



บริษัท อีเอ็มซี จำกัด (มหาชน)
EMC PUBLIC COMPANY LIMITED



“Dedication to Engineering Excellence”

รายงานประจำปี
2556
ANNUAL REPORT
2013



VISION

“We shall be a one-stop service contractor
responding to the customers’ satisfaction
by employing modern and advanced technology
with the earnestness to develop the quality persistently”

MISSION

To extend the construction lines of business and systems with an aim to make a constant progress and to receive qualified work under the budgets stipulated and within the due date contracted with the customers. To control the operational system in accordance with the standard to achieve continuous development. To manage an internal system of the company to be of potentiality. To regularly enlarge the knowledge and capability of the employees as well.

Summary of Financial Information



	Consolidated Financial Statements					
	2013		2012		2011	
	Mil.Baht	%	Mil.Baht	%	Mil.Baht	%
Total Assets	1,803.85	(38.33)	2,925.01	12.79	2,593.25	20.23
Total Liabilities	1,679.06	(15.46)	1,986.13	15.69	1,716.79	30.59
Shareholders' Equity	124.79	(86.71)	938.89	7.12	876.47	4.06
Service Revenues	1,596.23	(59.34)	3,925.53	13.03	3,472.91	51.84
Total Revenues	(47.86)	(139.58)	120.93	(22.73)	156.50	7,862.54
Net Profit (Loss)	(1,436.36)	(14,769.15)	9.66	(55.09)	21.51	130.14

Financial Ratio		2013	2012	2011
Gross Profit Margin	%	(3.00)	3.08	4.51
Net Profit Margin	%	(84.48)	0.80	0.58
Return on Equity	%	(253.56)	3.43	2.31
Return on Assets	%	(14.26)	0.28	0.21
Total Assets Turnover	Times	16.88	35.41	23.95
Debt to Equity Ratio	Times	13.46	2.07	1.90

	2013		2012		2011	
	Mil.Baht	%	Mil.Baht	%	Mil.Baht	%
Public Sector	640.91	40.15	2,296.94	58.51	1,359.10	39.13
Private Sector	955.32	59.85	1,628.59	41.49	2,113.81	60.87
Total Revenue of Construction	1,596.23	100.00	3,925.53	100.00	3,472.91	100.00

Message from Chairman



Mr. Chanachai Leenabanchong

Chairman and CEO

In 2013, the company was tremendously affected by the difficulties of construction costs whether in adjustment of prices of equipments and materials, wages particularly in skilled workers, a delay of work due to lack of workers, political instability, and alteration of employers' projects form. All of these obstacles had a chain impact towards suppliers, sub-contractors and employers leading to adverse effects towards the company's turnover with a considerable amount.

In 2014, the company has an emphasis on increasing proficiency in construction management, particularly in cost and time management for construction to be of accomplishment according to a contract, as well as the reduction of expenses in business operation of the company that shall render the company's turnover to be healthier. Additionally, the company has adjusted marketing plans through giving more priority to risk management in respect of the form of construction coupled with business and financial conditions of such a project. Also,

the company pays an attention closely and carefully to impacts of Thai economic recession. These shall accelerate the company's turnover to be in a good shape in the future.

The strength and success of EMC is dependent on the supports of shareholders, customers, counterparts, financial institutions including business alliances who are still supportive, giving opportunities to and entrusting EMC as always. EMC staff members and I are thankful to every supporters and we shall be determined and devote ourselves to work efficiently for the purpose that EMC shall gain a better turnover and continue to grow sustainably.



Mr. Chanachai Leenabanchong
Chairman and CEO

Organization Chart



General Information

1. Company Information

Company Name	:	EMC Public Company Limited
Head Office	:	28-30 Floor, ITF Tower, 140/66-67 Silom Road, Suriyawong, Bangrak, Bangkok 10500
Type of Business	:	Provide integrated civil and mechanical and electrical construction service
Registration No.	:	0107538000321
Telephone	:	02-6156100
Facsimile	:	02-6156128 – 30
Website	:	www.emc.co.th
Registered Capital	:	1,659,598,165 Baht
Paid-up Capital	:	1,173,101,298 Baht
Par value	:	1 Baht per share

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

Subsidiary	Type of Business	Registered Capital (Baht)	Paid-up Capital (Baht)	Par Value (Baht)	% of share
Joint Venture EMC & Power Line 28-30 Floor, ITF Tower, 140/66-67 Silom Road, Suriyawong, Bangrak, Bangkok 10500	Construction service	-	-	-	49%
BR Construction Company Limited - Head Office : 120/1 Moo 3, Nakornchum, Muang Kamphaengphet - Branch : 20 Floor, ITF Tower, 140/43 Silom Road, Suriyawong, Bangrak, Bangkok 10500	Construction service	60,000,000	1,000	60,000,000	51%
SANKEN-EMC Co., Ltd. 28Floor, ITF Tower, 140/66 Silom Road, Suriyawong, Bangrak, Bangkok 10500	Construction service	40,000,000	100	10,000,000	48%

3. Other References

- **Company Registrar**

Thailand Securities Depository Co., Ltd.

62 The Stock Exchange of Thailand Building, Ratchadaphisek Road, Klongtoey, Bangkok 10110

Telephone 02-229-2800 Facsimile 02-654-5427 Call Center : 02-229-2888

Website : www.tsd.co.th



- **Auditor**

1. Mr. Apichart Sayasit CPA no. 4229 or
 2. Ms. Waleerat Akkarasrisawad CPA no. 4411 or
 3. Mr. Sonthorn Sarakwan CPA no. 4869
- Baker Tilly Audit and Advisory Services (Thailand) Ltd.
Level 21/1 Sathorn City Tower, 175 South Sathorn Road, Sathorn, Bangkok 10120
Telephone 02-679-5400 Facsimile 02-679-5008
Website : www.bakertillythailand.com

- **Legal Counsels**

- Chinnadej & Associates Co., Ltd.
12 Floor, ITF Tower, 140/22 Silom Road, Suriyawong, Bangrak, Bangkok 10500
Telephone 02-231-6083-7 Facsimile 02-231-6491
- Soonthornthep & Partners Co.,Ltd.
6 Floor, Silom Condominium 52/16 Soi Saladaeng 2, Silom Road, Bangrak, Bangkok 10500
Telephone 02-236-5906-8 Facsimile 02-236-6909
- FarEast International Legal Co.,Ltd.
24 Floor, RS Tower, 121/75, Ratchadaphisek Road, DinDaeng, Bangkok 10400
Telephone 02-641-3181 Facsimile 02-641-3799
- Siam Premier International Law Office Ltd.
26 Floor, The Offices at Central World, 999/9 Rama 1 Road, Pathumwan, Bangkok 10330
Telephone 02-646-1888 Facsimile 02-646-1919
- Arunsaeng Law Office
130 Soi Intraporn, Plup-pla, Wangthonglang, Bangkok 10310
Telephone 02-538-0230 Facsimile 02-933-8339
- Srisamlan Law Office
40/131 Katiya Village 3 BangPud, Pak Kret District, NONTABURI 11120
Telephone 081-939-5330 Facsimile 02-938-7515-7

Policy and Overall Business Operations

Vision and Mission of the company

The company's Board of Directors has determined the vision and mission of the company for the purpose and procedure of business operation. The details are as follow;

VISION

“We shall be a one-stop service contractor
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MISSION

To extend the construction lines of business and systems with an aim to make a constant progress and to receive qualified work under the budgets stipulated and within the due date contracted with the customers. To control the operational system in accordance with the standard to achieve continuous development. To manage an internal system of the company to be of potentiality. To regularly enlarge the knowledge and capability of the employees as well.

Significant changes and development

2011

- | | |
|-----------|--|
| January | <ul style="list-style-type: none"> - Authorized Directors to sign on behalf of the company Mr. Siriphong Vongvuttiornchai 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. |
| April | <ul style="list-style-type: none"> - The invest in M 1 Property Co.,Ltd. to portion 10% for invest in Real Estate. - The 2010 Annual General Meeting of shareholder of the company has passed the resolutions about capital structure as follows: <ul style="list-style-type: none"> • The amendment of Memorandum no.3 of the Objective of the company from 53 to 61 items. • The amendment of Article of Association article 10 and article 11. |
| August | <ul style="list-style-type: none"> - The Board of director approved on the resale of share repurchased. The period for the resale of shares will be from 25 August 2011 to 6 March 2012 |
| September | <ul style="list-style-type: none"> - The Company registered the change in its paid-up capital from Baht 586,319,361 to Baht 586,583,043. That change results from the exercise of the Company warrants issued exist shareholders. |

2012

- | | |
|-----------|--|
| January | - Mr.Boonchai Surapakpinyo has resigned from the position of Director, Executive Director, Senior Executive Vice President, effective from January 1, 2012 onwards. |
| May | - Mr. Chirdsak Vitooraporn has resigned from the position of the Managing Director, has effective from 8 May 2012 onwards.
- Mr.Somphop Prompanapitak has resigned from the position of Director, Senior Executive Vice President, and company secretary has effective from 8 May 2012 onwards. |
| August | - Appointed Mr.Krissana Sangarsang and Mr. Chalothorn Leelamali as a director in place of the vacant position, effective from 14 August 2012 onwards. |
| September | - Approved the increase of registered capital from 586,538,043 Baht to 586,538,199 Baht by issuing new ordinary shares of 156 shares at par value of 1 Baht per share reserve for exercising the 3rd right warrants offering to existing shareholders (EMC-W3) |
| October | - Approved to change the authorized signatories binding the company to be as follows:
Mr.Chanachai Leenabanchong or Mr.Paiboon Thong ra-ar or Mr.Siriphong Vongvuttiornchai
Mr. Chalothorn Leelamali jointly co-sign their names, totaling two directors and affix with the company's seal. |
| November | - Appointed Mr.Punnathee Sriwongthai a company's independent director, to be a Audit Committee. has effective from 14 November 2012 onwards. |

2013

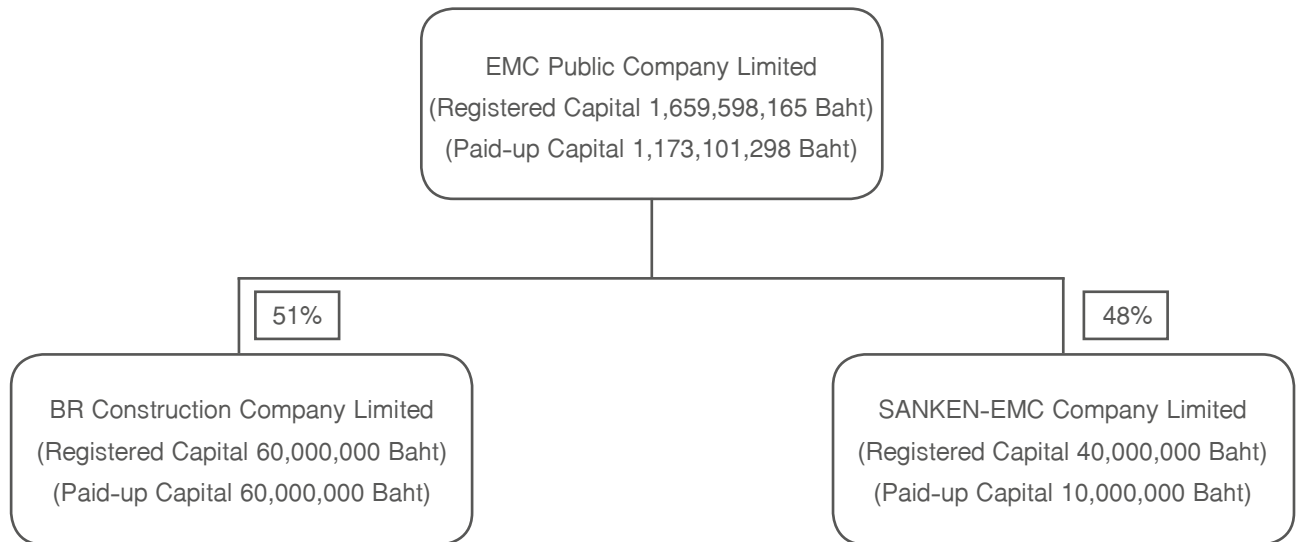
- | | |
|----------|--|
| February | - The extraordinary meeting at 1/2013 has a resolution to adjust the authorized capital from 879,807,064 Baht to 1,542,290,525 Baht. |
| April | - The annual ordinary meeting in 2013 has a resolution to adjust the authorized capital from 1,542,290,525 Baht to 1,659,598,165 Baht. |
| October | - The Board of Directors' conference has considered to approve joint venture with Sanken Setsubi Kyoko Co., Ltd (Japan) to form a company named Sanken-EMC Co., Ltd for the purpose of marketing in contraction field of business and extending areas of engineering system with the emphasis on Heating Ventilation and Air Conditioning (HVAC). The targeted customers shall be Japanese in Thailand and overseas. |

Business Operation of Subsidiary Company and associate company

BR Co., Ltd carries its business in concession from public section and state enterprises for contracting for the construction and civil construction in all types.

Sanken-EMC Co., Ltd (SANKEN- EMC) conducts the business of contractor, engineering, mechanical device, buildings and factories.

Shareholding Structure





Nature of Business

EMC Public Co., Ltd. (“EMC” or “the Company”), formerly named EMC Engineering Ltd., Part., was founded on April 4, 1979. The business was later expanded and registered under the named EMC Co.,Ltd. on March 1, 1988 with an initial registered capital of 2,000,000 baht. Objectives of the Company establishment were to provide construction contracting services in civil construction and installation of electrical and plumbing systems.

EMC was transformed into a public company on June 9, 1995 and listed on the Stock Exchange of Thailand on May 15, 1996 in Property Development sector.

On 31 December 2013, the company has registered capital of 1,659,598,165 baht. Paid registered capital is of 1,173,101,298 baht.

Revenue Structure

Consolidated revenue structure of EMC Public Co., Ltd., dating back 3 years (2011-2013) can be classified types of core businesses as follows:-

	Consolidated					
	2013		2012		2011	
	Mil.Baht	%	Mil.Baht	%	Mil.Baht	%
Revenues						
Revenue of sales and Construction	1,596.23	96.83	3,925.53	98.32	3,472.91	99.95
Other revenue						
Interest income	6.92	0.42	13.24	0.33	6.67	0.19
Others	45.42	2.75	53.80	1.35	30.16	0.85
Total revenue	1,648.57	100.00	3,992.57	100.00	3,509.74	100.00
Revenue increase (decrease) ratio		(41.29)		13.76		49.75

	Separate Financial Statements					
	2013		2012		2011	
	Mil.Baht	%	Mil.Baht	%	Mil.Baht	%
Revenues						
Revenue of sales and Construction	1,640.16	96.79	3,706.84	97.61	2,884.23	95.68
Other revenue						
Interest income	9.13	0.54	14.42	0.38	6.81	0.22
Others	45.30	2.67	76.18	2.01	123.47	4.10
Total revenue	1,694.59	100.00	3,797.44	100.00	3,014.51	100.00
Revenue increase (decrease) ratio		(44.62)		25.97		41.27

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: Civil Engineering, as well as commercial buildings, residential buildings, institutions, industrial etc. Electrical and 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.

The company's business operation is divided into two main categories as follows.

1. General Construction

1.1 Contracting for the construction of skyscrapers including economic buildings, accommodation buildings, educational institutes, industrial construction, hospital, retail business buildings, etc.

1.2 Contracting for the civil construction which are public sector's constructions such as dam construction, canal construction, soil destruction prevention, roadway construction, etc.

2. Electrical engineering and mechanical engineering

The company provides services for installing public utilities coupled with a design, electrical system, plumbing system, sanitary system and fire prevention system and fire fighting system, air conditioning and ventilation for skyscrapers such as hotel, hospital, condominium, office, shopping mall, industrial construction (factories), etc.

Strategy for construction

- The company has a policy to invent committees to select private project owners by scrutinizing their reputation, quality and capability of debt payment prior to entering biddings with an aim to reduce risk of unpaid indebtedness.
- The company has a policy to distribute work to public sector more so as to decrease a risk factor of payment due to the fact that public construction in 2012 is rather of pleasant extension and to be a factor supporting construction business on the whole.
- The company has a policy to reduce work in projects associated with hotels or condominiums and to extend the business of contracting for the construction in convenience stores, modern trades (such as Lotus, Index Living Mall) skyscrapers with maximum of eight floors and service Apartment as well as renovation.
- The company has a policy to adapt the structure of organization to be of more potential in management through precisely dividing managing line from structuring and system line with administrative representatives selected by executives of the two (i.e. managing line and structuring, system line). Such representatives shall be in the board of directors and shall acknowledge policies, solutions and improvement of work efficiency.
- The company has a policy to provide incentive system for employees resulting in more efficiency of work.

2.1 Type of business

The company's type of business is divided into two main categories such as general construction and electrical and mechanical engineering. The details are as follow.

1. General Construction

To provide services regarding contracting for construction of skyscrapers and industrial construction. The details are as follow.

A) Building Construction

The company renders one-stop service of building construction which covers designing and construction. The company has experiences in construction of economic buildings, sport complexes, educational institutes, accommodation buildings, hospitals, retail business buildings and facilities in industrial factories and residences.



B) Industrial Construction

Industrial construction shall be in form of turn-key projects. The company provides services of designing, construction and system planning necessary to usage in factories such as sanitary system and electrical system that the company has experiences in food industrial construction, petrochemical construction, polyester construction and so on.

C) Civil Construction

Civil construction is of work of public sector such as dam construction, waterway construction, soil destruction prevention, roadway construction, etc.

2. Electrical and Mechanical Engineering

The company provides services of installing public utilities with a design, installing electrical system, plumbing system and ventilation system for several buildings such as hotel, hospital, condominium, office, shopping mall and industrial factory.

A) Electrical system

The company has a competency to serve installing various electrical system in form of full packaging to satisfy the needs of customers. Services of electrical system is composed of

- Electrical system installation
- Fire alarm system and fire prevention system installation
- Sound system installation
- Communication and Telecommunication system installation
- MATV installation
- CCTV installation
- Lighting protection system installation
- BAS: Building Automation System installation (e.g. controlling temperatures and light)

B) Plumbing and Sanitary System

The company provides services of plumbing and sanitary system covering a design and installation of waste water treatment system in accommodation buildings, offices and industrial factories. Such services is composed of

- Water heating system, water cooler system and drinking water system installation
- Fire extinction system installation
- Sewerage system installation
- Waste water treatment system installation
- Gutter system installation
- Sanitary system installation

C) Air Conditioning and Ventilation System

Services of Air Conditioning and Ventilation System are composed of

- Cooler system installation in buildings and factories
- Air conditioning system installation
- Air conditioner's air diffusion system installation
- Air piping system installation
- Temperature controlling system installation
- Air filter system installation

Project Awarded in 2013

Project Name	Location	Scope of Work	Contract Value (Million Baht)	Progress (%)
Nippon Pack Factory	Petchkasem Rd.	Demolition	0.70	100.0
Bluroc Hua Hin	Prachuap Khiri Khan	Civil, Architecture, M&E	436.5	14.9
Tesco Lotus Bua Yai	Nakorn Rachasima	Civil, Architecture	79.7	100.0
Car Park - Airport Link Square	Ramkhamhaeng Rd.	Civil	65.3	69.7
Kirimaya Residents Atta The Condo	Nakorn Rachasima	Civil, M&E, Architecture	510.0	4.4
DZIO Ngamwongwan	Ngamwongwan Rd.	Civil, M&E, Architecture	456.1	1.6
Total			1,548.3	

Strategy and competition

1. 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.

2. 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 9001:2008, 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.

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 9001:2008 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.

The characteristics of entrepreneurs in same competitive market

1. The entrepreneurs in industry of electrical and mechanical engineering system in large and medium size

Such entrepreneurs shall have wide experiences in business operation in electrical and mechanical engineering line as well as having renowned accomplishment of work. The entrepreneurs are mainly from bidders as main contractors such as EMC Public Co., Ltd., Powerline Engineering Public Co., Ltd., Jardin Mathison Co., Ltd (Thailand), Secco Co., Ltd, Sangpradit Engineering Co., Ltd.

2. The entrepreneurs in industry of electrical and mechanical engineering system in small size

Such entrepreneurs have working capitals in limited amount. Normally, they are not allowed to attend biddings as main contractor but shall be sub-contractor from entrepreneurs in large and medium size.

3. The entrepreneurs in construction industry in large size

Such entrepreneurs have investment budgets in construction in amount of more than 200 million baht.

4. The entrepreneurs in construction industry in small size

Such entrepreneurs have investment budgets in construction in amount of less than 200 million baht.

5. The entrepreneurs in construction industry in full packaging

Such entrepreneurs are in minority group that serve construction in full packaging. They are mostly large entrepreneurs such as Powerline Engineering Public Co., Ltd.

Sourcing 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 project director, 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.

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 BUS DUCT, electricity generator, plug, lamp, communications equipment, fire alarm equipment, audio equipment, TV antenna equipment, CCTV equipment, security devices.
Sanitation and Fire	:	PVC pipe, galvanized steel pipe, black iron pipe, turn off water valves, water pump, septic toilet tank, fire cabinet, fire line, Fire water dispenser, fire pumps, water supply.
Air conditioning	:	Water pipes, refrigerant piping, air duct, air duct ventilation, air nozzle air conditioning, ventilation fan, the tower just air, cold water machine, water pump.

The main raw material used in the engineering construction general, construction engineering, infrastructure and environmental engineering and engineering in the petrochemical industry and energy is a common material used in construction such as concrete, cement, steel, rebar, surface materials, wall surfaces and materials, lotus wall oriented material, ceiling materials, wood, composite roof, window and door, color. But with some material that will vary according to their career and the needs of customers.

Sourcing of raw materials

The 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.

Responsibility towards Environment

The company's business operation in general construction constitutes environmental impacts towards community nearby construction area in respect of dust, noise and reverberation that the company has a policy to reduce the size and impact towards community as such to be of the least. To achieve this, the company shall

- Use canvas to prevent dust during construction.
- Try to understand and build good relationship with people living nearby.
- Get an insurance for protection of damage in all risks for risky projects.

Work in Progress

The contract value of the on-going projects is 5,640.0 million Baht, and the remaining unrealized value is 1,561.3 million Baht as follows:

Project Name	Contract Value (Million Baht)	Backlog (Million Baht)
The Breeze	563.8	5.9
Co-educational International Building (Chulalongkorn University)	741.1	104.5
Urban Flood Protection: Pattani - Phase I (BR)	130.8	3.6
Urban Flood Protection: Rusa Milae, Pattani (BR)	140.1	7.9
Airport Link Square	836.4	28.7
Bangkok International Futsal Stadium (4 contracts)	1,635.5	51.5
Airport Link Square, Building D	124.4	32.0
Bluroc Hua Hin	436.5	371.4
Car Park - Airport Link Square	65.3	19.8
Kirimaya Residents Atta The Condo	510.0	487.4
DZIO Ngamwongwan	456.1	448.6
Total	5,640.0	1,561.3



1. 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. The company has a policy of good human resource management and the return to employee properly.

2. Risk form high cost of equipment for using in construction

Due to the company work construction engineering as a main, the changing fluctuation of construction equipment's price or the company might have taking risk form adjust the high price in construction equipment after contract award which it affect to the production cost and profit of company. The company has policy to management 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.

3. 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.

4. 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. Further, as the company has carried construction, electrical engineering as well as mechanism in various projects in the past and presented its competence and quality of work, the company gains credibility from consulting engineer company including many project owners. Therefore the company has been frequently offered to biddings in many new projects.

5. 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.

6. Risk of Employees Lost

Contractor business in general and electrical engineering and mechanism of the company are the business accommodated with technicians, experts in designing, planning, and controlling construction as prepared; that is project managing director engineer, project manager, and controlling engineer. Shall the company loses these employees, the company's operation and competing capability might be affected. The company has a policy in managing good human resource and in rewarding its employees appropriately.

7. Risk from the government policy

The policies of compensation increase and of labor welfare improvement result in the cost of operation of the company, particularly projects that the company has offered a price and won the bidding prior to the change of aforementioned policy, aside from the competence of making profits of the company. Hence, the company has attempted to reduce the costs of operation in other parts to compensate such increasing expenses.

However, for the new projects, the company has adjusted the price for biddings to cover such increasing costs which has a minor impact on biddings due to such factor affecting the whole industry. Furthermore, the company has added a measure of human resourcing to be of more potential.



The Amount of Registered Capital and Paid Registered Capital

1 Ordinary shares

On 31 December 2013, the company has registered capital of 1,659,598,165 baht which is consisting of 1,659,598,165 ordinary shares. The par value is at 1 baht per share. Paid registered capital is of 1,173,101,298 baht which is consisting of 1,173,101,298 shares. The par value is at 1 baht per share.

Shareholders

The distribution of shares holding is as follows.

A Range of Share holding	On 12 February 2014		
	Amount of shares	Amount of holders	% holders
1 - 999,999	279,722,226	3,929	96.66
1,000,000 - 10,000,000	308,769,460	125	3.07
10,000,000 onwards	584,609,612	12	0.27
Total	1,173,101,298	4,066	100.00

(1) Name list of the top 10 shareholders on record as of February 12, 2014 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. Mr.Chanachai	Leenabanchong	231,654,847	19.75
2. Mr.Jaksawat	Vimolmongkolrat	59,254,487	5.05
3. Mrs.Somsong	Lapananrat	59,104,000	5.04
4. Capital Engineering Network Public Co.,Ltd.		59,000,006	5.03
5. Thai NVDR Co.,Ltd.		48,702,058	4.15
6. Mr.Natapat	Rangsan	42,171,200	3.60
7. Mr.Supot	Lapananrat	24,043,000	2.05
8. Ms.Aleena	Ariyasarp	14,000,000	1.19
9. Miss.Phatcharin	Tungsitsombat	12,505,700	1.07
10. Thailand Securities Depository Co.,Ltd.		12,451,414	1.06

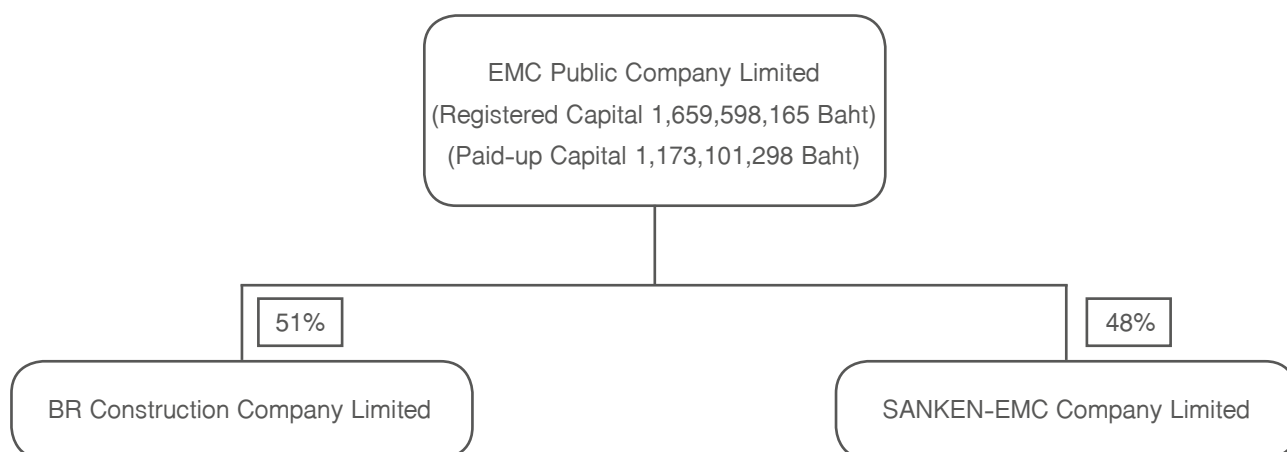
Warrant

Name list of the top 10 warrant holders (EMC-W3) on record as of February 12, 2014 by Thailand Securities Depository Co.,Ltd.

	Name - Surname	No. of shares	%
1. Mr.Buncha	Kieatsooksathit	23,950,000	8.17
2. Asst Prof Dr.Chairat	Eiamkulawat	14,537,600	4.96
3. Mr.Rangsri	Mitrphanpanit	11,500,000	3.92
4. Ms.Dhantapatr	Dhanawatchaibul	10,000,000	3.41
5. Mr.Samchai	Leelameteekul	6,000,000	2.05
6. Miss.Phatcharin	Tungsitsombat	6,000,000	2.05
7. Mr.Vorapol	Jangpanit	6,000,000	2.05
8. Mr.Thawatchai	Supraviratbuncha	4,800,000	1.64
9. Mr.Chayaporn	Wongvaravanit	4,650,000	1.59
10. Mr.Therapong	Suksamai	4,400,000	1.50

(2) On 31 December, 2013 the company had shares in subsidiary company and in joint venture as detailed below.

Shareholding Structure



(3) The agreement between shareholders that has an impact towards issuance and selling offer of securities or the company's management and materiality towards operation.

- None -

Convertible Securities

General meeting of shareholders in 2008, on 3 April, 2008, had a resolve approving as detailed below.

Warrants for purchasing ordinary shares of the company No.2 (EMC-W2)

- The company issues and offers warrants for purchasing ordinary shares of the company No.2 (EMC-W2) for the maximum amount of 1,380,241,150 units for existing shareholders in ratio of 3.5 shares per 1 warrant. The warrant shall be valid for 3 years with no selling offering price. Exercise price is 0.20 baht per share and exercise ratio is 1 unit of warrant for 1 ordinary share (exercise ratio and exercise price may be changed in case of exercise adaptation)

The ratio of selling offer for warrants for purchasing ordinary shares of the company No.2 (EMC-W2) is changed since the company has a period of time and stages asking for approval of issuance and selling offer of said warrant by The Securities and Exchange Commission (SEC) and The Stock Exchange of Thailand (SET). In as such period, the company shall remain the rights for warrant holders No.1 (EMC-W1) to exercise the conversion within the period specified in EMC-W1 resulting in the ratio of selling offer for warrant EMC-W2 has changed as calculated by paid capital of the company. The outcome would be the ratio which is altered from 3.5 existing shares per 1 warrant to 4 existing shares per 1 warrant and the issuance of warrants would be 1,378,262,892 units.

General meeting of shareholders in 2009 on 30 April, 2009 had a resolve as detailed below.

- To approve that the company would change par value of share from 0.10 baht to 1 baht per share and registered capital and paid capital of the company shall remain the same which is of 724,343,476 baht and 586,319,361 baht respectively.

The total of ordinary shares of the company is changed from 7,243,434,760 shares at par value of 0.10 baht per share to 724,343,476 shares at par value of 1 baht per share and from 5,863,193,610 shares at par value of 0.10 baht to 586,319,361 shares at par value of 1 baht per share.

- To approve the adjustment of the amount for shares reserved for exercise of the warrant holders, the amount of warrants and exercise price of EMC-W2 to be in accordance with par value of share of the company that would be changed as follows.

	<u>New</u>	<u>Previous</u>
Amount of warrants	1,378,262,892	137,826,289
Exercise price	0.20 baht/ share	2 baht/ share
Amount of shares to be exercised	1,378,262,892	137,826,289
Par value	0.10 baht/ share	1baht/ share

The details concerning warrants for purchasing ordinary shares of the company No.2 (EMC-W2) after changes

Type of warrants	:	Transferable warrant with name registered.
Selling offer to	:	The company's existing shareholders whose names are appeared on registered book of shareholders on the closing date of registered book suspending the transfer of the company's ordinary shares on 25 August, 2008.
Offering price per unit	:	0 baht
Amount of warrants	:	137,826,289 units
Amount of shares reserved for exercise	:	137,826,289 shares
Issuing date of warrant	:	25 August, 2008
Maturity date	:	24 August, 2011
Period	:	3 years from the issuing date of warrant
Ratio of exercise warrant	:	1 unit of warrant for 1 ordinary share except the exercise is adapted in accordance with The Securities and Exchange Commission (SEC) notification

Exercise Price	: 2 baht except the exercise price is adapted.
Exercise Period	: First-time exercise on 25 August, 2009 and the next exercise could be done in every last working day in March, June, September, and December in each year for all period of warrant.
Amount of units for non-exercise	: 137,607,607 units
(An outcome of last exercise on 24 August, 2011 is 218,682 units)	

General meeting of shareholders in 2012 on 29 March, 2012 had a resolve approving as detailed below.

The company shall issue and offer warrants for purchasing ordinary shares of the company No.3 (EMC-W3) for the amount of 293,269,021 units for existing shareholders at the rate of 2 existing shares per 1 warrant. In case of the fraction of number, such fraction would be discarded. The period of warrant is 2 years and no selling offering price. Exercise price is 1.50 baht per share. Exercise ratio is 1 unit of warrant for 1 ordinary share (exercise ratio and exercise price may be changed in case of exercise adaptation)

The details concerning warrants for purchasing ordinary shares of the company No.3. (EMC-W3)

Type of warrants	: Transferable warrant with name registered
Selling offer to	: The company's existing shareholders whose names are appeared on registered book of shareholders on the closing date of registered book suspending the transfer of the company's ordinary shares on 18 April, 2012.
Offering price per unit	: 0 baht
Amount of warrants	: 293,269,021 units (allocated 293,225,105 units)
Amount of shares reserved for exercise	: 293,269,021 shares
Issuing date of warrant	: 30 March, 2012
Maturity date	: 28 March, 2014
Period	: 2 years from the issuing date of warrant
Ratio of exercise warrant	: 1 unit of warrant for 1 ordinary share except the exercise is adapted in accordance with condition of exercise adaptation.
Exercise Price	: 1.50 baht except the exercise price is adapted according to condition of exercise adaptation.
Exercise Period	: First-time exercise on 28 September, 2012 and the next exercise could be done in every last working day in March, June, September, and December in each year for all period of warrant.
Amount of units for non-exercise	: 293,204,949 units
(An outcome of last exercise on 9 October, 2012 is 156 units)	
(An outcome of last exercise on 28 June, 2013 is 20,000 units)	

Extraordinary meeting of shareholders at 1/ 2013 on 15 February, 2013 had a resolve to increase registered capital and support the exercise adaptation accorded to warrants for purchasing ordinary shares of the company No.3 (EMC-W3). The details are as follow.

Previous

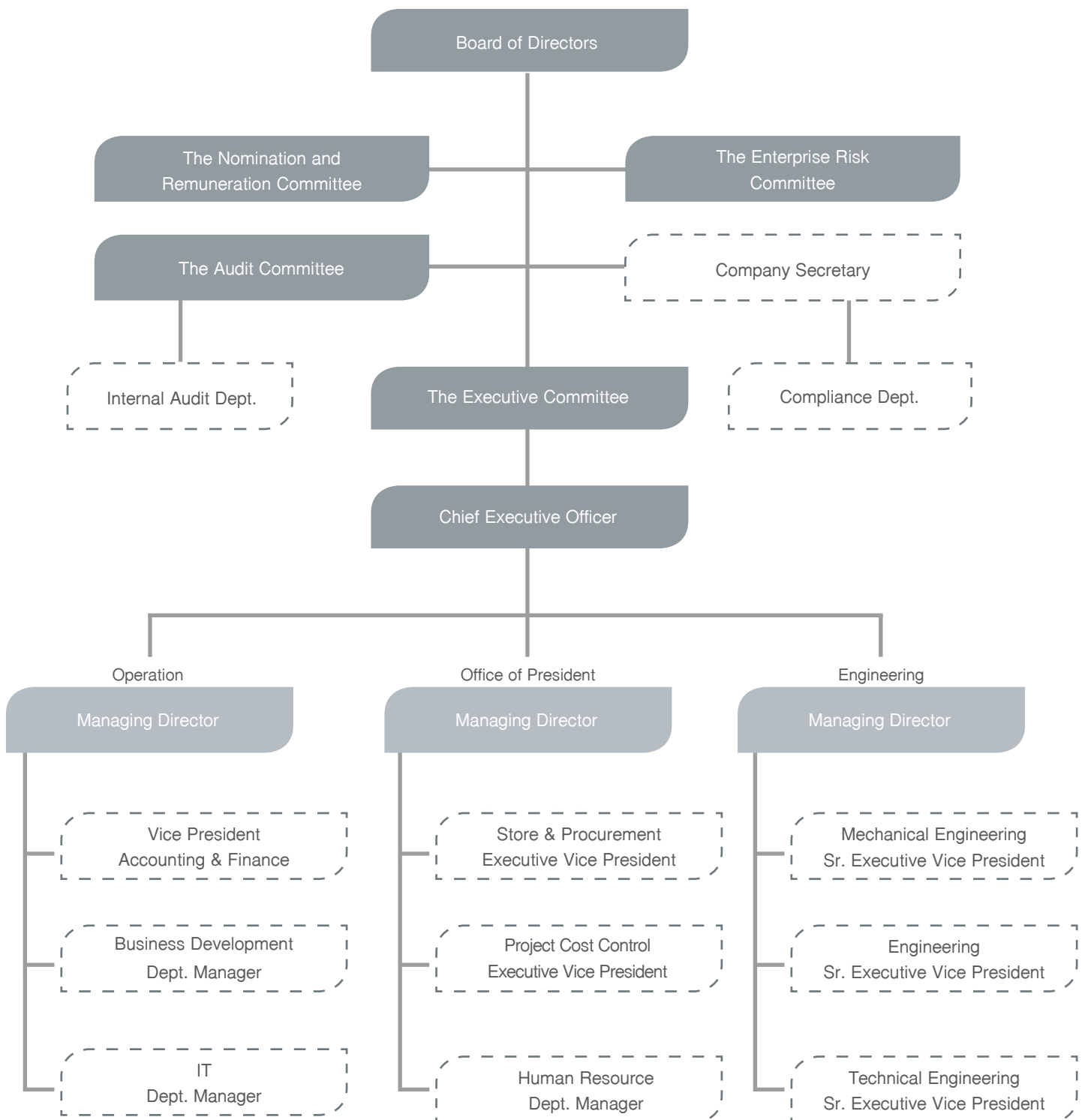
Ratio of exercise warrant	: 1 warrant for 1 ordinary share
Exercise price	: 1.50 baht per ordinary share

New

Ratio of exercise warrant	: 1 warrant for 1.245 ordinary shares
Exercise price	: 1.205 baht per ordinary share



Organization Chart



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

On December 31, 2013, the Board of Directors composed of 12 members below:

			<u>Date of appointment</u>
1.	Mr.Chanachai Leenabanchong	Chairman of the Board	27 April 2007
2.	Mr.Chirdsak Vitooraporn	Director	14 November 2007
3.	Mr.Siriphong Vongvuttipornchai	Director	21 August 2007
4.	Mr.Paiboon Thong-ra-ar	Director	11 May 2007
5.	Mrs.Neeranuch Na-ranong	Director	13 September 2007
6.	Mr.Kirssana Sarngarsang	Director	14 August 2012
7.	Mr.Chalothorn Leelamali	Director	14 August 2012
8.	Mr.Trin Pimhataivut	Independent Director	13 September 2007
9.	Dr.Jurairat Uhaka	Chairman of the Audit Committee and Independent Director	13 September 2007
10.	Mrs.Sunee Sornchaitanasuk	Member of the Audit Committee and Independent Director	21 August 2007
11.	Mr.Chuphong Tanasettakorn	Member of the Audit Committee and Independent Director	21 August 2007
12.	Mr.Pannatee Sriwongthai	Member of the Audit Committee and Independent Director	24 April 2008

Acting for Secretary of the Board of Director : Mr.Chalothorn Leelamali

Authorized Directors

Mr.Chanachai Leenabanchong or Mr. Paiboon Thongra-ar or Mr.Siriphong Vongvuttipornchai or Mr.Chalothorn Leelamali jointly co-signs their names, totaling two Directors and affix with the company seal.

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 2013, altogether 8 Board meetings were held.

2. Management Team

On December 31, 2013, Management Team composed of below:

- | | | | |
|----|---------------|-------------------|--|
| 1. | Mr.Chanachai | Leenabanchong | Chief Executive Officer |
| 2. | Mr Chaivivatn | Leenabanchong | President. Office of President |
| 3. | Mr.Paiboon | Thong-ra-ar | Managing Director - Engineering |
| 4. | Mr.Siriphong | Vongvuttipornchai | Managing Director - Operation |
| 5. | Mr.Krissana | Sa-ngar-sang | Senior Executive Vice President - Mechanical & Electrical Estimation |
| 6. | Mr.Pinit | Karntikul | Executive Vice President - Technical Engineering |
| 7. | Mr.Kornkrit | Prakongwitay | Executive Vice President |
| 8. | Mr.Tharadol | Suteeraphat | Vice President of Construction Engineering |
| 9. | Mrs.Wanida | Puangboonmak | Vice President of Purchasing |

- | | | | |
|-----|---------------|-----------|-------------------------------------|
| 10. | Mr.Chalothorn | Leelamali | Vice President |
| 11. | Mr.Trijuti | sangthong | Vice President of Contracts and Law |

3. Company secretary

The Board of Directors of the Company Secretary's nomination to replace the vacant position. Currently assigned. Mr.Chalothorn Leelamali acting Secretary of the Board. Reporting to the Board of Directors.

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.

4. Remuneration to Director and Management

In AGM of shareholders year 2013 on April 30, 2013 shareholders approved the the determination of directors' remunerations for 2013 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 2013 amount 3.03 million baht which is increase 1.08 million baht representing 56.41 percent compared to year 2012, there were 1.95 million baht with of the detail as following:

Name	Surname	Position	remuneration
Mr.Chanachai	Leenabanchong	Chairman of the Board, Chairman of the Executive Committee	240,000
Mr.Chirdsak	Vitooraporn	Director, Executive Director, Chairman of the Enterprise Risk*	120,000
Mr.Paiboon	Thong-ra-ar	Director, Executive Director, Enterprise Risk Director	160,000
Mr.Siriphong	Vongvuttipornchai	Director, Executive Director, Enterprise Risk Director, Remuneration Director	180,000
Mr.Krissana	Sangarsang	Director, Executive Director, Enterprise Risk Director	160,000
Mr.Chalothorn	Leelamali	Director, Executive Director, Enterprise Risk Director	160,000
Mr.Trin	Pimhataivut	Independent Director	160,000



Name	Surname	Position	remuneration
Mr.Pannatee	Sriwongthai	Independent Director, Audit Director	400,000
Mrs.Neeranuch	Na-ranong	Director	160,000
Dr.Jurairat	Unhaka	Chairman of the Audit Committee, Director, Remuneration Director	520,000
Mrs.Sunee	Sornchaitanasuk	Chairman of the Nomination and Remuneration Committee, Director, Audit Director	410,000
Mr.Chupong	Tanasettagorn	Director, Nomination and Remuneration Committee, Audit Director	360,000
Total			3,030,000

Other

- None -

Remuneration for the management

- The remuneration in form of salary and others was in a total amount of 13.52 Million Baht. This comprised remuneration for 5 senior executives.

5. Staff

The company's staff as of 31December, 2013 were in total of 405 persons as seen below.

	Amount of people
Executives and Supporting Employees	17
Construction Engineering Line	169
Systematic Engineering Line	111
Account, Finance and Management Line	77
Budget Controlling and Purchasing Line	31
Total	405

On 31 December, 2013 the total compensation of the company's staff was of 230.36 million baht (Such compensation was consisted of salary, bonus, provident fund and other benefits) excluding total compensation of executives as notified in no. 4

Human Resources Development Policy

The management of the company's human resources

Due to human resources is an important factor to the success of construction business. The company has stipulated ways of human resources management under the scope of three essential principles of business operation as follows.

E	Expertise	=	Human resources development to expertise in work assigned.
M	Motivation	=	Building incentives in working
C	Career Path	=	Determination of career growth

Human resources management is to put the emphasis on employees to be capable of working skill together with technical and managerial skill in response to business extension as follows.

1. Recruitment and Selection

The company has increased channels in recruiting people to be of potential and imposed the competency of every working position for the purpose of recruitment and selection of employees as qualified by the company.

2. Compensation Management

Apart from structural adaptation of salary to be of standard for the purpose of competition capability compared with labor market at the current time. The company has emphasized management of compensation that clearly reflects employees' capability.

3. Performance Appraisal

The performance appraisal shall be clearly conducted by key performance indicators.

4. Human Resources Development: HRD

The company has continuously created HRD plan by enhancing knowledge, capability, operational skill, managerial skill including technical skill accorded to positioning so that employees could work at their ultimate efficiency. This shall be carried through career path designed by the company to be of three categories as follows.

4.1 In-house Training

To develop employees in every aspects such as a course suitable for a position, a course reinforcing notions for executives and employees in the organization in every position to be of potential and a course of working skill.

4.2 Delivery of employees to attend public training

The objective is to develop human resources to be of knowledge, capabilities and keeping pace of globalization, having modern ideas and impromptu adaptation by handling any changes.

4.3 Providing scholarship for employees aside from training/ short-term course of seminar

The company supports its employees to have opportunities being trained in long-term course arranged by acceptable educational institutes.

5. Human Resource Information System (HRIS) Development

To be a basis of information for development and management of human resources in the current time and in the future.

6. Support of Knowledge Management

The company has an aim to develop its employees in order to gain opportunities equally in development and acknowledgment of information for the benefit of organization development apart from information distribution and policies via Intranet.

Labor Welfare

The company realizes the importance of fair compensation arrangement and welfare for employees. By doing this, Welfare Committees in the workplace has been instituted to regularly review the policy in relation to labor welfare so as to contemplate proper and fair compensation and welfare for employees.

Dividend Payment Policy



The Company has a policy of paying dividend to the shareholders at least 40% of net profit of separate financial statement after tax and all statutory reserves as required by law, provided there is no other necessity to utilise the funds and the dividend payment does not have any significant impact to ordinary course of business of the Company.



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

- **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.

- 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.

- 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.

- Trade partners and creditors

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

- Competitors

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

- 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 Annul 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 12 directors, of whom 5 directors are in management / controlling person and 2 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 Senior 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 4 persons and representative as minority shareholders to act in corporate governance the company with accuracy and transparency.

Company secretary

The Board of Directors of the Company Secretary's nomination to replace the vacant position. Currently assigned. Miss Waraporn Wongsingto acting Secretary of the Board. Reporting to the Board of Directors

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

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 accompanies 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.

Total number of The Board of Director's meeting

In year 2013 Each directors have been participated in the EGM 1 time, AGM 1 time and Board of Directors 8 times, Audit committee 13 times, the Nomination and Remuneration Committee 1 time, Executive committee 8 times, Enterprise Risk Management committee 1 times by having the details of participation of each directors as following :

Name	Surname	EGM 2013	AGM 2013	Board of Director (8 Times)	The Audit Committee (13 Times)	The Nomination & Remu- neration (1 Times)	The Executive Committee (8 Times)	The Enterprise Risk Committee (1 Times)
Mr.Chanachai	Leenabanchong	Attend	Attend	8	-	-	8	1
Mr.Chirdsak	Vitooraporn	Attend	Attend	6	-	-	-	1
Mr.Siriphong	Vongvuttipornchai	Attend	Attend	8	-	1	8	1
Mr.Paiboon	Thong-ra-ar	Attend	Attend	8	-	-	8	1
Mr.Krissana	Sangarsang	Attend	Attend	8	-	-	8	1
Mr.Chalothorn	Leelamali	Attend	Attend	8	-	-	8	1
Mr.Trin	Pimhataivut	Attend	Attend	8	-	-	-	-
Mrs.Neeranuch	Na-ranong	Attend	No	8	-	-	-	-
Dr.Jurairat	Unhaka	Attend	Attend	7	12	1	-	-
Mrs.Sunee	Sornchaitanasuk	No	No	8	11	1	-	-
Mr.Chupong	Tanasettagorn	No	No	5	12	1	-	-
Mr.Pannatee	Sriwongthai	Attend	Attend	7	13	-	-	-

The meeting of director and auditor

In year 2013, Audit committee have participated in the meeting with auditors by no management group came to participate 1 time.

4.5 Self Evaluation of Committees

In 2013, the company's twelve board of directors has done self evaluation in assessment form issued by executional supervising department in accordance with good corporate governance policy and within their scope of the duty. The assessment shall be undertaken and given to the conference of board of directors at 1/2014 on 28 February 2014. The self-assessed scores conducted by such directors shall be delivered and collected as evidence to executional supervising department.

Summary of total self-assessed scores produced by twelve board of directors in 2013 is as follows;

Topics of Assessment	Total Scores	Scores Marked (Average)	Equivalent to %
1. The Structure and qualification of board of directors	50	45	90.17
2. Function, duty and responsibility of the board of directors	90	76	84.81
3. board of directors conference	40	34	84.38
4. Performance of the board of directors	35	31	88.81
5. The relation with managing department	25	22	88.67
6. Self- development of board of directors and the development of executives	30	26	85.28
Total	270	234	87.02

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 2010, 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.

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.

The Audit Committee

On December 31, 2013, audit committee consisted of independent committee 4 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 | Audit director |
| 3. Mr.Chuphong | Tanasettakorn | Audit director |
| 4. Mr.Punnatee | Sriwongthai | Audit director ** |

Secretary of the Audit Committee: Miss Nattaphat Kulsirimongkol

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, the committee member Nos. 3 who has the knowledge and experience of managing and investing, the committee member Nos. 4 who has knowledge and experience in law.

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 2013, the Audit Committee had 13 meetings altogether.

The Nomination and Remuneration Committee

On December 31, 2013, the Nomination and Remuneration Committee composed of 4 members below:

- | | | |
|-----------------|-------------------|--|
| 1. Ms.Sunee | Sornchaitanasuk | Chairman of the Remuneration Committee |
| 2. Dr.Jurairat | Uhaka | Remuneration director |
| 3. Mr.Chuphong | Tanasettakorn | Remuneration director |
| 4. Mr.Siriphong | Vongvuttipornchai | Remuneration director |

Secretary of the Executive Committee : Mrs. Wanee Onnim



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 2013, altogether 1 the Nomination and Remuneration Committee meetings were held.

The Executive Committee

On December 31, 2013, the Executive Committee composed of 11 members below:

- | | | |
|------------------|-------------------|-------------------------------------|
| 1. Mr.Chanachai | Leenabanchong | Chairman of the executive committee |
| 2. Mr.Paiboon | Thong-ra-ar | Executive director |
| 3. Mr.Siriphong | Vongvuttipornchai | Executive director |
| 4. Mr.Korkiat | Nipatnantaporn | Executive director |
| 5. Mr.Pinit | Karntikul | Executive director |
| 6. Mr.Krissana | Sangasang | Executive director |
| 7. Mr.Kornkrit | Prakongwitay | Executive director |
| 8. Mr.Patanat | Suthisisang | Executive director |
| 9. Mr.Chalothorn | Leelamali | Executive director |
| 10.Mrs.Wanida | Puangboonmak | Executive director |
| 11.Mr.Tharadol | Suteeraphat | Executive director |

Acting for Secretary of the Executive Committee : Mr.Chalothorn Leelamali

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 2013, altogether 8 Executive Committee meetings were held.

The Enterprise Risk Committee

On December 31, 2013, The Enterprise Risk Committee composed of 9 members below:

1. Mr.Siriphong	Vongvuttipornchai	Chairman of the enterprise risk committee
2. Mr.Paiboon	Thong-ra-ar	Enterprise risk director
3. Mr.Korkiat	Nipatnantaporn	Enterprise risk director
4. Mr.Pinit	Karntikul	Enterprise risk director
5. Mr.Kornkrit	Prakongwitay	Enterprise risk director
6. Mrs.Wanida	Puangboonmak	Enterprise risk director
7. Mr.Krissana	Sangasang	Enterprise risk director
8. Mr.Chalothorn	Leelamali	Enterprise risk director
9. Mr.Tharadol	Suteeraphat	Enterprise risk director

Acting for Secretary of the risk committee: Mr. Chalothorn Leelamali

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 2013, altogether 1 Enterprise Risk Committee meetings were held. However, the company has management team, altogether 1 day per week.

Recruitment of director and the management

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.

Remuneration to Director and 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.

Corporate Governance of the Subsidiary Company and Joint Venture

- In compliance with corporate governance mechanism to capable of supervising, management, being responsible for the subsidiary company and joint venture's business operation and taking care of the company's benefits of costs, the board of directors shall deliver persons as representatives to be committees in the subsidiary company and in joint venture as per proportion of shares holding in accordance with the company's regulations approved by the board of directors conference.
- Such representatives in the subsidiary company and joint venture shall participate in imposing significant policy for business operation such as investment in various projects.

Supervision on use of inside information

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.

Audit Fee

Year	Auditor	Certified Public Accountant Registration No.	Company
2011	Mr. Apichart Sayasit	4229	Baker Tilly Audit and Advisory Services (Thailand) Ltd.
2012	Mr. Apichart Sayasit	4229	Baker Tilly Audit and Advisory Services (Thailand) Ltd.
2013	Mr. Apichart Sayasit	4229	Baker Tilly Audit and Advisory Services (Thailand) Ltd.

Report review of verification of auditor in the past year

In 2011 The auditor rendered unconditional opinion towards consolidated financial statement of the company, subsidiary company and joint venture and financial statement of the company.

In 2012 The auditor rendered unconditional opinion towards consolidated financial statement of the company, subsidiary company and joint venture and financial statement of the company.

In 2013 The auditor rendered unconditional opinion towards consolidated financial statement of the company, subsidiary company and joint venture and financial statement of the company.

Audit fee

EMC company shall pay audit fee in 2013 of 1.93 million baht. The details are as follow;

- Payment to Baker Tilly Audit and Advisory Services (Thailand) Co., Ltd as audit fee of EMC company and subsidiary company for the total amount of 1.93 million baht.

Non-audit Fee (If any)

- None -

Corporate Social Responsibility

EMC PUBLIC Co., Ltd is strongly committed to operating its business with responsibility. The company's corporate social responsibility (CSR) programs recognize the significance of supporting activities for local communities and the environment surrounding. By doing so, the principle of transparent operations, ethical practices, respect to human rights and the protection of benefits of interested persons such as shareholders, employees, community in which the company is carrying the business, clients, counter party, public sector, society and the country shall be employed.

The company is determined to develop its business ethically and in compliance with law, regulations and rules including related universal guidelines to build a foundation of constant and sustainable responsibility. The commitment to social responsibilities are detailed as follow;

1. Corporate Governance : The company aims to become a good model of construction with credibility for investors and interested persons so as to enhance the value and promote the sustainable growth of the organization. To accomplish the goal and maintain the best in morality which is a valuable basis of leading organization, its management shall be complied with universal good corporate governance apart from being beneficial to Thai society.

2. Respect of Human Rights : The company places importance towards fundamental human rights by supporting the respect of rights and freedoms with equality and will not tolerate discrimination of race, age and gender. It's also against the use of child labor and any form of corruptions.

3. Fair Employee Treatment : The company will give fair wages to its employees at appropriate level for industrial environment of Thailand. The organization's structural alteration shall be under Thai laws and complied with the rules.

The company created the Welfare Committee so that its employees could take part in managing the benefits of welfare that they will receive and provided good working conditions to work efficiently and happily. Moreover, the company also created a provident fund that would assist employees save and invest money towards their retirement.

4. Environmental Care : The company has a clear and precise environmental policy and shall be conducted stringently according to the environmental laws and standards to systematically and competently eradicate environmental issues as well as steady improvement and development.

5. Adopt Good Business Ethics and Anti-Corruption : The company intends to conduct its business with fairness, morality, legal compliance and social norms. The company shall remain politically impartial. The company has a strict policy in anti-corruption at work through stipulating business operation cautiously and concisely so as to reduce opportunities for corruption. Additionally, the topic of "honesty at work" has been persistently emphasized for its employees.

6. Customers and supplier Care : The company emphasizes business operation with competence and ultimate safety to satisfy its customers apart from being sincere to manage customers' claims and attempting to solve any defects that may happen. Meanwhile the company has an anticipation to receive goods and services in the same manner from supplier's company and sub-contractors with longstanding relationships preserved with customers and suppliers.

7. Safety : The company has recognized and given priority to safety and sanitation of employees carrying the duty in the construction area, community around and people traveling nearby with the strictness to execute regulations and rules related to universal standard of safety and sanitation. Besides, the company has a policy to create public awareness in responsibility and risk protection for every employees to realize and take into mind all the time during carrying on work in construction area.



In the board of directors conference at 1/ 2014 on 28 February 2014 which consists of independent committees and audit committees, the committees have estimated the adequacy of internal supervising system announced by The Securities and Exchange Commission Office in August 2013 according to principles of COSO 2013. Also, the committees place importance to internal supervising system. Management and follow-up systems are continuously carried on so as to protect and reduce risks that may happen. Further, the audit committees shall estimate the internal supervising system concurrently. The department of internal audit would report the result to audit committees by functioning operational system in any departments as complied with annual audit plans approved by audit committees. The objectives are as follow;

1. For reliability and accuracy of information
2. To comply with the Company policy, business plan, operation procedure and regulations
3. To safeguard the Company's assets
4. To be effective and efficiency operation
5. To achieve the Company's goal

With structure of 5 components of internal control pursuant to the standard framework of COSO standard, the evaluation on the internal control system can be summarized as follows:

1. Organization and environment

- Having clear business policy and target as well as supervising the implementation to be progressing as plan
- Having the personnel performance indicators and quality manual which is the top-down guidance documents for the staff to follow
- Having the ISO 9001-2008 and internal audit as a tool in supporting the management to be able to control operation effectively and efficiently as well as being useful in management decision
- Having regularly reviews on business targets and analysis of staff incentive scheme with reasonably by taking into account of shareholders' interests and maximum returns of the Company
- Having a provision to prohibit management and staffs to conduct themselves in manner that might cause a conflict of interests in the Company in writing. Including the penalties.
- The Company is formulating the code of conducts to use as a future guideline of all staffs and also adhere in moral commitment toward to trade partners, with due care for the works in hand, punctual payments and fair treatment for the trade partners.

2. Risk management

The Company has assessed the risk factors, both internal and external, that may pose material impact on its operations. Problems arising are addressed and analysis of the events to figure out the reasonable corrective and preventive measures to avoid any losses or control the degree of losses in the acceptable level. The Company has provided training to the relevant staff for them to be aware of and perform in accordance with the risk management measures set forth.

3. Activity control

The Company has formulated policy, business plan, and operation procedure in achieving the organization goals. This requires the management and all staffs to strictly commit and perform. The scope of authority and approval limits of executives of each level has set out clearly, including the measures to monitor and control the operation being in compliance with rules and regulations of SEC and SET.

4. Information and communication

The Company has made available key information that is adequate, accurate and updated to support the decision making and allow for efficient internal control. The Executive Committee will monitor the operations of the management, with meetings held monthly. Whereas the management will arrange a weekly meeting to take consideration on all relevant information, covering such areas as administration, technical information, finance, accounting, and law, etc.

5. Monitoring and evaluation

The Company has set out business targets to achieve, which the Board of Directors will regularly monitor and supervise the operation, review and compare the performance of the management with the targets. The Company will ensure that there is an examination of implementation under the internal control system on a regular basis, the results of which reported directly to the Board of Directors or the Audit Committee. It also has a policy for the management to report to the Board of Directors 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.

Risk Management

The company's risk management committees shall impose the policy and risk management procedures to be performed by managing department. Managing department shall be of responsibility for stipulation and designing the work system including specifying risk factors. Such planning with risk factors taken into account shall assist managing department to invent the supervising system to control risks to be of acceptable level for the company. The details of risk factors have been already specified.

In conference of risk management committees at 1/2013, such committees have put the emphasis on demand payment of debts which is of important issue. The committees shall consider this issue for a day per week.

Chief of internal audit and chief of the business operation supervising of the company

1. Internal audit is a crucial part of internal supervising system. The audit committees appoint Ms. Nattaphat Kulsirimongkol to be internal audit manager with the qualification as informed in an attachment no.3. Ms. Nattaphat Kulsirimongkol has given internal audit policy in accordance with standard of The Institute of Internal Auditors to assure the value increase and the improvement of the operational system of organization to be of competence. The report of result shall also be fully undertaken. The regulations associated with the company's business shall be conducted strictly.

According to Audit Committees Charter, audit committees are empowered to approve, appoint, discharge and translocate the internal audit manager by considering his/her qualification to conduct his/her duty appropriately and competently.

2. The company's operational supervising department, at this rate the board of directors are in the process of recruiting a operational supervising manager replacing the previous vacant position. At the present, Mr. Chalothorn Leelamali is authorized to be temporary in charge of operational supervising manager to inform a direct report towards the board of directors.

Connected Transactions

1. Connected Transactions between the company and person, who may conflict of interest

Unit: Thousand Baht

Person who may have conflict interest	Relationship	Transactions	Necessity and reason of the item	2011 Financial Statements for Specific Task	2012 Financial Statements for Specific Task	2013 Financial Statements for Specific Task	Accrued creditor/debtor as at 31 December 2013
1. BR Construction Co., Ltd.	Minor company	1. Income from construction contract collected from minor company from contract for construction of minor company's project	The incurred item was providing construction contract service, which the company provided to minor company by specifying cost of service as agreed in the contract	91,379	100,848	97,856	158,873
		2. Income from management cost collected from minor company from providing management service to minor company's project	The incurred item was providing project management service, which the company provided to minor company by specifying cost of service as agreed in the contract	4,626	-	-	-
		3. Received interest demanded from short term loan for use in business operation of minor company	The incurred item was short term loan for use in business operation of minor company, which the company charges interest of 6.87 percent per year	995	2,164	2,164	5,742
2. EMC and Power Line Joint Venture.	Joint Venture between the company and Power Line Engineering Public Co., Ltd	1. Interest income which the company demanded from short term loan granted for use in business operation	The incurred item was loan to use in business operation of joint venture company, which the company charges interest in rate of 6percent per year	-	-	-	-
		2. Income from operation which project consultant fee which the company had demanded from joint venture	The incurred item was project consultant fee which the company had provided to the joint venture by determining service charge at the price according to the mutually agreed contract	85,454	22,731	-	1,634
		3. Income from operation which the company had demanded from joint venture due to the company had provided service in office work of joint venture	The incurred item was office work service which the company had provided to the joint venture by determining service charge at the price according to mutually agreed contract	3,252	-	-	-



Unit: Thousand Baht

Person who may have conflict interest	Relationship	Transactions	Necessity and reason of the item	2011 Financial Statements for Specific Task	2012 Financial Statements for Specific Task	2013 Financial Statements for Specific Task	Accrued creditor/debtor as at 31 December 2013
2. EMC and Power Line Joint Venture (continued)		4. Payable interest, which the company paid for short term loan from Joint venture loan, which the company has brought for business operation	The incurred item was loan for use in business operation of company, which charges interest in rate of 7 percent per year	98	1,496	93	-
3. Rayong Wire Industries Public Co., Ltd.	Co-shareholder	1. Material used in construction which the company had purchased from Rayong Wire Industries Public Co., Ltd. for use in construction of project of the company	The incurred item was the cost of material used in construction which was normal business of the company by determining price according to market price	1,892	-	-	-
4. Uea Vitaya Public Co., Ltd.	Co-shareholder	1. Material used in construction which the company had purchased from Uea Vitaya Public Co., Ltd. for use in construction of project of the company	The incurred item was the cost of material used in construction which was normal business of the company by determining price according to market price	8,160	120,793	13,862	58,323
5. Mr. Chanachai Leenabanchong	Shareholder & Director	1. Payable interest, which the company paid for short term loan from Director, which the company has brought for business operation	The incurred item was short term loan for use in business operation of minor company, which the company charges interest of 7 percent per year	-	377	-	-



2. Necessity and Reasonability of Transactions

The transactions made in the past year are from

1. Paid interests for short-term loans rendered by joint venture for the purpose of the company's business operation.
2. Project consulting fee and other incomes which were of the company's ordinary business that the company charged from subsidiary company and joint venture as agreed in the mutual contract.
3. Contracting for the project construction acting for subsidiary company which was of the company's ordinary business. The company undertook the construction and considered price setting of construction in details.
4. A purchase of equipments and materials for undertakings in project construction which was of the company's ordinary business. The company compared the price of equipments and materials in accordance with the company's practices and regulations as well as considered recruiting a seller of such equipments and materials in a fair manner by taking account of the seller's qualifications and the price of such equipments and materials.

Audit committees had opinions that aforementioned transactions were accorded with ordinary business operation as well as incomes and expenses were of market price as equivalent to transactions made with unrelated persons.

3. Measures or Procedures of Transaction Approval

Transactions as presented above. After verifying, audit committees of the company have viewed that such transactions are of ordinary business. For transactions that may happen in the future, the company shall authorize department related to collect data involved with such transactions in order to display to audit committees who shall verify and render opinions to be of whether such transactions are accorded with ordinary business and market price. The company shall comply with laws and regulations of The Securities and Exchange Commission and The Stock Exchange of Thailand. Audit committees shall consider and present to the company's committees for approval. Also, interested committees shall be excluded from rendering opinions towards transactions.

4. Policy or Tendency of Transactions

For transactions that may take place in the future, the company has a policy to impose various conditions which are appropriate for reasons and necessity of the company.

In case that the company's transactions occur to persons who might be in conflict of interests or be interested persons or be in the situation of conflict of interests in the future, the company shall authorize audit committees to opine such transactions' necessity and reasonability. In case where audit committees have no specialties in considering transactions that may happen, the company shall permit independent specialists or the company's auditor to give opinions towards such transactions to support the decisions of committees or shareholders. The company shall reveal transactions in the remark of financial budget verified by the company's auditor.

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 2013, the Audit Committee had arranged 13 meetings with full attendance from members and the management and other concerned parties from the Accounting, Finance, Legal and Internal Audit Department. 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
4. Mr. Punnathee	Sriwongthai	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 January 26, 2012 and concluded that the Company's internal audit system is sufficient to prevent and reduce probably 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 units possess 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 2013, 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



(Mr. Punnathee Sriwongthai)
Member of the Audit Committee



(Dr. Jurairat Uhaka)
Chairman of the Audit Committee

Independent Auditor's Report

To the Shareholders of EMC Public Company Limited

I have audited the accompanying consolidated and separate financial statements of EMC Public Company Limited, its subsidiary and joint venture, and of EMC Public Company Limited, which comprise the consolidated and separate statements of financial position as at December 31, 2013, and the consolidated and separate statements of comprehensive income, changes in equity and cash flows for year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated and Separate Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In my opinion, the consolidated and separate financial statements referred to above present fairly, in all material respects, the consolidated and separate financial position of EMC Public Company Limited, its subsidiary and joint venture, and of EMC Public Company Limited as at December 31, 2013, and their consolidated and separate financial performance and their consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Emphases of Matter

I draw attention to

- a) Note 7 to the financial statements that the Company and its subsidiary company set up loss on work in progress totalling Baht 718.4 million and Baht 698.5 million in the consolidated and separate statements of comprehensive income for the year ended December 31, 2013, respectively.
- b) Note 34 to the financial statements that the Company and its subsidiary recognized loss from increment estimated cost for project to be completed totalling Baht 448.1 million and Baht 330.6 million in the consolidated and separate statements of comprehensive income for the year ended December 31, 2013, respectively.
- c) Notes 2 and 14 to the financial statements, the Company, its subsidiary company and joint venture apply Thai Accounting Standard No.12 "Income Taxes", which became effective as of January 1, 2013. In this regard, the consolidated and separate financial statements for the year ended December 31, 2012, which have been presented herein for comparative purpose, have been restated for the effect of relevant retrospective adjustments. I have audited these retrospective adjustments and in my opinion, such adjustments are appropriate and have been properly adjusted.
- d) Note 13 to the financial statements, in 2013, the Company changed its valuation method of land and building from cost model to revaluation model based on the appraisal reports of an independent appraisal firm.

However, my opinion is not modified in respect of the matters emphasized.



(Mr. Apichart Sayasit)

Certified Public Accountant Registration No. 4229

Baker Tilly Audit and Advisory Services (Thailand) Ltd.

Bangkok

February 28, 2014

Statement of Financial Position

EMC PUBLIC COMPANY LIMITED, ITS SUBSIDIARY AND JOINT VENTURES
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2013

ASSETS		Consolidated Financial Statements (In Baht)		
		December 31, 2013	December 31, 2012 "Restated"	January 1, 2012 "Restated"
	Notes			
CURRENT ASSETS				
Cash and cash equivalents		36,618,311	57,911,398	176,668,550
Trade account receivables - other companies - net	4, 6, 8, 15, 33	295,989,854	342,016,424	349,094,292
Unbilled trade receivables - net	3, 5, 12, 15, 27, 33	339,151,269	930,090,490	470,589,522
Retention receivable from customers - net	4, 6	150,344,806	241,720,993	280,208,705
Work in progress - net	7, 34	16,787,526	284,008,129	389,195,490
Assets held for sales	4, 8, 13, 33	89,744,455	-	-
Other current assets				
- Withholding tax deducted at sources - net	9	94,342,550	187,824,704	211,660,166
- Advance payments for purchase of supplies - net	16	97,308,009	151,366,366	105,375,562
- Advance payments to sub-contractors - net	16	34,986,677	77,713,850	58,019,992
- Others - net		81,511,477	70,555,149	54,282,902
Total Current Assets		1,236,784,934	2,343,207,503	2,095,095,181
NON-CURRENT ASSETS				
Investments in restricted deposits with financial institutions	10, 15, 33	314,958,547	352,731,204	341,873,963
Other long-term investments - net	11	12,274,047	12,274,047	12,274,047
Investment in associated company	3, 12	4,785,600	-	-
Property, plant and equipment - net	8, 13, 15	181,614,061	176,621,609	122,462,275
Deferred income tax assets	2, 14	47,653,387	22,665,654	25,026,942
Other non-current assets - net		5,778,388	17,512,938	21,548,125
Total Non-Current Assets		567,064,030	581,805,452	523,185,352
TOTAL ASSETS		1,803,848,964	2,925,012,955	2,618,280,533

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



Statement of Financial Position (Continued)

EMC PUBLIC COMPANY LIMITED, ITS SUBSIDIARY AND JOINT VENTURES
STATEMENT OF FINANCIAL POSITION (Continued)
AS AT DECEMBER 31, 2013

ASSETS (Continued)		Separate Financial Statements (In Baht)		
		December 31, 2012	January 1, 2012	
	Notes	December 31, 2013	"Restated"	"Restated"
CURRENT ASSETS				
Cash and cash equivalents		32,114,468	54,892,871	119,693,216
Trade account receivables - net				
- Subsidiary company	3, 4, 12	-	34,771,238	25,677,000
- Other companies	4, 6, 8, 15, 33	271,537,354	316,949,887	332,742,292
Unbilled trade receivables - net	3, 5, 12, 15, 27, 33	297,416,320	885,980,755	365,397,902
Retention receivable from customers - net	4, 6	150,344,806	241,720,993	280,208,705
Other receivables from joint venture and subsidiary - net	3, 12	1,633,756	6,982,906	18,521,341
Short-term loans to subsidiary and interest receivable - net	3, 12	-	75,729,232	29,208,596
Work in progress - net	7, 34	15,180,806	267,036,902	370,467,294
Assets held for sales	4, 8, 13, 33	89,744,455	-	-
Other current assets				
- Withholding tax deducted at sources - net	9	92,411,219	184,125,119	206,369,347
- Advance payments for purchase of supplies - net	16	91,531,553	134,964,958	88,160,469
- Advance payments to sub-contractors - net	16	34,649,177	58,880,861	45,446,381
- Others - net		65,255,044	52,523,674	44,274,053
Total Current Assets		1,141,818,958	2,314,559,396	1,926,166,596
NON-CURRENT ASSETS				
Investments in restricted deposits with financial institutions	10, 15, 33	307,608,547	340,381,204	314,818,848
Other long-term investments - net	11	12,274,047	12,274,047	12,274,047
Investment in subsidiary and associated companies - net	3, 4, 5, 12	4,800,000	-	3,600,000
Property, plant and equipment - net	8, 13, 15	181,007,220	175,611,784	121,122,469
Deferred income tax assets	2, 14	47,653,387	22,665,654	25,026,942
Other non-current assets - net		5,706,958	16,621,948	16,203,401
Total Non-Current Assets		559,050,159	567,554,637	493,045,707
TOTAL ASSETS		1,700,869,117	2,882,114,033	2,419,212,303

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

Statement of Financial Position (Continued)

EMC PUBLIC COMPANY LIMITED, ITS SUBSIDIARY AND JOINT VENTURE
STATEMENT OF FINANCIAL POSITION (Continued)
AS AT DECEMBER 31, 2013

LIABILITIES AND EQUITY		Consolidated Financial Statements (In Baht)		
		December 31, 2013	December 31, 2012 "Restated"	January 1, 2012 "Restated"
	Notes			
CURRENT LIABILITIES				
Bank overdrafts and short-term loans from financial institutions	4, 5, 10, 13, 15	298,088,094	196,684,647	172,553,396
Trade account payables				
- Related companies	3	58,323,060	76,873,750	87,757,348
- Other companies		584,773,824	846,749,509	647,664,527
Current portion of liabilities under finance lease contracts	13	779,467	905,081	214,552
Unbilled construction cost payables		258,290,116	321,754,653	341,846,877
Advances received from customers	16	129,760,762	244,592,661	235,737,724
Short-term loans from director and interest payables	3	61,000,000	41,377,424	-
Advance received for share capital of associated company		5,200,000	-	-
Payable for investment in associated company	3	4,800,000	-	-
Short-term loan from other company	17	-	10,000,000	-
Accrued dividends		2,825,721	2,825,721	2,825,721
Provision for loss on litigation claim	33	60,042,106	3,663,127	463,127
Provision for loss on construction projects		9,000,000	-	1,000,000
Other current liabilities	3	56,094,186	103,656,163	83,019,488
Total Current Liabilities		1,528,977,336	1,849,082,736	1,573,082,760
NON-CURRENT LIABILITIES				
Retention payable from contractors	3	126,845,840	119,823,769	136,337,294
Liabilities under finance lease contracts				
- net of current portion	13	762,968	1,552,395	241,215
Provision for employee retirement benefit	18	13,548,793	15,666,521	7,126,612
Deferred tax liability	2, 14	8,924,391	-	-
Total Non-Current Liabilities		150,081,992	137,042,685	143,705,121
Total Liabilities		1,679,059,328	1,986,125,421	1,716,787,881

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

Statement of Financial Position (Continued)

EMC PUBLIC COMPANY LIMITED, ITS SUBSIDIARY AND JOINT VENTURE
STATEMENT OF FINANCIAL POSITION (Continued)
AS AT DECEMBER 31, 2013

LIABILITIES AND EQUITY	Notes	Consolidated Financial Statements (In Baht)		
		December 31, 2013	December 31, 2012 "Restated"	January 1, 2012 "Restated"
EQUITY				
Share capital	19, 20			
- Authorized share capital, common share 1,659,598,165 shares in 2013 and 879,807,064 shares in 2012 at Baht 1 par value		1,659,598,165	879,807,064	724,343,476
- Issued and paid-up share capital, common share 1,173,101,298 in 2013 and 586,538,199 shares in 2012 at Baht 1 per share		1,173,101,298	586,538,199	586,538,043
Premium on share capital	20	248,582,189	248,577,085	248,577,007
Premium on share capital - treasury stocks	22, 24	5,970,478	5,970,478	-
Treasury stocks	22	-	-	(21,765,010)
Retained earnings (Deficit)				
- Appropriated for legal reserve	23	16,482,791	16,482,791	15,932,110
- Appropriated for treasury stocks	22	-	-	21,765,010
- Unappropriated (Deficit)	2, 24	(1,245,361,238)	103,173,785	50,391,105
Other components of equity - net	13, 14	35,697,564	-	-
Equity Attributable to Owners of the Parent - Net		234,473,082	960,742,338	901,438,265
Non-controlling interests		(109,683,446)	(21,854,804)	54,387
Equity - Net		124,789,636	938,887,534	901,492,652
TOTAL LIABILITIES AND EQUITY		1,803,848,964	2,925,012,955	2,618,280,533

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

Statement of Financial Position (Continued)

EMC PUBLIC COMPANY LIMITED, ITS SUBSIDIARY AND JOINT VENTURE
STATEMENT OF FINANCIAL POSITION (Continued)
AS AT DECEMBER 31, 2013

LIABILITIES AND EQUITY (Continued)	Notes	Separate Financial Statements (In Baht)		
		December 31, 2013	December 31, 2012 "Restated"	January 1, 2012 "Restated"
CURRENT LIABILITIES				
Bank overdrafts and short-term loans from financial institutions	4, 5, 10, 13, 15	298,088,094	196,684,647	172,553,396
Trade account payables				
- Related companies	3	58,323,060	76,873,750	87,757,348
- Other companies		573,097,013	826,923,377	583,781,515
Current portion of liabilities under finance lease contracts	13	779,467	905,081	214,552
Unbilled construction cost payables		256,394,108	315,427,747	276,082,072
Advances received from customers	16	129,547,211	240,531,914	179,280,712
Short-term loans from joint venture, director and interest payables	3	61,000,000	54,673,454	15,000,000
Advance received for share capital of associated company		5,200,000	-	-
Payable for investment in associated company	3	4,800,000	-	-
Short-term loan from other company	17	-	10,000,000	-
Accrued dividends		2,825,721	2,825,721	2,825,721
Provision for loss on litigation claim	33	60,042,106	3,663,127	463,127
Provision for loss on construction projects		-	-	1,000,000
Other current liabilities	3	49,849,853	89,075,794	70,631,370
Total Current Liabilities		1,499,946,633	1,817,584,612	1,389,589,813
NON-CURRENT LIABILITIES				
Retention payable from contractors	3	123,704,096	116,719,923	128,052,143
Liabilities under finance lease contracts - net of current portion	13	762,968	1,552,395	241,215
Provision for employee retirement benefit	18	13,548,793	15,666,521	7,126,612
Deferred tax liability	2, 14	8,924,391	-	-
Total Non-Current Liabilities		146,940,248	133,938,839	135,419,970
Total Liabilities		1,646,886,881	1,951,523,451	1,525,009,783

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



Statement of Financial Position (Continued)

EMC PUBLIC COMPANY LIMITED, ITS SUBSIDIARY AND JOINT VENTURE
STATEMENT OF FINANCIAL POSITION (Continued)
AS AT DECEMBER 31, 2013

LIABILITIES AND EQUITY (Continued)	Notes	Separate Financial Statements (In Baht)		
		December 31, 2013	December 31, 2012 "Restated"	January 1, 2012 "Restated"
EQUITY				
Share capital	19, 20			
- Authorized share capital, common share 1,659,598,165 shares in 2013 and 879,807,064 shares in 2012 at Baht 1 par value		1,659,598,165	879,807,064	724,343,476
- Issued and paid-up share capital, common share 1,173,101,298 in 2013 and 586,538,199 shares in 2012 at Baht 1 per share		1,173,101,298	586,538,199	586,538,043
Premium on share capital	20	248,582,189	248,577,085	248,577,007
Premium on share capital - treasury stocks	22, 24	5,970,478	5,970,478	-
Treasury stocks	22	-	-	(21,765,010)
Retained earnings (Deficit)				
- Appropriated for legal reserve	23	16,482,791	16,482,791	15,932,110
- Appropriated for treasury stocks	22	-	-	21,765,010
- Unappropriated (Deficit)	2, 24	(1,425,852,084)	73,022,029	43,155,360
Other components of equity - net	13, 14	35,697,564	-	-
Equity - Net		53,982,236	930,590,582	894,202,520
TOTAL LIABILITIES AND EQUITY		1,700,869,117	2,882,114,033	2,419,212,303

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

Statement of Comprehensive Income

EMC PUBLIC COMPANY LIMITED, ITS SUBSIDIARY AND JOINT VENTURES
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2013

In Baht

	Notes	Consolidated Financial Statements		Separate Financial Statements	
		2013	2012 "Restated"	2013	2012 "Restated"
REVENUES	3, 27				
Revenue from construction		1,596,233,417	3,925,530,456	1,640,158,977	3,706,841,008
Project consultant fees		-	-	-	22,730,665
Total Revenues		1,596,233,417	3,925,530,456	1,640,158,977	3,729,571,673
Costs of construction and project consultant	3, 27, 29	(1,644,095,259)	(3,804,603,619)	(1,670,060,525)	(3,576,977,797)
Gross Profit (loss)		(47,861,842)	120,926,837	(29,901,548)	152,593,876
Interest income	3	6,916,070	13,241,763	9,126,095	14,418,975
Reversal of provision for loss on construction project		-	1,000,000	-	1,000,000
Reversal of allowance for doubtful accounts	4, 5, 6	3,550,787	36,179,036	3,550,787	36,179,036
Other income		41,869,217	16,624,235	41,749,049	16,274,371
Bad debt recovery		28,702,933	-	28,702,933	-
General and administrative expenses	18, 29	(83,289,307)	(95,124,132)	(81,450,717)	(90,636,338)
Allowance for doubtful accounts	3, 4, 5, 6, 12, 29	(148,986,280)	(17,176,290)	(372,558,879)	(58,177,932)
Written off and allowance for loss on unclaimable withholding tax deducted at source	9, 29	(3,934,691)	(11,513,599)	(3,528,986)	(10,546,390)
Allowance for impairment loss of investment in subsidiary	12	-	-	-	(3,600,000)
Written off goodwill	12, 29	-	(4,471,815)	-	-
Management benefit expenses	3, 29, 30	(17,275,593)	(14,925,200)	(17,275,593)	(14,925,200)
Provision for loss on litigation cases	29, 33	(56,378,979)	-	(56,378,979)	-
Loss from increment estimated cost for project to be completed	7, 29, 34	(448,055,667)	-	(330,617,968)	-
Loss on work in progress	7, 29, 34	(718,356,193)	-	(698,463,702)	-
Share loss from associate	12	(14,400)	-	-	-
Finance costs	3	(17,637,783)	(21,789,685)	(16,814,338)	(22,501,003)
Profit (loss) before Tax		(1,460,751,728)	22,971,150	(1,523,861,846)	20,079,395

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



Statement of Comprehensive Income (Continued)



EMC PUBLIC COMPANY LIMITED, ITS SUBSIDIARY AND JOINT VENTURES
STATEMENT OF COMPREHENSIVE INCOME (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2013

In Baht

	Notes	Consolidated Financial Statements		Separate Financial Statements	
		2013	2012 "Restated"	2013	2012 "Restated"
Income tax income (expense)	2, 14	24,388,063	(13,311,990)	24,987,733	(11,427,055)
PROFIT (LOSS) FOR THE YEAR	2	(1,436,363,665)	9,659,160	(1,498,874,113)	8,652,340
OTHER COMPREHENSIVE INCOME					
Revaluation surplus of fixed assets	13	44,621,955	-	44,621,955	-
Income tax relating to revaluation surplus of fixed assets	14	(8,924,391)	-	(8,924,391)	-
Other Comprehensive Income for the Year		35,697,564	-	35,697,564	-
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR	2, 13, 14	(1,400,666,101)	9,659,160	(1,463,176,549)	8,652,340
Profit (Loss) for the year attributable to:					
Owners of the parent		(1,348,535,023)	31,568,351	(1,498,874,113)	8,652,340
Non-controlling interests		(87,828,642)	(21,909,191)	-	-
Profit (loss) for the year		(1,436,363,665)	9,659,160	(1,498,874,113)	8,652,340
Total comprehensive income (loss) for the year attributable to:					
Owners of the parent		(1,312,837,459)	31,568,351	(1,463,176,549)	8,652,340
Non-controlling interests		(87,828,642)	(21,909,191)	-	-
Total comprehensive income (loss) for the year		(1,400,666,101)	9,659,160	(1,463,176,549)	8,652,340
Earnings (Loss) per Share Attributable to Owners of the Parent (In Baht)	2, 14, 25				
Basic earnings (loss) per share		(1.25)	0.05	(1.39)	0.01
Diluted earnings (loss) per share		(1.25)	0.05	(1.39)	0.01

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

Statement of Changes in Equity

EMC PUBLIC COMPANY LIMITED, ITS SUBSIDIARY AND JOINT VENTURES
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2013

Consolidated Financial Statements (in Baht)																			
	Notes	Premium on share capital			Treasury stocks			Retained earnings			Other components of Equity			Equity attributable to owners of the parent - net		Non-controlling interests		Equity - net	
		Share capital - issued and paid-up	Premium on share capital	Premium on share capital - treasury stocks	Treasury stocks	Appropriated for		Unappropriated (deficit)	Revaluation surplus of fixed assets	Income tax relating to components of other comprehensive income	Net								
						Legal reserve	Treasury stocks												
Balance as at January 1, 2012																			
- as previously reported	2	586,538,043	248,577,007	-	(21,765,010)	15,932,110	21,765,010	25,364,163	-	-	-	-	-	876,411,323	54,387	876,465,710			
Cumulative effect of the change in accounting policy relating to income taxes	2, 13, 14	-	-	-	-	-	-	25,026,942	-	-	-	-	-	25,026,942	-	25,026,942			
Balance as at January 1, 2012 - as restated		586,538,043	248,577,007	-	(21,765,010)	15,932,110	21,765,010	50,391,105	-	-	-	-	-	901,438,265	54,387	901,492,652			
Disposal of treasury stocks	22, 24	-	-	5,970,478	21,765,010	-	(21,765,010)	21,765,010	-	-	-	-	-	27,735,488	-	27,735,488			
Increase in share capital from the exercised warrants	20, 21	156	78	-	-	-	-	-	-	-	-	-	-	234	-	234			234
Legal reserve	23	-	-	-	-	550,681	-	(550,681)	-	-	-	-	-	-	-	-			-
Total comprehensive income (loss) for the year - as restated	2, 13, 14	-	-	-	-	-	-	31,568,351	-	-	-	-	-	31,568,351	(21,909,191)	9,659,160			
Balance as at December 31, 2012		586,538,199	248,577,085	5,970,478	-	16,482,791	-	103,173,785	-	-	-	-	-	960,742,338	(21,854,804)	938,887,534			
Increase in share capital	19	586,538,199	-	-	-	-	-	-	-	-	-	-	-	586,538,199	-	586,538,199			
Increase in share capital from the exercised warrants	20, 21	24,900	5,104	-	-	-	-	-	-	-	-	-	-	30,004	-	30,004			30,004
Total comprehensive income (loss) for the year	2, 13, 14	-	-	-	-	-	-	(1,348,535,023)	44,621,955	(8,924,391)	-	-	-	35,697,564	(1,312,837,459)	(87,828,642)			(1,400,666,101)
Balance as at December 31, 2013		1,173,101,298	248,582,189	5,970,478	-	16,482,791	-	(1,245,361,238)	44,621,955	(8,924,391)	-	-	-	234,473,082	(109,683,446)	124,789,636			

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

Statement of Changes in Equity

EMC PUBLIC COMPANY LIMITED, ITS SUBSIDIARY AND JOINT VENTURES
STATEMENT OF CHANGES IN EQUITY (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2013

Separate Financial Statements (in Baht)												
	Notes	Share capital - issued and paid-up	Premium on share capital	Premium on share capital - treasury stocks	Treasury stocks	Retained earnings			Other components of Equity			
						Appropriated for		Unappropriated (deficit)	Revaluation surplus of fixed assets	Income tax relating to components of other comprehensive income	Net	Equity - net
						Legal reserve	Treasury stocks					
Balance as at January 1, 2012 - as previously reported	2	586,538,043	248,577,007	-	(21,765,010)	15,932,110	21,765,010	18,128,418	-	-	-	869,175,578
Cumulative effect of the change in accounting policy relating to income taxes	2, 13, 14	-	-	-	-	-	-	25,026,942	-	-	-	25,026,942
Balance as at January 1, 2012 - as restated		586,538,043	248,577,007	-	(21,765,010)	15,932,110	21,765,010	43,155,360	-	-	-	894,202,520
Disposal of treasury stocks	22, 24	-	-	5,970,478	21,765,010	-	(21,765,010)	21,765,010	-	-	-	27,735,488
Increase in share capital from the exercised warrants	20, 21	156	78	-	-	-	-	-	-	-	-	234
Legal reserve	23	-	-	-	-	550,681	-	(550,681)	-	-	-	-
Total comprehensive income for the year - as restated	2, 13, 14	-	-	-	-	-	-	8,652,340	-	-	-	8,652,340
Balance as at December 31, 2012 - as restated		586,538,199	248,577,085	5,970,478	-	16,482,791	-	73,022,029	-	-	-	930,590,582
Increase in share capital	19	586,538,199	-	-	-	-	-	-	-	-	-	586,538,199
Increase in share capital from the exercised warrants	20, 21	24,900	5,104	-	-	-	-	-	-	-	-	30,004
Total comprehensive income for the year	2, 13, 14	-	-	-	-	-	-	(1,498,874,113)	44,621,955	(8,924,391)	35,697,564	(1,463,176,549)
Balance as at December 31, 2013		1,173,101,298	248,582,189	5,970,478	-	16,482,791	-	(1,425,852,084)	44,621,955	(8,924,391)	35,697,564	53,982,236

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



Statement of Cash Flows

EMC PUBLIC COMPANY LIMITED, ITS SUBSIDIARY AND JOINT VENTURES
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2013

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2013	2012 "Restated"	2013	2012 "Restated"
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit (loss) for the year	(1,436,363,665)	9,659,160	(1,498,874,113)	8,652,340
Adjustments to reconcile profit (loss) for the year to net cash provided by (used in) operating activities:				
Depreciation	35,379,248	36,721,481	34,991,851	36,327,426
(Reversal of) loss from increment estimated cost for project to be completed	448,055,667	(1,000,000)	330,617,968	(1,000,000)
Loss on work in progress	718,356,193	-	698,463,702	-
(Reversal of) provision for employee retirement benefit	(2,117,728)	8,539,909	(2,117,728)	8,539,909
Allowance for (reversal of) doubtful accounts - net	145,435,493	(19,002,746)	369,008,092	21,998,896
Provision for loss on litigation claim	56,378,979	3,200,000	56,378,979	3,200,000
Loss (gain) on sales of fixed assets	161,864	(172,088)	139,097	(172,088)
Written - off and allowance for loss on unclaimable withholding tax deducted at source	3,934,691	11,513,599	3,528,986	10,546,390
Allowance for impairment loss of investment in subsidiary	-	-	-	3,600,000
Written - off goodwill	-	4,471,815	-	-
Share loss from associated company	14,400	-	-	-
Interest income	(6,916,070)	(13,241,763)	(9,126,095)	(14,418,975)
Interest expense	17,637,783	21,789,685	16,814,338	22,501,003
Income tax income (expense)	(24,388,063)	13,311,990	(24,987,733)	11,427,055
Decrease (increase) in operating assets:				
Trade account receivables	(51,665,190)	33,116,322	(135,379,355)	(8,265,021)
Unbilled trade receivables	590,939,221	(464,547,257)	588,256,753	(525,629,141)
Retention receivable from customers	4,034,445	37,419,646	4,034,445	37,419,646
Other receivables from joint venture and subsidiary	-	-	(1,430,370)	11,538,435
Work in progress	(890,191,257)	105,187,361	(777,225,574)	103,430,392
Other current assets	53,380,289	(81,809,560)	41,865,021	(68,819,092)
Other non-current assets	3,308,877	(436,627)	2,686,697	(418,547)
Increase (decrease) in operating liabilities:				
Trade account payables	(280,526,375)	188,201,384	(272,377,054)	232,258,264
Unbilled construction cost payables	(63,464,537)	(20,092,224)	(59,033,639)	39,345,675
Advances received from customers	(114,831,899)	8,854,937	(110,984,703)	61,251,202
Advance received for share capital of associated company	5,200,000	-	5,200,000	-
Other current liabilities	(47,188,073)	19,873,701	(39,225,941)	18,444,424
Retention payable from contractors	7,022,071	(16,513,525)	6,984,173	(11,332,220)
Cash refund from withholding tax deducted at sources	133,091,441	70,969,800	130,955,292	68,838,639
Income tax paid	(44,517,553)	(69,598,639)	(42,770,378)	(66,206,568)
Net Cash Provided by (Used in) Operating Activities	(739,839,748)	(113,583,639)	(683,607,289)	3,058,044

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



Statement of Cash Flows (Continued)



EMC PUBLIC COMPANY LIMITED, ITS SUBSIDIARY AND JOINT VENTURES STATEMENT OF CASH FLOWS (Continued) FOR THE YEAR ENDED DECEMBER 31, 2013

In Baht

	Consolidated Financial Statements		Separate Financial Statements	
	2013	2012 "Restated"	2013	2012 "Restated"
CASH FLOWS FROM INVESTING ACTIVITIES:				
Increase in short-term loans to subsidiary	-	-	(67,000,000)	(124,756,700)
Cash receipts from repayment of short-term loans to subsidiary	-	-	27,500,000	80,400,000
(Increase) decrease in investments in restricted fixed deposits	37,772,657	(10,857,241)	32,772,657	(25,562,356)
Acquisition of property, plant and equipment	(7,001,900)	(87,775,643)	(6,994,720)	(87,711,569)
Proceeds from sales of fixed assets	1,001,836	186,916	1,001,836	186,916
Interest received	7,732,665	12,173,059	6,980,296	11,664,187
Net Cash Provided by (Used in) Investing Activities	39,505,258	(86,272,909)	(5,739,931)	(145,779,522)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Increase in bank overdrafts and short-term loans from financial institutions	101,403,447	24,131,251	101,403,447	24,131,251
Increase in short-term loans from joint venture and director	190,000,000	41,000,000	190,000,000	61,000,000
Repayment for short-term loans from joint venture	(170,000,000)	-	(181,800,000)	(23,200,000)
Increase in short-term loan from other company	-	10,000,000	-	10,000,000
Repayment for short-term loans from other company	(10,000,000)	-	(10,000,000)	-
Decrease in finance lease contracts	(915,041)	(1,118,291)	(915,041)	(1,118,291)
Increase in share capital from exercised warrants	30,004	234	30,004	234
Increase in share capital	586,538,199	-	586,538,199	-
Proceeds from disposal of treasury stocks	-	27,735,488	-	27,735,488
Interest paid	(18,015,206)	(20,649,286)	(18,687,792)	(20,627,549)
Net Cash Provided by Financing Activities	679,041,403	81,099,396	666,568,817	77,921,133
NET DECREASE IN CASH AND CASH EQUIVALENTS	(21,293,087)	(118,757,152)	(22,778,403)	(64,800,345)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	57,911,398	176,668,550	54,892,871	119,693,216
CASH AND CASH EQUIVALENTS AT END OF YEAR	36,618,311	57,911,398	32,114,468	54,892,871
Additional cash flow information :				
1) Cash and cash equivalents consisted of:				
- Cash on hand	9,647,594	16,315,594	9,342,531	16,310,694
- Deposits at banks	26,970,717	41,595,804	22,771,937	38,582,177
Total	36,618,311	57,911,398	32,114,468	54,892,871
2) Purchased vehicles by means of finance lease	-	3,120,000	-	3,120,000
3) Received the payment from a receivable by condominium units	79,656,000	-	79,656,000	-
4) Revaluation surplus on fixed assets - net	35,697,564	-	35,697,564	-
5) Transfer portion of land and building to be assets held for sales	10,088,455	-	10,088,455	-

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

Notes to Financial Statements

EMC PUBLIC COMPANY LIMITED, ITS SUBSIDIARY AND JOINT VENTURE

Notes to Financial Statements

December 31, 2013

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 is engaged in the provision of services under long-term service agreements and construction agreements.

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

The major shareholder of the Company as at December 31, 2013 and 2012 is Leenabanchong Group who owned 19.8% and 22.7% of the Company’s authorized share capital, respectively.

The Subsidiary Company

BR Construction Co., Ltd., the 51% - owned subsidiary of EMC Public Company Limited, was incorporated as a limited company in Thailand on December 22, 1978. The subsidiary company is engaged in the provision of services under long-term service agreements and construction agreements.

The registered office address of the subsidiary company is located at 28th Floor, ITF Tower, 140/66 Silom Road, Suriwongse, Bangrak, Bangkok 10500, Thailand.

The subsidiary company’s administrative office is located at 20th Floor, ITF Tower, 140/43 Silom Road, Suriwongse, Bangrak, Bangkok 10500, Thailand.

The Joint Venture

The Company has entered into the 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 under the name JV EMC-PLE. 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 and has been approved to extend until March 1, 2012.

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

The Associated Company

The Company has entered into the Joint Venture Agreement dated September 10, 2013 with Sanken Setsubi Kogyo Co., Ltd. and Mr. Sumate Jaito with ownership at 48%, 49% and 3%, respectively, to provide the mechanical and electrical construction services under the name Sanken - EMC Co., Ltd. The associated company was registered with the Department of Business Development on December 4, 2013.



The registered office address of the associated company is located at 28th, ITF Tower, 140/66 Silom Road, Suriwongse, Bangrak, Bangkok 10500, Thailand.

The Company, its subsidiary company and joint venture are together referred to as “the EMC Group”.

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 Thai Financial Reporting Standards. Accordingly, the consolidated financial statements and separate financial statements are intended solely to present the financial positions, financial performance and cash flows in accordance with Thai Financial Reporting Standards.

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 solely for domestic financial reporting purposes.

- b) The consolidated financial statements comprise the financial statements of the Company, its subsidiary company and joint venture.

Subsidiary company

Subsidiary company is that entity controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are presently exercisable or convertible are taken into account. The financial statements of the subsidiary company are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Joint Venture

Joint venture is that entities 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 each of the years ended December 31, 2013 and 2012 included the financial statements of the EMC Group as follows:

		Proportionate of Share (%)	
	Nature of Business	2013	2012
Subsidiary company			
BR Construction Co., Ltd.	Construction	51	51
Joint venture (proportionate consolidation)			
EMC Public Company Limited and Power Line Engineering Public Company Limited (the registered name is “JV EMC - PLE”)		49	49

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

Transactions of the joint venture, which were included in the consolidated financial statements for each of the years ended December 31, 2013 and 2012, were as follows:

	In Thousand Baht	
	2013	2012
Current assets	5,805	22,148
Property, plant and equipment - net	591	987
Other non-current assets	7,402	8,030
Current liabilities	1,370	17,407
Other non-current liabilities	1,322	1,862
Revenues	6,356	148,757
Expenses	6,547	141,282

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, short-term fixed 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.

Work in Progress

Work 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 are held as other investments, are valued at cost net of allowance for impairment loss.

Investment in subsidiary and associated companies in the separate financial statements is accounted for using the cost method less allowance for impairment loss (if any). Investments in associated company in the consolidated financial statements are accounted for using the equity method.

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



Assets Held for Sales

Assets held for sales are measured at the lower of their carrying amount and expected selling price net of cost to sell. Allowance for decline in value are recognized in the statement of comprehensive income.

Property, Plant and Equipment

Land is stated at cost. Plant and equipment are stated at cost less accumulated depreciation and allowance for impairment loss (if any). When assets are sold or retired, their costs and accumulated depreciation are eliminated from the accounts and any gain or loss resulting from their disposal is included in the statement of comprehensive income.

Land and buildings are stated at revalued amounts less accumulated depreciation. Revaluations are performed by independent professional valuers with sufficient regularity to ensure that the carrying amount of these assets does not differ materially from that which would be determined using fair values at the statement of financial position date.

The Company records the differences incurred from revaluation as follows:

- When an asset's carrying amount is increased as a result of a revaluation, the increase is recognized in other comprehensive income and presented in equity in the statement of financial position as a "Revaluation surplus on fixed assets". However, a revaluation increase is recognized in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognized as an expense.
- When an asset's carrying amount is decreased as a result of a revaluation, the decrease is recognized in profit or loss. However, the decrease is recognized in other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset. The decrease recognized in other comprehensive income reduces the amount accumulated in equity under the heading "Revaluation surplus of fixed assets".

The revaluation surplus on fixed assets is not available for dividend distribution.

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, machinery 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 comprehensive 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).

Goodwill

Goodwill that arises upon the acquisition of subsidiary is included in other non-current asset. Goodwill is measured as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. Subsequent to initial recognition, goodwill is measured at cost less allowance for impairment loss (if any).

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 statement of financial position 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.

Provision for Employee Retirement Benefit

The Company's employee retirement benefit obligation is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods by the projected unit credit method determined by a professionally qualified independent actuary. The projected unit credit method considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Past service costs are recognized on a straight-line basis over the average period until the amended benefits become vested. Gains or losses on the curtailment or settlement of pension benefits are recognized when the curtailment or settlement occurs. Actuarial gains or losses are recognized immediately to the statement of comprehensive income. The defined benefit obligations are measured at the present value of estimated future cash flows using a discount rate that is similar to the government bonds.

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 is 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 comprehensive 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 leases. Lease payments under an operating lease are recognized as an expense in the statement of comprehensive income on a straight-line basis over the lease term.

Finance Costs

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

Foreign Currency Transactions

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 year are translated into Baht at the prevailing rates at that date. Gains or losses from translations are credited or charged to the statement of comprehensive income.

Income Tax

Starting January 1, 2013, the EMC Group applies TAS 12 “Income Taxes”, which became effective as of January 1, 2013. This accounting standard requires an entity to recognize deferred income tax assets and liabilities in the financial statements.

The income tax charge is based on profit for the period and considers deferred taxation. Deferred income taxes reflect the net tax effects of temporary differences between the tax basis of an asset or liability and its carrying amount in the statement of financial position. Deferred income tax assets and liabilities are measured using the tax rates expected to apply to taxable income in the periods in which those temporary differences are expected to be recovered or settled. The measurement of deferred income tax assets and deferred income tax liabilities reflects the tax consequences that would follow from the manner in which the EMC Group expects, at the statement of financial position date, to recover or settle the carrying amount of their assets and liabilities.

Deferred income tax assets are recognized when it is probable that sufficient taxable profits will be available against which the deferred income tax assets can be utilized. At each statement of financial position date, the EMC Group re-assesses unrecognized deferred income tax assets. The EMC Group recognizes a previously unrecognized deferred income tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered. The EMC Group conversely reduces the carrying amount of a deferred income tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of these deferred income tax assets to be utilized.

The effects from adoption of this accounting standard are as follows:

	Consolidated/Separate Financial Statements (In Thousand Baht)
Increase in deferred income tax assets	
As at January 1, 2012	25,027
As at December 31, 2012	22,666
Increase in retained earnings	
As at January 1, 2012	25,027
As at December 31, 2012	22,666
Increase in income tax expense for the year ended December 31, 2012	2,361
Decrease in earnings per share for the year ended December 31, 2012 (In Baht)	(0.0040)

Earnings (Loss) per Share Attributable to Owners of the Parent

Earnings (loss) per share attributable to owners of the parent is determined by dividing profit (loss) attributable to owners of the parent for the year by the weighted average number of shares outstanding during the year.

3. TRANSACTIONS WITH RELATED PARTIES

A portion of the Company's assets, liabilities, revenues and expenses arose from transactions with related parties and director. These parties are related through common shareholdings and/or directorships. The accompanying financial statements reflect the effects of these transactions.



Balances with related parties as at December 31, 2013 and 2012 are as follows:

	Consolidated Financial Statements (In Thousand Baht)			
	December 31, 2012	Increase	Decrease	December 31, 2013
Trade account payables :				
Ua WithYa Public Company Limited	76,874	23,645	(42,196)	58,323
Retention payable from contractor :				
Ua WithYa Public Company Limited	2,203	41	-	2,244
Short-term loans from :				
Khun Chanachai Leenabanchong	41,000	190,000	(170,000)	61,000
Interest payable :				
Khun Chanachai Leenabanchong	377	-	(377)	-
Total	41,377	190,000	(170,377)	61,000
Payable for investment in associated company :				
Sanken - EMC Co., Ltd.	-	4,800	-	4,800

Separate Financial Statements (In Thousand Baht)				
	December 31, 2012	Increase	Decrease	December 31, 2013
Trade account receivable :				
BR Construction Co., Ltd.	75,773	104,706	(21,606)	158,873
Less allowance for doubtful accounts (Note 12)	(41,002)	(117,871)	-	(158,873)
Net	34,771	(13,165)	(21,606)	-
Unbilled trade receivable :				
BR Construction Co., Ltd.	63,447	-	(63,140)	307
Less allowance for doubtful accounts (Note 12)	-	(307)	-	(307)
Net	63,447	(307)	(63,140)	-
Other receivables :				
BR Construction Co., Ltd.	6,983	-	(203)	6,780
Less allowance for doubtful accounts (Note 12)	-	(6,780)	-	(6,780)
Net	6,983	(6,780)	(203)	-
JV EMC-PLE	-	1,634	-	1,634
Total	6,983	(5,146)	(203)	1,634
Short-term loans to :				
BR Construction Co., Ltd.	72,357	67,000	(27,500)	111,857
Less allowance for doubtful accounts (Note 12)	-	(111,857)	-	(111,857)
Net	72,357	(44,857)	(27,500)	-
Interest receivable :				
BR Construction Co., Ltd.	3,372	2,370	-	5,742
Less allowance for doubtful accounts (Note 12)	-	(5,742)	-	(5,742)
Total	75,729	(48,229)	(27,500)	-
Trade account payable :				
Ua WithYa Public Company Limited	76,874	23,645	(42,196)	58,323
Retention payable from contractor :				
Ua WithYa Public Company Limited	2,203	41	-	2,244



Separate Financial Statements (In Thousand Baht)				
	December 31, 2012	Increase	Decrease	December 31, 2013
Short-term loans from :				
JV EMC-PLE	11,800	-	(11,800)	-
Khun Chanachai Leenabanchong	41,000	190,000	(170,000)	61,000
Interest payable :				
JV EMC-PLE	1,496	93	(1,589)	-
Khun Chanachai Leenabanchong	377	-	(377)	-
Total	54,673	190,093	(183,766)	61,000
Payable for investment in associated company :				
Sanken - EMC Co., Ltd.	-	4,800	-	4,800
Accrued expense (included in other current liabilities) :				
JV EMC-PLE	321	-	-	321

Significant transactions with the related parties for each of the years ended December 31, 2013 and 2012 are as follows :

			In Thousand Baht			
			Consolidated Financial Statements		Separate Financial Statements	
	Relationship	Pricing Policy	2556	2555	2556	2555
BR Construction Co., Ltd. :	Subsidiary company					
- Revenue from construction		Agreed upon contract price	-	-	97,856	100,848
- Interest income		6.50% - 6.87% per annum	-	-	2,370	2,164
JV EMC - PLE :	Joint venture					
- Project consultant fee		Agreed upon contract price	-	-	-	22,731
- Interest expense		7% per annum	-	-	93	1,496
Khun Chanachai Leenabanchong	The Company's director					
- Interest expense		7% per annum	-	377	-	377
Ua WithYa Public Company Limited :	Common shareholders and director					
- Cost of construction		Agreed upon contract price	13,862	120,793	13,862	120,793

4. TRADE ACCOUNT RECEIVABLES - Net

As at December 31, 2013 and 2012, the aging analyses of trade account receivables are detailed as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2556	2555	2556	2555
• Within credit-term	113,067	66,642	113,067	41,819
• Periods over credit-term				
- Not over 3 months	44,638	153,744	124,891	153,500
- Over 3 months to 6 months	67,922	89,418	67,922	89,418
- Over 6 months to 12 months	73,991	6,799	73,991	82,573
- Over 12 months	43,562	136,476	97,729	136,476
Total	343,180	453,079	477,600	503,786
Less: Allowance for doubtful accounts	(47,190)	(111,063)	(206,063)	(152,065)
Net	295,990	342,016	271,537	351,721
Bad and doubtful debt expenses during the year	(21,587)	(7,319)	(139,458)	(48,321)
Reversal of allowance for doubtful accounts during the year	3,551	36,030	3,551	36,030
Write-off debts	81,909	-	81,909	-

The Company has transferred the rights over collections from certain trade account receivables of the Company totalling Baht 173.9 million and Baht 167.9 million as at December 31, 2013 and 2012, respectively, as collateral for credit facilities from financial institutions as discussed in Notes 15 and 33.

Trade account receivables who have been long outstanding for over 6 months in the separate statement of financial position as at December 31, 2013 totalling Baht 171.7 million consisted of:

	In Thousand Baht	Status of the Receivable
a) Kool Residence Project	19,400	The Company has provided an allowance for doubtful account of Baht 19.4 million as discussed in the following paragraph.
b) Construction Projects of BR Construction Co., Ltd.	54,167	The receivable is a subsidiary company. The Company has provided an allowance for doubtful account of Baht 54.2 million, as discussed in Note 12.
c) Aloft Hotel Project	17,615	The Company has provided an allowance for doubtful account of Baht 17.6 million.
d) Airport Link Square - Building D Project	24,824	The Company has not provided an allowance for doubtful account since the management is now following up the collection from this project and expects to receive the full amount within 2014.
e) Shibuya 19 Project	19,620	The Company has provided an allowance for doubtful account of Baht 3.6 million since there is a compromise in the court and the management expects to receive the remaining amount within 2014.
f) Showroom BMW Rama 3 Project	6,144	The Company has not provided an allowance for doubtful account since the management is now following up the collection from this project and expects to receive the full amount within 2014.
g) Showroom Honda Pattanakarn	5,849	The Company has not provided an allowance for doubtful account since the management is now following up the collection from this project and expects to receive the full amount within 2014.



	In Thousand Baht	Status of the Receivable
h) Anniversary commemoration building, Naresuan University	13,936	The Company has not provided an allowance for doubtful account because these transactions are penalty from the delay which the Company can refund according to the cabinet resolution on November 25, 2013 about helping the construction enterprises that have been affected by labor shortage due to the minimum wage adjustment to Baht 300 and expects to receive the full amount within 2014.
i) Other projects	10,165	The Company has provided an allowance for doubtful accounts of Baht 6.5 million. The management believes that such allowance is adequate to absorb possible losses on doubtful accounts.
Total	171,720	

Kool Residence Project

As at December 31, 2013 and 2012, the receivables related to this project totalled Baht 21.0 million which have details as follows:

Consolidated Financial Statements and Separate Financial Statements (In Thousand Baht)				
	December 31, 2012	Additions	Collections	December 31, 2013
• Trade account receivable	19,400	-	-	19,400
• Retention receivable (Note 6)	1,616	-	-	1,616
Total	21,016	-	-	21,016
Less: Allowance for doubtful accounts	(21,016)	-	-	(21,016)
Net	-	-	-	-

5. UNBILLED TRADE RECEIVABLES - Net

As at December 31, 2013 and 2012, the unbilled trade receivables are detailed as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2556	2555	2556	2555
• On - going construction projects	339,151	930,090	297,416	891,027
• Projects suspended over 12 months	77,936	77,629	77,936	72,582
Total	417,087	1,007,719	375,352	963,609
Less: Allowance for doubtful accounts	(77,936)	(77,629)	(77,936)	(77,629)
Net	339,151	930,090	297,416	885,980
Bad and doubtful debt expenses during the year	(307)	(5,047)	(307)	(5,047)
Reversal of allowance for doubtful accounts during the year	-	149	-	149

As at December 31, 2013 and 2012, the Company has provided an allowance for doubtful accounts on unbilled trade receivable of suspend projects totalling Baht 77.9 million and Baht 77.6 million, respectively, and has provided an allowance for doubtful account on unbilled trade receivable from BR Construction Co., Ltd. in full as at December 31, 2013 as discussed in Note 12. 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 unbilled trade receivables of the Company as collateral for credit facilities from financial institutions as discussed in Notes 15 and 33.

6. RETENTION RECEIVABLE FROM CUSTOMERS - Net

As at December 31, 2013 and 2012, the retention receivables from customers are detailed as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2013	2012	2013	2012
• Retention amount	150,345	244,046	150,345	244,046
• Retention receivable outstanding over credit term over 12 months	92,825	3,158	92,825	3,158
Total	243,170	247,204	243,170	247,204
Less: Allowance for doubtful accounts (Note 4)	(92,825)	(5,483)	(92,825)	(5,483)
Net	150,345	241,721	150,345	241,721
Bad and doubtful debt expenses during the year	(87,342)	(2,973)	(87,342)	(2,973)
Reversal of allowance for doubtful accounts during the year	-	1,905	-	1,905

The Company has provided an allowance for doubtful accounts on retention receivable outstanding more than 12 months and Kool Residence project as discussed in Note 4 totalling Baht 92.8 million and Baht 5.5 million as at December 31, 2013 and 2012, respectively. The management believes that such allowance is adequate to absorb possible losses on doubtful accounts.

7. WORK IN PROGRESS - Net

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2556	2555	2556	2555
Work in progress	735,144	284,008	713,645	267,037
Less: Allowance for loss on work in progress	(718,356)	-	(698,464)	-
Net	16,788	284,008	15,181	267,037

The management considered that the work in progress of 4 projects of the Company and 2 projects of the subsidiary company may not be collectible from project owners (as discussed in Note 34). Hence, the management set up provision for loss on work in progress of such projects totalling Baht 718.4 million and Baht 698.5 million in the consolidated and separate statements of comprehensive income for the year ended December 31, 2013.



8. ASSETS HELD FOR SALES

Assets held for sales represent condominium totalling 7 units, which the Company received from the payment from a receivable in the first quarter of 2013. The Company recorded the value of such condominium units of Baht 79.7 million based on the appraised value performed by an independent appraiser report dated March 5, 2013. Moreover, as discussed in Note 13, the Company transferred a portion of land and building which has a carrying value amounting to Baht 10.0 million to assets held for sales because the Company signed the memorandum of understanding with a company on January 3, 2014 to transfer these condominium units, land and building for debt repayment to such company. Hence, the Company recorded these assets in the account "assets held for sales" in the consolidated and separate financial statements as at December 31, 2013.

Such condominium units were mortgaged as guarantee for credit facility obtained from financial institution as discussed in Note 33.

9. WITHHOLDING TAX DEDUCTED AT SOURCES - Net

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2013	2012	2013	2012
• Deducted during the year 2010	-	57,032	-	57,032
• Deducted during the year 2011	-	76,146	-	73,952
• Deducted during the year 2012	58,608	58,647	57,141	57,141
• Deducted during the year 2013	43,234	-	42,770	-
Total	101,842	191,825	99,911	188,125
Less Allowance for loss on unclaimable withholding tax deducted at sources	(7,500)	(4,000)	(7,500)	(4,000)
Net	94,342	187,825	92,411	184,125

During the year 2012, the Company received the refund of withholding tax deducted at sources for the year 2009 from the Revenue Department of Baht 68.8 million. Hence, the Company wrote off unclaimable withholding tax deducted at sources for 2009 of Baht 6.6 million as an expense in the financial statements for the year ended December 31, 2012.

During the year 2013, the joint venture received the refund of withholding tax deducted at sources for the year 2011 from the Revenue Department of Baht 2.1 million. Hence, the joint venture wrote off unclaimable withholding tax deducted at sources for 2011 of Baht 0.3 million as an expense in the consolidated financial statements for the year ended December 31, 2013.

During the year 2013, the Company received the refund of withholding tax deducted at sources for the year 2011 and 2010 from the Revenue Department of Baht 130.9 million. Hence, the Company wrote off unclaimable withholding tax deducted at sources for 2011 of Baht 28,986 as an expense in the financial statements for the year ended December 31, 2013.

The EMC Group has requested to refund from the Revenue Department for withholding income tax deducted at sources incurred during the year 2012 totalling Baht 58.6 million in the consolidated financial statements and totalling Baht 57.1 million in the separate financial statements.

The Company provided allowance for loss on unclaimable withholding tax deducted at sources totalling Baht 7.5 million and Baht 4.0 million as at December 31, 2013 and 2012, respectively.

10. INVESTMENTS IN RESTRICTED DEPOSITS WITH FINANCIAL INSTITUTIONS

Investments in restricted deposits with financial institutions of the Company with several financial institutions (bear interest at the rates of 1.5% to 3.2% per annum as at December 31, 2013 and 1.0% to 3.0% per annum as at December 31, 2012) have been pledged as collateral for credit facilities from such financial institutions and letters of guarantee issued by financial institutions for the Company and subsidiary company as discussed in Notes 15 and 33.

Investments in restricted deposits with financial institutions of the joint venture and subsidiary, which were included in the consolidated statements of financial position as at December 31, 2013 and 2012 of Baht 7.4 million and Baht 12.4 million (bear interest at the rate of 1.5% per annum and 0.25% to 1.89% per annum as at December 31, 2013 and 2012, respectively) have been pledged as collateral for a letter of guarantee issued by a financial institution on behalf of the joint venture and subsidiary as discussed in Note 33.

11. OTHER LONG-TERM INVESTMENTS - Net

	Consolidated and Separate Financial Statements (In Thousand Baht)	
	2013	2012
Investments in common shares:		
M. One Property Company Limited	12,000	12,000
Wave Development Company Limited	10,000	10,000
Thai Medical Center Public Company Limited	5,000	5,000
The Bangkok Club Company Limited	1,000	1,000
Others	-	65
Total	28,000	28,065
Less : allowance for impairment loss of investments	(15,726)	(15,791)
Net	12,274	12,274

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.

During the second quarter of 2011, the Company invested in common shares of M. One Property Company Limited 120,000 shares at par value of Baht 100 each totalling Baht 12.0 million and has percentage of ownership of 10% of its share capital. The Company recorded the investment in such company at cost method because the Company has no significant influence in such company. As at December 31, 2013 and 2012, such company is in the process of construction of real estate project located in Phuket Province. However, based on the forecasted revenue of this company for the years 2014 to 2023 showed the net income from operation.

12. INVESTMENT IN SUBSIDIARY AND ASSOCIATED COMPANIES - Net

As at December 31, 2013 and 2012, the investment in subsidiary and associated companies are as follows:

	Country of Registration	Type of Business	Paid-up Share Capital (In Million Baht)	Percentage of ownership (%)		Consolidated Financial Statements (In Thousand Baht) Equity Method	
				2013	2012	2013	2012
Associated company							
Sanken – EMC Co., Ltd.	Thailand	Construction	10	48	-	4,786	-
Total						4,786	-

	Country of Registration	Type of Business	Paid-up Share Capital (In Million Baht)	Percentage of ownership (%)		Separated Financial Statements (In Thousand Baht) Cost Method	
				2013	2012	2013	2012
Subsidiary							
BR Construction Co., Ltd.	Thailand	Construction	60	51	51	3,600	3,600
Associated company							
Sanken - EMC Co., Ltd.	Thailand	Construction	10	48	-	4,800	-
Total						8,400	3,600
Less allowance for impairment loss of investment						(3,600)	(3,600)
Net						4,800	-

In January 2010, the Company invested in shares of BR Construction Co., Ltd. and has percentage of ownership of 51%. The Company paid for these shares of Baht 3.6 million. In this regard, the Company recorded goodwill of Baht 4.5 million as a part of other non-current assets in the consolidated statement of financial position as at December 31, 2011. However, such goodwill was written off as an expense in the consolidated financial statements for the year ended December 31, 2012 since the Company assessed that there will be no benefit from such goodwill.

The subsidiary company incurred net loss for the years ended December 31, 2013 and 2012 of Baht 179.2 million and Baht 44.7 million, respectively, and had capital deficiency as at December 31, 2013 and 2012, of Baht 223.8 million and Baht 44.6 million, respectively. Thus, the Company provided allowances for doubtful accounts for trade receivable from this subsidiary company of Baht 158.9 million, for short-term loans of Baht 111.9 million, for interest receivable of Baht 5.7 million, for other receivable of Baht 6.8 million and for unbilled trade receivable of Baht 0.3 million in the separate financial statements for the year ended December 31, 2013 and provided an allowance for impairment of investment of Baht 3.6 million and allowance for doubtful account for receivable from this subsidiary company of Baht 41.0 million in the separate financial statements for the year ended December 31, 2012 (as discussed in Notes 3, 4, 5 and 12).

On December 4, 2013, the Company invested in Sanken - EMC Co., Ltd., an associated company as discussed in Note 1.

13. PROPERTY, PLANT AND EQUIPMENT — Net

Consolidated Financial Statements (In Thousand Baht)							
	Land	Buildings	Building improvements	Tools, machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Total
At Appraised Value							
As at January 1, 2012 and							
December 31, 2012	20,425	45,000	-	-	-	-	65,425
Revaluation	3,605	42,283	-	-	-	-	45,888
Derecognition	-	(15,635)	-	-	-	-	(15,635)
As at December 31, 2013	24,030	71,648	-	-	-	-	95,678
Accumulated depreciation							
As at January 1, 2012	-	9,857	-	-	-	-	9,857
Depreciation charge for the year	-	2,256	-	-	-	-	2,256
As at December 31, 2012	-	12,113	-	-	-	-	12,113
Depreciation charge for the year	-	3,522	-	-	-	-	3,522
Derecognition	-	(15,635)	-	-	-	-	(15,635)
As at December 31, 2013	-	-	-	-	-	-	-
At Cost							
As at January 1, 2012	9,501	5,499	28,539	61,839	49,662	23,949	178,989
Additions	-	-	-	85,414	2,351	3,131	90,896
Disposals	-	-	-	-	(80)	(2,238)	(2,318)
As at December 31, 2012	9,501	5,499	28,539	147,253	51,933	24,842	267,567
Additions	-	-	-	3,459	1,763	1,780	7,002
Disposals	-	-	-	(557)	(1,232)	(970)	(2,759)
Transfer (Note 8)	(9,501)	(5,499)	-	-	-	-	(15,000)
As at December 31, 2013	-	-	28,539	150,155	52,464	25,652	256,810
Accumulated depreciation							
As at January 1, 2012	-	4,360	22,094	33,319	31,577	20,745	112,095
Depreciation charge for the year	-	276	5,723	21,015	6,468	983	34,465
Disposals	-	-	-	-	(79)	(2,224)	(2,303)
As at December 31, 2012	-	4,636	27,817	54,334	37,966	19,504	144,257
Depreciation charge for the year	-	276	610	24,857	5,853	1,528	33,124
Disposals	-	-	-	(439)	(1,156)	-	(1,595)
Transfer (Note 8)	-	(4,912)	-	-	-	-	(4,912)
As at December 31, 2013	-	-	28,427	78,752	42,663	21,032	170,874



Consolidated Financial Statements (In Thousand Baht)							
	Land	Buildings	Building improve- ments	Tools, machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Total
Net Book Value							
As at December 31, 2013							
Owned assets	24,030	71,648	112	71,403	9,801	1,668	178,662
Assets under finance leases	-	-	-	-	-	2,952	2,952
As at December 31, 2012							
Owned assets	29,926	33,750	722	92,919	13,967	1,488	172,772
Assets under finance leases	-	-	-	-	-	3,850	3,850

Separate Financial Statements (In Thousand Baht)							
	Land	Buildings	Building improve- ments	Tools, machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Total
At Appraised Value							
As at January 1, 2012 and December 31, 2012	20,425	45,000	-	-	-	-	65,425
Revaluation	3,605	42,283	-	-	-	-	45,888
Derecognition	-	(15,635)	-	-	-	-	(15,635)
As at December 31, 2013	24,030	71,648	-	-	-	-	95,678
Accumulated depreciation							
As at January 1, 2012	-	9,857	-	-	-	-	9,857
Depreciation charge for the year	-	2,256	-	-	-	-	2,256
As at December 31, 2012	-	12,113	-	-	-	-	12,113
Depreciation charge for the year	-	3,522	-	-	-	-	3,522
Derecognition	-	(15,635)	-	-	-	-	(15,635)
As at December 31, 2013	-	-	-	-	-	-	-
At Cost							
As at January 1, 2012	9,501	5,499	28,539	60,633	48,953	23,949	177,074
Additions	-	-	-	85,354	2,347	3,131	90,832
Disposals	-	-	-	-	(80)	(2,238)	(2,318)
As at December 31, 2012	9,501	5,499	28,539	145,987	51,220	24,842	265,588

Separate Financial Statements (In Thousand Baht)							
	Land	Buildings	Building improve- ments	Tools, machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Total
Additions	-	-	-	3,451	1,763	1,780	6,994
Disposals	-	-	-	(557)	(1,170)	(970)	(2,697)
Transfer (Note 8)	(9,501)	(5,499)	-	-	-	-	(15,000)
As at December 31, 2013	-	-	28,539	148,881	51,813	25,652	254,885
Accumulated depreciation							
As at January 1, 2012	-	4,360	22,094	32,992	31,329	20,745	111,520
Depreciation charge for the year	-	276	5,724	20,766	6,322	983	34,071
Disposals	-	-	-	-	(79)	(2,224)	(2,303)
As at December 31, 2012	-	4,636	27,818	53,758	37,572	19,504	143,288
Depreciation charge for the year	-	276	609	24,603	5,719	1,528	32,735
Disposals	-	-	-	(439)	(1,116)	-	(1,555)
Transfer (Note 8)	-	(4,912)	-	-	-	-	(4,912)
As at December 31, 2013	-	-	28,427	77,922	42,175	21,032	169,556
Net Book Value							
As at December 31, 2013							
Owned assets	24,030	71,648	112	70,959	9,638	1,668	178,055
Assets under finance leases	-	-	-	-	-	2,952	2,952
As at December 31, 2012							
Owned assets	29,926	33,750	721	92,229	13,648	1,488	171,762
Assets under finance leases	-	-	-	-	-	3,850	3,850

The Company has various finance lease contracts with leasing companies covering certain vehicles.

Certain plots of land, building and construction thereon, which had carrying value as at December 31, 2013 and 2012 of Baht 95.7 million (at appraised value) and Baht 53.3 million (at cost), respectively, were mortgaged as guarantee for the Company's credit facilities obtained from those financial institutions as discussed in Note 15.

The gross carrying amounts of the Company's fixed assets totalling approximately Baht 106.7 million and Baht 60.0 million were fully depreciated as at December 31, 2013 and 2012, respectively, but these items are still in active use.

In 2013, the Company appraised its land and buildings by following Accounting Standard No. 16 of which allows the valuation of property, plant and equipment at appraisal amounts for financial statements reporting purposes. As at December 31, 2013, the Company's land and buildings are stated at the appraised values (based on reports of independent appraisal firms dated July 29, 2013 and July 30, 2013). The excess of appraised values over costs totalling Baht 35.7 million (net of deferred income tax liability of Baht 8.9 million) is shown as "Other components of equity - net" under "Equity" in the statement of financial position as at December 31, 2013. The revaluation surplus on fixed assets is not available for dividend distribution.



The carrying amounts of land, building and building improvements carried under the cost model are as follows:-

	Consolidated / Separate Financial Statements (In Thousand Baht)		
	Land	Buildings	Total
As at December 31, 2013			
Revaluation model	24,030	71,648	95,678
Less revaluation surplus	(3,605)	(41,017)	(44,622)
Cost model	20,425	30,631	51,056

In April 2011, the Federation of Accounting Professions issued Notification No. 18/2554 to allow entities to be able to take the exemption of accounting for revaluing property, plant and equipment in accordance with the Notification No. 25/2549 regarding Accounting for the revalued assets until the reporting period beginning before January 1, 2016. It made the entities still calculate depreciation to be charged to profit or loss, for the assets previously used the exemption, based on the historical costs of the assets instead of an on the revalued amounts. The Company has decided to take the exemption in accordance the notification. However, had the depreciation charge been calculated based on the revalued amounts, loss for the year and loss per share would have been changed as follows:

	Consolidated Financial Statements/ Separated Financial Statements
	2013
Loss for the year increase (In Thousand Baht)	1,266
Basic loss per share increase (Baht per share)	(0.001)

14. DEFERRED INCOME TAX ASSETS AND LIABILITY

Income tax expense (income) for each of the years ended December 31, 2013 and 2012 are as follows:

	Consolidated Financial Statements (In Thousand Baht)	
	2013	2012 "Restated"
Income tax expense - current tax	(600)	(10,951)
Tax effect from deferred income tax of temporary differences		
- Allowance for doubtful accounts	16,631	3,390
- Provision for employee retirement benefit	(423)	1,707
- Allowance for loss on unclaimable withholding tax deducted at source	(800)	800
- Provision for loss on litigation cases	11,276	640
- Loss carry forward	-	(7,131)
- Changed in tax rate	-	(3,263)
- Others	(1,696)	1,496
Income tax income (expense)	24,388	(13,312)

	Separate Financial Statements (In Thousand Baht)	
	2013	2012 "Restated"
Income tax expense - current tax	-	(9,066)
Tax effect from deferred income tax of temporary differences		
- Allowance for doubtful accounts	16,631	3,390
- Provision for employee retirement benefit	(423)	1,707
- Allowance for loss on unclaimable withholding tax deducted at source	(800)	800
- Provision for loss on litigation cases	11,276	640
- Loss carry forward	-	(7,131)
- Changed in tax rate	-	(3,263)
- Other	(1,696)	1,496
Income tax income (expense)	24,988	(11,427)

Reconciliations between income tax income (expense) and accounting income (loss) multiplied by the applicable tax rates for each of the year ended December 31, 2013 and 2012 are as follows:

	Consolidated Financial Statements (In Thousand Baht)	
	2013	2012 "Restated"
Accounting income (loss) before tax	(1,460,752)	22,971
Income tax rates at 20% in 2013 and 23% in 2012	292,150	(5,283)
Tax effect of non - deductible expenses	(34,480)	(8,029)
Loss from increment estimated cost for project to be completed	(89,611)	-
Loss on work in progress	(143,671)	-
Income tax income (expense)	24,388	(13,312)

	Separate Financial Statements (In Thousand Baht)	
	2013	2012 "Restated"
Accounting income (loss) before tax	(1,523,862)	20,079
Income tax rates at 20% in 2013 and 23% in 2012	304,772	(4,618)
Tax effect of non - deductible expenses	(73,967)	(6,809)
Loss from increment estimated cost for project to be completed	(66,124)	-
Loss on work in progress	(139,693)	-
Income tax income (expense)	24,988	(11,427)



The details of deferred income tax assets and liability as at December 31, 2013 and 2012 are as follows:

	Consolidated/Separate Financial Statements (In Thousand Baht)		
	January 1, 2013 "Restated"	(Charged)/ Credited to Loss for the year	December 31, 2013
Deferred income tax assets			
Allowance for doubtful accounts	16,304	16,631	32,935
Provision for employee retirement benefit	3,133	(423)	2,710
Allowance for loss on unclaimable withholding tax deducted at source	800	(800)	-
Provision for loss on litigation cases	733	11,276	12,009
Others	1,696	(1,696)	-
Total	22,666	24,988	47,654

	Consolidated/Separate Financial Statements (In Thousand Baht)		
	January 1, 2013 "Restated"	(Charged)/ credited to equity	December 31, 2013
Deferred income tax liability			
Revaluation surplus on fixed assets	-	(8,924)	(8,924)

Unrecognised Deferred Income Tax Asset

As at December 31, 2013 and 2012, the EMC Group did not recognize deferred income tax asset from loss carry forward of the Company and subsidiary company of Baht 161.7 million and Baht 9.0 million, respectively, (of the subsidiary of Baht 11.7 million and Baht 9.0 million, respectively) since it is not probable that future taxable profit will be available against which such the EMC Group can utilize the benefit therefore.

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

Type of Loan	Consolidated and separate financial statements (In Thousand Baht)		Objective	Interest Rate	Payment Conditions	Securities
	2013	2012				
Bank overdraft (Credit line of Baht 35 million)	24,144	28,770	To use as working capital	MOR and MLR per annum (7.38% - 8.00% as at December 31, 2013 and 7.48% - 7.78% as at December 31, 2012)	-	Secured by land and building at Prawate District, fixed deposit and a director of the Company.

Consolidated and separate financial statements (In Thousand Baht)						
Type of Loan	2013	2012	Objective	Interest Rate	Payment Conditions	Securities
Promissory notes - Kasikorn Bank	40,000	40,000	To use as working capital	MLR per annum (6.75% - 7.48% as at December 31, 2013 and 7.00% - 7.48% as at December 31, 2012)	Interest is payable on end of each month and on promissory notes' maturity dates	Secured by land, building at ITF Tower, 28th - 30th floors of Baht 40 million and the remaining amount secured by transfer of the rights over collections from trade receivables of the Company as discussed in Notes 4 and 5.
Factoring credit facilities - Government Savings Bank	-	39,958	To use as working capital	MOR +0.5% per annum (7.875% - 8.375% as at December 31, 2012)	Interest is payable on the date when the borrower take a promissory note to discount sale.	Secured by transfer of the rights over collections from trade receivables of the Company as discussed in Notes 4 and 5.
Promissory notes - CIMB Thai Bank	45,874	-	To use as working capital	MLR - 1.00% per annum (6.625% as at month and December 31, 2013)	Interest is payable at 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 as discussed in Notes 4 and 5 and a director of the Company.
Promissory notes - Bangkok Bank	88,070	87,957	To use as working capital	MLR per annum (6.88% - 7.00% as at December 31, 2013 and 7.00% - 7.125% as at December 31, 2012)	Interest is payable on the date when the borrower take a promissory note to discount sale.	Secured by the transfer of the rights over collections from trade receivables of the Company as discussed in Notes 4 and 5 and a director of the Company.
Bill of exchanges - Asia Plus Securities Public Company Limited	100,000	-	To use as working capital	(5.25% - 5.30% per annum as at December 31, 2013)	Interest is payable on bill of exchanges' maturity dates	-
Total	298,088	196,685				

These promissory notes represent short-term loans obtained under credit facilities from certain financial institutions totalling Baht 718 million. In addition, the Company obtained credit facility of Baht 200 million from a local financial institution for the discounted sale of trade account receivables.

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. SHORT-TERM LOAN FROM OTHER COMPANY

Short-term loan from other company represents promissory note, unsecured and non-interest bearing loan. This loan is repayable at call. The Company borrowed such loan for use as working capital. The Company repaid all of such loan in 2013.

18. PROVISION FOR EMPLOYEE RETIREMENT BENEFIT

	Consolidated and Separate Financial Statements (In Thousand Baht)	
	2013	2012
Employee retirement benefit obligation as at January 1,	15,667	7,127
Recognized employee retirement benefit obligation up to December 31, 2010	-	1,618
Reversal of provision for employee retirement benefit obligation	(5,988)	-
Current service costs	3,557	6,390
Interest expense	313	532
Employee retirement benefit obligation as at December 31,	13,549	15,667

During the year 2013, the EMC Group has prepared the new report of provision for employee retirement benefit since certain managements resigned. Based on the revised report dated February 26, 2013, the EMC Group reversed a provision for employee retirement benefit of Baht 6 million in the consolidated and separate statements of comprehensive income for the year ended December 31, 2013.

Expenses recognized in the statements of comprehensive income for the year ended December 31, 2013 and 2012 are as follows:

	Consolidated and Separate Financial Statements (In Thousand Baht)	
	2013	2012
Recognized employee retirement benefit obligation up to December 31, 2010	-	1,618
Reversal of provision for employee retirement benefit obligation	(5,988)	-
Current service cost	3,557	6,390
Interest cost	313	532
Total	(2,118)	8,540

Actuarial assumptions

	2013	2012
Discount rate	3.2742%	3.9079%
Future salary increase	5.0000%	5.0000%
Employee turnover rate	5.0000%	5.0000%
Mortality rate	based on Thai Mortality Table 2008	based on Thai Mortality Table 2008

19. SHARE CAPITAL

At the 2012 Annual General Shareholders' Meeting held on March 29, 2012, the shareholders have unanimously passed the resolutions to approve on the following matters:

- Decrease the share capital of the Company from Baht 724.3 million (divided into 724,343,476 common shares at Baht 1 par value) to be Baht 586.5 million (divided into 586,538,043 common shares at Baht 1 par value) by the reduction of the common shares of 137,805,433 shares that have not been issued.
- Issue 293,269,021 warrants ("EMC-W3") to the existing shareholders of the Company at no cost in the proportionate ratio of 1 warrant per 2 common shares and the exercise price is Baht 1.50 per share.
- Increase the share capital of the Company from Baht 586.5 million (divided into 586,538,043 common shares at Baht 1 par value) to be Baht 879.8 million (divided into 879,807,064 common shares at Baht 1 par value) by issuance of new common shares of 293,269,021 shares at Baht 1 par value to reserve for the exercise of warrants that will be issued to the shareholders of the Company.

The Company registered the decrease in share capital with the Ministry of Commerce on April 5, 2012 and registered the increase in share capital with the Ministry of Commerce on April 10, 2012.

At the extraordinary shareholders' meeting held on February 15, 2013, the shareholders passed the resolutions as follows:

- To increase the share capital of the Company from Baht 879.8 million (divided into 879,807,064 common shares at Baht 1 par value) to be Baht 1,542.3 million (divided into 1,542,290,525 common shares at Baht 1 par value) by issuance of new common shares of 586,538,199 shares to the existing shareholders at the ratio of 1 existing share per 1 new share and issuance of new common shares of 75,945,262 shares to reserve for the exercise of warrants.
- To approve the adjustment of the exercise price and exercise ratio of the Company's warrants, EMC-W3 as follows:

	Old	New
Exercise price (Baht per share)	1.5	1.205
Exercise ratio (warrant: common share)	1 : 1	1 : 1.245

The Company registered the increase in authorized share capital and increase in issued and paid-up share capital with the Ministry of Commerce on March 18, 2013.

At the 2013 Annual General Shareholders' Meeting held on April 30, 2013, the shareholders have unanimously passed the resolutions to approve on the following matters:

- a. To increase the share capital of the Company under a General Mandate from Baht 1,542.3 million (divided into 1,542,290,525 common shares at Baht 1 par value) to be Baht 1,659.6 million (divided into 1,659,598,165 common shares at Baht 1 par value) by issuance of new common shares of 117,307,640 shares at Baht 1 par value.
- b. To approve an allotment of the increase in share capital under a General Mandate totalling 117,307,640 shares at Baht 1 par value by allotment of the increase in common share not exceeding 117,307,640 shares to the specific investors in private placement. The Board of Directors and/or other persons authorized by the Board of Directors shall be authorized to allot and offer in entirety or to portion and offer in lots from time to time as deemed appropriate, as well as to determine the offering price, subscription period, details and other conditions in connection with the allotment of the increase in share capital. The allotment of such increase in share capital shall be finished within the next meeting date of Annual General Shareholders' meeting or within the meeting date required by law to provide for the next Annual General Meeting of Shareholders, whichever comes first.

The Company registered the increase in share capital with the Ministry of Commerce on May 14, 2013.

20. premium ON SHARE CAPITAL

Premium on share capital represents share subscription monies received in excess of the par value of the shares issued. Premium on share capital is not available for dividend distribution.

21. WARRANTS

At the 2012 Annual General Shareholders' Meeting held on March 29, 2012, the shareholders have unanimously passed the resolution to issue 293,269,021 warrants ("EMC-W3"), which have the significant details as follows:

Description	
Type of warrant	Registered name and transferable
To be issued and offered quantities	293,269,021 units (sold 293,225,105 units)
Offering price per warrant	At zero value
Exercise ratio	1 warrant to 1.245 common share, except for the adjustment on exercise ratio according to the condition of exercise adjustment
Exercise price	Baht 1.5 per share, except for the adjustment on exercise ratio according to the condition of exercise adjustment
Term of warrants	2 years from the issuance date (March 30, 2012)
Offering procedure	To the Company's existing shareholders at the ratio of 2 existing shares per 1 unit of warrant
Exercise period	The first exercise will be on September 28, 2012, then exercisable at the last working day of each quarter after the first exercisable through the term of warrants and the last exercise date will be on the due date of warrant of 2 years (March 28, 2014).

The Company could not sell the warrant to the shareholders totalling 43,916 units, thus the remaining of warrants to be exercised by the shareholders will be 293,225,105 units EMC-W3 totalling 293,225,105 units was traded on the Stock Exchange of Thailand on May 9, 2012.

The 1st exercised warrant was on September 28, 2012, were exercised totalling 156 units (the remaining warrants are 293,224,949 units). The Company has registered the change in issued and paid-up share capital resulted from the exercised warrants from 586,538,043 common shares at Baht 1 par value to be 586,538,199 common shares at Baht 1 par value with the Ministry of Commerce on October 9, 2012. The Company had additional premium on share capital of Baht 78 from such exercised warrants.

The 4th exercised warrant was on June 28, 2013, were exercised totalling 20,000 units (the remaining warrants are 293,204,949 units). The Company has registered the change in issued and paid-up share capital resulted from the exercised warrants from 1,173,076,398 common shares at Baht 1 par value to be 1,173,101,298 common shares at Baht 1 par value with the Ministry of Commerce on July 11, 2013. The Company had additional premium on share capital of Baht 5,104 from such exercised warrants.

22. 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 of 16,118,010 shares totalling Baht 21.8 million. At the Board of Directors' meeting no. 6/2011 held on August 11, 2011, the Board of Directors unanimously resolved to dispose the treasury stocks with the details as follows:

1. Number of shares to be resold of 16,118,010 shares or equivalent to 2.75% of the total of paid-up capital.
2. Procedure for shares resold: on the Stock Exchange of Thailand, the period for the resale of shares will be from August 25, 2011 to March 6, 2012.
3. The offered price for disposal of treasury stocks must not be less than the average closing price of those shares for the preceding 5 business days, less an amount of 15% of such average closing price.

The Company sold all of such treasury stocks during January 2012 and February 2012 by having premium on share capital of Baht 6 million, which was recorded as "Premium on share capital - treasury stocks" under "Equity" in the statement of financial position as at December 31, 2012.

23. 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.

24. 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.

During the year 2012, the Company transferred appropriated for treasury stocks to record as unappropriated retained earnings since the Company sold all of the treasury stocks.

25. EARNINGS (LOSS) PER SHARE ATTRIBUTABLE TO OWNERS OF THE PARENT

Basic earnings (loss) per share attributable to owners of the parent are determined by dividing the profit (loss) attributable to owners of the parent for the year by the weighted average number of shares outstanding during the year.

Weighted average numbers of shares (basic) for each of the years ended December 31, 2013 and 2012 are as follows:

	In Million Shares	
	2013	2012
Number of shares outstanding as at January 1	586.5	586.4
Effect of warrants exercised during the year	491.7	0.1
Weighted average number of share (basic)	1,078.2	586.5

The calculations of diluted earnings per share attributable to owners of the parent were based on the profit attributable to owners of the parent for the year after adjusting for the effects of all dilutive potential common shares and the weighted average number of common shares outstanding during the year after adjusting for the effects of all dilutive potential common shares.

Weighted average number of shares (diluted) for each of the years ended December 31, 2013 and 2012 are as follows:

	In Million Shares	
	2013	2012
Weighted average number of shares outstanding during the years (basic)	1,078.2	586.5
Effect of exercisable warrants	-	19.5
Weighted average number of share outstanding during the years (diluted)	1,078.2	606.0

The Company does not present dilutive earnings (loss) per share for effect of shares options on issue for the year ended December 31, 2013, because the exercise price of warrant is higher than the average fair value of common share during the year ended December 31, 2013.

26. REGISTERED PROVIDENT FUND

The Company has 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 1.1 million and Baht 2.4 million for each of the years ended December 31, 2013 and 2012, respectively.

27. CONSTRUCTION CONTRACTS IN PROGRESS

The significant information of the construction contracts, which were in progress as at December 31, 2013 and 2012, were as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2013	2012	2013	2012
Aggregate amount of construction costs incurred to date	6,499,445	5,766,682	5,026,769	5,442,597
Adjust with the recognised profits to date	7,595,901	335,778	7,757,519	354,070
Aggregate amount of construction revenues incurred to date	14,095,346	6,102,460	12,784,288	5,796,667
Less : Sum of progress billings	(13,756,195)	(5,172,369)	(12,486,872)	(4,910,686)
Unbilled trade receivables	339,151	930,091	297,416	885,981

28. DISCLOSURE OF FINANCIAL INSTRUMENTS

Financial assets and financial liabilities carried on the consolidated statements of financial position and the separate statements of financial position include cash and cash equivalents, trade and other account receivables, short-term loans, advance payments for purchase of supplies, advance payments to sub-contractors, investments in restricted deposits with financial institutions, long-term investments, bank overdrafts and short-term loans from financial institutions, trade and other account payables, advances received from customers, short-term loans from joint venture, director and other company 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 statement of financial position and consolidated statement of financial position net of allowance for doubtful accounts, 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 loans to subsidiary, bank overdrafts and short-term loans from financial institutions, short-term loans from joint venture, director and other company and liabilities under finance lease contracts.

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, 2013 and 2012, 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						
	2013 (In Thousand Baht)						
	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	-	-	-	26,971	9,647	36,618	0.50 - 0.75
Trade account receivables - net	-	-	-	-	295,990	295,990	-
Retention receivable from customers - net	-	-	-	-	150,345	150,345	-
Advance payments for purchase of supplies - net	-	-	-	-	97,308	97,308	-
Advance payments to sub-contractors - net	-	-	-	-	34,987	34,987	-
Investments in restricted deposits with financial institutions	314,920	-	-	39	-	314,959	1.50 - 3.20
Other long-term investments - net	-	-	-	-	12,274	12,274	-
Total	314,920	-	-	27,010	600,551	942,481	

Consolidated Financial Statements							
2013 (In Thousand Baht)							
	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 liabilities							
Bank overdrafts and short-term loans							
from financial institutions	-	-	-	298,088	-	298,088	5.25 - 8.00
Trade account payables	-	-	-	-	643,097	643,097	-
Advance received from customers	-	-	-	-	129,761	129,761	-
Short-term loans from director	-	-	-	-	61,000	61,000	-
Retention payable from contractors	-	-	-	-	126,846	126,846	-
Liabilities under finance lease contracts	779	763	-	-	-	1,542	1.88 - 5.50
Total	779	763	-	298,088	960,704	1,260,334	

Consolidated Financial Statements							
2012 (In Thousand Baht)							
	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	-	-	-	41,595	16,316	57,911	0.25 - 1.75
Trade account receivables - net	-	-	-	-	342,016	342,016	-
Retention receivable from customers - net	-	-	-	-	241,721	241,721	-
Advance payments for purchase of supplies	-	-	-	-	151,366	151,366	-
Advance payments to sub-contractors	-	-	-	-	77,714	77,714	-
Investments in restricted deposits with financial institutions	330,934	-	-	21,797	-	352,731	1.00 - 3.00
Other long-term investments - net	-	-	-	-	12,274	12,274	-
Total	330,934	-	-	63,392	841,407	1,235,733	



Consolidated Financial Statements							
2012 (In Thousand Baht)							
	Fixed interest rates				Non- interest bearing	Total	Effective interest rate (% p.a.)
	Within 1 year	1- 5 years	Over 5 years	Floating interest rate			
Financial liabilities							
Bank overdrafts and short-term loans							
from financial institutions	-	-	-	196,685	-	196,685	7.00 - 8.375
Trade account payables	-	-	-	-	923,623	923,623	-
Advance received from customers	-	-	-	-	244,593	244,593	-
Short-term loans from director and interest payable	41,000	-	-	-	377	41,377	7.00
Short-term loan from other company	-	-	-	-	10,000	10,000	-
Retention payable from contractors	-	-	-	-	119,824	119,824	-
Liabilities under finance lease contracts	905	1,552	-	-	-	2,457	5.01 - 6.85
Total	41,905	1,552	-	196,685	1,298,417	1,538,559	

Separate Financial Statements							
2013 (In Thousand Baht)							
	Fixed interest rates				Non- interest bearing	Total	Effective interest rate (% p.a.)
	Within 1 year	1- 5 years	Over 5 years	Floating interest rate			
Financial assets							
Cash and cash equivalents	-	-	-	22,772	9,342	32,114	0.50 - 0.75
Trade account receivables - net	-	-	-	-	271,537	271,537	-
Retention receivable from customers - net	-	-	-	-	150,345	150,345	-
Other receivables from joint venture	-	-	-	-	1,634	1,634	-
Advance payments for purchase of supplies - net	-	-	-	-	91,532	91,532	-
Advance payments to sub-contractors - net	-	-	-	-	34,649	34,649	-
Investments in restricted deposits with financial institutions	307,570	-	-	39	-	307,609	1.50 - 3.20
Other long-term investments - net	-	-	-	-	12,274	12,274	-
Total	307,570	-	-	22,811	571,313	901,694	

	Separate Financial Statements						
	2013 (In Thousand Baht)						
	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 liabilities							
Bank overdrafts and short-term loans							
from financial institutions	-	-	-	298,088	-	298,088	5.25 - 8.00
Trade account payables	-	-	-	-	631,420	631,420	-
Advance received from customers	-	-	-	-	129,547	129,547	-
Short-term loans from director	-	-	-	-	61,000	61,000	-
Retention payable from contractors	-	-	-	-	123,704	123,704	-
Liabilities under finance lease contracts	779	763	-	-	-	1,542	1.88 - 5.50
Total	779	763	-	298,088	945,671	1,245,301	

	Separate Financial Statements						Effective interest rate (% p.a.)
	2012 (In Thousand Baht)						
	Fixed interest rates				Non-interest bearing	Total	
	Within 1 year	1- 5 years	Over 5 years	Floating interest rate			
Financial assets							
Cash and cash equivalents	-	-	-	38,582	16,311	54,893	0.25 - 1.75
Trade account receivables - net	-	-	-	-	351,721	351,721	-
Retention receivable from customers - net	-	-	-	-	241,721	241,721	-
Other receivables from subsidiary	-	-	-	-	6,983	6,983	-
Short-term loans to subsidiary and interest receivable	72,357	-	-	-	3,372	75,729	6.50 - 6.87
Advance payments for purchase of supplies	-	-	-	-	134,965	134,965	-
Advance payments to sub-contractors	-	-	-	-	58,881	58,881	-
Investments in restricted deposits with financial institutions	323,584	-	-	16,797	-	340,381	1.00 - 3.00
Other long-term investments - net	-	-	-	-	12,274	12,274	-
Total	395,941	-	-	55,379	826,228	1,277,548	



Separate Financial Statements							
2012 (In Thousand Baht)							
	Fixed interest rates				Non- interest bearing	Total	Effective interest rate (% p.a.)
	Within 1 year	1- 5 years	Over 5 years	Floating interest rate			
Financial liabilities							
Bank overdrafts and short-term loans							
from financial institutions	-	-	-	196,685	-	196,685	7.00 - 8.375
Trade account payables	-	-	-	-	903,797	903,797	-
Advance received from customers	-	-	-	-	240,532	240,532	-
Short-term loans from director and interest payable	52,800	-	-	-	1,873	54,673	7.00
Short-term loan from other company	-	-	-	-	10,000	10,000	-
Retention payable from contractors	-	-	-	-	116,720	116,720	-
Liabilities under finance lease contracts	905	1,552	-	-	-	2,457	5.01 - 6.85
Total	53,705	1,552	-	196,685	1,272,922	1,524,864	

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, short-term loans to subsidiary, bank overdrafts and short-term loans from financial institutions, short-term loans from joint venture, director and other company, and trade and other account payables - the carrying values approximate their fair values due to the relatively short-term maturity of these financial assets and liabilities.

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

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

Investment in subsidiary company, for which there is no quoted market prices - a reasonable estimate of fair value, which has been calculated, based on the underlying net asset base for such investment, approximates its fair value.

Liabilities under finance lease contracts, which bear interest at the fixed rates; - the aggregate carrying values are insignificantly different from their aggregate fair value because the fixed interest rates approximate market rates.

29. EXPENSES BY NATURE

Significant expenses by nature for each of the years ended December 31, 2013 and 2012 are as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2013	2012	2013	2012
Change in work in progress	463,548	105,187	459,020	103,430
Supplies and construction materials used	865,772	1,523,846	852,213	1,400,302
Sub-contractors expenses	1,039,791	1,409,098	996,558	1,159,858
Direct labor expenses	368,438	419,136	363,770	414,828
Employee benefit expenses	183,935	220,864	181,256	213,504
Depreciation	36,646	36,722	36,258	36,327
Other expenses	162,242	232,962	341,260	426,615
Total	3,120,372	3,947,815	3,230,335	3,754,864

30. MANAGEMENT BENEFIT EXPENSES

The monetary management benefit expenses for each of years ended December 31, 2013 and 2012 are as follows:

Type of Remunerations	Consolidated and Separate Financial Statements (In Thousand Baht)	
	2013	2012
Salaries	14,476	12,975
Meeting allowances	2,800	1,950
Total	17,276	14,925

31. SEGMENT FINANCIAL INFORMATION

The EMC Group does not present segment financial information in the financial statements since the EMC Group's core business is engaged in only one business, long-term construction services. The management determined that the EMC Group has only one industry segment. Moreover, in term of operating locations and market areas, the management also determined that the EMC Group has only one geographical segment since the EMC Group has no revenue from overseas operation.



32. LONG-TERM LEASE CONTRACTS

The Company has entered into various long-term lease contracts to rent office space and facilities, office equipment and vehicles. The agreements have the term for certain periods expiring in 2016 as follows :

	Consolidated and Separate Financial Statements (In Thousand Baht)	
	2013	2012
Not later than 1 year	3,409	3,531
Later than 1 year and not later than 5 years	2,694	3,144
Total	6,103	6,675

33. OTHERS

- a. The Company and the Joint Venture had outstanding letters of guarantee issued by 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. The Company had outstanding letters of guarantee of Baht 1,034.3 million as at December 31, 2013 and of Baht 1,315.5 million as at December 31, 2012. The Joint Venture and subsidiary had outstanding letters of guarantee of Baht 137.7 million and Baht 147.4 million as at December 31, 2013 and 2012, respectively.

The letters of guarantee are guaranteed by the deposits with financial institutions of the Company, its subsidiary and the Joint Venture and the transfer of the rights over collection from trade receivables of the Company as discussed in Notes 4, 5, 8 and 10.

- b. As at December 31, 2013 and 2012, the Company had investments in restricted deposits with financial institutions of Baht 18.2 and of Baht 20.5 million, which has been pledged as collateral for a letter of guarantee issued by a local bank on behalf of its subsidiary company of Baht 36.5 million.
- c. The Company was sued for the damages of certain litigation cases, which the ultimate outcome cannot presently be determined. The details are as follows:
- 1) On February 1, 2008, the Company has been claimed for the losses from the fire event at the Thai Airways' 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 being determined by of the Civil Court. 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.
 - 2) The Company was sued from a local company for the case of contrary to the Public Limited Company Act B.E. 2535 Section 21, which states that the public company shall not become a partner in any registered ordinary partnership, nor shall it become a partner of unlimited partner in any limited partnership. This will result to be an invalid for establishment of JV EMC-PLE. However, the Company's management believes that there would not be material effect to the company from this case since the establishment of joint venture between public companies is the normal practice in Thailand.

- 3) The Company was sued by a government agency for the damage from the breach of an agreement of Baht 8.3 million. On February 13, 2012, the Court of First Instance (the Civil Court) determined that the Company has to compensate of claimed amount totalling Baht 6.3 million plus interest charge at the rate 7.5% per annum until settlement. The Company filed an appeal to the Court of Appeals which the ultimate outcome cannot presently be determined. In this regard, the Company has provided provision for loss on litigation claim of Baht 9.0 million and Baht 3.2 million in the consolidated and separate financial statements as at December 31, 2013 and 2012, respectively. The management believes that such provision is adequate to absorb possible losses from such litigation case.
- 4) The Company was sued by a local company (plaintiff) for the damage from the breach of a subcontract agreement of Baht 32,191,657.64. On May 14, 2012, the Court of First Instance (the Civil Court) sentenced that “the Company has to pay the amount of Baht 32,191,65.64 to the plaintiff” plus interest charge at the rate of 7.5% per annum on total principal of Baht 5,947,728.46 until settlement dates. In this regard, Aroonsaeng Law Office Co., Ltd., the Company’s legal counselor, has an opinion that the amount to be paid according to the sentence of the court “Baht 32,191,65.64” cannot be legally enforced since such number cannot be determined on basis of arithmetic to identify the specific amount and the sentence of the court in details does not judge the Company to be liable in accordance with the prosecution. As a result, the sentence of the court cannot be interpreted that Baht 32,191,65.64 is the damage cost at the amount of Baht 32,191,657.64. As at December 31, 2012, the plaintiff lodges an appeal to the Court of Appeals while the defendant files a cross-suit against the plaintiff. Such case is under the consideration of the Court of Appeals, which the ultimate outcome cannot determine on such date. The Company has not recorded a provision for loss on this litigation case in the financial statements for the year ended December 31, 2012. However, on November 1, 2013, the Court of Appeals sentenced that the Company has to pay the amount of Baht 28.4 million to the plaintiff plus interest charge at the rate of 7.5% per annum on total principal of Baht 7.7 million until settlement date. In this regard, the Company has provided provision for loss on litigation claim of Baht 36.6 million in the consolidated and separate financial statements for the year ended December 31, 2013.
- 5) The Company was sued to claim for the damage from its construction projects totalling approximately Baht 10.6 million. These cases are currently being determined by of the Court of First Instance (the Civil Court). 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
- 6) The Company has provided provision for loss on other litigation cases (that the Court of First Instance sentenced that the Company has to compensate of claim, for cases that the Company is in the process of litigation in the Court of First Instance of which the management determined that they may loss the case and for the other cases that they agreed for the claim amount with the plaintiff) totalling Baht 14.4 million in the consolidated and separate financial statements for ended December 31, 2013.

34. LOSS ON CONSTRUCTION PROJECTS

The management of the Company considered revising the budget construction costs of 4 projects of the Company and 2 projects of the subsidiary which resulted in recognizing loss from increment estimated cost for project to be completed totalling Baht 448.1 million and Baht 330.6 million in the consolidated and separate statements of comprehensive income for the year ended December 31, 2013. The main reasons are as follows:

Project	Status of the projects	Loss from increment estimated cost for project to be completed (In thousand Baht)
The Breeze	There is a delay of construction, the Company, therefore, needs to speed up the work during the second, third and fourth quarters of 2013 in order not to have any penalty from such delay. This made overhead cost of construction increased, especially in 2013 that the minimum wages were adjusted to be Baht 300 per day. In addition to the higher wages, as a result of shortage of workers, the Company had to hire the daily subcontractors, which had higher cost, to do the work. Furthermore, the speeding up the construction work, especially during the period for getting the approval for opening the building (Or 6), there have been a lot of problems regarding quality works that needed to be solved, including decommissioning and reconstructing. At the present, the project is in the process that the project allows its customers to start check their reserved condominium units. The customers will do the very detailed check since it is the luxury condominium project. In this regard, the Company is committed to repair the defect works of those condominium units according to customers' and project owner's claims. Therefore, there will be a lot of works to be repaired, which the project expects to transfer the condominium units to its customers until February 2014. The Company set up allowance for loss on work in progress of Baht 78.5 million as discussed in Note 7. However, the Company expected to transfer the work within February 2014 by not causing any penalty from the delay.	82,291.3
Building of International Programs - Chula, Bangkok project	There is a delay of construction resulting in higher wages and shortage of workers. These made the overhead cost higher. Moreover, as this project has the complicated architectural model and there were no clear details at the beginning. When more details came out later, the Company found that there will be more works to be performed than previously estimation. In addition, regarding certain materials and architectural works which were started in 2013, originally, the Company expected to use the equivalent materials that had lower costs. However, the architect insisted to strict to the designed model. Then, the Company had to use the materials as designed and specified, which had much higher costs than expected. The Company set up allowance for loss on work in progress of Baht 80.9 million as discussed in Note 7. Currently, the Company expected that it could delivery this project within April 2014.	37,000.0

Project	Status of the projects	Loss from increment estimated cost for project to be completed (In thousand Baht)
Airport Link	<p>This project has the physical issue that is an obstacle to the construction, and many revised models, which were difficult and delayed for the construction. The construction has been delay for 14 months, which made operating costs higher. In addition, the Company was affected from the adjusted wages and shortage of workers in 2013. However, the Company negotiated with the customer to extend the construction period and asked for the compensation of the costs incurred from required more works and revised models of Baht 72 million. In the third quarter of 2013, the customer agreed to extend the construction period to September 30, 2013 but would not compensate for any additional costs. In addition, the Company had additional costs from speeding up the construction and many reworks to be able to hand over this project and to be ready for getting approval for opening the building (Or 6) with the timeframe. The Company set up allowance for loss on work in progress of Baht 102.5 million as discussed in Note 7 The Company expects to hand over this project by March 2014 by having penalty from the delay 34 days of approximately Baht 30.4 million, which was included in the revised budget.</p>	87,580.0
Futsal Stadium (4 contracts)	<p>The project owner instructed the Company to speed up the construction in order to be able to open the Futsal stadium in the fourth quarter of 2012. According to such speeding up, the Company had to use more than 3,000 workers for the project for almost 2 months. After that, in 2013, the project owner instructed the Company to decommission such construction, including structure, architecture, materials and decoration, and reconstruct the project according to the model specified in the contract. In this regard, the Company had higher costs of construction, which were construction materials, rental costs of machinery and equipment and wages. Those costs were not included in the original budget. However, the Company submitted a letter to the project's owner to consider that these works are additional works and compensate the costs of Baht 410 million. The Company submitted such letters to the project's owner during the first and third quarters of 2013. Up to the present, the project's owner has not approved such additional works. Moreover, as the Company had to spend time in decommission and reconstruction as discussed above and there have been revised models, these made the construction delay and need to be extended the construction from April 2013 to between February 2014 to April 2014. Such extension made the Company have more operating costs every month, especially on rental costs of machinery and equipment and wages, including daily subcontractors resulting from shortage of workers, until the Company can hand cover the complete work to project owner, The Company set up allowance for loss on work in progress of Baht 436.6 million as discussed in Note 7. The Company expects to hand over this project by April 2014.</p>	123,746.7
Total		330,618.0

Project	Status of the projects	Loss from increment estimated cost for project to be completed (In thousand Baht)
2 projects of a subsidiary company	Flood protection project in Muang, Pattani Phase I and flood protection project in Rusamilae, Pattani, which the constructions have been delay since the construction projects are insurgency and dangerous areas and there have been changes in subcontractors many times as a result of substandard work. In addition, the qualified subcontractors proposed the construction fees at a very high price resulted in the increase in construction costs. The subsidiary company set up allowance for loss on work in progress of Baht 19.9 million as discussed in Note 7. The Company expects to hand over this project by February 2014 to April 2014.	117,437.7
Grand Total		448,055.7

35. CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it has sustained good cash flows management and preserves the ability to continue its business as a going concern.

As at December 31, 2013 and 2012, the Company's debt-to-equity ratio as follow:

	Consolidated Financial Statements		Separate Financial Statements	
	2013	2012	2013	2012
Debt-to-equity ratio	13.5 : 1	2.1 : 1	30.5 : 1	2.1 : 1

No changes were made in the Company's objectives, policies or processes during the years ended December 31, 2013 and 2012.

36. NEW/REVISED THAI FINANCIAL REPORTING STANDARDS NOT YET ADOPTED

The Company has not adopted new/revised Thai Financial Reporting Standards (TFRS) that have been issued but are not yet effective at the reporting date as follows:

TFRS	Topic	Effective date
TFRS 2 (revised 2012)	Share-based Payment	2014
TFRS 3 (revised 2012)	Business Combinations	2014
TFRS 4	Insurance Contracts	2016
TFRS 5 (revised 2012)	Non-current Assets held for Sale and Discontinued Operations	2014
TFRS 8 (revised 2012)	Operating Segments	2014
TAS 1 (revised 2012)	Presentation of financial statements	2014
TAS 7 (revised 2012)	Statement of Cash Flows	2014

TFRS	Topic	Effective date
TAS 12 (revised 2012)	Income Taxes	2014
TAS 17 (revised 2012)	Leases	2014
TAS 18 (revised 2012)	Revenue	2014
TAS 19 (revised 2012)	Employee Benefits	2014
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates	2014
TAS 24 (revised 2012)	Related Party Disclosures	2014
TAS 28 (revised 2012)	Investments in Associates	2014
TAS 31 (revised 2012)	Interests in Joint Ventures	2014
TAS 34 (revised 2012)	Interim Financial Reports	2014
TAS 38 (revised 2012)	Intangible Assets	2014
TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	2014
TFRIC 4	Determining whether an Arrangement contains a Lease	2014
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	2014
TFRIC 7	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies	2014
TFRIC 10	Interim Financial Reporting and Impairment	2014
TFRIC 12	Service Concession Arrangements	2014
TFRIC 13	Customer Loyalty Programmes	2014
TFRIC 17	Distributions of Non-cash Assets to Owners	2014
TFRIC 18	Transfers of Assets from Customers	2014
TIC 15	Operating Leases-Incentives	2014
TIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	2014
TIC 29	Service Concession Arrangements Disclosure	2014
TIC 32	Intangible Assets -Web Site Costs	2014

Management expects to adopt and apply these new and revised TFRSs in accordance with the FAP's announcement and is presently considering the potential impact on the Company's financial statements of these new and revised TFRSs.

37. APPROVAL OF FINANCIAL STATEMENTS

The Company's Board of Directors have authorized these financial statements for issue on February 28, 2014.



Overview of business operation in the past

EMC Public Company Limited has engaged main business in providing services according to a long-term service contracts and construction contracts. During the year 2009, the company had entered into the joint venture agreement with Power Line Engineering Public Company Limited with participating interests at 49% and 51% respectively to proceed the construction projects of one of the government agency in Chiang Mai province and during the year 2013, the company had invested in BR Construction Co., Ltd. a company providing services as service contracts and construction contracts with an investment ratio of 51% (The company, subsidiary company, and joint venture hereinafter inclusively referred to as "Group of companies"). In 2013, the company had invested with Sanken Setsubi Kogyo Co., Ltd. to provide the mechanical and electrical construction services under the name Sanken — EMC Co., Ltd. with the shares holding ratio of 48% which deems to be an associated company.

In 2013, Group of companies had revenue from construction in an amount of 1,596.23 million baht which was reduced by 29.34%. Such revenue was mainly from two business lines; those are business line of civil engineering and business line of electrical and mechanical engineering, with construction costs of 1,644.10 million baht and gross loss for 47.86 million baht, equivalent to gross loss margin of 3%, which was dropped compared to the last year. The cause was the volume of construction work of the company had been reduced and cost recognition of construction was higher in certain projects. Group of companies had general administrative expenses and compensation for the executives for 100.57 million baht which were decreased by 8.60% when compared to the last year or by 6.31% of revenue. Such a year the record of significant loss was demonstrated as below.

1. Loss recognition from construction of 4 projects of the company and 2 projects for subsidiary company, the total loss was expected to be 874.5 million baht and 134.8 million baht respectively. The main cause was from the delay of construction and disapproval of additional works that were preceded already. In 2013 the loss was recognized combining to the reversal of recognized profit in such projects for the total amount of 1,166.5 million baht which consisted of the record of loss of work in progress for 718.4 million baht and loss from increment estimated cost for project to be completed for 448.1 million baht. The details of loss of such projects were summarized in the table below.

Project Name	Approx. of Loss	Causes of Loss
The Breeze	170.0 Million Baht	The construction was in delay so it was necessary to accelerate the construction to be delivered within the due date in 2013. Also there were numerous work of amendments and repairs especially in work of finishing that had been deliberately certified due to the fact that it was a luxurious condominium and the customer had been asking to amend it for many times to meet his/ her satisfaction prior to delivery. Moreover, the adjustment of wages and lack of workers rendered construction costs to be higher than estimated.
Airport Link Square	166.5 Million Baht	This project had difficulties concerning the area and buildings nearby obstructed for the construction. There were revision of design many times and several items resulting in the difficulties and the delay of construction. Accordingly, the expenses were rather high particularly in 2013 which was the year of acceleration of the construction work, solving the problems to construction and amendment of items to be delivered within the due date. The company was approved to the additional work and cost compensation in partially only. Also the company received an impact of adjustment of wage and the problem of lack of workers in 2013 creating an increase of construction costs higher than expected.

Project Name	Approx. of Loss	Causes of Loss
Building of International Programs - Chulalongkorn University	129.0 Million Baht	The construction was in delay leading to greater expenses in the project particularly in the increase of wage and the problem of lack of workers. Besides, the project had the complicated architecture design with no precise details in the first place. Later the work is made and the company discovered that there were details of work to be done more than anticipated. Also many of equipment work and of architecture work cost was much more higher than estimated since it was unable to find comparable quality of goods resulting in higher construction costs.
Futsal Stadium	409.0 Million Baht	The construction project was accelerated in order to be able to open the Futsal Stadium for Futsal World Cup in fourth quarter in 2012 and in 2013 reconstruction and reinstallation had been done in accordance with the specification in the contract whether in structure work, architecture work, equipment work, and landscape work including alteration of patterns for many items creating the delay of construction and additional expenses beyond expectation for a considerable amount especially in the rental fee of construction equipment and wages and daily wages charge due to the problem of lack of workers. Additional work in process was anticipated the disapproval to compensate additional construction costs as such.
2 projects of subsidiaries, prevention of flooding system in Pattanee Province.	134.8 Million Baht	The project encountered many obstacles and difficulties in construction area such as the problem of unrest and danger in the area. This was an obstacle to provide head of project to supervise the work in the area. Lack of workers, disqualified contractor, contractor with no responsibility, lack of construction materials in the area and the problem of community impacted on the construction area obstructing the entrance of the area and compensation to be made to community received impacts from construction including the weather condition that was of much rain and flooding problem. All of these rendered the construction work to be in delay and construction costs were much more higher than expected.

2. Allowance for doubtful accounts of some projects had been reserved that was composed of account receivables for 21.9 million baht and retention receivables from customers for 87.3 million baht and other receivables 39.8 million baht.

3. The estimation of debt generated by lawsuits that the company was a defendant for the amount of 56.4 million baht.

All of these rendered the year 2013 Group of companies had loss of operation before interest and tax (EBIT) for 1,443.11 million baht that was greater than the last year by 3,324%. Besides, Group of companies had financial costs for 17.64 million baht and corporate tax income (expenses) for 24.39 million baht leading to the outcome of operation to be in net loss for 1,436.36 million baht. Conversely, if considering merely the parent company, net loss would be 1,348.54 million baht.

Income

In 2013 Group of companies had income from construction for the total amount of 1,596.23 million baht which was dropped by 59.34% compared to the last year. Since the company was temporarily slow down to accept the new projects to accelerate the construction of the existing projects that were in delay to be completed within the due date and in the ending of the year the company would commence to accept new projects. This was the reason why the company had a decrease of income.



Group of companies had other income for 52.34 million baht consisted of interests for 6.92 million baht and income from transfer back of item as allowance for doubtful accounts amounted 3.55 million baht and other income for 41.87 million baht that mostly were the income of selling of debris unable to be reused construction materials.

Cost of Construction and Gross Profit

In 2013 Group of companies had costs of construction for the total amount of 1,644.10 million baht creating the gross loss for 47.86 million baht or equivalent to 3 % since in the year 2013 some projects encountered construction costs that were higher due to the problem of construction delay generating incremental expenses in projects and the result of adaptation of minimum rate of wages in Thailand to be 300 baht per day leading to lack of workers. Hence, it was necessary to hire daily workers who had a higher cost to perform the work. Accordingly, the construction costs were greater. Also, gross loss of the subsidiary company was recognized for 18 million baht.

General Administrative Expenses and Management cost

General administrative expenses and management cost including compensation for executives for year 2013 were 100.57 million baht that was consisted of salaries, wages, welfares, employee's benefits, utilities expenses, depreciation cost, professional service fee, other miscellaneous expenses that were of 6.31 % of the income compared to the last year the general expenses and management cost including compensation for executives for 110.05 million baht or 2.80 % of income. The expenses were dropped compared to the last year since the company over recognized the employees' benefits in 2012 so such expenses would be reduced for 10.84 million baht in 2013.

Allowance for Doubtful Accounts, Estimated Loss, and Item of Written-off

In 2013 Group of companies had pursued debts and payment of debts from account receivables for 28.70 million baht. Meanwhile, Group of companies had provided an allowance for doubtful accounts which had been unpaid for a long time. Such provision was consisted of price of contracting for construction and retention which customers already had deducted for the amount of 148.99 million baht. Most of the causes were from the debtors who had financial problem and/or the problem of repairing of defect works that could not be concluded.

Besides, in order to present the financial position with a caution, Group of companies had provided an allowance for unclaimable withholding tax for 3.93 million baht. However, during that year the company could claim withholding tax for year 2011 and year 2010 for the amount of 130.90 million baht. At present, the company is in the process of claiming withholding tax for year 2012.

Provision for loss on litigation cases

In 2013 Group of companies had estimated the expenses of disputes in lawsuits between Group of companies and subcontractors and project owners that composed of the lawsuits in which the court rendered the judgment for the company to compensate to plaintiff for 7 cases and 4 cases of disputes settlement for the whole amount of 56.38 million baht.

Loss from increment estimated cost for project to be completed and Loss on Work in Progress.

In 2013 Group of companies had revised the estimation of construction costs for 6 projects constituting loss and reversal of profits that were recognized in such a projects for the total amount of 1,166.41 million baht by separated recording the item of loss on work in progress for 718.36 million baht which the cost had already occurred and the record of Loss from increment estimated cost for project to be completed for 448.05 million baht that was the estimated cost expected to occur in the future. For the cause of loss, it was shown in the heading topic of overview of business operation in the past.

Financial Cost

In 2013 Group of companies had financial costs for 17.64 million baht which were reduced compared to the last year since Group of companies had decreased the obligation of guarantee letter issued by financial institutions varied by the decreasing volume of construction work. Therefore the financial cost produced by fee of guarantee letter was lesser.

Corporate Tax Income (Expenses)

In 2013, Group of companies had operational performance in net loss and had corporate tax income for 24.39 million baht. This was because in 2013 Group of companies had provided more allowance for doubtful accounts and had estimated loss on of on litigation cases generating the impact on tax for 16.63 and 11.28 million baht respectively.

Financial Position

Assets

Total assets of Group of companies were 1,803.85 million baht which were reduced compared to the last year by 1,121.16 million baht with the reduction from provision for impaired assets in an amount of 871.28 million baht such as trade account receivables, retention receivables, other debtors and work in progress. The remaining would be the reduction of ordinary business operation.

Cash and Cash Equivalent and Investment in Restricted Fixed Deposit

In 2013, Group of companies had cash and cash equivalent items for 36.62 million baht and investment in restricted fixed deposit for 314.96 million baht that would be the total of 351.58 million baht which were reduced compared to the last year by 59.06 million baht. In 2013 Group of companies had a necessity to use working capital for a considerable amount to accelerate the construction in delay to be delivered within the due date and use working capital for new projects in the late of the year.

Account Receivables

As of 31 December 2013, Group of companies had trade account receivables for 343.18 million baht which were reduced compared to the last year by 109.90 million baht since the income from construction was decreased and unpaid debtors who were anticipated to be unable to pay the debts were written-off for the amount of 81.91 million baht. If considering the table showing aging of account receivables, 33.0% of account receivables of Group of companies still did not come to due and 32.8% was for unpaid debtors who had been outstanding for not exceeding 6 months and 34.2% was for unpaid debtors who had been outstanding for more than 6 months. In 2013 Group of companies had provided additional allowance for doubtful accounts for 21.59 million baht that covered all unpaid debtors who had been outstanding for more than 12 months rendering the net debtor for 295.99 million baht. Group of companies believed that most of them could pay because Group of companies had followed up closely the customers who unpaid debts. Besides, to reduce risk in collecting money from the customers, Group of companies had a policy to scrutinize the customers' capability to payment prior to considering the acceptance of their work.

For the account receivables shown in separate financial statement of the company, account receivable who was subsidiary company with unpaid debts for 158.87 million baht had been fully provided an allowance for doubtful accounts in the separate financial statement of the company.

	Consolidated Financial Statements						Separate Financial Statements					
	2013	%	2012	%	2011	%	2013	%	2012	%	2011	%
Within credit-term	113.07	32.95	66.64	14.71	159.47	32.62	113.07	23.67	41.82	8.30	143.12	28.73
Periods over credit-term												
Not over 3 months	44.64	13.01	153.74	33.93	115.62	23.65	124.89	26.15	153.50	30.47	115.62	23.21
Over 3 months to 6 months	67.92	19.79	89.42	19.74	21.58	4.41	67.92	14.22	89.42	17.75	35.59	7.14
Over 6 months to 12 months	73.99	21.56	6.80	1.50	40.27	8.24	73.99	15.49	82.57	16.39	51.93	10.42
Over 12 months	43.56	12.69	136.48	30.12	151.93	31.08	97.73	20.46	136.48	27.09	151.93	30.50
Total	343.18	100.00	453.08	100.0	488.87	100.0	477.60	100.00	503.79	100.00	498.19	100.00
Less: Allowance for doubtful accounts	(47.19)	(13.75)	(111.06)	(24.51)	(139.78)	(28.59)	(206.06)	(43.14)	(152.07)	(30.19)	(139.77)	(28.06)
Net	295.99	86.25	342.02	75.49	349.09	71.41	271.54	56.86	351.72	69.81	358.42	71.94

Unbilled Trade Receivables and Retention Receivables from Customers

Net unbilled trade receivables of Group of companies at the end of the year 2013 amounted 339.15 million baht which were reduced by 590.94 million baht or by 63.5% compared to the year 2012. This was because that in the ending period of year 2012 there were construction work of Group of companies for many projects in completion but were unable to issue invoices to levy cost of construction service work in time for year 2012 so the invoices must be issued for year 2013.

For net retention receivables from customers of Group of companies at the end of 2013 amounted 150.34 million baht which were reduced compared to the year 2012 by 91.38 million baht or by 37.8%. This was because during that year Group of companies had provided an allowance for doubtful accounts of retention receivables unpaid for exceeding 12 months for the amount of 87.34 million baht. However, Group of companies anticipated to pursue payment from the provision debts not less than 30-40%.

Work in Progress

Net work in progress of Group of companies at the end of 2013 amounted 16.7 million baht which was reduced compare to the year 2012 by 267.22 million baht or by 94.1%. This was because during that year Group of companies had cut loss on work in progress for 4 projects of the company and 2 projects of subsidiary company that was anticipated not to be able to collect for 718.36 million baht.

Lands, Buildings and Equipments

During the year 2013 the company reappraised its land and buildings in accordance to asset valuation reporting by an independent appraisal company. The excess of appraised value over its historical cost for 35.7 million baht (net of deferred income tax of 8.9 million baht) was shown as "other composition of equity - net" under "Shareholders' Equity" in statement of financial position as of 31 December 2013. The revaluation surplus on fixed assets is not available for dividend distribution.

During the year 2013 the investment in fixed asset was a purchase for replacing the ruined and damaged ones or a purchase for adding only for the necessary ones. There was no investment in huge amount. Hence, after deduction of depreciation cost during the year, Group of companies would have net fixed asset after deduction of accumulated depreciation cost for 181.61 million baht or calculated as 10.1% of total assets which was increased by 2.8% compared to the last year.

Liabilities

The total liabilities of Group of companies amounted 1,679.06 million baht which were reduced compared to the last year by 307.07 million baht or by 15.5% since the trade account payables were decreased for 280.53 million baht and advance received from customers was reduced by 114.83 million baht. In the meantime, Group of companies had estimated more loss on litigation claim for the amount of 56.38 million baht.

Bank Overdrafts and Short-term Loan from Financial Institutions

As of 31 December 2013, Group of companies had drawn overdrafts and short-term loan from financial institutions for 298.09 million baht which were increased compared to the last year by 101.40 million baht. This was because Group of companies demanded to use working capital for a considerable amount to accelerate the construction in many projects in the late of the year to be delivered within the due date.

Trade Account Payable and Unbilled Construction Cost Payable

As of 31 December 2013, the account balance of trading account payable of Group of companies amounted 643.10 million baht that was reduced compared to the last year by 280.53 million baht and the balance of unbilled construction cost payable amounted 258.29 million baht which was decreased compared to the last year by 63.47 million baht. This was because in such year the volume of construction projects was decreased. As a result, placing the purchase orders and the amount of new trade account payable were dropped as well.

Short-term Loan from Director

In the ending period of year 2013, Group of companies had a necessity to use working capital for a considerable amount to accelerate the construction in many projects in the late of the year whilst Group of companies had insufficient working capital due to it was in duration of waiting for debt collection from construction progress in various projects particularly in megaprojects of state agencies. Therefore, to temporarily enhance liquidity, Group of companies issued promissory notes for short-term loan from director. The remaining balance at the end of the year 2013 amounted 61 million baht which was increased compared to the last year by 20 million baht.

Shareholders' Equity

As of 31 December 2013, the company had issued and paid-up capital for 1,173.10 million baht which was increased compared to the last year by 586.56 million baht as the company had increased its capital by issuing new common shares offering to existing shareholders in the ratio of 1 existing share for 1 new share at the par value of 1.00 share per share for the amount of 586.54 million baht and the warrant was exercised totaling 20,000 units equivalent to the amount of 24,900 baht.

However, Group of companies had an operating loss that amounted 1,312.84 million baht (a portion of the parent company merely) resulting in deficit or retained loss for 1,245.36 million baht and shareholders' equity of the parent company reduced by 960.74 million baht at the end of the year 2012 to be 234.47 million baht at the end of the year 2013 or accounting book value per share reduced by 1.64 baht per share to be 0.20 baht per share.

Cash Flow and Liquidity

In 2013, Group of companies encountered the problem of loss in 6 projects and had more impaired assets rendering the turnover of Group of companies in loss for 1,436.36 million baht which had a substantial impact on liquidity of Group of companies. This was because Group of companies had a necessity to use working capital for a considerable amount to accelerate the construction in many projects to be in completion within the due date. Whereas many large projects encountered the loss therefore cash flow received from such projects was lesser than working capital used. Hence, net cash flow from operation was still in minus by 739.84 million baht.



Group of companies provided additional capital to be used for maintaining liquidity sufficient in the organization by increasing capital of the company for 586.54 million baht and short-term loan from financial institutions and other sources for 111.40 million baht, leading to in the year 2013 Group of companies had net cash flow from financing activities amounted 679.04 million baht and total net cash flow was reduced by 21.29 million baht.

	2013	2012	2011
Current Ratio (times)	0.81	1.27	1.33
Average collection period (days)	90	43	49
Average payment period (days)	133	79	41

Once considering the ratio of liquidity of Group of companies, the current ratio was continuously reduced and was below the level for 1 time of that current time. Also the duration of debt collecting and payment of debts was prolonged which reflected Group of companies had a problem of tight liquidity. However, the impact of negative cash flow from projects encountering loss was anticipated to discontinue within the first half of the year 2014. Group of companies was in process of considering the additional funding sources to relieve the liquidity problem and the second half of the year 2014 the cash flow from operation should be better on account of new construction projects that have gross profit higher than previous projects.

Sources of Capital

	Consolidated Financial Statements						Separate Financial Statements					
	2013		2012		2011		2013		2012		2011	
	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%
Current liabilities	1,528.98	84.76	1,849.08	63.22	1,573.08	60.08	1,499.95	88.19	1,817.58	63.06	1,389.59	57.44
Non-current liabilities	150.08	8.32	137.04	4.69	143.71	5.49	146.94	8.64	133.94	4.65	135.42	5.60
Total liabilities	1,679.06	93.08	1,986.12	67.90	1,716.79	65.57	1,646.89	96.83	1,951.52	67.71	1,525.01	63.04
Shareholders' equity	124.79	6.92	938.89	32.10	901.49	34.43	53.98	3.17	930.59	32.29	894.20	36.96
Total	1,803.85	100.00	2,925.01	100.00	2,618.28	100.00	1,700.87	100.00	2,882.11	100.00	2,419.21	100.00

As seen in the table above, it demonstrated that the source of capital of Group of companies was mostly from current liability of approximately 85%. This was because the nature of business of Group of companies had to use working capital for a considerable amount to purchase construction materials, payment for subcontractors and wages in many projects. Most of capital was mostly in the form of trade credit received from suppliers and subcontractors, advance received from customers, unbilled construction costs, bank overdrafts and short-term loan from financial institutions and since Group of companies had not emphasized on investment of equipments and large size machines therefore there was no need to use long-term capital. In respect of shareholders' equity, there still was a low ratio due to high deficit rendering the debt to equity ratio was in a high level as of 13 times.

Obligations

As of 31 December 2013, Group of companies had obligations according to several long-term lease contracts to lease its offices, facilities, office equipment and vehicles. The lease contracts as such will expire in different time until the year 2016. The total rental fee in 2014 will be 3.41 million baht and in 2015-2016 will be 2.69 million baht.

Guarantee Letter

Group of companies had guarantee letter issued by financial institutions on behalf of the Group of companies which related to obligations of ordinary business trade contract. The balance as of 31 December 2013 was 1,034.3 million baht which was dropped compared to the last year by 281.2 million baht. Such a guarantee letter are secured by cash in term of fixed deposits of Group of companies, lands and buildings, inclusion of the transfer of the rights to receive money from customers of Group of companies.

Factors and Main Influences which probably affect business operation or financial position in the future

Factors that would affect business operation or financial status in the future of Group of companies are fluctuation of construction material price, shortage of construction labor, economic situation, government policies and so on.

Price of construction materials have a direct impact on construction costs of Group of companies particularly in steel, mortar, concrete, electric wire which are the main materials for construction. However, Group of companies would closely monitor for better purchase planning with efficiency and for controlling the construction costs to not exceeding its budget.

Due to the policy of adaptation of minimum wages to be 300 baht per day for the whole country, this constituted problem of shortage of workers that would affect the operation of construction of Group of companies and may cause the delay of construction and the delivery not in time. However, Group of companies realized these risk factors and was prepared to procure foreign national labor for substitution. Also, the adaptation of construction wages was done to be in the competitive level in the construction industry that was believed to mitigate labor shortage problem not to effect business operation of Group of companies.

The economic situation and government policies of the country are regarded as factors effecting business operation of Group of companies. If the economic situation is trended to be better and the investment has an expansion in both public and private sectors, these would constitute the volume of construction work of Group of companies to be increased. However, the current situation of political unrest has rendered the uncertainty for investment in mega-project in infrastructure of the nation including the impact on private investment plans. Should the circumstance as such be continued, this would produce negative outcomes for construction industry and for business operation of the Group of companies. However, Group of companies had adjusted the strategy through extending the proportion of acceptance of work in private sector with a low risk, not too long construction period, good margin and would be regardless of the volume of projects resulting in Group of companies should have less impact on its business operation.

Audit Fee

- **Audit Fee**

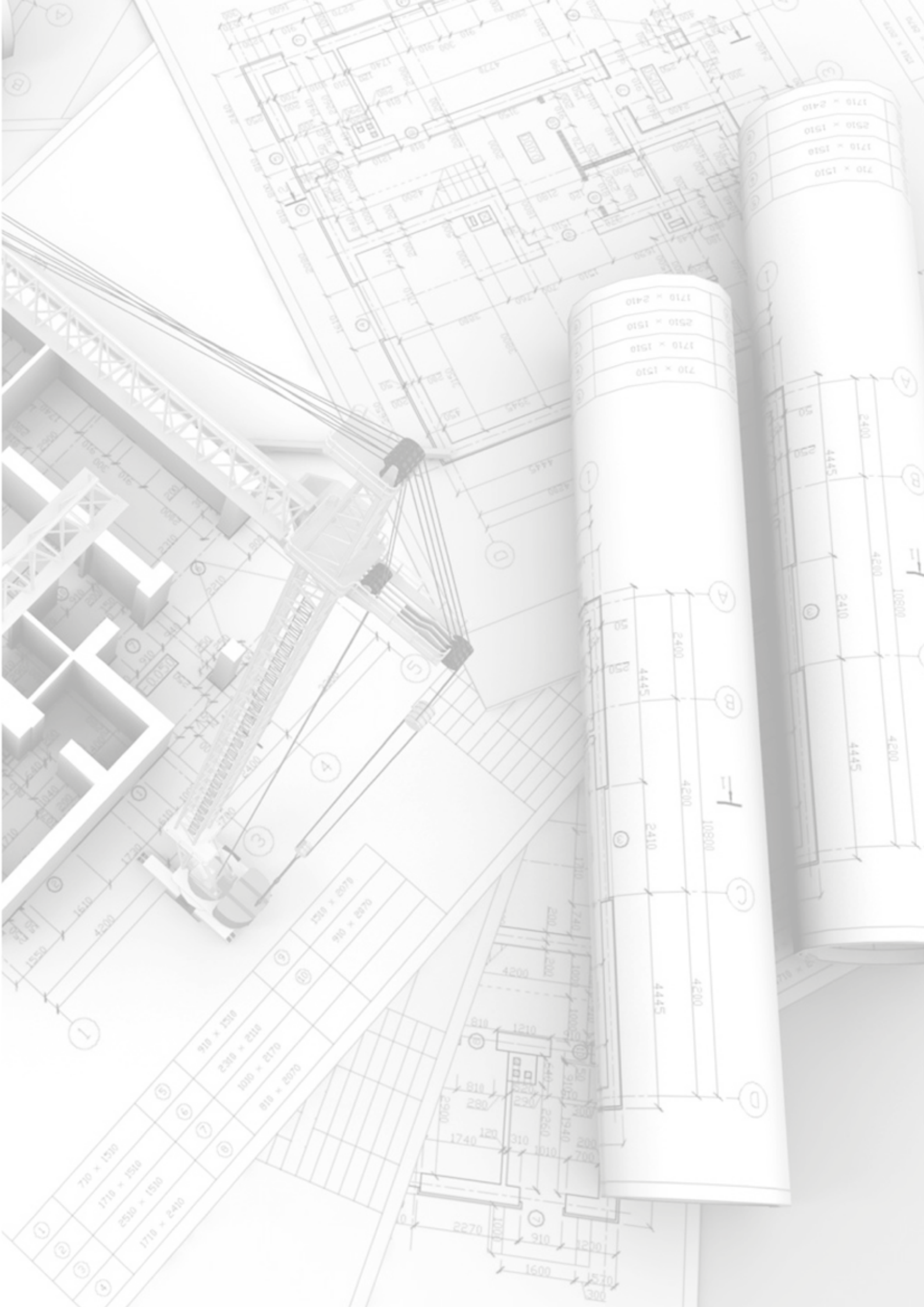
Group of EMC paid audit fee for year 2013 amounted 1.93 million baht to Baker Tilly Audit and Advisory Services (Thailand) Co., Ltd. as audit fee of the company and subsidiary company.

- **Non-Audit Fee (If any)**

-None-



①	710 × 1510	⑤	
②	1710 × 2510	⑥	
③	2510 × 1510	⑦	1010 ×
④	1710 × 2410	⑧	810 × 2070





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