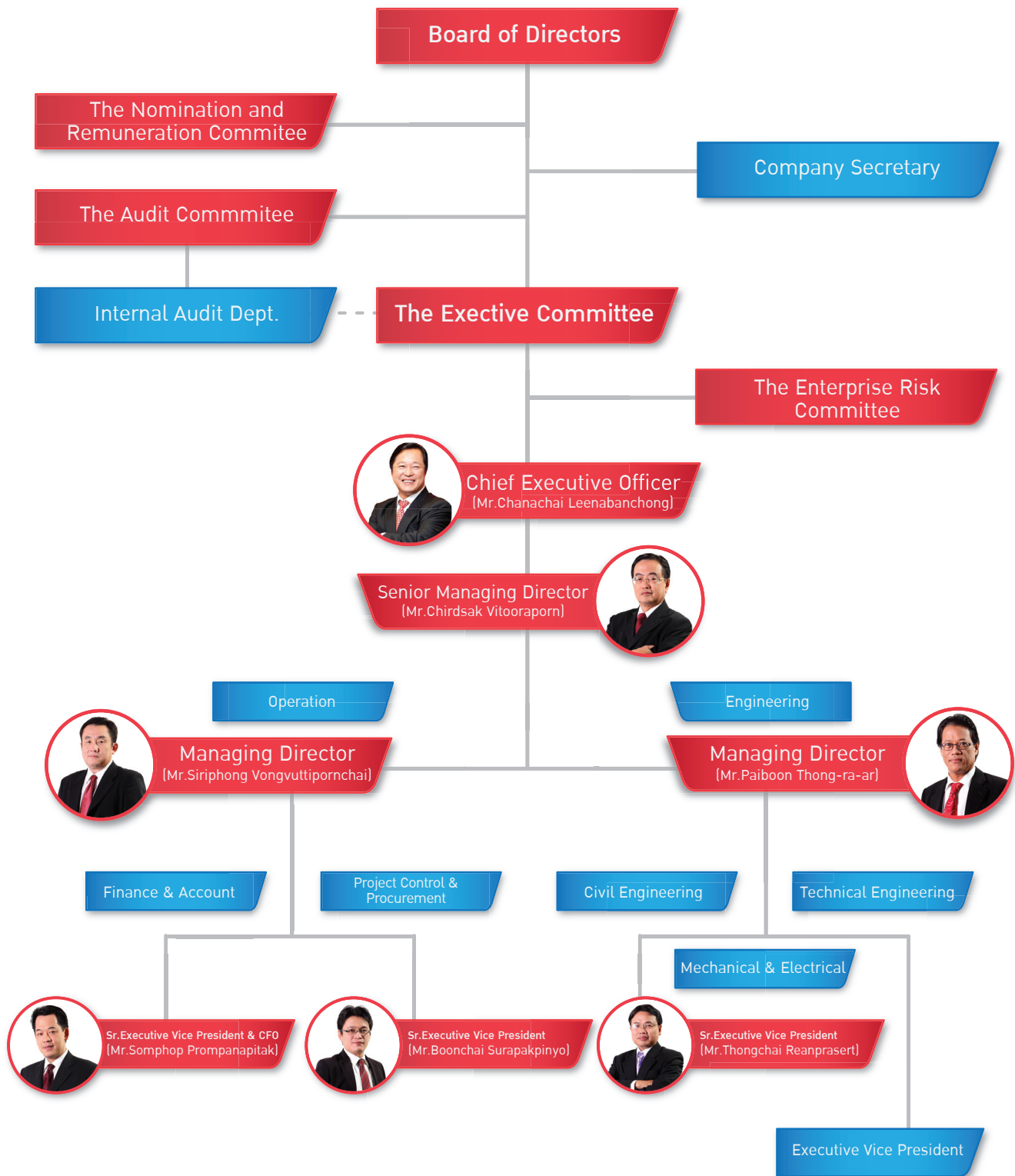
Financial Ratio		2009**	2008*	2007
Gross Profit Margin	%	3.42	6.86	8.29
Net Profit Margin	%	(3.12)	3.56	4.88
Return on Equity	%	(9.78)	9.69	18.70
Return on Assets	%	(4.54)	4.88	7.79
Total Assets Turnover	Times	1.46	1.37	1.59
Debt to Equity Ratio	Times	1.16	0.99	1.40

	2009		2008		2007	
	Mil.Baht	%	Mil.Baht	%	Mil.Baht	%
Governmental Sector	63.29	2.22	43.95	1.61	288.08	9.66
Private Sector	2,782.97	97.71	2,567.88	93.82	2,511.46	84.19
Oversea	2.06	0.07	125.20	4.57	183.42	6.15
Total Revenue of Construction	2,848.32	100.00	2,737.03	100.00	2,982.96	100.00

* In 2008, EMC changed of the issued value of the share from 1 baht each to 0.10 baht each

** In 2009, EMC changed of the issued value of the share from 0.01 baht each to 1 baht each

Organization Chart





Message from the chairman

Though the overall image of the global economic and Thai have distinct signal of recuperation. Especially government's policy in economic stimulation that encourage a lot in construction units in comparison with last 2-3 years. That Causes construction Businesses become busy again. Furthermore, from the company's strategy in 2009 that focused on governmental construction service and made the company received projects more than 2 billions Baht with more than half of the proportion was bided in 2009.

Even though the affectation from the unstable and political conflict in the country at the end of the year 2009 has become a bad factor to the overall image in economic. Cause many of the constructions decelerated. However, from the extension of the construction to other markets in last 2-3 years has made the group of customers become more various. Because the company has more performance to receive more projects continuously included working hard and paying more attention to the management and manage in the risk theoretically. These factors made the company become more powerful to proceed the goals.

Finally, on behalf of the board of directors, executives and all employees are thankful for our customers, shareholders, commercial allied and financial institution which have given us opportunities, credence and financial supports to the company continuously. At the same time, executives and all employees will try to proceed to the goal substantially.

Chanachai Leenabanchong
Chairman

General Information

1. Company Information

Company Name	: EMC Public Company Limited
Type of Business	: Provide integrated civil and mechanical and electrical construction service
Registration No.	: 0107538000321
Head Office	: 28 - 30 Floor, ITF Tower, 140 / 66-67 Silom Road, Suriyawong, Bangrak, 10500
Telephone	: 02 - 615 - 6100
Facsimile	: 02 - 615 - 6128 - 30
Website	: www.emc.co.th
Registered Capital	: 724,343,476 Baht
Paid-up Capital	: 586,319,361 Baht
Par value	: 1.00 Baht per share
Treasury Stock	: 16,118,010 shares

2. Juristic persons, which the Company holds more than 10% of shares

Company Name	% of shares	Type of Business
Joint Venture EMC & Power Line	49%	Civil and mechanical and electrical construction service

3. Other References

Company Registrar

- Thailand Securities Depository Co., Ltd.
62 The Stock Exchange of Thailand Building,
Ratchadaphisek Road, Klongtoey, Bangkok 10110
Telephone 0-2229-2800 Facsimile 0-2359-1259
- Issuer Services Unit
Capital Market Academy Building, 2nd floor,
2/7 Moo 4, Northpark project, Vibhavadi-Rangsit Km.27,
Thung songhong, Laksi, Bangkok 10210
Telephone 0-2596-9000 Facsimile 0-2832-4994-5

Auditor

- 1. Mr. Apichart Sayasit CPA no. 4229 or
- 2. Ms. Waleerat Akkarasrisawad CPA no. 4411
Baker Tilly Audit and Advisory Services (Thailand) Ltd.
Level 21/1 Sathorn City Tower,
175 South Sathorn Road, Sathorn, Bangkok 10120
Telephone 0-2679-5400 Facsimile 0-2679-5008
Website : www.bakertillythailand.com

Legal Counsels

- Independent Law Office
8th Floor, Phayathai Building,
31, Phayathai Road, Ratchathewi, Bangkok 10400
Telephone 0-2642-7642 Facsimile 0-2642-7649
- IT Law and Accounting Co., Ltd.
38/2 Soi Ladprao 94, Ladprao Road, Wangthonglang, Bangkok 10310
Telephone 0-2514-3203-5 Facsimile 0-2514-3206
- Chinnadej & Associates Co., Ltd.
12th Floor, ITF Tower, 140/22 Silom Road, Suriyawong, Bangrak, Bangkok 10500
Telephone 0-2231-6083-7 Facsimile 0-2231-6491

- Soonthornthep & Partners Co.,Ltd.
6th Floor, Silom Condominium
52/16 Soi Saladaeng 2, Silom Road, Bangrak, Bangkok 10500
Telephone 0-2236-5906-8 Facsimile 0-2236-6909
- FarEast International Legal Co.,Ltd.
24th Floor, RS Tower,
121/75, Ratchadaphisek Road, DinDaeng, Bangkok 10400
Telephone 0-2641-3181 Facsimile 0-2641-3799
- Siam Premier International Law Office Ltd.
26th Floor, The Offices at Central World,
999/9 Rama 1 Road, Pathumwan, Bangkok 10330
Telephone 0-2646-1888 Facsimile 0-2646-1919



Shareholding and Management

1. Shareholding

Ordinary shares

On December 31, 2009, The company has registered capital of 724,373,476 baht which divided into ordinary shares totally 734,373,476 shares at par value of 1 baht per share. Paid-up capital 586,319,361 baht divided into ordinary shares totally 586,319,361 shares at par value of 1 baht per share

Name list of the top 10 shareholders on record as of November 20, 2009 by Thailand Securities Depository Co.,Ltd. but do not include Thailand Securities Depository Co.,Ltd. for Depositors and treasury stock.

Name - Surname	No. of shares	%
1. Leenabanchong Group* Clause 258 Only	65,548,224	11.01
- Mr.Chanachai Leenabanchong		
- Mr.Worawit Leenabanchong		
- Ms.Phanicha Leenabanchong		
- Ms.Wimol Leenabanchong		
2. Thai NVDR Co.,Ltd.	28,896,778	4.93
3. Mr.Koravut Leenabanchong	24,050,000	4.10
4. Capital Engineering Network Public Co.,Ltd.	18,696,070	3.19
5. EMC Public Co.,Ltd. (Treasury Stock)	16,118,010	2.75
6. Mr.Thavorn Serideelert	14,841,600	2.53
7. Mr.Dechkajorn Teeravijaranayankul	9,421,800	1.61
8. Thailand Securities Depository Co.,Ltd. for Depositors	8,204,607	1.40
9. Ms.Pornpan Theptrakanporn	7,710,584	1.32
10. Mr.Prapas Setapongsat	7,100,000	1.21
11. Mr.Sumit Champrasit	6,600,000	1.13
12. Mrs.Sopa Wongraksa-nga	6,500,000	1.11

* Clause 258 Only

- Mr.Chanachai Leenabanchong
- Mr.Worawit Leenabanchong
- Ms.Phanicha Leenabanchong
- Ms.Wimol Leenabanchong

Other persons that are related to the major shareholders specified above but do not fall into the condition number 258 are

1. Mr.Koravut Leenabanchong	24,050,000	4.10
2. Mr.Tanin Leenabanchong	2,500,000	0.43
3. Mr.Nattawat Leenabanchong	500,000	0.09
4. Mrs.Piyawadee Leenabanchong	548,400	0.09

Warrant

Name list of the top 10 warrant holders (EMC-W2) on record as of November 20, 2009 by Thailand Securities Depository Co.,Ltd.

Name - Surname			No. of Units
1.	Mr.Sophon	Thavornkitpanich	5,447,000
2.	Mr.Sansern	Prasertsilp	4,000,000
3.	Mr.Natt	Osatis	3,350,000
4.	Mr.Tavee	Bupakarakul	2,578,900
5.	Mr.Kasem	Suechaicharoen	2,000,000
6.	Ms.Voranuch	Chinvattanakit	1,914,940
7.	Mr.Chalermchai	Panyasrivanich	1,772,500
8.	Ms.Mallika	Limnantarak	1,700,000
9.	Mr.Don	Wasantapreak	1,627,300
10.	Mr.Suwit	Yodsurang	1,600,000

2. Management

2.1 Management Structure

The management structure consisted of 5 committees, i.e. the Board of Directors, the Nomination and Remuneration Committee, the Audit Committee, the Executive Committee and the Enterprise Risk Committee along with the management team as follows :

1.The Board of Director

As of December 31, 2009, the Board of Directors composed of 13 members below:

Name - Surname			Position	Date of appointment
1.	Mr.Chanachai	Leenabanchong	Chairman of the Board	27 April 2007
2.	Mr.Chirdsak	Vitooraporn	Director	14 November 2007
3.	Mr.Kennosuke	Ochiai	Director	11 May 2007
4.	Mr.Siriphong	Vongvuttiornchai	Director	21 August 2007
5.	Mr.Pai boon	Thong-ra-ar	Director	11 May 2007
6.	Mr.Boonchai	Surapakpinyo	Director	27 February 2008
7.	Mrs.Neeranuch	Na-ranong	Director	13 September 2007
8.	Mr.Trin	Pimhataivut	Independent Director*	13 September 2007
9.	Mr.Pannatee	Sriwongthai	Independent Director*	24 April 2008
10.	Mr.Somphop	Prompanapitak	Director, Secretary Company	11 August 2008 1 September 2008
11.	Dr.Jurairat	Uhaka	Chairman of the Audit Committee and Independent Director	13 September 2007
12.	Mrs.Sunee	Sornchaitanasuk	Member of the Audit Committee and Independent Director	21 August 2007**
13.	Mr.Chuphong	Tanasettakorn	Member of the Audit Committee and Independent Director	21 August 2007*

Secretary of the Board of Director : Ms.Nottaporn Thiengprathes

* The Board of Director approved the appointment to Independent Director on 14 January 2010.

** These two directors have taken their offices since 2004

Authorized Directors

The directors authorized to sign and execute on behalf of the Company are Mrs.Neeranuch Na-Ranong or Mr.Siriphong Vongvuttipornchai or Mr.Somphop Prompanapitak co-sign with Mr.Chanachai Leenabanchong or Mr.Paiboon Thong-ra-ar or Mr.Chirdsak Witooraporn with the Company's seal affixed.

Scope of authority, duties and responsibilities of the Board of Directors

The Board of Directors has the authority and duty to ensure the Company's operations in compliance with the relevant laws, and the Company's objectives and articles of association, together with the resolutions of the shareholders' meeting, with integrity and prudence and with due regard for the interests of all the stakeholders.

1. The Board of Directors has the authority, and duty to ensure the Company's operations to be in compliance with the relevant laws, the Company's objectives, and articles of association, as well as the resolutions of the shareholders' meeting with integrity and prudence and due regard for the interests of all the stakeholders.
2. Prescribe business operation policy , work planning and annual budget of the Company, supervise administration of Management Department to be in accordance with policy set forth with efficiency in order for increase of ultimate value to the Company and the shareholders.
3. To ensure that the Company complies with announcement, requirements, and guidelines to follow relating to Stock Exchange of Thailand, Office of the Securities Exchange Commission, and to take any steps prescribed by relevant laws.
4. To consider approval and/or give comment to related transactions, purchase or sale important assets, investment in new enterprise, or in other companies that must comply with rules and standard of Stock Exchange of Thailand, or laws relating to business of the Company.

Except the following matters : Board of Directors, as prescribed by laws, to obtain approval of Shareholders Meeting before taking action on the issues, such as increase or decrease of capital, issuance of debentures, sale or transfer of the Company's business, in whole or in important part to others, or purchase or taking transfer of business of another company, amendment made to memorandum of association or articles of association, for example.

5. To consider approval of financial statements of each quarter, and for each year reviewed and audited by the auditor and passed the approval of Audit Committee before revealing the information to Stock Exchange of Thailand and general public.
6. To consider administrative work structure, appoint administrative committee, chairman of executive officers, managing director, and other Board of Directors as deemed fit.
7. To follow up the operating result to be in accordance with work planning and the budget continuously.
8. Directors must not be engaged in business operation that has the same condition and in competition with the business of the Company, or become partner in ordinary partnership or unlimited liability partner in a limited partnership, or a director of private company, or another company having similar business operation, and in competition with the business of the Company, whether for own interest or for the benefit of others, with prior notice served to the Shareholders' Meeting before the resolution is passed for appointment.
9. The director must notify the Company without delay, if he is an interested person, directly or indirectly in the Agreement made by the Company, or holding share or other asset either increase or decrease in the Company or affiliate.
10. Board of Directors may assign authority to a director or more than one director, or any other person to act on behalf of the Board of Directors under the supervision of the Board, or to authorize such person to have the power as deemed fit by the Board of Director and within the period of time deemed appropriate by the Board, whose power may be revoked or amended by the Board.

The Board of Directors may authorize Administrative Committee to have the power in performing duties with detailed scope of authority and duties. Characteristics of Such authorization must not be for the Administrative Committee to be able to consider and approve the lists that the Administrative Committee, or a person who has the conflict of interest made with the Company of its subsidiaries, except approval on lists made in compliance with policy and standard that have already been approved by the Board of Directors of the Company.

In 2009, altogether 6 Board meetings were held.

2. The Nomination and Remuneration Committee

As of December 31, 2009, the Nomination and Remuneration Committee composed of 4 members below:

1. Ms.Sunee	Sornchaitanasuk	Chairman of the Remuneration Committee
2. Dr.Jurairat	Uhaka	Member of the Remuneration Committee
3. Mr.Chuphong	Tanasettakorn	Member of the Remuneration Committee
4. Mr.Siriphong	Vongvuttipornchai	Member of the Remuneration Committee
Secretary of the Nomination and Remuneration Committee : Ms.Pornnipa Apisitwasana		

Scope of authority, duties and responsibilities of the Nomination and Remuneration Committee

1. To identify, evaluate and recruit individuals qualified for Board of Director
2. To consider nominees for directorships proposed by the shareholders
3. To recommend for the Board nominees to be proposed for election at the shareholders' meetings or to be elected by the Board to fill vacancies
4. To Periodically review the Company's standards of director independence and recommend any proposed changes to the Board for approval
5. To consider and review the structure of salary and wage payment of the Company, and propose directions and methods for payments of remuneration to the Board of Directors and various committees appointed by the Board.
6. To propose policy on consideration of management remuneration in line with the Company's operating results and performance of the management.
7. To consider budgets for increase in salaries and wages, changes in salaries and wages as well as other remuneration, and annual bonus payments for senior executives before submission to the Board of Directors.

In 2009, altogether 1 the Nomination and Remuneration Committee meetings were held.

3. The Audit Committee

On December 31, 2009, audit committee consisted of independent committee 3 persons and have all characteristic as prescribed of committee of capital market commission and the Stock Exchange of Thailand which the name as the following :

1. Dr.Jurairat Uhaka	Chairman of the Audit Committee
2. Mrs.Sunee Sornchaitanasuk	Member of the Audit Committee
3. Mr.Chuphong Tanasettakorn	Member of the Audit Committee
Acting - Secretary of the Audit Committee : Ms.Unchanil Kumpuakmit	

Committee member Nos. 1 and 2 shall be knowledgeable persons who have substantial experience to perform their duties in making the review the credibility of financial statements.

Scope of authority, duties and responsibilities of Audit Committee

1. To make consideration for revealing the inter-transaction which may have conflict of interest to ensure performance of the Company to be strictly in compliance with rules and requirements of Stock Exchange of Thailand, and justification of such lists to be of ultimate benefit of the Company.

2. To make consideration of financial statements of each quarter and of each year that have been reviewed and audited by the auditor in conjunction with the auditor and Management before revealing the information to Stock Exchange of Thailand and general public. To review financial statements for correctness of financial information for completeness, reliability and transparency to be in accordance with accounting standard and relevant laws and requirements.
3. To ensure that the Company has internal control, and internal audit systems, and to make consideration of the independence of the internal auditing unit, as well as agreement in consideration of appointment, reshuffle, employment termination of internal unit chief, or other work units responsible for internal audit, including review of risk administration of the Company
4. To review lists of internal audit concerning operation of the Company to be consistent with work planning set forth for work units to have better internal audit system in order to facilitate efficient business management.
5. To review compliance of Company's compliance with the law concerning assets and Stock Exchange Market, requirements of Stock Exchange Market of Thailand and related laws.
6. To consider selection, propose appointment, offer remuneration and assess work result of auditor of the Company, including participating in the meeting with the auditor at least once a year without Management in the meeting.
7. Make list of supervision on the performance of the Audit Committee by revealing in annual report of the Company to be signed by Chairman of the Audit Committee, which must be comprising the information required by Stock Exchange of Thailand at least as follows :
 - Comments on correctness, completeness, reliability of financial statements of the Company
 - Comments concerning sufficiency of internal control of the Company
 - Comments on performance in compliance with law concerning assets and Stock Exchange, requirement of Stock Exchange, or law relating to the business of the Company
 - Comment on suitability of the accounting auditor
 - Comments on lists that may have conflict of interest
 - Number of meetings of Audit Committee and attendance of each committee member
 - Comment of observation as a whole received by the Audit Committee from duty performance according to rules and regulations.
 - Other lists that should be notified to the shareholders and general investors within the scope of duties and responsibility assigned by the Board of Directors.
8. Any other performance as assigned by the Board of Director with approval of Audit Committee

In 2009, the Audit Committee had 13 meetings altogether.

4. The Executive Committee

As of December 31, 2009, the Executive Committee composed of 6 members below:

- | | | | |
|----|--------------|-------------------|-------------------------------------|
| 1. | Mr.Chanachai | Leenabanchong | Chairman of the executive committee |
| 2. | Mr.Chirdsak | Vitooraporn | Executive director |
| 3. | Mr.Siriphong | Vongvuttipornchai | Executive director |
| 4. | Mr.Pai boon | Thong-ra-ar | Executive director |
| 5. | Mr.Somphop | Prompanapitak | Executive director |
| 6. | Mr.Boonchai | Surapakpinyo | Executive director |

Secretary of the Executive Committee : Ms.Nottaporn Thiengprathes

Scope, authority, duties, and responsibilities of the Executive Committee

1. To carry out and administer the business of the Company in accordance with objectives, regulations, policy, requirements, orders, and resolution of Board of Directors Meeting, and/or resolution of Shareholders Meeting
2. To consider setting up policy, direction, and strategies, plan for operating business and annual budget of the Company, administration of human resources, investment on information technology, work expansion, public relation, and supervision of works carried out by Working

Team appointed to achieve the target for submission to the Board of Directors Meeting for its approval.

3. To consider budget allocation for the year as proposed by Management before submission to Board of Directors for its approval. This includes consideration and approval of change and addition of annual budget while there is no Board of Directors meeting held, but will have to be under scope of duty approved by the Board of Director and to be submitted to the next Board of Directors meeting.
4. To consider approval, and/or give comment on lists concerning investment, financial administration, general works administration, employment and purchasing and any other list relating to the business of the Company under the scope of authority approved by the Board of Directors.
5. To consider approval of important investments, set up in annual budget as assigned by the Board of Directors, or used to be approved in principle by the Board.
6. To give comment on business expansion and joint investment with other persons within the scope of authority approved by the Board of Directors and submit it to the Board of Directors for approval/acknowledgement in the next meeting.
7. To be advising committee to Management concerning policies on finance, marketing, management of personnel administration, and other performances.
8. To consider profit and loss of the Company, proposal for payment of interim dividend or annual dividend for submission to the Board of Directors for approval.
9. Executive Committee may sub-authorize one or more than one director, or any person to perform any act under the supervision of Executive Committee, or to empower them and within the period of time as the Committee deems fit. The Committee may revoke, change or make amendment to the power given to them as appropriate.

In this regard, the power of Executive Committee, and/or sub-authority must not be for approval of inter- transactions, or and list that may have conflict of interest, or with interested person who may have conflict with the Committee, or conflict of interest in any other manner with the Company or its subsidiaries according to rules of Stock Exchange of Thailand, and/or announcement of Office of Securities Exchange Commission and the Stock Exchange. Approval of such lists must be submitted to Board of Directors Meeting and/or Shareholders Meeting for consideration and approval in accordance with articles of association or related law. In 2009, altogether 10 Executive Committee meetings were held.

5. The Enterprise Risk Committee

As of December 31, 2009, The Enterprise Risk Committee composed of 7 members below:

- | | | | |
|----|--------------|-------------------|---|
| 1. | Mr.Chirdsak | Vitooraporn | Chairman of the enterprise risk committee |
| 2. | Mr.Siriphong | Vongvuttipornchai | Member of the enterprise risk committee |
| 3. | Mr.Pai boon | Thong-ra-ar | Member of the enterprise risk committee |
| 4. | Mr.Somphop | Prompanapitak | Member of the enterprise risk committee |
| 5. | Mr.Boonchai | Surapakpinyo | Member of the enterprise risk committee |
| 6. | Mr.Pinit | Karntikul | Member of the enterprise risk committee |
| 7. | Mr.Kornkit | Prakongwitaya | Member of the enterprise risk committee |

Secretary of the risk committee: Ms.Wanlapa Sroythong

Scope of authority, duties and responsibilities of the Enterprise Risk Committee

1. To set up guidelines of administration and frame of risk administration performance.
2. To assess risks, both from internal and external factors.
3. To propose method of prevention and mitigation of risks to be at acceptable level.
4. To follow up, assess the result, and improve work planning for reduction of risks continuously and suitably with business operation circumstances.
5. To review substantiality of the policy and risk administration system, including efficiency of the system and compliance with the policy set forth.

In 2009, altogether 7 Enterprise Risk Committee meetings were held.

6. Management Team

1.	Mr.Chanachai	Leenabanchong	Chief Executive Officer
2.	Mr.Chirdsak	Vitooraporn	Senior Managing Director
3.	Mr.Siriphong	Vongvuttipornchai	Managing Director — Operation
4.	Mr.Paiboon	Thong-ra-ar	Managing Director — Engineering
5.	Mr.Somphop	Prompanapitak	Senior Executive Vice President & CFO,
6.	Mr.Boonchai	Surapakpinyo	Senior Executive Vice President — Project Control and Procurement
7.	Mr.Thongchai	Reanprasert	Senior Executive Vice President — Mechanical & Electrical
8.	Mr.Pinit	Karntikul	Executive Vice President — Technical Engineering
			Acting — Executive Vice President - Civil Estimation
9.	Mr.Krissana	Sa-ngar-sang	Executive Vice President —Mechanical & Electrical Estimation
10.	Mr.Vinij	Jearsathawong	Executive Vice President — Civil Engineering 1
11.	Mr.Vitoon	Kanasaeng	Executive Vice President — Civil Engineering 2
12.	Mr.Pornchai	Suwanban	Executive Vice President — Civil Engineering 3
13.	Mr.Korkiat	Nipatnantaporn	Executive Vice President — Civil Engineering 4
14.	Mr.Sasin	Korchaisirikul*	Executive Vice President — Mechanical & Electrical Engineering

* assign as at February 2010

Secretary of the Management Team : Mrs.Peangpetch Imchanya

In 2009, altogether 47 Management team meetings were held.

Note : The names in no. 1-7 are executives according to the definition of the "management" of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand.

Company secretary

The Board of Director have resolution to appoint Mr.Somphop Prompanapitak to be another company secretary and there has effect since 1 September , 2008 by the company secretary will

Duties and responsibility in the named of Company or The Board of Director

1. Organize the registered of Directors
2. Organize the invitation to the Board, minute meeting and annual report of the company
3. Organize the invitation to the shareholder's meeting and minute of shareholder's meeting.
4. To follow the operating as the resolution of the board's meeting and resolution of shareholders' meeting .
5. To file and copy the report of the interest of the company's director and executive or a related person's interest in relation to management of the company to the Chairman of the Board and Chairman of the Audit Committee.
6. Perform any other actions specified in the Securities and Exchange Act (No.4) B.E.2551 or related laws and regulations including notifications from the Capital Market Supervisory Board.

Total number of The Board of Director's meeting

In year 2009 Each directors have been participated in the AGM 1 time and Board of Directors 6 times , Audit committee 13 times, the Nomination and Remuneration Committee 1 time , Executive committee 10 times, Enterprise Risk Management committee 7 times by having the details of participation of each directors as following :

Name	Sername	AGM 2009	Board of Director (6 times)	The Nomination & Remuneration (1 time)	The Audit Committee (13 times)	The Executive Committee (10 times)	The Enterprise Risk Committee (7 times)
Mr.Chanachai	Leenabanchong	No	6	-	-	6	-
Mr.Chirdsak	Vitooraporn	Attend	5	-	-	9	5
Mr.Kennosuke	Ochiai*	No	6	-	-	6*	-
Mr.Siriphong	Vongvuttipornchai	Attend	6	1	-	10	6
Mr.Pailboon	Thong-ra-ar	Attend	5	-	-	8	6
Mr.Boonchai	Surapakpinyo	Attend	6	-	-	10	6
Mr.Somphop	Prompanapitak	Attend	6	-	13	10	7
Mr.Trin	Pimhataivut	Attend	6	-	-	-	-
Mr.Pannatee	Sriwongthai	Attend	6	-	-	-	-
Mrs.Neeranuch	Na-ranong	Attend	6	-	-	-	-
Dr.Jurairat	Unhaka	Attend	6	1	12	-	-
Mrs.Sunee	Sornchaitanasuk	Attend	6	1	13	-	-
Mr.Chupong	Tanasettagorn	No	6	1	13	-	-
Mr.Pinit	Kantikul	Attend	-	-	-	-	7
Mr.Kornkit	Prakongwittaya	Attend	-	-	-	-	7

*** assign from executive as of August 2009*

The meeting of director and auditor

In year 2009, Audit committee have participated in the meeting with auditors by no management group came to participate 1 time.

2.2 Recruitment of director and the management

The Company does not have a Nomination Committee to select persons for nomination as directors or the management. Recruitment of such persons shall be conducted jointly by the major shareholders and/or representatives of the major shareholders, qualified persons in the relevant areas, and independent directors, as well as having the Company's directors and the management propose the qualified persons with experience in and potential for supporting the Company's business operations. Their qualifications must fully conform to the criteria of the Public Limited Companies Act B.E. 2535. They will conduct a joint screening process before proposing to the shareholders. The criteria for selection of directors are as follows:

1. Each shareholder has the number of vote equal to the number of shares held.
2. Each shareholder may exercise all votes applicable under (1) in voting for one or more persons to be directors but the votes cannot be split unequally, or specifically, for any particular nominee.
3. The persons obtaining the highest number of votes are, in the descending order, elected as directors to fill the number of seats available until the required number is met. In case of equality of votes and the number of elected directors will exceed the number of slots available at that time, the chairman of the meeting shall exercise the decisive vote.
4. At each annual general meeting of shareholders, one-third of the board members are required to retire. If the total number of members is not a multiple of three, the number of directors nearest to one-third shall retire. The directors to retire from office in the first and second years after the registration of the Company shall be selected by drawing lots. In subsequent years, the longest-serving directors shall retire, but if they vacate office under this condition, they may be re-elected.
5. The shareholders' meeting may vote for one director out of the position before the due date with the vote is not less than three-fourth of the shareholders who attend the meeting and have right to vote. And each has its share not less than half of the number of shareholder who come to the meeting and have right to do that.

Nominate of Independent Directors

The Nomination and Remuneration Committee is responsible for nominating director who a qualified and independent according to the board's policy and the definition of the Capital Market Supervisory Board, as the following :

1. Not hold shares exceeding 1 percent of the total number of voting shares of the Company, its parent company, subsidiary, affiliate, major shareholder or controlling person including shares held by related persons of the independent director.
2. Not be nor have been an executive director, officer, employee, controlling person or advisor who receives a salary of the Company, its parent company, subsidiary, same-level subsidiary, affiliate, major shareholder or controlling person, unless the foregoing status ended not less than 2 years prior to the date of appointment. This restriction shall not apply to an independent director who has been a government officer or an advisor to a government authority that is a major shareholder or controlling person of the Company.
3. Not be a person related by blood or registration under law, such as a father, mother, spouse, sibling or child, including spouses of children, executives, major shareholders, controlling persons, or persons to be nominated as executives or controlling persons of the Company or its subsidiaries.
4. Not have nor have had a business relationship in the amount of 3 percent or more of the net tangible assets of the Company or 20 million baht or more, whichever is lower with the Company, its parent company, subsidiary, affiliate, major shareholder or controlling person, in a manner which may interfere with his or her independent judgment, and neither being nor having been a substantial shareholder or controlling person of any entity having business relationship with the Company, its parent company, subsidiary, affiliate, major shareholder or controlling person who may have a conflict of interest unless the foregoing status ended not less than 2 years prior to the date of appointment.

(The business relationship mentioned above includes any normal business transaction, rental or lease of immovable property, transaction relating to assets or services or grant or receipt of financial assistance through receiving or extending loan, guarantee, providing assets as collateral, including any other similar actions, which result in the Company or its counterparty being subject to indebtedness payable to the other party. The amount of such indebtedness shall be calculated according to the calculation method for the value of connected transactions under the Notification of the Capital Market Supervising Committee : Rules on Connected transaction.)

5. Neither be nor have been an auditor of the Company, its parent company, subsidiary, affiliate, major shareholder or controlling person nor be a substantial shareholder, controlling person or partner of an audit firm which employs auditors of the Company, its parent company, subsidiary, affiliate, major shareholder or controlling person, unless the foregoing relationship ended not less 2 years from the date of appointment.
6. Neither be nor have been any kind of professional advisor including a legal advisor or financial advisor who receives an annual service fee exceeding 2 million baht from the Company, its parent company, subsidiary, affiliate, major shareholder or controlling person, and neither be nor have been a substantial shareholder, controlling person or partner of the professional advisor unless the foregoing relationship ended not less than 2 years from the date of appointment.
7. Not be appointed as a representative of the Company's directors, the major shareholder or any other shareholder who is a related person to the major shareholder.
8. Not conduct any business which of the same nature as the Company's or its subsidiaries' businesses and is in competition with them in any material respect, nor be a substantial partner, shareholder holding more than 1 percent of the voting shares, director (having management role), employee, officer or advisor (obtaining a regular salary) of any company whose business is of the same nature as the Company's or its subsidiaries' businesses, and is in competition with them in any material respect.
9. Not have any characteristics which make him or her incapable of expressing independent opinions with regard to the Company's business affairs.

2.3 Remuneration to Director and Management

In AGM of shareholders year 2009 on April 30, 2009 shareholders approved the determination of directors' remunerations for 2009 be limited not to exceed Baht 4,000,000. The details are as follows:

Meeting allowance

- Chairman of Board, Chairman of Nomination and Remuneration, Chairman of audit committee will be meeting up to 30,000 baht per meeting.
- Committee member of Board, Nomination and Remuneration, audit will be meeting up to 20,000 baht per meeting

Other remunerations

- Other remunerations shall not exceed 1% of net profit.
- The director unable to complete one year term shall receive the remuneration in the proportion of time being in the position.

Company paid the remuneration to director's meeting year 2009 amount 2.55 million baht (including accrued meeting that actually paid in the beginning year 2010 amount 0.16 million baht which is up 0.11 million baht representing 4.3 percent compared to year 2008, there were 2.44 million baht with of the detail as following :

Name - Surname		Position	Remuneration for 2009
Mr.Chanachai	Leenabanchong	Chairman of the Board	180,000
		Chairman of the Executive Committee	
Mr.Chirdsak	Vitooraporn	Director, Executive Director	100,000
Mr.Kennosuke	Ochiai	Director, Executive Director	120,000
Mr.Siriphong	Vongvuttipornchai	Director, Executive Director,	140,000
		Nomination and Remuneration Committee	
Mr.Pai boon	Thong-ra-ar	Director, Executive Director	100,000
Mr.Boonchai	Surapakpinyo	Director, Executive Director	120,000
Mr.Somphop	Prompanapitak	Director, Executive Director	120,000
Mr.Trin	Pimhataivut	Director	120,000
Mr.Pannatee	Sriwongthai	Director	120,000
Mrs.Neeranuch	Na-ranong	Director	120,000
Dr.Jurairat	Unhaka	Chairman of the Audit Committee, Director,	500,000
		Nomination and Remuneration Committee	
Mrs.Sunee	Sornchaitanasuk	Chairman of the Nomination and Remuneration	410,000
		Committee, Director, Audit Committee	
Mr.Chupong	Tanasettagorn	Director, Nomination and Remuneration	400,000
		Committee, Audit Committee	
Total			2,550,000

Other

-None-

Remuneration for the management

The remuneration in form of salary and others was in a total amount of 19.02 Million Baht. This comprised remuneration for 7 senior executives.

2.4 Corporate Governance

The Board of Directors has realized the importance of good corporate governance to ensure continued growth and stability in the Company's operations, which will bring about maximum benefits to the Company and the shareholders in overall. It has set out the policy on good corporate governance as follows :

1. The Board will administer the Company with prudence and care in the purview of laws and business ethics, and with adequate efficiency and accountability for the optimum benefits to the shareholders and ensure that there is no conflict of interest.
2. The Board will run the Company's business with transparency, accountability, and adequate disclosure of data for the trust and confidence of shareholders, investors and all parties concerned.
3. The Board ensures that treatment to shareholders and stakeholders is on a equitable and fairness basis, in compliance with the relevant laws and rules and regulations of the Securities and Exchange Commission, the Stock Exchange of Thailand and other relevant laws.
4. The Board will have specific committees set up to consider relevant issues efficiently, comprising the Audit Committee, the Remuneration Committee, the Enterprise Risk Committee and the sub committee clearly delegate duties and responsibilities to these committees.
5. The Board will have meetings held regularly, and with the meeting schedule and agenda clearly set out in advance.
6. The Management Team will have meetings held to monitor and supervise the implementation of all projects in detail and regularly every week, with special meeting determined when necessary, and with the meeting schedule and agenda clearly set out in advance.
7. The Board realizes the importance of internal control system, covering the finance, operations and corporate governance, and will have an internal audit work unit set up as a separate work unit.

Compliance with corporate governance policy

The company has used principle and practice consistent with good corporate governance to use in the management responsibilities which have been assigned to highest benefit to the company and its shareholders as a whole which is divided into 4 mains which cover good practical on corporate governance in 5 section as following :

1. Right of shareholders and to treat shareholders equally

The Board recognized the right of shareholders and comply to all shareholders equitably. The shareholders.

- The right to receive the share certificate , transferring the share and right to receive information and operating performance regularly and on time.
- The right to attend shareholders' meeting for comment and giving suggestion and join to give decision making considering major change such as the amended memorandum and regulation to appoint the directors , auditor etc.
- The company has issued guideline to preserve and protection the internal information by determinate the policy and method to not let committee and employee and also spouse and children with immature of such person bring the internal information to use for their benefit before the information will be disclosed to the public.

Shareholder's Meeting

- The Company has held shareholders' meetings at the date, time and place convenient for the shareholders. The procedures for the meetings have been determined according to the law, starting from sending notices, documents, agenda and proceedings
- The management will send to the shareholders 7 days or 14 days prior to the date of meeting notices with information according to each agenda supported by opinions of the Board and accompanied by minutes of the meetings so that shareholders can have enough time to study the issues on the agenda. Moreover, proxy forms will be enclosed with the notices for the shareholders who will have proxies attend the meetings on their behalf, thereby the shareholders may choose to have the independent directors as their proxies, to support which profile of such directors, i.e. their name, background, address and shareholding status as well as the frequency of meeting attendance.
- Chairman of meeting was explained to shareholders about criteria and how to vote and allow shareholder to ask questions on various issues during the meeting, including let directors /executives to clarify the issue and questions with appropriate and adequate for exchanging the idea between each others.
- The management will arrange to have voting cards prepared and distributed to the attending shareholders or proxies to indicate their voting for all the issues on the agenda. The shareholders will be allowed to raise questions during the meeting with adequate time allocated and on an equitable basis.
- The company provided a card vote to distribute to the attendees to vote all agenda and allow shareholders to ask questions that matter during the conference as adequate and equally.
- The company open the chance to allow shareholders to use the right in appointment to director individually.
- The company has conducted the annual shareholder report to be completed within 14 days which has enough details as well as question and answer that arise in the meeting thoroughly the deliver of the report as the criteria of securities and exchange commission , the stock exchange of Thailand and other relevant law.

However, The company has not yet give a chance to minority shareholders to propose additional agenda to let the shareholder's meeting considerate before the annual shareholder's meeting. It does not set the way for minority shareholder to nominate the directors who representing shareholders who doesn't comply with principle set by the stock exchange of Thailand , the company will consider that action later.

2. *Rights of stakeholders*

The Company places importance to all stakeholders. It has exchanged data with and paid attention to the suggestions of both internal and external stakeholders. The stakeholders are classified into six groups below

1) Employees

The Company has put in place, in addition to salary, incentive payment system based on the individual employees' performance. The indicators used for measurement must be clear and fair, to bring about integration of the competency of the employees at all levels and hence the success of the Company as a whole.

The Company has also made available welfare packages for the employees, such as accident insurance coverage, health care benefit and provident fund. There is an arrangement regarding security, sanitation and environment at the workplace, with a specific work unit set up to take charge of this issue, and with policy set out and strict implementation thereof. Personnel have been recruited for such jobs as security, professional, supervisors and management levels, with appointment of the security and

sanitation committee for each project. Such committee has direct duty of pushing for and materializing the policy, following up the operating result and reporting to the Department of Labor Protection and Welfare on a quarterly basis. This also includes training for staff and workers in each project to stimulate their awareness of security, analysis and assessment of the workplace to identify any possible risk so as to prevent any accidents, inspection of tools and equipment before use, etc.

In addition, the Company has undertaken on-going personnel development at all levels, for example, sending the employee to participate in other courses, skill development training in collaboration with Department of Skill Development, and so on. With awareness of the employees' health, the Company has consistently arranged annual health check-up for the employees.

2) Shareholders

The Company has managed all projects with full efficiency to ensure profitability and appropriation of profit for dividend payment to the shareholders regularly and consistently.

3) Clients

The Company has managed all the projects with quality and efficiency, and with focus on time and budget management. Communication with the clients has been made, and procedure and indicators have been instituted clearly to ensure on-going system and quality development.

4) Trade partners and creditors

The Company has entered into agreements or contracts, thereby terms and conditions are clearly indicated, before the project implementation. The Company has strictly complied with such agreements or contracts.

5) Competitors

The Company compete with its peers honestly and transparently, making use of its advantage in efficient management system to bid for the projects.

6) The society

The Company has managed the projects with due regard for the security, sanitation and environment management system as described above. It also nurture relationship with the owners of the land and buildings nearby. Cooperation has also been rendered to the government sector in the solution of the flood problem in several areas.

3. *Disclosure the information and transparency*

The Board of Directors is fully aware of the rights of shareholders to access accurate, adequate and timely information on an equitable basis. In the information section of financial and non-financial factor which affecting decision making process of shareholder and investors and related to acknowledge equally. The Board has focused and abided by all the information. The company has published the information, annual statement, annual report to shareholders, investors, and relevant through media distribution of Foreign Exchange and company's website in the past year. The company has not been to SEC office or SET's operation due to disclose the thing is not required.

Board of Director's report

Board of Directors is responsible for financial statements of the Company, and financial information technology appeared in annual report. Such financial statements prepared according to accounting standard acceptable across Thailand and uses careful discretion and best estimation in preparation, including revelation of information substantially in Notes to Financial Statements for creating confidence of interested persons. In the past, Board of Directors appointed Audit Committee comprising Independent committees as resource persons, fully qualified according to requirements of Stock Exchange of Thailand to have the duties of making review of financial report and internal control system of the Company to ensure confidence of showing financial status, revenue and expenses and cash flow is actual and justified. To review performance in conformity with requirements of Stock Exchange of Thailand, obligations with outsiders and related laws by preparing record of information correctly and completely for retaining assets, including prevention of dishonest activities and irregularities of practice with meetings held with Accounting Department.

Comments of Audit Committee appeared in Audit Committee Report and in Annual Report.

4. *Responsibilities of Board*

The Company maintains a policy whereby the Board of Directors undertakes more stringent roles to be in full compliance with good corporate governance, as follows:

- The Board has participatory role in defining visions, missions, strategy, goals, business plans and budgets, to ensure that the management fulfills the business plans within the specified budgets with efficiency and effectiveness to achieve maximum economic value for the operations and optimum stability for the shareholders.

By this, the Board will consider and approve the key performance indicators (KPIs) for financial and other plans during the early period of the year and monitor the operations from time to time. At the end of the year, the management will present the operating results under its responsibility in accordance with the annual performance evaluation system.

- The Board will put in place effective the Enterprise Risk Committee, internal control, internal audit, and the follow-up procedure of which on a regular basis, at the Audit Committee's meetings before submission to the Board of Directors' meetings for final resolution.
- The Board has to clearly define and separate the role, duty and responsibility for the Board, the Audit Committee and the management in accordance with the management structure. There should be regular communications of the role, duty and responsibility for the Board, the management and the employees.
- The Board is required to supervise and ensure that the management fulfills the business objectives under clearly defined policy. This does not include cases of conflicts of interests and the transactions where opinions of the shareholders have to be sought under the rules and regulations of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand.

To do the duties of the Board of Directors effectively and efficiency as policy set, the company has set the following guidelines.

4.1 Composition of Board of Directors

The Board of Directors is composed of 13 directors, of whom 7 directors are in management / controlling person and 1 director is non management and 5 are independent directors. The independence director have component and feature and responsibilities in the way of office's securities and Exchange Commission and Stock Exchange of Thailand as set.

Aggregation and segregation of positions

The Chairman is not the same person as the Managing Director. The Company has clearly defined separate roles, authority and scope of responsibilities for them. Besides, it has formed the Audit Committee comprising three independent directors to counter balance and review the Company's management, which is independent committee 3 persons and representative as minority shareholders to act in corporate governance the company with accuracy and transparency.

Company secretary

The Board of Director have resolution to appoint Mr.Somphop Prompanapitak to be Company Secretary by the company secretary will report directly to the Board, the duties and responsibilities as in 2.1

4.2 Sub committees

The Board of Directors has appointed 4 Sub committees, comprising the Audit Committee, the Nomination and Remuneration Committee, the Executive Committee and the Enterprise Risk Committee.

4.3 Roles and duties, and responsibilities of the Board

The Detail of authority, duties and responsibilities of the Board of each committee (the detail is on the management structure 2.1)

4.4 Board of Directors Meeting

The Company fixed dates and times for the meeting to be held for the whole year in advance with main agenda, consideration agenda and follow-up of routine operation. Letters of invitation to the meetings shall be sent accompanied with agenda and supporting documents 7 days in advance of the meetings, allowing time adequately for the Board of Directors to study information before attending the meetings. There may be additional meetings for consideration of important incidents according to necessity and urgency. In this regard, the Company has the duty to confirm each appointment for the meeting, or making new appointment in case of postponement of the former appointment date, or calling for the meeting in urgency, and making preparation of supporting documents for delivery to the directors.

In each meeting, it takes about 2 hours for each independent director in giving his comments, and proposing the guidelines for practice, to be recorded by Secretary to the Board of Directors, and prepare minutes of meeting for completion within 14 days, sending the minutes certified by the Board of Directors, and maintaining minutes of the meeting and supporting documents to be ready for inspection by the Board of Directors, shareholders, accounting auditor, and related persons.

4.5 Self-evaluation of Board

Directors have evaluated the performance of the Board to increase performance, dedication to improve the deficiencies of the whole Board.

4.6 Remuneration for directors and the management

The Board has appointed the Nomination and Remuneration Committee to map out a clear policy on remuneration for directors and the management with transparency and fairness. By this, their remuneration will be on a par with that of the industry and commensurate with their assigned duties and responsibilities. The rate will also be attractive enough to retain the directors with the desired qualifications. In 2009, the Company paid remuneration to the Board of Directors and the management as detailed in Item 2.3 on remuneration.

4.7 Directors, executives, relevant development

Company promote and facilitate to the seminar and various training course of Thai Institution of Directors, Thai Listed company association and to educate stakeholders in corporate governance such as audit committee, directors, executives, secretary etc. for improving operation continuously.

2.5 Conflict of interests

In order to prevent conflict of interests, the Board performs with due care in case of possible conflict of interests, and determines the policy and procedures to prevent the directors, executives, and employees as well as their spouses and minors from making use of inside information for their own interests before disclosure to the public, as follows :

Issues of possible conflict of interests :

The Board in collaboration with the Audit Committee acknowledges transactions with conflict of interests and connected transactions, and prudently considers the appropriateness thereof, as well as ensures the compliance with the rules of the Stock Exchange of Thailand in terms of prices and conditions on an arm's length basis.

Supervision on use of inside information:

- In purchase, sale, or transfer of securities, the Board members and the management including spouses and minors are required to report changes in securities holding to the Office of the Securities and Exchange Commission under Section 59 of the Securities and Exchange Act B.E. 2535 and other relevant issues.
- determined to the directors and executive to report of the interest of the company's director and executive or a related person's interest in relation to management of the company under section 89/14 act of securities and exchange commission year 1992 and announced of the committee of capital market.

- The management or work units with access to inside information are not permitted to disclose such information to outsiders or those not concerned, or to engage in transactions of the Company's securities in a one month period prior to disclosure of financial statements to the public.

2.6 Internal control

Three members of the Audit Committee attended the meeting to assess the Company's internal control system through inquiries with the management members and considered that the Company's internal control system was appropriate and adequate. In the transactions with major shareholders, directors, executives and the parties concerned, the Company can prevent the executives' use of the Company's assets for their own interests. The protection of the Company's interests is undertaken in the following areas:

1. Organizational and environmental control

EMC has formulated clear and measurable business operational targets as part of its corporate quality objectives. It has worked out relevant indices as guidelines for staff's performance, and quality handbook has been prepared as a policy-level, top-down document for the staff to follow. The Company has instituted the organization structure that allows for efficient operational control using, for example, the ISO 9001-2000 as a tool in the planning and operations. There is strict control of purchasing, financial transactions and general administration that can well prevent any misconduct. On-line computer program has been adopted, linking all work units in the work process, hence rapidity in access to information for both the head office and the work units at project sites and benefit to management decision making. Improvement to the system will be made on a systematic and on-going basis.

Having realized the importance of the personnel performance achievement, the Company has regularly reviewed its operational targets, with analysis of staff incentive schemes that are reasonable with the shareholders' interests taken into account. These schemes are meant to motivate the staff to perform their duties with dedication and best efforts, to bring about maximum profit to the organization. Also on the long run basis, the Company has adhered to the code of ethics toward its trade partners, with due care for the works in hand, punctual payments and fair treatment for the trade partners.

2. Risk management

Meetings are held by the Company consistently to assess the risk factors, both internal and external, that may pose material impacts on its operations. Problems arising are addressed and analysis of the events that are risk factors are made at the Enterprise Risk Committee meeting, to figure out measures to follow up the risk factors and the implementation to prevent any possible risks. The Company has provided training to the relevant staff for them to be aware of and perform in accord with the risk management measures set forth.

3. Management control

EMC has mapped out clearly and in writing the scope of authority and approval limits of the executives of each level. The authority in the approval of transactions is delegated in the supervision lines under strict inspection. The Company has account entry documents and those of information memorandum filed and assets registered with certain work units assigned to take charge. Transactions with major shareholders, directors, executives or persons relevant thereto are subject to consideration by the concerned board or committees to prevent any abuse of power for own benefits, taking into account the Company's optimum benefits and treating them just like transactions with outside parties. Moreover, the Company has taken measures to ensure that it complies with relevant laws to reduce business risk and retain its good reputation.

4. Information and communication

The Company has made available key information that is adequate and of good quality to support the decision making of directors, executives, shareholders or concerned persons. Information as such should be that with contents necessary for decision making; being accurate, complete and updated; having understandable format; and having good filing. This will allow for efficient internal control. Before each Board of Directors' meeting, the directors will receive the notices together with meeting documents at least within the minimum time limit set out by the law. There are reasonable details in the minutes so that the shareholders can look into the way the directors perform their duties. There is complete and categorized filing of account entry documents. The Executive Committee will monitor the operations of the work units, with meetings held weekly to discuss the progress, problems and obstacles arisen and complete and well rounded information proposed to support consideration, covering such areas as administration, technical competence, finance — accounting, and law, etc.

5. Monitoring

The Company has set out business operational targets, to achieve which the Board of Directors will regularly monitor and supervise the operations, review and compare the performance of the management with the targets. This is in line with the procedure and practice under the ISO 9001-2000. In case of any irregularities and deviations from the targets set forth, the Board will give instructions for any rectification within a reasonable period of time. There are presentations and follow-up of operations by the relevant work units. The Company will ensure that there is inspection of implementation under the internal control system on a regular basis, the result of which is reported directly to the Board of Directors or the Audit Committee. It also has a policy for the management to report to the Board in case of any events that are or may be regarded as misconduct, violation of the laws and/or any irregularities that may materially affect the reputation and the financial status of the Company.

3. Policy on Dividend Payment

The Company has the policy on a dividend payment of at least 40% of the net profit.

Nature of Business

Significant changes and development

The company has change the share holder and management structures in the year 2009 as follows:

2007

Appointment of the director in place of the vacant position and new director

1. Mr.Chanachai Leenabanchong
2. Mr.Kennosuke Ochiai
3. Mr.Pai boon Thong-ra-ar
4. Mr.Siriphong Vongvuttipornchai
5. Dr.Jurairat Unhaka
6. Mrs.Neeranuch Na-ranong
7. Mr.Trin Pimhataiwut
8. Mr.Chirdsak Vitooraporn

Resigned director

1. Pol.Maj.Gen.Panomsak Tungthong
2. Gen. Werasak Phairach
3. Mrs. Rasri Wipadapisut
4. Mr. Suthisak Lohsawat
5. Lt. Gen. Sam-ang Thongpan
6. Mr.Komol Wongpornpenpap
7. Mr.Chaiyong Ratanacharoensiri

Authorized Directors to sign on behalf of the company

Mr.Komol Wongpornpenpap or Mrs. Neeranuch Na-Ranong or Mr. Siriphong Vongvuttipornchai had to sign with Mr. Chanachai Leenabanchong or Mr. Pai boon Thong-Ra-Ar with the seal of the company.

The structure of the major shareholders on 28th August 2007 (with the paid-up capital of 483,084,403 baht)

	Shares	%
1. Bangkok Bank Public Co., Ltd	43,098,021	8.93
2. Bliss-Tel Co.,Ltd.	33,788,700	7.00
3. Mr.Chanachai Leenabanchong	51,659,800	10.70
4. Mr.Koravut Leenabanchong	24,050,000	4.98
5. Mrs.Chatsuda Benjanirat	23,925,400	4.96
6. IEC Asset Co.,Ltd	23,200,000	4.81
7. Mr.Apinan Panyakorn	22,996,600	4.76
8. Mrs.Puangpan Boolpak	22,701,600	4.70
9. Mr.Komol Wongpornpenpap	20,125,520	4.17
10. Mr.Wutthichai Leenabanchong	17,240,000	3.57
11. Mr.Chayut Lee-issaranukul	16,000,000	3.31

2008

Appointment of the director in place of the vacant position

1. Mr.Boonchai Surapakpinyo
2. Mr.Pannatee Sriwongthai
3. Mr.Somphop Prompanapitak

Authorized Directors to sign on behalf of the company

Mrs. Neeranuch Na-Ranong or Mr. Siriphong Vongvuttipornchai had to sign with Mr. Chanachai Leenabanchong or Mr. Pai boon Thong-Ra-Ar or Mr.Chirdsak Vitooraporn with the seal of the company.

The structure of the major shareholders on 11st January 2008 (with the paid-up capital of 483,084,403 baht)

		Shares	%
1.	Mrs.Chatsuda Benjanirat	92,254,100	19.10
2.	Mr.Chanachai Leenabanchong	51,659,800	10.70
3.	Mr.Chayut Lee-issaranukul	29,087,500	6.02
4.	Thai NVDR Co.,Ltd	24,269,675	5.02
5.	Mr.Koravut Leenabanchong	24,050,000	4.98
6.	Mrs.Puangpan Boolpak	23,564,700	4.88
7.	Mr.Wutthichai Leenabanchong	22,550,100	4.67
8.	Ms.Suthida Jamwutthipreecha	17,747,000	3.67
9.	Bangkok Bank Public Co.,Ltd.	15,473,021	3.20
10.	Mr.Tavorn Serideelert	11,391,000	2.36

Capital Restructure

- The reduction of the registered capital from its current level of Baht 631,668,465, by canceling the 45,349,104 undistributed shares with a par value of Baht 1 per share. Following the reduction the Company's registered capital will be Baht 586,319,361.
- The reduction in the par value of per share from Baht 1 to Baht 0.10, the total value of register capital still the same, but the number of shares will increases from 586,319,361 shares to 5,863,193,610 shares, par value of Baht 0.10.
- The increase of the Company's registered capital from Baht 586,319,361 to Baht 724,343,476 by issuing the new shares 1,380,241,150, par value at 0.10 baht per share

2009

Authorized Directors to sign on behalf of the company

Mrs. Neeranuch Na-Ranong or Mr. Siriphong Vongvuttipornchai or Mr.Somphop Prompanapitak had to sign with Mr. Chanachai Leenabanchong or Mr. Paiboon Thong-Ra-Ar or Mr.Chirdsak Vitooraporn with the seal of the company.

The structure of the major shareholders on 9th April 2009 (with the paid-up capital of 586,319,631 baht)

		Share	%
1.	Mr.Chanachai Leenabanchong	607,519,600	10.36
2.	Easternwire Public Co.,Ltd.	352,219,700	6.01
3.	Mr.Koravut Leenabanchong	240,500,000	4.10
4.	EMC Public Co.,Ltd. (Treasury Stock)	161,180,100	2.75
5.	Thai NVDR Co.,Ltd.	155,793,882	2.66
6.	Mr.Wutthichai Leenabanchong	122,369,000	2.09
7.	Ms.Pornpan Theptrakarnporn	93,105,840	1.59
8.	Mr.Nattapong Panratanamongkol	70,000,000	1.19
9.	Mr.Sumit Champrasit	66,000,000	1.13
10.	Mr.Anupap Kittikul	50,835,000	0.87

The 2009 Annual General Meeting of shareholder of the company has passed the resolutions about capital structure as follows:

- Approved the change of the par value from 0.10 baht per share to 1.00 baht per share whereas registered capital and paid-up capital would remain no change at 724,343,476 baht and 586,319,361 baht respectively; thus number of share 7,243,434,760 shares worth 0.10 baht each changed to 724,343,476 shares worth 1.00 baht each and number of share 5,863,193,610 shares worth 0.10 baht each changed to 586,319,361 shares worth 1.00 baht each.
- Approved the change of reserved stock for support the exercise from warrant holder, the number of warrant and exercise price of EMC-W2 to be in line of par value that was changed as follows

	Former	New
The number of warrant	1,378,262,892	137,826,289
Exercise price	0.20 baht / share	2 baht / share
The number of share	1,378,262,892	137,826,289
Par Value	0.10 baht / share	1 baht / share

The company had been awarded a contract as follows:

- Construction , Architectural and M&E Works
Rajamangala University Of Technology Suvarnabhumi - 248,890,000 baht
- Construction , Architectural and M&E Works (Joint Venture EMC & Power Line)
Chiang Mai International Convention and Exhibition Center - 1,867,150,000 baht
- M&E Works
Intro Condominium - 137,000,000 baht
- M&E Works
The Aloft Hote - 159,000,000 baht
- Construction , Architectural and M&E Works
The Link Advance (Sukumvit 50) - 168,000,000 baht
- Construction Work
Lotus supermarket Bua Yai (Nakhonratchasima) - 17,548,000 baht
- Construction Works
Lotus supermarket Nongkae (Saraburi) - 17,120,000 baht
- Construction , Architectural and M&E Works
SHIBUYA 19 - 604,550,000 baht

Joint Ventures

EMC Public Co., Ltd. and Power Line Engineering Public Co., Ltd. was established the joint venture and registered on 22nd September 2010 with the name "Joint Venture EMC & Power Line" with ration of investment at 49:51 respectively. The objective for establishment is to submit the basic qualifications documents for bidding of the construction in the project of Chiang Mai International Convention and Exhibition Center

Business Overview

EMC Public Co., Ltd. operates the business on civil engineering and layouts electrical, mechanical systems in full scale, divided into 2 major lines, namely: General civil engineering, electrical and mechanical engineering systems.

1. General Construction

a) Building Construction

It is building construction in full scale, with the service covering from designing to construction. The Company is well experienced in construction of commercial buildings, sports centers, educational institutes, residential buildings, hospitals, buildings for retailing business, and facilities in industrial factories and buildings under residential Project.

b) Industrial Construction

It is construction of industrial factories with turn-key projects, with the service given from designing, construction including laying out systems necessary for the factory, such as, sanitary system, electrical system. The Company is experienced in construction of chemical factories, Polyester factories, and others.

2. Electrical & Mechanical Engineering

Provided infrastructure installation such as design and installation of Electrical System, Fire Protection System, Plumbing and Sanitary System and Air Conditioning and Ventilation System for high rise building for example : hotel, hospital , condominium, resident building, commercial building, department stores, factories

a) Electrical System

The company has potential for various Electrical & Mechanical installation with integrated service and cover customer requirement

b) Plumbing and Sanitary System

Plumbing and Sanitary work include design and wastewater treatment system for resident building, commercial building, and factories

c) Air Conditioning System

Market and competition

1. Nation-class, leading system contractor

EMC is a leading contractor for electrical, mechanical and sanitation system engineering. Its credentials and achievements in system works have earned acceptability across the nation. The Company focuses on efficient and quality works with punctual delivery under the management certification of ISO 9001:2000, where the existing work systems have been developed and upgraded.

The Company has also developed its cost control and accounting system to allow for consistent monitoring of the cost status. Its personnel development has been an on-going process, with performance-based compensation and under good corporate governance principles. Its strategies have been set out mainly with a view to cost reduction and efficiency improvement.

2. Fully integrated service provider

The Company has thus become a source of capable and experienced executives and engineers with potential to push for project achievements. Its efficiency improvement efforts have started to bear fruit as its cost reduction and expense saving have been achieved as planned. With such full-fledged contractor services, the Company has been well prepared for contract mega-projects or turn-key projects.

Other than that, another policy of the Company is for expansion of the construction in various styles, such as small sized mall in the form of community mall, as well as factory group in order for reducing risks in work operations.

3. Extend target group to government

To support stimulate economic policy of government, the company has established team for extended target group from private sector to governmental sector. Extension target group will reduce the operation risk of private sector and project for government will have better support credit facilities from financial institution.

4. Policy on quality, efficiency and punctuality, as well as security at workplace

The Company has instituted the key policy of producing quality works by staff with efficient and secure performance and completed as scheduled, being up to the standard of the ISO 9001:2000 certification. It also has good internal audit system in place, with development of computer system and software programs to ensure consistent monitoring of construction work status. This has allowed for top executives' access to clear and accurate information for timely decision making.

5. Business alliance

Business alliance is a key factor in competing with construction companies, both local and overseas. Besides collaborating with its alliances for local projects, EMC has expanded its work scope to overseas markets with its system engineering works.

6. Clients' confidence and trust

Having projects completed with high quality all along, the Company has gained full confidence and trust with consistent bidding invitations by the existing clients, the new clients as recommended by the existing ones, and the new clients who have seen its past achievements.

7. Executives with keen experience

Besides the managerial expertise, the Company's management team has accumulated knowledge and long-time experience in engineering contractor works with on-going management system development to enhance work efficiency, cut down cost and ensure generation of quality works in a rapid pace.

8. Pricing policy

The Company has instituted a marked to market pricing policy, with calculation of raw material cost plus wages, miscellaneous expenses and gross profit margin pursuant to the criteria and with due regards to reasonableness and fairness to the consumers.

Target customer profile

EMC's target customers can be classified into 2 groups, one being government agencies and state enterprises, and the other being private sector customers. The revenue proportion between these 2 groups is indefinite, as the Company's business operations are of the project by project nature. Project bidding may take place at any time, and the type of customers will depend on the nature of the project and the time of the bidding on a case by case basis.

Since 2009, budgeting allocation for construction in government project was significantly increased more than 2-3 year ago. This is the opportunity to extend group of customer from private sector to governmental sector with higher efficiency, result of company can keep the good backlog quantity with increasing 30% of government project

Distribution and distribution channels

In the construction contractor business, direct contacts with the customers are the main channel for the contractors. The Company set up Business Development Department to follow up latest news on the bidding invitations by both the public and private sectors. The Company may acquire private projects in an unlimited contract value, but for public projects, there are stricter requirements. Particularly, past track records with public sector projects are required. The Company has thus compiled its achievements for use in the bidding for government projects. To retain its private sector distribution channels, the Company has a policy of maintaining good relationship with the project owners, with assessment conducted from time to time to retain the existing customer base, while the new customer base is expanded through generation of quality contract works and reliable track records.

Industry and competition

General construction contracting normally changes and moves in the same direction as domestic construction industry, which expands in line with the GDP growth. By type of investments, investments in public construction and those in private construction are generally in the contrasting direction. That is, when the economy is buoyant, private sector investments in construction will be in high volume, but the public sector will scale down the construction investments to cool down the economy and control the inflation at the level that will not impair the overall economic stability. On the contrary, amid the economic slowdown or downturn, private sector construction investments are in meager volume, prompting the government sector to step up investments particularly in construction industry to stimulate the economy.

Value of construction industry derived from investment of State Sector approximately 60-70% of total construction value, the remaining 30-40% is investment from Private Sector. State Sector has policy for stimulating construction and is expected as major factor to push the growth of construction industry in the future, due to investment project which is going to start in the future and projects in progress, especially investment in transportation, health system development and education which is still the important pushing strength in construction sector of the State.

Procurement of the product

Capacity to produce

Capacity of business in construction engineering and mechanical and electrical engineering unable to calculate in a figure clearly because of production capacity of this type of business have many variable factors such as

Number of engineer	which are engineering project director, engineering project manager, project engineer, and engineer.
Number of sub-contractor	who have talent, experience and expertise in the construction and installation engineering for each type.

The company will manage the number of engineers and the number of sub-contractor each projects for deliver within the determinate time and serve demand of customers.

Information about raw material

A. The main raw material used in construction

Main raw material used in the electrical and mechanical engineering can be classified as division as the details in the following:

Electrical system	: electrical cable, electrical pipe, transformer, electricity generator, BUS DUCT, generator box, plug, lamp communication system, notify fire equipment , sound system, TV antenna equipment system, closed circuit television system equipment, security device.
Sanitary and extinguish a fire system	: PVC pipe , steel pipe zinc cover , black iron pipe, valve of water pump , water tank, water treatment tank, sanitary product , fire extinguisher , fire hose cabinet, fire hydrant , portable fire pump ,
Air conditioning system	: water pipe, liquid sewage pipe, air duct vent, air value of air conditioner , tower fan , ventilator, cold water machine, cold water pump

Main raw material used in general construction engineering operation, infrastructure engineering construction, environmental engineering and petrol chemical and energy engineering industry is a common material used in construction such as long and round piece of iron, steel, concrete , cement, floor surface materials, wall material and floor, cornice , ceiling, wood , door , window , painting color , roof moreover the company have some material to vary the field of work and customer's need.

B. Procurement of raw material

Company purchased all raw materials from domestic supplier; these included the domestic manufacturers and distributors within the country.

Most of the material that the company purchases from manufacturers are common material used in electrical and mechanical engineering and general construction engineering such as steel, cement, electricity wire, PVC pipe etc. The raw material that company purchase from local distributors are the material's that characteristic needs of customers such as expensive luxury such as lamp, transformer , switches , high power pump , refrigerator ,fire cabinet, fire alarms.

Revenue Structure

Consolidated revenue structure of EMC Public Co., Ltd., dating back 3 years (2007-2009) can be classified types of core businesses as follows :

	Consolidated		Separate Financial Statements					
	2009 Mil.Baht	%	2009 Mil.Baht	%	2008 Mil.Baht	%	2007 Mil.Baht	%
Revenues								
Revenue of sales and construction	2,848.32	99.20	2,844.90	99.20	2,737.03	98.64	2,982.96	99.46
Other revenue								
Interest income	9.83	0.34	9.85	0.34	9.46	0.34	9.06	0.30
Others	13.08	0.46	13.12	0.46	28.24	1.02	7.05	0.24
Total revenue	2,871.23	100.00	2,867.87	100.00	2,774.73	100.00	2,999.07	100.00
Revenue increase (decrease) ratio		3.48		3.36		(7.48)		31.36

Project Awarded in 2009

Project Name	Location	Scope of work	Contract Value (Million Bath)	Progress
1. The Kris Express 2	Ratchada 19 , Bangkok	Civil and M&E	65.70	83.39 %
2. Rajamangala University Of Technology Suvarnabhumi	Ayutthaya	Civil and M&E	233.54	24.00 %
3. Intro Condominium	Phayathai , Bangkok	M&E	128.04	17.56 %
4. The Aloft Hotel	Sukumvit 11 , Bangkok	M&E	152.46	16.66 %
5. Fo Guang Shan Religion Practice and Mahayana Study Center (Thailand)	Ramintra Road Km.9, Bangkok	Civil	1,076.34	6.14 %
6. The Link Advance (Link 5)	Sukumvit 50 , Bangkok	Civil and M&E	157.01	20.67 %
7. Malibu Khao Tao (Swimming Pool)	Prachuapkhirikhan	Civil and M&E	92.01	44.92 %
8. Malibu Khao Tao (Main Building)	Prachuapkhirikhan	Civil and M&E	243.38	43.91 %
9. Lotus supermarket (Bua yai)	Nakhonratchasima	Civil and M&E	16.79	100.00 %
10. Lotus supermarket (Nongkae)	Saraburi	Civil and M&E	17.95	100.00 %
11. Shibuya 19	Phetchaburi 19 , Bangkok	Civil and M&E	565.00	6.23 %
12. Resident building 7 floors	Sukumvit 55 , Bangkok	Civil and M&E	112.92	11.96 %
13. Ramada Encore Hotel	Sukumvit 10 , Bangkok	Civil and M&E	173.00	0.00 %
14. Lotus supermarket (Cherg Talay) Phase 1	Phuket	Civil	5.50	0.00 %

Work in Progress

The company has 11 on-going projects. The contract value is 3,392.05 million Bath, remain value 631.96 million bath as follows:

Project Name	Effective Date	Contract Value (Million Bath)	Backlog (Million Bath)	Progress
1. Royal Maneeya	1 Mar. 2006	670.76	103.23	84.61 %
2. 340 Keyshotel	1 Apr.2006	471.90	26.43	94.40 %
3. The Emporio Place	6 Mar.2007	40.12	0.88	97.80 %
4. North Point Condominium	7 July 2007	442.91	69.05	84.41 %
North Point (B)		2.50	2.40	4.01 %
North Point (S)		0.65	0.44	67.02 %
5. Kool Residence	21 Feb.2008	155.84	67.17	56.90 %
6. 59 Heritage Condominium B	16 Mar.2008	286.94	6.46	97.75 %
7. BU Landmark Complex	1 Apr.2008	97.62	0.90	99.08 %
8. Malibu Khao Tao	30 Mar.2008	104.99	25.60	75.62 %
9. The Alcove Thonglor 10	2 May 2008	322.85	168.33	47.86 %
10. Aloft Hotel	1 June 2008	443.93	135.09	69.57 %
11. The Aree Forum	18 June 2008	351.04	25.98	92.60 %

Risk factors

Risk form high cost of equipment for using in construction

Due to the company work in construction engineering as a main, the changing fluctuation of construction equipment's price or the company might have taking risk from adjust the high price in construction equipment after contract award which it affects the production cost and profit of company. However, the company has policy to manage this kind of risk by the Company enters into forward purchase contracts with suppliers to deal under committed prices and delivery terms for some main materials and equipment. Moreover, the Company proceeds on risk reduction measures by determining systematic management policies as well as controlling material and equipment costs based on the agreed prices, terms, and conditions including with follow the changing price closely to estimate the situation and trend of raw material's price. For consider in the bid of the company. These strategies enable the Company to reduce risk from construction equipment in a level.

The risk from higher competitive

The intensifying competition in construction industry and the rising number of contractors nowadays result in severely bidding competition that some contractors may dump their prices down to overcome the tenders, and such competition may diminish the Company's gross profit margin. However, the company has plan to reducing this risk by choosing to bid in the job that company has an expertise and can control it for making primary profit. Including with development the human resource and operating system to serve the customers' requirement better for them trust in performance. The company had been into many construction and electrical and mechanical engineering project, the company had received trustworthy from consultant engineering and project owner which they can see our abilities and quality of the company. Therefore, they offer us to bid in the new project always.

Risk from delay of the project

The reason of delay may occur with many reasons such as the delay from the owner of the project lack of capital and liquidity or changing of construction plan or engineering system which might result the company to increase expense in project such as utility, worker salary, and cost of administration and finance etc. In addition, project delay may be caused by delay in operation. That is the reason the company has risk from the project delay from the owner. However, the company tries to set up the management, monitor plan, including the clarification and communication to the owner for the reason of delay and how to fix the problem. Furthermore, the company will manage to cope within the time. The number of engineer and experienced have enough and equipment and material for construction is adequate and effective as demanded.

Business of construction contractor and general electrical and chemical engineering is this business that require people with expertise in the designing, planning and construction as a planned which is the engineers in project director, project manager and engineer taskmaster. If these company lose these personnel may affect the performance and competitiveness of the company. The company has a policy of good human resource management and the return to employee properly.

The risk of not receiving payment or delay payment

The Company's clients are generally classified based on two major categories, namely public sector and private sector. Employers in private sector may generate the risk from late payment or non-payment when they encounter financial difficulties. To reduce this kind of risk, the Company proceeds on thoroughly checking financial status and creditability of project owners prior to tenders particularly with the banks that the Company seeks credit facilities to undertake the projects. The Company will record Bad Debt Allowance for the loss that may occur from non-payment by the debtor, considering collection experience and duration of the debt.

Risk from force majeure and possible litigations

Even budgets for contingencies are regularly set in the price determinations, the Company could adversely affected from force majeure especially when it encounters time constraints to resolve problems arise from crisis such as floods or natural disaster, etc. which emerge the Company to damage losses and are typically unable to claim for compensation from project owners. In such cases, the Company may request for extension of construction schedule referring to such unpredictable situations.

In addition, the Company may be exposed to litigation risk and claims resulting from environmental damages at sites. To prevent this kind of risk, the Company intensively conducts preventive measures starting from environmental study to collect necessary information before mobilization, preparation of environmental protection, exchange information with surrounding communities to create good understanding and relationship, installation of canvas to contain dust over sites along with the intensive implementation of Safety Standards.

Risk from adjustment constraint for Warrant exercise price

In case there is any change of Warrant exercise price under the condition of adjustment to the extent that the new exercise price is lower than the value fixed for ordinary share. The Company also has risk from receiving no increase of capital fund from exercising the right in buying ordinary shares by Warrant holders which may occur if par value of ordinary share is lower than exercise price on the maturity date for buying shares, causing the Company not to receive increase of the capital as set up.

Risk from formulating right adjustment regardless of time value of Warrant

Calculation change for exercise price according to the adjustment condition taking into account the price of assets newly issued only during the time of adjustment and not time value of the Warrant. Time value will decrease when validity of the Warrant decreases, therefore such method of adjustment cannot fully compensate right and privilege of the Warrant holders.

Connected transactions

Connected transactions of the Company with parties that may have conflicts of interest

Parties with possible Conflicts of interest	Relationship	Nature of transactions	Necessity and rationale	2007 (Separate financial statements)	2008	2009	The total amount of the unpaid loan 31 Dec.2009
1. Bangkok Bank Public Company Limited	The major shareholder of the company	1. The interest that the company has been paying to the bank by dint of the short term loan that the company received from the bank in order to support the work process of the company.	The loan was for the regular business activities of the company, and the interest rate has been the contracted one complied with general market rate.	2,975	990	-	-
		2. The fee that the company has to pay to the bank for the insurance of the Bank Guarantee and Letter of Guarantee (to be used in the bidding for jobs) and other fees.	The expense was the fee charged by Bangkok Bank when the bank gave the service to the company, which was the fee that the company and the bank had mutual agreed, and was in the regular rate that the bank had been charged to its regular customers.	20,911	1,887	-	-
2. Picnic Corporation Public Company Limited	The shareholder of the company	1.The cost for the construction that the company had hired Picnic Corporation Co., Ltd to do for the company as the sub-contractor.	The expense was the regular remuneration for sub-contractor that had been hired to work for the company. The cost of the construction was the basis of the contracted remuneration rate or about 97 percent of the value of the contract that the company had made with the client.	20,410	-	-	-
3. Gold Plan Development Company Limited	The shareholder of the company	1. The advanced money paid to the sub-contractor was complied with the contract that the company had made with the client.	The expense was the advanced money that the company had paid the sub-contractor for working accordingly to the contract. The amount of such money was complied with the agreement in the contract, and was the regular expense in the business.	17,999	-	-	-
		2. The guarantee money from the subcontractor	The transaction was deducted for the work done.	1,996	-	-	-
		3. The debt from the contractor	The undue payment.	4,692	-	-	-
		4. The cost for the construction that the company had hired the Picnic Corporation Co., Ltd to do for the company as the sub-contractor working on behalf of the company.	Transactions arisen were paid to sub contractor.	42,615	6,223	-	-
4. Joint Venture EMC & Power Line	The Joint Venture of the company	1. The interest that the company has been collecting from the joint venture short term loan in order to support the work process of the joint venture company.	The transaction was loan for the regular business activities, that the company had charged interest rate at 6 percent.	-	-	28	28
		2. The service fee from the Joint venture of the company	The revenue was the service fee when the company had service to the joint venture, which was the fee that the company and the joint venture had mutual agreed.	-	-	50	50

Management's Discussion and Analysis

Performance in the past

EMC Public Company Limited is the main business of providing long-term construction contract. In 2009, the company has contracted joint-venture with Power Line Engineering Public Company Limited by the share of 49 percent and 51 percent respectively for operation the government construction project in ChaingMai. (Company and joint venture together also called Group of Company)

In 2009, the total revenue of the company and group of companies was 2,867.9 million baht and 2,871.2 million baht respectively. The income was from contractor in 2 major line which including general construction and system construction totally 2,844.9 million baht and 2,848.3 million baht respectively or equivalent to 99.2% of total income.

Construction cost for 2009 for the company and group of companies are amounted of 2,747.5 million baht and 2,750.85 million baht respectively or equivalent to 96.5% of total income from the construction, with gross margin was 3.5%

Administration Cost of the company and group of company was 102.50 million baht or 3.6% of total income .In year 2009, the company reserve up p allowance for doubtful account receivable balance related to a project which company give loan and construct of total amount 91.0 million baht, combined with cost allowance provision for doubtful others which generated the company and group of companies have total allowance or doubtful equal to 91.1 million baht or 3.2 % of total income.

In year 2009, the company and group of company have performance operation after deducting interest expense and income tax equals to net loss 89.5 million baht or 3.58% of total income.

Income

In 2009 the company had revenue from construction of 2,844.9 million baht, increase from last year 107.9 million baht or 3.9%.

The increased of revenue generated by auction projects from late year 2008, had started construction and realized in 2009, including with the company has also bid many projects in short-term construction plan especially the branch of department store, convenience store, in many provinces which completed and realized the income in year 2009.

Other income for the year 2009, the company had a total of 23 million baht, including with interest income of 9.8 million baht, the income from the fine of delays in payment of 3.7 million baht and other type of income totally 9.4 million baht. To compare with year 2008 the number was decreased to 14.7 million baht because during year 2008, the company has been transferred from a debtor as the contract in debt restructuring which has been approved by the bankruptcy court. As a result of that transfer of share , the company transferring the doubtful receivable which previously set for such case is 16.4 million baht of net receivable from a set allowance for doubtful for the year is income transfer to allowance for doubtful value of 12.5 million baht.

Convention center and international exhibition construction contract project which the group of company have been operating under the joint venture recently made in the late 3rd quarter of year 2009. Therefore, construction procedure and operating income during this year of this project have not too many. Therefore, the income of joint venture that the company realized as a revenue of group's consolidated financial statement are few. Revenue of company and group of company are kind of similar.

Construction Cost and sale

In 2009, the company has a construction cost 2,747.5 million baht which compared with previous year, the number increased to 198.2 million baht or 7.2 % which if considered to increase sale revenue, cost of construction increased more than accounted for the increased of revenue slightly. It cause gross margin this year decreased from 6.8 % in 2008 to 3.4 %s due to increase in the volume of general construction (civil) which typically have gross margin are not high combined with the competitive environment in the construction industry is relatively high which make the company's gross margin are lower than ever. The company also affected by fluctuation in the price of building materials.

Sale and Administrative expenses

Sale and Administrative expenses for 2009 of 102.5 million baht included wage , salary of executive and employees , electric utility bills, water , internet , phone, and other depreciation , professional fee , and other miscellaneous expenses calculating as 3.6% of revenue from construction . Comparing with previous year, Sale and Administrative expenses was 106.6 million baht or 3.9 % of revenue from construction. Sale and Administrative expenses was decreased because the company has a policy to control cost and focus on utilizing existing resource for the most cost effectiveness.

Bad Debt Allowance

In 2009 company and group of company has reserved provision for cost allowance for doubtful account receivable balance related to a project of company to lending money and operating construction but the project's owner lack of liquidity total amount 91.0 million baht as the following:

	Million baht
Account receivable	51.6
Retention receivable	4.4
Term Loan (promissory note)	30.0
Account interest payable	2.3
Other debtor	2.7
	91.0

In the first quarter of 2010, the project owner has been proposed to purchase the project from one company which the buyer has approved credit facilities from bank. And the project owner, buyer, and the company had signed a agreement to pay balance of trade account receivable and promissory note as the detail as following:

- reimbursement account receivable is 30.0 million baht in the first quarter of year 2010. For the account receivable remaining payment, after the buyer, the project owner and company has examined the work and additional cost arising from the payment of construction delay which is expected to be able to have completed in the second quarter of the year 2010.
- repayment of promissory note 30 million baht each month, 5 million baht for 6 months, during the first quarter to the third quarter of year 2010.

Because the debt related to the project owed the payment as long time and all parties will comply with the term of agreement to full record for a while, therefore, the company reserve up allowance for doubtful receivable pending on the full value, in the profit and loss statement of the company and group of company.

Interest expense

Financial cost in year 2009 was 11.2 million baht which compared previous year with not much changing. Although the company will be expanded in term of construction which require much more credit from financial institution but the loan interest rate in this year was decreased from previous year. Therefore, financial cost which is including with interest expense and bank fee this year are not much changing from previous year.

Income tax

Although year 2009 operation result of company and the group of company loss because of the different between profit (loss) of net account and profit (loss) of net tax. For example; setting up a back up reserve for doubtful debt was generated company and group of company has the burden to pay income tax for this year of 5 million baht which compared with the year 2008 the performance of company was net profit but didn't have to pay corporate income tax because in that year the company has benefit from the implementation of tax net loss of previous year. Bringing it to deduct from the net profit made no tax payable.

Gross profit and net profit

From high competition in construction industry and the increasing of proportion of receiving the construction work (civil) made decreasing of gross profit of the company from previous year 6.8 % to 3.4 % in this year. In order to prepare company and groups financial statement, primary care is based on the accounting standard of the company. Therefore, the company the company has reserved for the provision of bad debt that have the problem discussed in allowance for doubtful value above. Result of company's and group's operation has net loss were 89.5 million baht.

Financial status

Assets

The total asset of the company decreased from 2,025.1 million baht in year 2008 to 1,967.8 million baht in year 2009, decreased from last year 57.3 million baht or 2.8% of total company's asset. Total assets divided into current asset mostly cash and equivalents and other types of debtors total of 1,519.7 million baht or 77.2% and most fixed asset which is deposit with financial institution guarantee obligation, land, building, and equipment is of 448.1 million baht or 22.8%.

Cash and items equivalents to cash

In 2009, cash and equivalent to cash of the company and group was amount of 289.8 million baht and 290.9 million baht respectively, comparing with previous year the number was decreased slightly. Deposit with financial institution's guarantee obligation decreased from 326.8 million baht in previous year to 309.8 million baht for the financial statement of company and 317.2 million baht for the group of company because during the year, company have discharged the loan guarantee for old projects, which made the number of money that have to deposit for guarantee obligation with the financial institution decreasing. The company to have better liquidity and had brought a part of money to repayment of the short-term loan for reducing the interest obligation of the company. Therefore, on December 31, 2009 balance of cash account and cash equivalent which deposit with financial institution and obligation secured short-term loans from financial institution has decreased from the previous year. In additional, the company brought a part of money to be in form of advance and short-term loan to the joint venture.

Account receivable

In December 31, 2009 account receivable net value after allowance for doubtful were 115.5 million baht. There was 430.80 million baht, increasing from year 2008 amount 77.2 million baht or 15.2% net account receivable decreased as many as a result of a company reserve provision for cost allowance for doubtful account receivable related to a project 51.6 million baht. The total account receivable prior to setting up a backup reserve for doubtful account receivable year 2009 decreased from previous year only 25.70 million baht. The account receivable decreased due to several construction projects at work in December 2009 be invoiced in the year 2010 (determined by income which has not called for net payment of year 2009 that had higher amount)

From the table of aging list, the most account receivable of the company over 70% of account receivable is not yet due and unpaid payment not exceeding than 3 months. Although year 2009 the ratio of receivable outstanding overdue debt to time is more than a year ago due to problems in liquidity and financing of the project owner, but the company's management is confidence that account receivable will paid in full amount, because the management has accelerate work on the project owner who has outstanding debt owed by the project- and considered budget separate from debt age of the company closely. Besides, to reduce the risk of charging the debtor company doesn't have a policy to determine of debtors to pay debt before considering work from income from the debtor and try to increase the work from governmental sector which help to reduce risk of charging debtors.

(Unit : million baht)

	Consolidated financial statement		Company's financial statement					
	2009		2009		2008		2007	
	amount	%	amount	%	amount	%	amount	%
Not yet for payment outstanding	192.5	35 %	192.5	35 %	390.9	68 %	209.2	54 %
Over due								
- Not exceeds 3 months	207.4	38 %	207.4	38 %	87.0	15 %	98.2	25 %
- 3 - 6 months	3.6	1 %	3.6	1 %	28.6	5 %	10.4	3 %
- 6 - 12 months	32.4	6 %	32.4	6 %	3.2	1 %	4.3	1 %
- Longer than 12 months	110.4	20 %	110.4	20 %	62.2	11 %	63.2	16 %
total	546.3	100 %	546.3	100 %	572.0	100 %	385.3	100 %
Deduct Allowance for doubtful account	(115.5)	-21 %	(115.5)	-21 %	(63.9)	-11 %	(60.0)	-16 %
Account receivable - net	430.8	79 %	430.8	79 %	508.0	89 %	325.2	84 %

Revenue of construction work uncollected – Net

Revenue of construction work uncollected in 2009 was 264.6 million baht for the company and 268.0 million baht for the group of company. It increased from 2008 amount of 29.5 million baht and 32.9 million baht respectively. Due to there are a lot of construction of several projects in December have been completed but not invoiced charges to keep up with construction in year 2009. Therefore, it will be invoice in year 2010.

Debtor – Work guarantee under construction contract

Work guarantee under construction contract in year 2009 ,net income was 234.7 million baht which increased from year 2008 amount of 30 million baht or 14.6% because the insurance debtor of construction contract increased a lot because during the year has the construction and delivery many jobs to the customers.

Property, building, and equipment

During the year 2007-2008 the company had invested in fixed asset by purchasing a large new office at silom and invested in decorated office for moving to new regional headquarter at the new office. It is easier to travel and liaise. In year 2009 the investment by purchasing fixed asset is just a replacement for the damage or only supplement to necessary part. There was no investment in high value property. Therefore, when we deducted the depreciation during the year, the value of land, building and equipment-net declined from year 2008.

Liabilities

The total debt of company increased from 1,005.7 million baht in previous year, it was 1,052.8 million baht in this year which increased 4.7% of the company's total debt. More than 80% were current asset which the most of them are account payable , promissory notes, cost of work which is not yet due to pay, receivable in advance payment from customers and short-term loan from financial institution. For non-current asset are most of work guarantee under construction contract, even though the current asset ratio is high but comparing with the current asset of the company, found that it would not cause liquidity problem.

Short-term loan from financial institution

In 2009, short-term loan from financial institution increased from 138.7 million baht from previous year to 95.8 million baht. Due to during the year the company can unloose guarantee in many project s with financial institution .Therefore, the company bring some money to pay short-term loan payments from financial institution to reduce the burden on the interest.

Account payable and promissory note and cost of work not yet due for payment

In 2009, the company and group have account payable and promissory note amount 309.0 million baht and 313.2 million baht respectively reduced from previous year 26.4 million baht and 22.2 million baht respectively which are due to the many account payable was under construction and delivery the job in the end of year 2009 which is unable to work that have been completed or cannot issued the invoice in time in year 2009. However, the company has to set accrued expense for the construction cost of the project that has already been completed in the full cost accounting not required to pay. Cost of work not to be payable for the year 2009 of 289.6 million baht increased from the previous year amount to 78.7 million baht or 37%.

Loss allowance expected to occur from the construction

Loss allowance expected to occur from the construction amount of 2.2 million baht was the serve for recognition of loss expected to occur in international project as the accounting standard. To realize a loss that is expected to occur as soon as the company found that there is a possibility that construction cost would have more cost than construction revenue. The company has return back up the loss during the year 2009 because of the realization of loss incurred in profit and loss statement for the year.

Liquidity

Cash flow:

Due to the competitive environment in the construction industry during the year 2009 is relatively high therefore the proportion of gross profit margin of contractor is less than previous year as significantly. Also, sale in year 2009 would be higher than the previous year but performance of company will have profit from operation (before provision for allowance for doubtful value) less.

However, management team effort to manage of liquidity within the organization the most ,it make the company is having net cash flow from operating activities in year 2009 as many as 57.5 million baht for the company and 57.2 million baht for the group of company and the net cash flow from investment activities amount 13.4 million baht for the company and 9.8 million baht for the group and for reducing interest burden to pay for the company , the company have brought the cash flow from these activities to pay short-term loan. Therefore, there is cash flow to use in the fund activities amount 76.6 million baht for the year; the company has cash and cash to equivalent decreasing equal to 10.7 million baht for the company and 9.5 million baht for the group of company. There is the cash and cash to equivalent in the balance sheet as 289.8 million baht for company and 290.9 million baht for the group of company.

Liquidity ratio:		2009	2008	2007
Liquidity ratio	(times)	1.43	1.51	1.28
Average debt collection period	(days)	58.86	54.06	31.24
Average loan repayment period	(days)	42.44	53.81	39.51

From the above table, liquidity of the company was on good standard which are sufficient current asset to pay debt payment. It determined by the company's liquidity ratio of more than 1 for every year.

Source of capital fund	Consolidated financial statement		Company's financial statement					
	2009		2009		2008		2007	
	amount	%	amount	%	amount	%	amount	%
Current liabilities	929.4	47	925.1	47	901.7	45	1,014.9	54
Non-current liabilities	127.7	6	127.7	6	103.9	5	82.2	4
Total liabilities	1,057.1	54	1,052.8	54	1,005.6	50	1,097.1	59
Shareholders equity	915.0	46	915.0	46	1,019.4	50	782.9	42
total	1,972.1	100	1,967.8	100	2,025.1	100	1,873.5	100

From the above table, source of capital of the company was approximately 50-60 % derived from current liability due to the nature of business required substantial fund to purchase material in construction , accrued payment, labor wage for construction to deliver to the customers. Nature of fund, most are in from of loan from the trade creditors, received advance payment from customers, cost of work which is not due to pay, creditor insurance of work, and short-term loan from financial institution. The company doesn't focus on investment in large equipment and machinery therefore it was not necessary to use long-term capital.

Obligation

Obligation of the company as at December 31,2009 was obligated under operating lease which company made lease office and facilities, office equipment and vehicle. The lease has ended the tenancy period in different time until to the year 2012 with rental fee 1.7 million baht.

Letter of Guarantee

- Company has letter of guarantee issued by bank and financial institution on behalf of company which related obligation of certain normal business practices. The balance on December 31, 2009 was amounted of 632.6 million baht and 0.96 million us dollars and balance of the joint venture as on December 31, 2009 have letter of guarantee total amount 93.4 million baht.
- The company has issued letter of guarantee of approximately 30.34 million baht which related to debt pledge for construction to a former subsidiary of the company as a project management work related to pre-sell that subsidiary. Letter of Guarantee has been returned in February, 2010.

Shareholders' equity

At December 31, 2009 the shareholders' equity was equal to 915.0 million baht which decreased from 31 December, 2008 of the part of shareholder 1,019.4 million baht to 104.4 million baht. The part of reason is from the company had net loss of the year.

Warrant for purchase of shares

Extraordinary shareholders meeting No. 1/2005, held on 9 February 2005 passed resolution for approval as the following:

- Approval to issue warrants of 50 million units to directors and /or its employees of the company. Under the securities offer project to directors and / or employees (ESOP scheme) by allocating to directors 33.6 million units calculated as 67.2% of total number of warrants.

Allocation of warrant from 5% or more of the all warrants from permission under the securities offer to directors and /or employee (ESOP scheme) by the resolution of the warrant distributed to the managing director 30 million units, calculated as 60% of the total number of warrants.

- Resolution approval the issued and offering to sell warranty of purchase common stock to specify the name of holder and could transfer the holder. Age of warrant is 3 years counting from the date of issued of warrant which is not more than 131.39 million units worth by not calculating the value for the allocation to existing shareholder .The rate of the right is warrant 1 unit per 1 unit of common share (changeable subsequently as per condition of right adjustment). The exercise price of warrant will be equal to 2 baht per share but it will adjust the price as the adjusting right condition. Duration of exercise at 1 year due since the issued date of warrants. Holder of warrants may exercise the warrants at the end of every quarter or the last day of March, June, September and December of each year over the life of warrants.

On September 20, 2005 the company has approved issuing warrant to purchase such share from the Stock Exchange of Thailand.

The resolution of annual general meeting for year 2008 held on 3 April 2008 has resolved to reduce the value of existing ordinary share of 1 baht per share to 0.10 baht per share by the company's registered capital is still the same which making result of EMC-WI warrant issued and offering to sell increased from 82,688,058 units to 826,880,580 units with the exercise price of warrant equal to 0.20 baht per share.

The resolution of the Board of Director meeting No.5/2008 held on 11 August 2008 has approved the date of August 25,2008 is the issued date and offering to sell of warrant to purchase common share number 2 ("EMC-W2") the type of specify the name and can transfer the holders. Age of warrant is 3 years from issuing of warrant which is not exceeding 1,380,241,150 units with no charge for allocation to existing shareholders in the ratio of which is warrant 1 unit per common stock 4 shares. The ratio of right is warrant 1 unit with 1 share of common stock. The exercise price of warrant will be equal to 0.20 baht per share, unless there is adjusting exercise price as adjust condition the term of the right when the due is 1 year after issuing the warrant to the holder exercised by warrants on the last day of each quarter or the last day of March, June, September, and December of each year all life time of warrant.

On September 24, 2008, the company was permitted to start purchase and sale of warrant number 2("EMC-W2") of 1,378,262,892 units by the stock exchange of Thailand.

On April 30,2009 shareholder of company have approved a change in par value from the original 0.1 baht per share to 1 baht per share by the registered capital of the company will be the same as 724,323,476 baht . Result of this changing included the company's common stock from 7,243,434,760 shares and the par value 0.1 baht to be 724,343,476 shares at par value of 1 baht per share and approved to change the number of share, warrants and the exercise price of the EMC-W2 as following:

	Former	New
The number of warrant	1,378,262,892	137,826,289
Exercise price	0.20 baht / share	2 baht / share
The number of share	1,378,262,892	137,826,289
Par Value	0.10 baht / share	1 baht / share

The company has registered changing in the value of shares with Ministry of Commerce which was held on May 14,2009

Factor and major influence that may have adversely affect to business operation or financial status in the future

The main factor that will affect the operation or financial status in the future are fluctuation of cost of construction material, oil price, economic situation of the country and government policies etc. The construction material's cost have a direct impact on construction cost of the company during the year 2009, construction material's cost fluctuation are relatively high. However, the company would monitor cost closely for the benefit of planning and cost control as the target available in each project.

Economic situation and government policies of state sector can be considered another factor that affects operation of the company. If a country's economic outlook improved, investment growth. Both public and private sector will result in its increased workload. In additional, the policy of government to construction of mass transit system and transportation system of the country in the near future will result in activities related to construction of more which will impact on operation of the company. If the company participate in such business operations.

Audit Fee

Audit Fee

The Company paid 1,300,000 Baht audit fee to Baker Tilly Audit and Advisory Services (Thailand) Ltd. for account audit the past financial year.

Non-Audit Fee

Audit Committee Report

To the Shareholders of EMC Public Company Limited

The Audit Committee has performed duties pursuant to the scope of authority and duties of the Audit Committee Charter prescribed by the Stock Exchange of Thailand ("the SET") and the relevant laws, and as assigned by the Board of Directors, based on the good governance principles. For 2009, the Audit Committee had arranged 12 normal meetings and a special meeting with full attendance from members and the management and other concerned parties from the accounting, finance, Quality Control and legal and internal audit department. Exception in special meeting, the chairman of audit director had a mission and unable to attend the meeting. The Audit Committee appropriately discuss and shared and efficient monitoring and audit. The auditor of the Company attended the meeting regarding the matters concerned.

The Audit Committee is composed of three independent directors who are neither executives nor employees, namely

1.	Dr. Jurairat	Uhaka	Chairman of the Audit Committee
2.	Mrs. Sunee	Sornchaitanasuk	Member of the Audit Committee
3.	Mr. Chupong	Tanasettakorn	Member of the Audit Committee

Duties and responsibilities of the Audit Committee can be summarised as follows:

1. 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. Based on the revision, all transactions are in accordance with normal courses of business and are revealed and practiced, following rules and directions drawn by the Stock Exchange of Thailand precisely.
2. To review the Company's quarterly financial reports and annual reports that have been reviewed and audited by authorized auditor with the authorized auditor and the Company's management, prior to disclosure to The Stock Exchange of Thailand and ordinary persons. Financial report review shall be conducted, in accordance with applied accounting standards as well as related laws and regulations, to ensure that reviewed financial information is accurate, complete, credible and transparent. The Audit Committee came to the conclusion that internal control of the financial reporting process was adequate enough to ensure that such financial statements represented the Company's financial status and operating results accurately, that they were in accordance with legally defined accounting principles, and that they were adequately and promptly disclosed for the benefit of shareholders, investors and users of such statements when making investment decisions.

3. To review the Company's internal control system and internal audit system, 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, to review the Company's enterprise risk management system. The audit committee reviewed sufficiency of the Company's internal audit system from the audit report dated March 2, 2009 and concluded that the Company's internal audit system is sufficient to prevent and reduce probable risks and that no material weakness is present.
4. To review the Company's internal audit report that involves the Company's operations in relation to its plan, reviewed the mission, scope of work, accountability and responsibility, independence, and authority of internal audit activities to ensure that every business unit possesses better internal control system which will enhance their operations' effectiveness and efficiency.
5. 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 such as the Public Company Act, Securities and Exchange acts, Regulations of the Securities and Exchange Commission, and business commitments with third party agreements. The audit committee concluded that the Company operates in adherence to all related laws and regulations strictly and acts in favor of all stakeholders equally with transparency in order to maintain investors and stakeholders' trust in the Company's operation.
6. To consider, select and nominate an independent person to be the Company's auditor, and to propose such person's remuneration.

In 2009, the Audit Committee exercised its judgment and independently fulfilled its duties and responsibilities with sufficient competency, circumspections and full access to information from Management, employees and relevant parties. The Audit Committee also gave comment and recommendation on the equitable treatment of stakeholders.

In summary, the Audit Committee gave judgment that the Board of Directors, Management and executive directors have operated with an ethical mind and have had the intention of performing duties professionally to achieve the Company's goals. Furthermore, the Company has committed itself to an importance of business principle under effective corporate governance.



(Mrs. Sunee Sornchaitanasuk)
Member of the Audit Committee



(Mr. Chupong Tanasettakorn)
Member of the Audit Committee



(Dr. Jurairat Uhaka)
Chairman of the Audit Committee

REPORT OF CERTIFIED PUBLIC ACCOUNTANT

To the Shareholders of EMC Public Company Limited

I have audited the accompanying consolidated balance sheet of EMC Public Company Limited and joint venture as at December 31, 2009, and the consolidated statements of income, changes in shareholders' equity and cash flows for the year then ended. I have also audited the separate balance sheet of EMC Public Company Limited as at December 31, 2009, and the separate statements of income, changes in shareholders' equity and cash flows for the year then ended. The management of the Company is responsible for the correctness and completeness of information presented in these financial statements. My responsibility is to express an opinion on these financial statements based on my audit. I did not audit the financial statements for the year ended December 31, 2009 of a joint venture. The total assets in this joint venture represented 1.0% of the total assets in the consolidated balance sheet as at December 31, 2009. The total revenues of this joint venture represented 0.1% of the revenues in the consolidated statement of income for the year ended December 31, 2009. The financial statements of such joint venture were audited by other auditor whose report has been furnished to me and my opinion, insofar as it relates to the amounts included for this joint venture, is based solely on the report of the other auditor. The financial statements of EMC Public Company Limited for the year ended December 31, 2008, which are presented for comparative purposes, were audited by another auditor whose report dated March 2, 2009, expressed a qualified opinion for the effects to the financial statements since he did not audit the financial statements of the overseas branch for the year ended December 31, 2008, which had total assets of Baht 41.2 million (equivalent to 2.0% of total assets in the balance sheet) and had revenues for the year then ended of Baht 126.1 million (equivalent to 4.6% of total revenues in the statement of income). The financial statements of such overseas branch were audited by other auditor whose report, which was furnished to him, expressed a qualified opinion because of a non - reply confirmation letter of gross amounts due from customers for contract work of Baht 28 million.

I conducted my audits in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audits and the report of other auditor provide a reasonable basis for my opinion.

In my opinion, based on my audits and the report of other auditor, the financial statements referred to above present fairly, in all material respects, the financial positions of EMC Public Company Limited and joint venture and of EMC Public Company Limited as at December 31, 2009, and the results of their operations and their cash flows for the year then ended in conformity with generally accepted accounting principles.



(Ms. Waleerat Akkarasrisawad)
Certified Public Accountant
Registration No. 4411

Baker Tilly Audit and Advisory Services (Thailand) Ltd.
Bangkok
March 2, 2010

BALANCE SHEETS

AS AT DECEMBER 31, 2009 AND 2008

(IN Baht)

ASSETS	Notes	Consolidated Financial Statements	Separate Financial Statements	
		2009	2009	2008
CURRENT ASSETS				
Cash and cash equivalents	4, 11, 13	290,960,008	289,830,807	300,490,105
Trade account receivables - net	5, 13, 27	430,798,046	430,798,046	508,038,019
Unbilled trade receivables - net	6, 11	268,045,371	264,625,171	235,146,333
Retention receivable from customers - net	3	234,730,765	234,730,765	204,761,766
Advance payments to joint venture	3	-	12,871,508	-
Short-term loans to joint venture	8	-	4,000,000	-
Short-term loan to other company		-	-	2,000,000
Work in progress		66,715,133	62,057,508	45,710,819
Other current assets				
- Withholding tax deducted at source	7	138,587,755	138,587,656	63,162,706
- Advance payments for purchase of supplies		16,001,196	14,589,793	72,075,248
- Advance payments to sub - contractors	16	23,296,491	23,296,491	50,489,233
- Others - net	3, 11	47,057,422	44,323,110	32,887,366
Total Current Assets		1,516,192,187	1,519,710,855	1,514,761,595
NON-CURRENT ASSETS				
Investments in restricted fixed deposits	9, 32	317,150,722	309,791,161	326,801,448
Other long-term investments - net	10	274,047	274,047	274,047
Long-term loans to other company - net	11	-	-	30,000,000
Property, plant and equipment - net	12, 13, 14	125,784,597	125,572,524	144,367,444
Other non-current assets		12,585,438	12,423,738	8,859,651
Total Non-Current Assets		455,794,804	448,061,470	510,302,590
TOTAL ASSETS		1,971,986,991	1,967,772,325	2,025,064,185

The accompanying note are on intergral part of these financial Statement

BALANCE SHEETS

AS AT DECEMBER 31, 2009 AND 2008

(IN Baht)

LIABILITIES AND SHAREHOLDERS' EQUITY	Notes	Consolidated Financial Statements	Separate Financial Statements	
		2009	2009	2008
CURRENT LIABILITIES				
Bank overdrafts and short-term loans from financial institutions	4, 5, 12, 13	95,762,412	95,762,412	138,684,884
Trade account payables		313,193,024	309,012,753	335,386,556
Current portion of liabilities under finance lease contracts	12, 14	2,225,076	2,225,076	3,207,142
Short-term loan from other company	15	-	-	12,000,000
Unbilled construction cost payables		289,596,214	289,596,215	210,867,294
Advances received from customers	16	155,855,415	155,855,415	131,735,729
Provision for loss on construction projects	17	-	-	2,153,011
Accrued dividends		2,827,422	2,827,422	2,901,107
Other current liabilities		69,912,730	69,868,963	64,785,277
Total Current Liabilities		929,372,293	925,148,256	901,721,000
NON-CURRENT LIABILITIES				
Retention payable from contractors		127,283,597	127,283,597	101,227,279
Liabilities under finance lease contracts - net of current portion	12, 14	375,740	375,740	2,721,142
Total Non-Current Liabilities		127,659,337	127,659,337	103,948,421
Total Liabilities		1,057,031,630	1,052,807,593	1,005,669,421
SHAREHOLDERS' EQUITY				
Share capital				
- Authorized share capital, common share 724,343,476 shares at Baht 1 par value in 2009 and 7,243,434,760 shares at Baht 0.10 par value in 2008	18, 19	724,343,476	724,343,476	724,343,476
- Issued and paid-up share capital, common share 586,319,361 at Baht 1 per share in 2009 and 5,863,193,610 shares at Baht 0.10 per share in 2008		586,319,361	586,319,361	586,319,361
Premium on common shares		248,358,325	248,358,325	248,358,325
Treasury stocks	20, 22	(21,765,010)	(21,765,010)	(11,090,000)
Cumulative translation adjustments		(11,758,194)	(11,758,194)	(7,459,356)
Retained earnings				
- Appropriated for legal reserve	21	15,282,884	15,282,884	15,282,884
- Appropriated for treasury stocks	20, 22	21,765,010	21,765,010	11,090,000
- Unappropriated		76,752,985	76,762,356	176,893,550
Total Shareholders' Equity		914,955,361	914,964,732	1,019,394,764
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,971,986,991	1,967,772,325	2,025,064,185

The accompanying note are on integral part of these financial Statement

STATEMENTS OF INCOME

AS AT DECEMBER 31, 2009 AND 2008

(IN Baht)

	Notes	Consolidated Financial Statements	Separate Financial Statements	
		2009	2009	2008
REVENUES				
Revenue from construction	27	2,848,317,567	2,844,897,367	2,737,031,292
Interest income	3, 11	9,829,307	9,847,156	9,459,294
Reversal of provision for loss on construction projects				
Reversal of allowance for impairment of land and building	17 12	2,153,011 2,324,975	2,153,011 2,324,975	6,097,240 -
Reversal of allowance for doubtful account - net	23	-	-	12,532,097
Surcharge income from default in payment	11	3,741,199	3,741,199	-
Other income	23	4,860,680	4,910,680	9,614,425
Total Revenues		2,871,226,739	2,867,874,388	2,774,734,348
EXPENSES				
Cost of construction	3, 27	2,750,853,512	2,747,498,142	2,549,347,543
General and administrative expenses		79,807,035	79,800,683	86,303,884
Allowance for doubtful account	11	91,100,873	91,100,873	-
Loss on debt restructuring	23	-	-	8,827,555
Management benefit expenses	29	22,692,400	22,692,400	20,302,400
Total Expenses		2,944,453,820	2,941,092,098	2,664,781,382
Profit (Loss) before Finance Costs and Income Tax				
Finance Costs	3	(73,227,081)	(73,217,710)	109,952,966
Income Tax		(11,200,629)	(11,200,629)	(11,195,950)
NET PROFIT (LOSS)		(5,037,845)	(5,037,845)	-
Earnings (Loss) per Share	24	(89,465,555)	(89,456,184)	98,757,016
Basic earnings (loss) per share		(0.15)	(0.15)	0.19
Diluted earnings (loss) per share		(0.15)	(0.15)	0.19
Weighted Average Number of Shares (Equivalent to Baht 1 per share)	24			
Basic earnings (loss) per share		586,319,361	586,319,361	531,990,000
Diluted earnings (loss) per share		586,319,361	586,319,361	531,990,000

The accompanying note are on intergral part of these financial Statement

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR EACH OF THE YEARS ENDED DECEMBER 31, 2009 AND 2008

(In Baht)

Consolidated Financial Statements									
					Retained Earnings				
		Share Capital - Issued and Paid-up	Premium on Common Shares	Treasury Stocks	Cumulative Translation Adjustments	Appropriated for Legal Reserve	Appropriated for Treasury Stocks	Unappro- prated	Total
Notes									
BALANCE AS AT JANUARY 1, 2009									
Treasury stocks	20	586,319,361	248,358,325	(11,090,000)	(7,459,356)	15,282,884	11,090,000	176,893,550	1,019,394,764
Appropriated for treasury stocks	22	-	-	(10,675,010)	-	-	-	-	(10,675,010)
Expense recognized directly in shareholders' equity		-	-	-	-	-	10,675,010	(10,675,010)	-
- Cumulative translation adjustments		-	-	-	(4,298,838)	-	-	-	(4,298,838)
Net loss		-	-	-	-	-	-	(89,465,555)	(89,465,555)
Total recognized expense		-	-	-	(4,298,838)	-	-	(89,465,555)	(93,764,393)
BALANCE AS AT DECEMBER 31, 2009		586,319,361	248,358,325	(21,765,010)	(11,758,194)	15,282,884	21,765,010	76,752,985	914,955,361

(In Baht)

Separate Financial Statements									
						Retained Earnings			
		Share Capital - Issued and Paid-up	Premium on Common Shares	Treasury Stocks	Cumulative Translation Adjustments	Appropriated for Legal Reserve	Appropriated for Treasury Stocks	Unappro- prated	Total
	Notes								
BALANCE AS AT JANUARY 1, 2008									
Exercised warrants to buy common shares	18	483,084,403	150,003,340	-	(2,990,593)	10,230,294	-	142,582,407	782,909,851
Treasury stocks	20	103,234,958	98,354,985	-	-	-	-	-	201,589,943
Appropriated for treasury stocks	22	-	-	(11,090,000)	-	-	-	-	(11,090,000)
Expense recognized directly in shareholders' equity		-	-	-	-	-	11,090,000	(11,090,000)	-
Cumulative translation adjustments		-	-	-	(4,468,763)	-	-	-	(4,468,763)
Net profit		-	-	-	-	-	-	98,757,016	98,757,016
Total recognized income (expense)	25	-	-	-	(4,468,763)	-	-	98,757,016	94,288,253
Dividend paid		-	-	-	-	-	-	(48,303,283)	(48,303,283)
Appropriated for legal reserve	21	-	-	-	-	5,052,590	-	(5,052,590)	-
BALANCE AS AT DECEMBER 31, 2008									
		586,319,361	248,358,325	(11,090,000)	(7,459,356)	15,282,884	11,090,000	176,893,550	1,019,394,764
Treasury stocks	2	-	-	(10,675,010)	-	-	-	-	(10,675,010)
Appropriated for treasury stocks	22	-	-	-	-	-	10,675,010	(10,675,010)	-
Expense recognized directly in shareholders' equity		-	-	-	-	-	-	-	-
Cumulative translation adjustments		-	-	-	(4,298,838)	-	-	-	(4,298,838)
Net loss		-	-	-	-	-	-	(89,456,184)	(89,456,184)
Total recognized expense		-	-	-	(4,298,838)	-	-	(89,456,184)	(93,755,022)
BALANCE AS AT DECEMBER 31, 2009									
		586,319,361	248,358,325	(21,765,010)	(11,758,194)	15,282,884	21,765,010	76,762,356	914,964,732

The accompanying note are on integral part of these financial Statement

STATEMENTS OF CASH FLOWS

FOR EACH OF THE YEARS ENDED DECEMBER 31, 2009 AND 2008

(IN Baht)

	Consolidated Financial Statements	Separate Financial Statements	
	2009	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit (loss)	(89,465,555)	(89,456,184)	98,757,016
Adjustments to reconcile net profit (loss) to net cash provided by (used in) operating activities:			
Depreciation	27,073,643	27,070,606	25,741,748
Reversal of provision for loss on construction projects	(2,153,011)	(2,153,011)	(6,097,240)
Reversal of allowance for impairment of land and building	(2,324,975)	(2,324,975)	-
Loss on debt restructuring	-	-	8,827,555
Allowance for (reversal of) doubtful accounts	91,100,873	91,100,873	(12,532,097)
Gain on sales of fixed assets	(964,683)	(964,683)	(232,781)
Interest income	(9,829,307)	(9,847,156)	(9,459,294)
Interest expense	7,365,573	7,365,573	9,617,763
Income tax	5,037,845	5,037,845	-
Decrease (increase) in operating assets:			
Trade account receivables	28,466,949	28,466,949	(186,682,528)
Unbilled trade receivables	(61,415,240)	(57,995,040)	87,747,690
Retention receivable from customers	(34,402,590)	(34,402,590)	(1,650,165)
Advance payments to joint venture	-	(12,871,508)	-
Work in progress	(21,004,314)	(16,346,689)	27,934,904
Other current assets	66,180,634	70,326,349	635,356
Other non-current assets	(3,725,787)	(3,564,087)	(43,608)
Cash received from troubled debt restructuring	-	-	7,579,200
Increase (decrease) in operating liabilities:			
Trade account payables	3,510,354	(669,917)	(91,392,922)
Unbilled construction cost payables	78,728,921	78,728,921	(71,117,145)
Advances received from customers	24,119,686	24,119,686	(46,659,694)
Other current liabilities	5,351,506	5,307,741	15,775,729
Retention payable from contractors	26,056,318	26,056,318	24,990,219
Income tax paid	(80,462,893)	(80,462,795)	(63,162,706)
Net Cash Provided by (Used in) Operating Activities	57,243,947	52,522,226	(181,423,000)

The accompanying note are on integral part of these financial Statement

STATEMENTS OF CASH FLOWS (Continued)

FOR EACH OF THE YEARS ENDED DECEMBER 31, 2009 AND 2008

(IN Baht)

	Consolidated Financial Statements	Separate Financial Statements	
	2009	2009	2008
CASH FLOWS FROM INVESTING ACTIVITIES:			
Increase in short-term loan to joint venture	-	(4,000,000)	-
Decrease (increase) in short-term loan to other company	2,000,000	2,000,000	(2,000,000)
Decrease (increase) in investments in restricted fixed deposits	9,650,726	17,010,287	(17,947,306)
Cumulative translation adjustments	(4,298,838)	(4,298,838)	(4,468,763)
Acquisition of property, plant and equipment	(8,374,107)	(8,158,997)	(30,683,219)
Proceeds from sales of fixed assets	3,172,969	3,172,969	467,027
Interest received	7,663,469	7,681,318	11,841,486
Net Cash Provided by (Used in) Investing Activities	9,814,219	13,406,739	(42,790,775)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	(42,922,472)	(42,922,472)	72,190,906
Decrease in finance lease contracts	(3,327,468)	(3,327,468)	(3,783,379)
Increase (decrease) in short-term loan from other company	(12,000,000)	(12,000,000)	12,000,000
Dividend paid	(73,685)	(73,685)	(45,806,660)
Cash paid for treasury stocks	(10,675,010)	(10,675,010)	(11,090,000)
Cash received from exercised warrants to buy common shares	-	-	201,589,943
Interest paid	(7,589,628)	(7,589,628)	(9,393,708)
Net Cash Provided by (Used in) Financing Activities	(76,588,263)	(76,588,263)	215,707,102
NET DECREASE IN CASH AND CASH EQUIVALENTS	(9,530,097)	(10,659,298)	(8,506,673)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	300,490,105	300,490,105	308,996,778
CASH AND CASH EQUIVALENTS AT END OF YEAR	290,960,008	289,830,807	300,490,105
Additional cash flow information :			
1) Cash and cash equivalents consisted of:			
- Cash on hand	4,740,440	4,737,990	60,000
- Deposits at banks	286,219,568	285,092,817	300,430,105
Total	290,960,008	289,830,807	300,490,105
2) On October 31, 2009, the Company offsetting the balances of trade receivable from the Contractor with trade payable to the Contractor of Baht 25.7 million as discussed in Note 4.			

Notes to Financial Statements

December 31, 2009 and 2008

1. GENERAL

The Company

EMC Public Company Limited ("the Company"), incorporated in Thailand, was listed on the Stock Exchange of Thailand on June 9, 1995. The Company engages in the provision of services under long-term service agreements and construction agreement.

The registered office address of the Company is located at 28th-30th Floor, ITF Tower, 140/66-67 Silom Road, Bangrak, Bangkok 10500, Thailand.

The Company's branch is located at CMU Project Site Office C.R. No. 35769 Al Rayyan P.O. Box 24082 Doha, Qatar.

The Joint Venture

The Company has entered into Joint Venture Agreement dated June 20, 2009 with Power Line Engineering Public Company Limited with participating interests at 49% and 51%, respectively, for the construction of the Chiangmai International Convention and Exhibition Centre. The Joint Venture was registered with the Revenue Department on September 22, 2009.

The joint venture has entered into hire agreement with price adjustment condition agreement with the Office of Permanent Secretary Ministry of Tourism and Sports on September 30, 2009, to construct the Chiangmai International Convention and Exhibition Centre for the completion period of 730 days.

The Company and joint venture (together referred to as "the EMC Group")

As at December 31, 2009 and 2008, the Company and the EMC Group have the employee costs as follows:

(In Million Baht)

	Consolidated Financial Statements	Separate Financial Statements	
	2009	2009	2008
Employee costs	302.6	302.6	264.8

Basis for Preparation of Financial Statements and Principles of Consolidation

- a) The statutory financial statements are prepared in Thai Baht and in the Thai language in conformity with generally accepted accounting principles in Thailand. Accordingly, the consolidated financial statements and separate financial statements are intended solely to present the financial positions, results of operations and cash flows in accordance with accounting principles and practices generally accepted in Thailand.

The accompanying financial statements are prepared under the historical cost convention except for those specified in the notes to the financial statements.

For the convenience of the readers, an English translation of the financial statements has been prepared from the Thai language statutory financial statements, which are issued for domestic financial reporting purposes.

- b) The consolidated financial statements comprise the financial statements of the Company and joint venture.

Joint Venture

Joint venture is that entity over whose activities the Company has joint control, established by contractual agreement. The consolidated financial statements include only the Company's proportionate share of the joint venture's assets, liabilities, revenues and expenses with items of a similar nature on a line by line basis, from the date that joint control commences until the date that joint control ceases.

The accompanying consolidated financial statements for the year ended December 31, 2009 included the financial statements of the joint venture as follows:

(In Million Baht)

	Nature of Business	Proportionate of Share (%)
Joint venture (proportionate consolidation) EMC Public Company Limited and Power Line Engineering Public Company Limited (the registered name is "JV EMC - PLE")	Construction	49

Significant transactions among the EMC Group have been eliminated in the consolidated financial statements.

Transactions of joint venture, which were included in the consolidated financial statements for each of the years ended December 31, 2009 and 2008, were as follows:

	In Thousand Baht
Current assets	11,729
Property, plant and equipment - net	212
Other non-current assets	7,521
Current liabilities	19,472
Other non-current liabilities	-
Revenues	3,430
Expenses	3,411

2. SIGNIFICANT ACCOUNTING POLICIES

Cash and Cash Equivalents

Cash on hand is kept for general use within the EMC Group. Cash equivalents are savings deposits and current accounts, highly liquid investment that are readily convertible to known amount of cash and that are subject to an insignificant risk of change in value.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are stated at invoice amount net of allowance for doubtful accounts.

The EMC Group provides an allowance for doubtful accounts equal to the estimated collection losses that may be incurred in the collection of all receivables. The estimated losses are based on historical collection experience coupled with a review of the current status of existing receivables.

Construction-in-Progress

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

Investment in Shares

Investments in non-marketable equity securities, which the Company holds as other investments, are valued at cost net of allowance for impairment loss.

The cost of investments disposed of during the year is determined by the weighted average method (if any).

Property, Plant and Equipment

Land is stated at cost. Plant and equipment are stated at cost less accumulated depreciation. When assets are sold or retired, their cost and accumulated depreciations are eliminated from the accounts and any gain or loss resulting from their disposal is included in the statements of income.

Depreciation

Depreciation of plant and equipment is calculated by reference to their costs on a straight-line basis over the following estimated useful lives:

	Years
Buildings	20
Building improvements	5
Tools and equipment	5 - 10
Furniture, fixtures and office equipment	3 - 10
Vehicles	5

Impairment of Assets

The EMC Group reviews the impairment of assets whenever events or changes in circumstances indicate that the recoverable amount (the higher of asset's selling price or value in use) of assets is below the carrying amount. The review is made for individual assets or for the cash-generating unit.

If the carrying value of an asset exceeds its recoverable amount, the EMC Group recognizes the impairment losses by reducing the carrying value of the asset to its recoverable amount and recording the devaluation in statements of income or reducing revaluation increment in assets in case that those assets were previously revalued. The reversal of impairment losses recognized in prior years is recorded as part of reversal of allowance for impairment or as a revaluation increment in assets when there is an indication that the impairment losses recognized for the assets no longer exist or are decreased. Such a reversal should not exceed the carrying amount that would have been determined (net of the associated depreciation or amortization).

Provision

A provision is recognized when the EMC Group has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. A provision is reviewed at the balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

Use of Estimates

In order to prepare financial statements in conformity with generally accepted accounting standards in Thailand, the management needs to make estimates and set assumptions that affect income, expenditure, assets and liabilities in order to disclose information on the valuation of assets, liabilities and contingent liabilities. Actual outcomes may, therefore, differ from the estimates used.

The estimates and underlying assumptions used in the preparation of these financial statements are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Revenue Recognition and Expenses

The EMC Group recognizes revenue from construction contracts by the percentage of completion method. The percentage of completion is computed based on the estimation of the project engineer together with the consideration of actual cost of work performed and the estimated total cost of the project. The estimated total cost is determined by the EMC 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.

Interest income is recognized on a time proportion basis that reflects the effective yield on the asset.

Other income are recorded based on an accrual basis.

Expenses are recorded based on an accrual basis.

Repair and Maintenance

Expenditures on repair and maintenance are charged to expense at the expenditures are incurred. Expenditures of a capital nature are added to the related plant and equipment.

Finance Lease

Leases in terms of which the EMC Group substantially assumes all the risk and rewards of ownership are classified as finance leases. Assets acquired by way of finance leases are capitalized at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the statement of income.

Operating Lease

Leases of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments under an operating lease are recognized as an expense on a straight-line basis over the lease term.

Finance Costs

Interest expenses and similar costs are charged to the statement of income for the period in which they are incurred. The interest component of finance lease payments is recognized in the statement of income using the effective interest rate method.

Foreign Currency Transactions and Translation of Foreign Currency Financial Statements

Foreign currency transactions throughout the year are recorded in the accounts at the rates prevailing at the dates of transactions. Monetary assets and liabilities denominated in foreign currencies at the end of the years are translated into Baht at the prevailing rates at that date. Gains or losses from translations are credited or charged to the statements of income.

The financial statements of a foreign branch have been prepared in their local currency, the reporting currency. These financial statements have been translated into Thai Baht as follows: a) all assets and liabilities - at the average prevailing bank's rates at the balance sheet date and b) revenues and expenses - at the yearly average exchange rates. Net exchange arising from the translation is presented as "Cumulative translation adjustments" under the "Shareholders' Equity" in the balance sheet.

Income Tax

The provision for income tax is based on the amount currently payable according to the Revenue Code.

Basic Earnings (Loss) per Share

Basic earnings (loss) per share is determined by dividing the net profit (loss) by the weighted average number of shares outstanding during the year.

3. TRANSACTIONS WITH RELATED PARTIES

A portion of the Company's asset, revenues and expenses arose from transactions with related companies. These companies are related through common shareholdings and/or directorships. The significant transactions with related companies as included in the financial statements are determined at the prices in line with those occur in the normal course of business based on the market price in general or the price as stipulated in the agreement if no market price exists.

Balances with related party as at December 31, 2009 and 2008 are as follows:

(In Thousand Baht)

	Separate Financial Statements			
	2008	Increase	Decrease	2009
JV EMC - PLE :				
Advance payments	-	12,872	-	12,872
Short-term loans	-	4,000	-	4,000
Accrued interest receivable	-	28	-	28

Significant transactions with the related parties for each of years ended December 31, 2009 and 2008 are as follows:

Separate Financial Statements				
	Relationship	Pricing Policy	2009	2008
Gold Plan Development Company Limited	Common Shareholder	Agreed upon contract price	-	6,223
- Cost of construction			-	990
Bangkok Bank Public Company Limited	Shareholder	Market price	-	1,887
- Interest expense		Market price	-	2,877
- Bank charge				
Total				
JV EMC - PLE	Joint venture	6% per annum		
- Interest income		Agreed upon contract price	28	-
- Management fee			50	-
Total			78	-

As at December 31, 2009 and 2008, Gold Plan Development Company Limited and Bangkok Bank Public Company Limited did not relate to the Company due to no common shareholders and/or directorships.

As at December 31, 2009, the Company had short-term loans to the joint venture in form of 2 promissory notes totalling Baht 4 million. These promissory notes were due on demand and bear interest at the rate of 6% per annum.

4. TRADE ACCOUNT RECEIVABLES - Net

As at December 31, 2009 and 2008, the aging analyses of trade account receivables are detailed as follows:

	Consolidated Financial Statements	Separate Financial Statements	
	2009	2009	2008
Within credit-term	192,530	192,530	390,873
Periods over credit-term			
- Not over 3 months	207,380	207,380	87,042
- Over 3 months to 6 months	3,598	3,598	28,586
- Over 6 months to 12 months	32,416	32,416	3,226
- Over 12 months	110,369	110,369	62,221
Total	546,293	546,293	571,948
Less: Allowance for doubtful accounts (Note 11)	(115,495)	(115,495)	(63,910)
Net	430,798	430,798	508,038

As at December 31, 2009, trade account receivables who have been long outstanding for over 6 months totalling Baht 142.8 million consisted of :

	In Thousand Baht	Status of the Project
a) Kool Residence Project	51,585	The Company has provided an allowance for doubtful account of Baht 51.6 million as discussed in Note 11.
b) The Colony Project	7,036	100% completion. The Company received the payment in January 2010.
c) Ratchada Tower Project	18,211	100% completion. The Company received the payment in February 2010.
d) Other projects	65,953	The Company has provided an allowance for doubtful accounts of Baht 63.9 million. The management believes that such allowance is adequate to absorb possible losses on doubtful accounts.
Total	142,785	

On October 12, 2009, the contractor of the College of Business and Computer Science project in Qatar (Contractor) issued a letter and payment application to the Company to acknowledge and approve the progress of works at the completion of 99.99% of the total project amounting to Qatari Riyals 36.5 million (equivalent to Baht 310.5 million). The Company has signed the acknowledgement and sent back the letter to the Contractor. Later, on October 31, 2009, the Contractor issued another letter to agree for settlement by offsetting the balances of trade receivable from the Contractor with trade payable to the Contractor of Qatari Riyals 3.1 million (equivalent to Baht 25.7 million). As a consequence, the outstanding balance of trade receivable from the Contractor - net as at December 31, 2009 was Qatari Riyals 0.3 million (equivalent to Baht 2.8 million). The Company's management believes that the final outcome shall be settled after the contractor issues the final certificate of the total project, which is expected to be within the first quarter of 2010 and there would be insignificant loss on such project.

The Company has transferred the rights over collections from certain trade account receivables of the Company as collateral for credit facilities as discussed in Note 13.

5. UNBILLED TRADE RECEIVABLES - Net

As at December 31, 2009 and 2008, the unbilled trade receivables are detailed as follows:

(In Thousand Baht)

	Consolidated Financial Statements	Separate Financial Statements	
	2009	2009	2008
On - going construction projects	268,045	264,625	235,146
Projects suspended over 12 months	72,583	72,583	72,583
Total	340,628	337,208	307,729
Less: Allowance for doubtful accounts	(72,583)	(72,583)	(72,583)
Net	268,045	264,625	235,146

As at December 31, 2009 and 2008, the Company has provided an allowance for doubtful accounts on unbilled trade receivable of suspense projects of Baht 72.6 million. The management believes that such allowance is adequate to absorb possible losses on doubtful account.

The Company has transferred the rights over collections from certain trade receivables of the Company as collateral for credit facilities as discussed in Note 13.

6. RETENTION RECEIVABLE FROM CUSTOMERS - Net

As at December 31, 2009 and 2008, the retention receivables from customers are detailed as follows:

(In Thousand Baht)

	Consolidated Financial Statements	Separate Financial Statements	
	2009	2009	2008
Retention amount	239,164	239,164	204,762
Retention receivable outstanding over credit-term			
- over 12 months	895	895	895
Total	240,059	240,059	205,657
Less: Allowance for doubtful accounts (Note 11)	(5,328)	(5,328)	(895)
Net	234,731	234,731	204,762

The Company has provided an allowance for doubtful accounts on retention receivable outstanding more than 12 months and as discussed in Note 11 totalling of Baht 5.3 million as at December 31, 2009 and Baht 0.9 million as at December 31, 2008. The management believes that such allowance is adequate to absorb possible losses on doubtful accounts.

7. WITHHOLDING TAX DEDUCTED AT SOURCE

(In Thousand Baht)

	Consolidated Financial Statements	Separate Financial Statements	
	2009	2009	2008
Deducted during the year 2008	63,163	63,163	63,163
Deducted during the year 2009	75,425	75,425	-
Total	138,588	138,588	63,163

The Company is in the process of refunding withholding income tax deducted at source during the year 2008 of Baht 63.2 million and the Company has an intention to claim for refund of withholding income tax deducted at source during the year 2009 of Baht 75.4 million from the Revenue Department. The Company believes that they will finally be refundable in full. Hence, the Company did not set up any allowance for non-refundable income tax in the accounts.

8. SHORT-TERM LOAN TO OTHER COMPANY

Short-term loan to other company represented unsecured loan to a local company. This loan was due at call and bore interest at the rate of 8% per annum. The Company received a repayment on the entire amount of this short-term loan in 2009.

9. INVESTMENTS IN RESTRICTED FIXED DEPOSITS

Investments in restricted fixed deposits of the Company represent the fixed deposits with several financial institutions which have been pledged as collateral for credit facilities from such financial institutions and letters of guarantee issued by financial institutions for the Company and for a local company (as discussed in Note 32), which bear interest at the rates of 0.12% per annum to 2.85% per annum as at December 31, 2009 and 0.75% per annum to 4.00% per annum as at December 31, 2008.

Investment in restricted fixed deposit of JV EMC-PLE, which was included in the consolidated balance sheet as at December 31, 2009 of Baht 7.4 million represents a fixed deposit with a local bank, which has been pledged as collateral for a letter of guarantee issued by a financial institution on behalf of the joint venture as discussed in Note 32 and bears interest at the rate of 0.5% per annum as at December 31, 2009.

10. OTHER LONG - TERM INVESTMENTS - Net

(In Thousand Baht)

	Consolidated Financial Statements	Separate Financial Statements	
	2009	2009	2008
Investments in common shares:			
Wave Development Company Limited	10,000	10,000	10,000
Thai Medical Center Public Company Limited	5,000	5,000	5,000
The Bangkok Club Company Limited	1,000	1,000	1,000
Others	65	65	65
Total	16,065	16,065	16,065
Less : Allowance for impairment of investments	(15,791)	(15,791)	(15,791)
Net	274	274	274

On February 3, 1997, the Company purchased 150,000 common shares of Wave Development Company Limited at Baht 130 each (par value of Baht 100 each) totalling Baht 19.5 million, and made an initial payment of Baht 10 million. However, the Company is not obliged to pay the remaining amount of Baht 9.5 million because of the lapse of the period of prescription for claim according to the Civil and Commercial Code Section 193/14.

11. LONG – TERM LOANS TO OTHER COMPANY

(In Thousand Baht)

	Consolidated Financial Statements	Separate Financial Statements	
	2009	2009	2008
2 issues of promissory notes due within 2 years	30,000	30,000	30,000
Less: Allowance for doubtful accounts	(30,000)	(30,000)	-
Net	-	-	30,000

These promissory notes bear interest at the rate of 8% per annum and are guaranteed by a major shareholder of the borrower. Principals due within the respective promissory notes' dates (on November 9, 2009 of Baht 10 million and January 24, 2010 of Baht 20 million) and interest was payable on 12-month basis.

In accordance with the Memorandum dated November 9, 2006, the borrower ("the Project owner") would utilize the funds in its real estate project development namely Kool Residence Project ("the Project"), which was initially expected to be complete for sale by December 2008.

Moreover, in accordance with the addendum to the Memorandum of Understanding between the Company and the Project owner dated January 19, 2007, the operating profits of the Project could be distributed provided that all loans and accrued interest of the Project were fully settled with the related financial institutions. The Project owner was entitled to charge management fees, which would be determined upon completion of the Project. The Project owner agreed to provide the benefits from the Project in the amount of not less than Baht 20 million to the Company upon completion of the Project.

As at December 31, 2008, the Project's construction has been delayed since the Project owner had inadequate cash flows to continue the construction of the Project to be complete as the original schedule. Subsequently, the Company, the Project owner and the bank of the Project ("the Bank") have mutually agreed to formalise the additional memorandum of understanding dated February 27, 2009 to resume the construction until completion of the Project in accordance with the terms and conditions outlined in the memorandum of understanding as follows:

1. The Company will additionally invest in construction of the Project based on the original construction contract no. 001/2008 dated February 14, 2008 until the Project will be complete for sale within July 2009 with the expected additional fund for the construction costs by Baht 69 million.
2. In the event that, the Project owner received the settlement from the customers who have been engaged into sale agreements before the date of memorandum of understanding, the Company is exclusively entitled before the bank to receive the settlement from the Project owner in the amount not exceeding Baht 69 million.
3. In the event that, the Project owner received the settlements from the customers who were engaged into sale agreements after the date of memorandum of understanding, the Company and the bank are entitled to receive the settlement based on the sale price (net of deposit and down payments 20%) in the proportion of 25% and 75%, respectively.
4. No matter of any situation arising to this project, the Project owner agreed to settle all outstanding balance to the Bank and the Company within by June 2010.

As at December 31, 2009, the receivables related to this project totalled Baht 91 million, which have details as follows:

(In Thousand Baht)

	In Thousand Baht
Trade account receivable	51,585
Retention receivable	4,434
Long-term loans (promissory notes)	30,000
Accrued interest income (include in other current assets)	2,295
Receivable on surcharge income from default in payment (include in other current assets)	2,702
Total	91,016

Subsequently, the project owner received an offer from a local company (buyer) for taking over the Kool Residence project. Presently, the buyer has obtained an approval on credit facilities from a local bank. The Company, the project owner and the buyer entered into the memorandum of understanding (MOU) dated February 26, 2010 in order to fully settle trade account receivable and promissory notes according to terms and condition as specified in this MOU. In this connection, the buyer agrees to settle trade account receivable and repay promissory to the Company as follows:

1. Make payments for trade account receivable of Baht 30 million within the first quarter of 2010 whereby the remaining balance of trade account receivable will be paid after the buyer, the project owner and the Company examine the outstanding balance, performance of works, additional expenses and damages incurred from the delay payments by the project owner. The buyer will pay the net amount within the second quarter of 2010.
2. Make repayment for promissory notes totalling Baht 30 million at 6 monthly equal installments of Baht 5 million per month starting during the first quarter to the third quarter of 2010.

Since the all receivables related to such project have been long outstanding and the ability to fully comply with the conditions of the MOU by all parties cannot presently be determined, the Company set up an allowance for doubtful account in full totalling Baht 91 million in the consolidated financial statements and the separate financial statements for the year ended December 31, 2009.

12. PROPERTY, PLANT AND EQUIPMENT – Net

(In Thousand Baht)

Consolidated Financial Statements							
	Land	Buildings	Building improve- ments	Tools, machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Total
Cost							
As at January 1, 2009	31,413	50,499	27,899	35,097	29,492	30,666	205,066
Additions	-	-	501	2,224	5,649	-	8,374
Disposals	-	-	-	(8)	(17)	(6,163)	(6,188)
Translation adjustment	-	-	-	(122)	(44)	(44)	(210)
As at December 31, 2009	31,413	50,499	28,400	37,191	35,080	24,459	207,042
Allowance for Loss on Impairment							
As at January 1, 2009	1,481	844	-	-	-	-	2,325
Additions	-	-	-	-	-	-	-
Decrease	(1,481)	(844)	-	-	-	-	(2,325)
As at December 31, 2009	-	-	-	-	-	-	-
Accumulated Depreciation							
As at January 1, 2009	-	6,170	5,063	17,497	13,263	16,381	58,374
Depreciation charge for the year	-	2,997	5,664	6,517	6,831	5,065	27,074
Disposals	-	-	-	(36)	(24)	(18)	(78)
Translation adjustment	-	9,167	10,727	23,977	20,062	17,324	81,257
As at December 31, 2009	-	18,334	15,794	47,448	39,148	33,752	114,676
Net Book Value	31,413	41,332	17,673	13,214	15,018	7,135	125,785
As at December 31, 2009	31,413	41,332	17,673	13,214	15,018	7,135	125,785

Separate Financial Statements							
	Land	Buildings	Building improve- ments	Tools, machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Total
Cost							
As at January 1, 2008	31,413	50,499	14,696	34,249	54,294	30,634	215,785
Additions	-	-	13,203	5,377	12,103	-	30,683
Disposals	-	-	-	(4,616)	(36,934)	-	(41,550)
Translation adjustment	-	-	-	87	29	32	148
As at January 1, 2009	31,413	50,499	27,899	35,097	29,492	30,666	205,066
Additions	-	-	501	2,092	5,566	-	8,159
Disposals	-	-	-	(8)	(17)	(6,163)	(6,188)
Translation adjustment	-	-	-	(122)	(44)	(44)	(210)
As at December 31, 2009	31,413	50,499	28,400	37,059	34,997	24,459	206,827
Allowance for Loss on Impairment							
As at January 1, 2008	1,481	844	-	-	-	-	2,325
As at December 31, 2008	1,481	844	-	-	-	-	2,325
Decrease	(1,481)	(844)	-	-	-	-	(2,325)
As at December 31, 2009	-	-	-	-	-	-	-
Accumulated Depreciation							
As at January 1, 2008	-	3,697	-	15,557	44,209	10,337	73,800
Depreciation charge for the year	-	2,473	5,063	6,363	5,909	6,033	25,841
Disposals	-	-	-	(4,446)	(36,870)	-	(41,316)
Translation adjustment	-	-	-	23	15	11	49
As at December 31, 2008	-	6,170	5,063	17,497	13,263	16,381	58,374
Depreciation charge for the year	-	2,997	5,664	6,515	6,830	5,065	27,071
Disposals	-	-	-	(1)	(8)	(4,104)	(4,113)
Translation adjustment	-	-	-	(36)	(24)	(18)	(78)
As at December 31, 2009	-	9,167	10,727	23,975	20,061	17,324	81,254
Net Book Value							
As at December 31, 2009	31,413	41,332	17,673	13,084	14,936	7,135	125,573
As at December 31, 2008	29,932	43,485	22,836	17,600	16,229	14,285	144,367

The Company has various finance contracts with several leasing companies covering certain vehicles as discussed in Note 14.

During the year ended December 31, 2009, the Company reversed an allowance for impairment of land and building of Baht 2.3 million since the appraisal values of such land and building, based on the appraisal report of an independent appraisal firm dated June 5, 2009, was higher than their carrying values.

As at December 31, 2009 and 2008, certain plots of land, building and construction thereon which had carrying value of Baht 56.3 million and Baht 56.1 million, respectively were mortgaged as guarantee for credit facilities obtained from those financial institutions as discussed in Note 13.

The gross carrying amounts of the Company's fixed assets totaling approximately Baht 22.5 million and Baht 4.2 million were fully depreciated as at December 31, 2009 and 2008, respectively, but these items are still in active use.

13. BANK OVERDRAFTS AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

(In Thousand Baht)

Type of Loan	(Consolidated and separate financial statements)	(Separate financial statements)	Objective	Interest Rate	Payment Conditions	Securities
	2009	2008				
Bank overdraft (Credit line of Baht 25 million as at December 31, 2009 and Baht 20 million as at December 31, 2008)	8,850	-	To use as working capital	MOR and MLR per annum (6.15% and 5.85% as at December 31, 2009 and 7.25% to 7.50% per annum as at December 31, 2008)	-	Secured by land and building at Prawate, District.
Promissory notes - Kasikorn Bank	83,169	65,161	To use as working capital	MLR per annum (5.85% as at December 31, 2009 and 6.75% to 7.25% per annum as at December 31, 2008)	Interest is payable on end of each month and on promissory notes' maturity dates	Secured by land, building at ITF Tower, 29th -30th floors of Baht 40 million and the remaining amount secured by transfer of the rights over collections from trade receivables of the Company.
Promissory notes - Krung Thai Bank	-	46,158	To use as working capital	MOR - 1% per annum (6.00% to 6.75% per annum)	Interest is payable on end of each month and on promissory notes' maturity dates	Secured by director and the transfer of the rights over collections from trade receivables of the Company
Promissory notes - Bangkok Bank	-	17,041	To use as working capital	MLR per annum (6.75% to 7.25% per annum)	Interest is payable on promissory notes' maturity dates	Secured by land at Prakanong District and the transfer of the rights over collections from trade receivables of the Company.
Promissory notes - Thai Credit Bank	3,743	10,325	To use as working capital	MLR per annum (7.50% as at December 31, 2009 and 7.225% to 7.85% per annum as at December 31, 2008)	Interest is payable on end of each month and on promissory notes' maturity dates	Secured by the transfer of the rights over collections from trade receivables of the Company.
Total	95,762	138,685				

These promissory notes represent short-term loans obtained under credit facilities from certain financial institutions totalling Baht 359 million.

As at December 31, 2009 and 2008, the Company had bank guarantee facilities totalling Baht 350 million with a former related financial institution, which are guaranteed by a former director of the Company and some plots of land and buildings thereon as discussed in Note 12. The Company has utilized the bank guarantee facilities of Baht 3.9 million and Baht 18.2 million, respectively.

14. LIABILITIES UNDER FINANCE LEASE CONTRACTS - Net

(In Thousand Baht)

	Consolidated Financial Statements	Separate Financial Statements	
	2009	2009	2008
Total minimum lease payments	2,691	2,691	6,271
Less: Deferred interest	(90)	(90)	(343)
Present value of net minimum lease payments	2,601	2,601	5,928
Less: current portion due within one year - net deferred interest	(2,225)	(2,225)	(3,207)
Net	376	376	2,721

15. SHORT - TERM LOAN FROM OTHER COMPANY

(In Thousand Baht)

	Consolidated Financial Statements	Separate Financial Statements	
	2009	2009	2008
Promissory note, unsecured and interest at 4.5% per annum	-	-	12,000

The above promissory note was due on December 31, 2008, however, the Company repaid the entire amount of this loan and default interest expense on January 14, 2009.

16. ADVANCE PAYMENTS TO SUB-CONTRACTORS AND ADVANCES RECEIVED FROM CUSTOMERS

Advance payments to sub-contractors represent cash payments to sub-contractors at various percentages of total construction prices. These advance payments to sub-contractors will be deducted at the agreed percentages from the progress billings from the sub-contractors.

Advances received from customers represent cash advances from customers at various percentages of total construction contract prices. These advances received from customers will be deducted at the agreed percentages from the progress billings to the customers.

17. PROVISION FOR LOSS ON CONSTRUCTION PROJECTS

As at December 31, 2008, the Company has recorded the provision for loss on construction of Qatar project of Baht 2.2 million. The provision for loss on construction was reversed when the costs of construction were incurred during the year ended December 31, 2009.

18. SHARE CAPITAL

(In Thousand)

	Par Value	2009		2008	
	(in Baht)	Shares	Baht	Shares	Baht
As at January 1					
- common shares	1	-	-	483,084	483,084
- common shares	0.1	5,863,194	586,319	-	-
Increase from the exercised Warrants EMC-W1 before reduction in par value		-	-	20,547	20,547
Number of common shares before increase / reduction in par value		5,863,194	586,319	503,631	503,631
Reduction in par value					
- from Baht 1 to Baht 0.1		-	-	5,036,313	503,631
Increase in par value					
- from Baht 0.1 to Baht 1		586,319	586,319	-	-
Increase from the exercised Warrants EMC-W1		-	-	826,881	82,688
As at December 31					
- common shares	0.1	-	-	5,863,194	586,319
- common shares	1	586,319	586,319	-	-

At the 2008 Annual General shareholders' Meeting held on April 3, 2008, the shareholders have unanimously resolved passed the resolutions to approve on the following matters:

- 1) Resolved to reduce the registered capital from Baht 631,668,465 by cancellation of the 45,349,104 undistributed shares with a par value of Baht 1 per share totalling Baht 45,349,104. After the reduction of the registered capital, the Company's registered capital represented at Baht 586,319,361 comprising 586,319,361 shares at Baht 1 par value.
- 2) Resolved to reduce the par value of common shares from Baht 1 per share to Baht 0.10 per share, the total value of registered capital was unchanged, the number of common shares increased from 586,319,361 shares to 5,863,193,610 shares.
- 3) Resolved to increase the registered capital of Baht 138,024,115 by issuance of the new common shares of 1,380,241,150 shares at the par value of Baht 0.10 per share to support the exercise of the newly issued warrants. The total registered capital was increased from Baht 586,319,361 to Baht 724,343,476.

At the 2009 Annual General Shareholders' Meeting held on April 30, 2009, the shareholders have unanimously resolved passed the resolutions to approve on the following matters:

- 1) Approved the alteration of the par value from Baht 0.10 per share to Baht 1 per share, the total value of share capital still the same which is Baht 724,343,476. Resulting from this alteration, the number of shares will decrease from 7,243,434,760 shares at the par value of Baht 0.10 per share to 724,343,476 shares at the par value of Baht 1 per share.
The Company registered the alteration of the par value with the Ministry of Commerce on May 14, 2009.
- 2) Approved the adjustment of the numbers and exercise price of the Company listed warrant, EMC-W2 as follows :

	Former	New
The number of warrant	1,378,262,892	137,826,289
Exercise price	0.20 baht / share	2 baht / share
The number of share	1,378,262,892	137,826,289
Par Value	0.10 baht / share	1 baht / share

19. WARRANTS

At the extraordinary shareholders' meeting No. 1/2005 held on February 9, 2005, the shareholders passed the resolutions to approve on the following matters:

- 1) A resolution to issue 50,000,000 warrants to the Company's directors and/or employees under the Employee Stock Option Program (ESOP), with 33,600,000 warrants, or 67.2% of total warrants issued, to be allocated to the Company's directors. According to the resolution, the Company would allocate excess 5% of such warrants under the ESOP, 30,000,000 warrants, or 60% of total warrants issued to the Company's Managing Director.
- 2) A resolution to issue up to 131,389,488 units of 3-year warrants, comprising both bearer and transferable warrants, to the existing shareholders at no charge. The warrants are to be exercisable in a ratio of 1 warrant per 1 common share (the ratio may be adjusted in accordance with the conditions of conversion), at a price of Baht 2 per share, unless the exercise price is adjusted under certain stipulated conditions. The exercise period begins 1 year after the date of issue (September 27, 2005) and the warrants can be exercised on the last working day of each quarter, or the last working day of March, June, September and December of each year throughout the life of the warrants.

On September 20, 2005, the Stock Exchange of Thailand authorized the issue of the warrants of the Company.

At the 2008 Annual General Meeting of the Company's shareholders held on April 3, 2008, the shareholders unanimously resolved to reduce the par value of common shares from Baht 1 per share to Baht 0.10 per share, the total value of registered capital was unchanged, which resulted that the numbers of its listed warrant, EMC-W1 increased from 82,688,058 units to 826,880,580 units at exercise price of Baht 0.20 per share.

At the Board of Directors' meeting no. 5/2008 held on August 11, 2008, the Board of Directors unanimously resolved to issue 1,380,241,150 warrants ("EMC-W2") with the exercise period of 3 years after the date of issuance on August 25, 2008 to the existing shareholders at no charge in the proportion of ratio 1 warrant per 4 common shares. The warrants represented an identified bearer and transferable warrants at the exercise price of Baht 0.20 per share subject to the adjustment of the exercised price in accordance with the terms of adjustments of exercise price. The warrants are to be exercisable in a ratio of 1 warrant per 1 common share. The exercise period begins 1 year after the date of issuance and the warrants can be exercised on the last working day of each quarter, or the last working day of March, June, September and December of each year throughout the life of the warrants.

On September 24, 2008, the Stock Exchange of Thailand authorised the trade of the warrants ("EMC-W2") of 1,378,262,892 units issued by the Company.

On April 30, 2009, the shareholders passed the resolution to approve the adjustment of the numbers and exercise price of the Company listed warrant, EMC-W2 as discussed in Note 18.

Up to December 31, 2009, the holders of the warrants had exercised their rights as summarized below:

(In Baht)

Exercised date	Number of exercised warrants (Units)		Number of ordinary shares from exercising warrants (Shares)	Amount of ordinary shares from exercising warrants	Balance		Registration date with the Ministry of Commerce	Approval date as listed securities
	ESOP	EMC-W1	EMC-W2		Premium on share capital from exercising warrants	Paid-up capital		
Balance before exercised								
September 30, 2006	18,406,378	-	-	18,406,378	145,930,840	429,612,900	July 6, 2006	July 19, 2006
October 2, 2006	-	4,072,500	-	4,072,500	145,930,840	448,019,278	October 6, 2006	October 12, 2006
January 3, 2007	24,404,941	-	-	24,404,941	150,003,340	452,091,778	January 5, 2007	January 15, 2007
July 2, 2007	6,324,185	-	-	6,324,185	150,003,340	476,496,719	July 12, 2007	July 20, 2007
September 26, 2007	263,499	-	-	263,499	150,003,340	482,820,904	October 15, 2007	October 24, 2007
March 31, 2008	-	20,546,900	-	20,546,900	170,550,240	503,631,303	April 3, 2008	April 10, 2008
Total number of exercised warrants before decrease in par value	49,399,003	24,619,400	-	478,311,080	218,381,348	551,462,411	July 9, 2008	July 16, 2008
June 30, 2008	-	478,311,080	-	478,311,080	218,381,348	551,462,411	October 9, 2008	October 14, 2008
September 26, 2008	-	323,810,918	-	348,569,500	248,358,325	586,319,361		
Total	49,399,003	826,741,398	-					
Number of issued warrants	50,000,000	107,307,458	1,378,262,892					
Number of exercised warrants before decrease in par value	(49,399,003)	(24,619,400)	-					
Number of expired warrants	(600,997)	-	-					
Total unexercised warrants before decrease in par value	-	82,688,058	1,378,262,892					
Outstanding number of warrants after decrease in par value	-	-	-					
Number of exercised warrants	-	826,880,580	1,378,262,892					
Number of expired warrants	-	(802,121,998)	-					
Outstanding number of unexercised warrants	-	(24,758,582)	-					
Outstanding number of warrants after increase in par value	-	-	137,826,289					

20. TREASURY STOCKS

At the Board of Directors' meeting no. 6/2008 held on August 22, 2008, the Board of Directors unanimously resolved to repurchase the issued common shares in the amount of not exceeding Baht 192 million and not more than 10% of total issued shares for the period during September 8, 2008 to March 7, 2009.

At the Board of Directors' meeting no. 7/2008 held on November 14, 2008, the Board of Directors unanimously resolved to revise the repurchase of the issued common shares from the amount not exceeding Baht 192 million to the amount not exceeding of Baht 145 million.

The Company repurchased its common shares up to date of expiration as follows:

Repurchased Date	No. of share (In Thousand Shares)	Amount (In Thousand Baht)
October 14, 2008	44,000	7,810
October 22, 2008	3,000	480
October 28, 2008	20,000	2,800
Total up to December 31, 2008	67,000	11,090
February 18, 2009	20,000	2,400
February 20, 2009	10,000	1,200
February 23, 2009	10,000	1,200
February 25, 2009	2,000	220
March 5, 2009	2,151	215
March 6, 2009	50,029	5,440
Total up to March 7, 2009 (date of expiration)	161,180	21,765

21. LEGAL RESERVE

Under the provision of the Public Company Limited Act B.E. 2535, the Company is required to set aside as reserve fund at least 5% of its annual net profit after deduction of the deficit brought forward (if any) until the reserve reaches 10% of authorized share capital. The reserve is not available for dividend distribution.

22. APPROPRIATED FOR TREASURY STOCKS

The Company has set up reserve for treasury stocks in accordance with memorandum of the Office of the Council of State of Thailand No. 756/2004 by appropriation of retained earnings to reserve for treasury stocks with the same amounts of treasury stocks. The reserve for treasury stocks will be reversed provided that all treasury stocks sold out within 3 years from the acquisition date of treasury stocks or decrease of the paid-up share capital in respect of the outstanding treasury stocks. The reserves for treasury stocks are not allowed for dividend declaration in accordance with the Public Limited Companies Act (No. 2) B.E. 2544.

23. TROUBLED DEBT RESTRUCTURING

In accordance with the debt restructuring agreement dated March 18, 2008 approved by the Central Bankruptcy Court, the Company received ordinary shares from a debtor to settle the indebtedness amount as follows:

(In Thousand Baht)

Type of restructuring	Type of transferred asset	Book value of debt before restructuring	Fair value	Loss on debt restructuring
Transferring of asset	Ordinary shares of Amata (Vietnam) Co., Ltd.	16,407	7,579	8,828

In addition, the Company is also entitled to receive ordinary shares and warrants of EMC Public Company Limited of 2,385,284 shares and 596,321 units respectively, as specified in the debt restructuring agreement. The plan administrator will offer these securities to the public for settlement of the debts in accordance with the Company's instruction. The Company's management sold such ordinary shares of EMC Public Company Limited to a third party in August 2009 at Baht 1.22 per share totalling of Baht 2.9 million, which the Company recognized as a part of other income in the consolidated statement of income and separate statement of income for the year ended December 31, 2009.

24. EARNINGS (LOSS) PER SHARE

Basic earnings (loss) per share are determined by dividing the net profit (loss) by the weighted average number of shares outstanding during the years.

Weighted average number of shares (basic) for the years ended December 31, 2009 and 2008 are as follows:

(In Million Shares)

	2008	2009
Number of shares outstanding as at January 1	586.3	483.1
Effect of shares issued during the year	-	48.9
Weighted average number of share (basic) - calculated from par value of Baht 1 per share	586.3	532.0

The calculations of diluted earnings (loss) per share of the financial statements for the year were based on the profit (loss) for the years after adjusting for the effects of all dilutive potential common shares and the weighted average number of common shares outstanding during the years after adjusting for the effects of all dilutive potential common shares.

Weighted average number of shares (diluted) for the years ended December 31, 2009 and 2008 are as follows:

(In Million Shares)

	2008	2009
Weighted average number of shares outstanding during the years (basic)	586.3	483.1
Effect of shares options on issue	-	-
Weighted average number of share outstanding during the years (diluted) - calculated from par value of Baht 1 per share	586.3	532.0

The Company does not present dilutive earnings (loss) per share for effect of shares options on issue because the exercise price of warrant is higher than the average fair value of common share during the years ended December 31, 2009 and 2008.

25. DIVIDEND PAYMENT

At the 2008 Annual General Shareholders' Meeting held on April 3, 2008, the shareholders approved the dividend declaration at Baht 0.1 per share for 483 million common shares, totalling Baht 48.3 million, which was paid on May 2, 2008.

26. REGISTERED PROVIDENT FUND

The Company have contributory provident funds for their employees in accordance with the terms and conditions prescribed in the Provident Fund Act B.E. 2530. Membership to the funds is voluntarily. Contributions are made monthly by the employees and by the Company at 2% and 3% of the employees' basic salaries. The provident funds are managed by a Fund Manager in accordance with the terms and conditions prescribed in the Ministerial Regulation No. 2 (B.E. 2532) issued under the Provident Fund Act B.E. 2530.

The Company contributed to the fund totalling approximately Baht 1.2 million and Baht 0.9 million for each of the years ended December 31, 2009 and 2008, respectively.

27. CONSTRUCTION CONTRACTS

The significant information of the construction contracts, which were in progress as at December 31, 2009 and 2008, were as follows:

(In Thousand Baht)

	Consolidated Financial Statements	Separate Financial Statements	
	2009	2009	2008
Aggregate amount of construction costs incurred to date	6,648,745	6,645,390	5,613,721
Adjust with the recognised profits to date	349,187	349,122	449,049
Aggregate amount of construction revenues incurred to date	6,997,932	6,994,512	6,062,770
Less : Sum of progress billings	(6,729,887)	(6,729,887)	(5,827,624)
Unbilled trade receivables	268,045	264,625	235,146

28. DISCLOSURE OF FINANCIAL INSTRUMENTS

Financial assets and financial liabilities carried on the consolidated balance sheet and the separate balance sheet include cash and cash equivalents, short-term investments, trade and other account receivables, advance payments to joint venture, short-term loans, advance payments for purchase of supplier, advance payments to sub-contractors, investments in restricted fixed deposits, long-term loan to other company, long-term investments, bank overdrafts and short-term loans from financial institutions, trade and other account payables, advances received from customers and liabilities under finance lease contracts. The accounting policies on recognition and measurement of these items are disclosed in the respective accounting policies in Note 2.

Liquidity Risk

Liquidity risk arises from the problem in raising funds adequately and in time to meet commitments as indicated in the financial statements. Based on the assessment of the EMC Group's current financial position and results of operations, the EMC Group does not face liquidity risk.

Foreign Currency Risk

The EMC Group does not have significant amount of commercial transactions in foreign currency, giving rise to exposure risk from changes in foreign exchange rates.

Credit Risk

Credit risk is the risk that a counterparty is unable or unwilling to meet a commitment that it entered into with the EMC Group. The risk is controlled by the application of credit approvals and monitoring procedures.

The carrying amount of accounts receivable recorded in the balance sheets and consolidated balance sheets net of allowance for doubtful accounts (if any), represents the maximum exposure to credit risk.

Interest Rate Risk

Interest rate risk arises from the fluctuation of market interest rates, which may have an impact to current and future operations of the Company. The Company's exposure to interest rate risk relates primarily to its deposits at financial institutions short-term investment in promissory note, short-term and long-term loan to other company, bank overdrafts and short-term loans from financial institutions and short-term loan from other company. However, since most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate. The management considers that the interest rate risk is minimal, hence, the Company has no hedging agreement to protect against such risk.

Significant financial assets and liabilities as at December 31, 2009 and 2008, classified by type of interest rates are summarised in the table below, with those financial assets that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

Consolidated Financial Statements							
	2009						
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Effective interest rate (% p.a.)
	Within 1 year	1- 5 years	Over 5 years				
Financial assets							
Cash and cash equivalents	-	-	-	263,243	27,717	290,960	0.5 - 1.25
Trade account receivables - net	-	-	-	-	430,798	430,798	-
Unbilled trade receivables - net	-	-	-	-	268,045	268,045	-
Retention receivable from customers - net	-	-	-	-	234,731	234,731	-
Advance payments for purchase of supplies	-	-	-	-	16,001	16,001	-
	-	-	-	-	23,296	23,296	-
Advance payments to sub-contractors							
Investments in restricted fixed deposits	300,035	-	-	17,116	-	317,151	0.5 - 1.75
Other long-term investments - net	-	-	-	-	274	274	-
Total	300,035	-	-	280,359	1,000,862	1,581,256	
Financial liabilities							
Bank overdrafts and short-term loans from financial institutions	-	-	-	95,762	-	95,762	5.85 - 7.25
Trade account payables	-	-	-	-	313,193	313,193	-
Unbilled construction cost payables	-	-	-	-	289,596	289,596	-
Advance received from customers	-	-	-	-	155,855	155,855	-
Retention payable from contractors	-	-	-	-	127,284	127,284	-
Liabilities under finance lease contracts	2,225	376	-	-	-	2,601	3.3
Total	2,225	376	-	95,762	885,928	984,291	

Separate Financial Statements							
	2009						
	Fixed interest rates			Floating interest rate	Non- interest bearing	Total	Effective interest rate (% p.a.)
	Within 1 year	1- 5 years	Over 5 years				
Financial assets							
Cash and cash equivalents	-	-	-	262,141	27,690	289,831	0.5 - 1.25
Trade account receivables - net	-	-	-	-	430,798	430,798	-
Unbilled trade receivables - net	-	-	-	-	264,625	264,625	-
Retention receivable from customers - net	-	-	-	-	234,731	234,731	-
Advance payments to joint venture	-	-	-	-	12,872	12,872	-
Short-term loans to joint venture	4,000	-	-	-	-	4,000	6
Advance payments for purchase of supplies	-	-	-	-	14,590	14,590	-
	-	-	-	-	23,296	23,296	-
Advance payments to sub-contractors							
Investments in restricted fixed deposits	292,675	-	-	17,116	-	309,791	0.5 - 1.75
Other long-term investments - net	-	-	-	-	274	274	-
Total	296,675	-	-	279,257	1,008,876	1,584,808	
Financial liabilities							
Bank overdrafts and short-term loans from financial institutions	-	-	-	95,762	-	95,762	5.85 - 7.25
Trade account payables	-	-	-	-	309,013	309,013	-
Unbilled construction cost payables	-	-	-	-	289,596	289,596	-
Advance received from customers	-	-	-	-	155,855	155,855	-
Retention payable from contractors	-	-	-	-	127,284	127,284	-
Liabilities under finance lease contracts	2,225	376	-	-	-	2,601	3.3
Total	2,225	376	-	95,762	881,748	980,111	

Separate Financial Statements

	2009						Effective interest rate [% p.a.]
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	
	Within 1 year	1- 5 years	Over 5 years				
Financial assets							
Cash and cash equivalents	-	-	-	289,653	10,837	300,490	0.75 - 2.25
Trade account receivables - net	-	-	-	-	508,038	508,038	-
Unbilled trade receivables - net	-	-	-	-	235,146	235,146	-
Retention receivable from customers - net	-	-	-	-	204,762	204,762	-
Short-term loan to other company	2,000	-	-	-	-	2,000	8
Advance payments for purchase of supplies	-	-	-	-	72,075	72,075	-
	-	-	-	-	50,489	50,489	-
Advance payments to sub-contractors							
Investments in restricted fixed deposits	309,740	-	-	17,061	-	326,801	0.75 - 4
Other long-term investments - net	-	-	-	-	274	274	-
Long term loans to other company	30,000	-	-	-	-	30,000	8
Total	341,740	-	-	306,714	1,081,621	1,730,075	
Financial liabilities							
Bank overdrafts and short-term loans from financial institutions	-	-	-	138,684	-	138,684	6.25 - 8.2
Trade account payables	-	-	-	-	335,387	335,387	-
Short-term loan from other company	12,000	-	-	-	-	12,000	4.5
Unbilled construction cost payables	-	-	-	-	210,867	210,867	-
Advances received from customers	-	-	-	-	131,736	131,736	-
Retention payable from contractors	-	-	-	-	101,228	101,228	-
Liabilities under finance lease contracts	3,207	2,721	-	-	-	5,928	3.3
Total	15,207	2,721	-	138,684	779,218	935,830	

Fair Value of Financial Instruments

Fair value is defined as the amount at which the instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction. The following methods and assumptions are used to estimate the fair value of each class of financial instruments.

Trade and other account receivables, bank overdrafts and short-term loans from financial institutions and trade and other account payables - the carrying values approximate their fair values due to the relatively short-term maturity of these financial instruments.

Investments in securities - the fair value of non-marketable securities cannot be properly calculated.

The fair value of investment in restricted fixed deposits and cash and cash equivalents - the aggregate carrying values are insignificantly different from their aggregate fair value because these financial assets have floating interest rate or fixed interest rate, which approximately market rate.

Liabilities under finance lease contracts, which bear interest at the fixed rates, cannot be calculated fair value properly because of no market floating interest rates.

29. MANAGEMENT BENEFIT EXPENSES

The monetary management benefit expenses for each of years ended December 31, 2009 and 2008 are as follows:

(In Thousand Baht)

Type of Remunerations	Consolidated Financial Statements	Separate Financial Statements	
	2009	2009	2008
Salaries	19,022	19,022	16,322
Meeting allowances	2,460	2,460	2,440
Others	1,210	1,210	1,540
Total	22,692	22,692	20,302

30. SEGMENT FINANCIAL INFORMATION

The Company's core business operation in long-term construction services, which is conducted in geographical segments for each of the years ended December 31, 2009 and 2008:

(In Million Baht)

	Local		Overseas		Elimination of inter-segment revenues		Total	
	2009	2008	2009	2008	2009	2008	2009	2008
Revenue from external customers	2,869	2,643	2	132	-	2,871	2,871	2,775
Total revenues								
Segment profit (loss)	(47)	165	(26)	(56)	-	(73)	(73)	109
Finance costs	(11)	(11)	-	-	-	(11)	(11)	(11)
Income tax	(5)	-	-	-	-	(5)	(5)	-
Net profit (loss)	(63)	154	(26)	(56)	-	(89)	(89)	98
Property, plant and equipment	124	141	2	3	-	126	126	144
Other assets	1,932	1,908	7	38	(93)	1,846	1,846	1,881
Total assets	2,056	2,049	9	41	(93)	1,972	1,972	2,025

31. LEASE CONTRACTS

The Company has entered into various lease contracts to rent office space and facilities, office equipment and vehicles. The agreements have the term for certain periods expiring 2012 and the annual rental fees totalled Baht 1.7 million.

32. OTHERS

- The Company had outstanding letters of guarantee of approximately Baht 632.6 million and USD 0.96 million as at December 31, 2009 and Baht 876.4 million as at December 31, 2008 and the Joint Venture has outstanding letter of guarantee of approximately Baht 93.4 million as at December 31, 2009, issued by banks and financial institutions on behalf of the Company and the Joint Venture in respect of certain performance bonds as required in the normal course of business.
- As at December 31, 2009 and 2008, the Company has issued the letter of guarantee to a former subsidiary totalling Baht 30.3 million in respect of guarantees provided on projects which are managed by the Company. These projects were commenced before the Company disposed of its interests in this company. The Company received such letter of guarantee in February 2010.

The letters of guarantee mentioned in items a and b are guaranteed by the Company's and the Joint Venture's fixed deposits and the transfer of the rights over collection from trade receivables of the Company as discussed in Note 9.

- c. As at December 31, 2009, the Company had investments in restricted fixed deposits of Baht 34.4 million, which has been pledged as collateral for a letter of guarantee issued by a local bank on behalf of a local company of Baht 21.0 million.
- b. On February 1, 2008, the Company has been claimed for the losses from the fire event at the Thai Airway's Kitchen Department at the Suvarnabhumi Airport. Thai Airway International Public Company Limited has requested for indemnities from the fire event in the amount of Baht 73.1 million plus interest charges at the rate of 7.5% per annum from the date of fire event (January 18, 2006) to the litigation date of Baht 11.1 million, totalling Baht 84.2 million. The case is currently in consideration of the Civil Court, which cannot presently be determined. However, the Company's management believes that no material liability is likely to arise as a result of the case; accordingly, no provision for any liability that may result has been made in the accounts.

33. APPROVAL OF FINANCIAL STATEMENTS

The Company's Board of Directors have authorized these financial statements for issue on March 2, 2010.

บริษัท อีเอ็มซี จำกัด (มหาชน)

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