



Dedication to Engineering Excellence

VISION

To be a leading construction and property development in Thailand by deliver performance to meet international standards under the concept of sustainability and improving the quality of life for the Thai people, Social Quality and to create the highest satisfaction of all stakeholders in all sectors, include of customers, business partners, employees, surrounded community to grow together.

MISSION

Continue creativity while modernize Products and Services, development with highly innovative function consistently. Accompany with organizational development and human resources will be driven companies to achieve business goals to deliver performance and service quality as well as to meet international standards under the transparent resources management and efficiency to contribute the highest effectiveness and verifiability.

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Summary of Financial Information

	Consolidated Financial Statements					
	2015		2014		2013	
	Mil.Baht	% Increase (Decrease)	Mil.Baht	% Increase (Decrease)	Mil.Baht	% Increase (Decrease)
Total Assets	3,316.36	46.08	2,270.29	25.86	1,803.85	(38.33)
Total Liabilities	917.44	(22.35)	1,181.53	(29.63)	1,679.06	(15.46)
Total Liabilities	2,398.92	120.34	1,088.76	772.47	124.79	(86.71)
Service Revenues	631.83	(64.52)	1,780.93	11.57	1,596.23	(59.34)
Total Revenues	5.19	(90.92)	57.13	219.37	(47.86)	(139.58)
Net Profit (Loss)	(297.65)	(46.13)	(203.69)	84.90	(1,348.54)	(14,769.15)

Financial Ratio	2015	2014	2013
Gross Profit Margin (%)	0.66	3.20	(3.00)
Net Profit Margin (%)	(37.90)	(0.13)	(89.98)
Return on Equity (%)	(15.84)	(30.87)	(240.35)
Return on Assets (%)	(7.67)	(12.49)	(61.78)
Total Assets Turnover (Times)	0.28	0.88	0.68
Debt to Equity Ratio (Times)	0.36	0.97	7.16

	2015		2014		2013	
	Mil.Baht	%	Mil.Baht	%	Mil.Baht	%
Public Sector	232.35	36.77	62.50	3.51	640.91	40.15
Private Sector	399.48	63.23	1,718.43	96.49	955.32	59.85
Total Revenue of Construction	631.83	100.00	1,780.93	100.00	1,596.23	100.00



Message from Chairman



In 2015, the growth rate of the country's economic growth rate was approximately 2.9 -3.0 percent, which was lower than anticipated at the beginning of the year. Further, the transfer of ownership of residences in Bangkok and metropolitan area was reduced by 15-17 percent compared to the year 2014. This reflects a slowdown in the real estate sector and affects the domestic construction sector. Investing and spending of slowing down, it is one of the factors that contribute to household debt remains high. The lending of commercial banks increased austerity. Consumers cannot transfer home or residential thus, slowing down the purchase decision which impact to revenue recognition and financial results of the company under the expectation is huge. However, investment in the sector on the part of utilities continues as the government planned such as the construction of the Red Line and the Blue Line to more progress include of the policy of the state to modify the tram system to all regions of the country are much clearer. It would be beneficial to the construction business and Real Estate Development Company in 2016. The ASEAN's economy began to recover gradually in the second half of 2015, the development of infrastructure and support from the government of each country which is a good signal of entering the AEC (ASEAN Economic Community: AEC).

Real estate development business in year 2016 remains challenging competition. The company plans to launch a new project under the concept of sustainability and improving the quality of life for Thai people, the creation of housing quality, Social Quality Coupled with the Environmental Conservation Return to nature makes cities livable. The company strongly believes that with the experience in the construction business for over 37 years along with the intention of the management team and all employees will make EMC grown steadily include of generating revenue continuously both in sectors of the construction and real estate development business in the long term to return profit to all shareholders by concern to reducing the risk of the business with appropriate strategic planning to the market conditions and the economic environment. Development of Innovative Construction and development staff to create excellent quality product and quality service.

The success of the company will not happen, without good support from all participations. On behalf of Board of Directors, EMC is very thankful to our shareholders, the financial support business partners, press and media, along with relevant public and private sectors involved and all colleagues for support in activities of our Company with a good coordination throughout the years. EMC is committed to conducting business on the basis of stability and sustainable growth meanwhile take into consideration of the benefits of all stakeholders, and comply with good corporate governance principle continuously.

Mr. Chanachai Leenabaanjong
Chairman of the Board

Total Meeting Allowance



Mr. Chanachai Leenabanchong

Chairman of the Board of Directors
Chairman of the Executive Committee



Mr. Chumpol Israngura Na Ayuttaya

Vice Chairman, Executive Director



Mr. Sunan Yiamwanitnan

Director, Executive Director
(Replace Mr. Krisana Sangarsang)



Miss Vipaporn Sakulyuenyongsuk

Director, Executive Director
(Replace Mr. Chalothorn Leelamali)



Mr. Kittphun Ouiyamaphun

Director, Executive Director



Mrs. Neeranuch Na-ranong

Director



Mr. Voravit Leenabanchong

Director, Executive Director

Mr. Supachai Limnasiri

Director, Executive Director
(Replace Mr. Siriphong Vongvuttipornchai)



Dr. Jurairat Unhaka

Chairman of the Audit Committee,
Independent Director,
Nomination and Remuneration Director



Mrs. Sunee Sornchaitanasuk

Chairman of the Nomination
and Remuneration Committee,
Independent Director, Audit Director



Mr. Chupong Tanasettagorn

Independent Director,
Nomination and Remuneration Director,
Audit Director



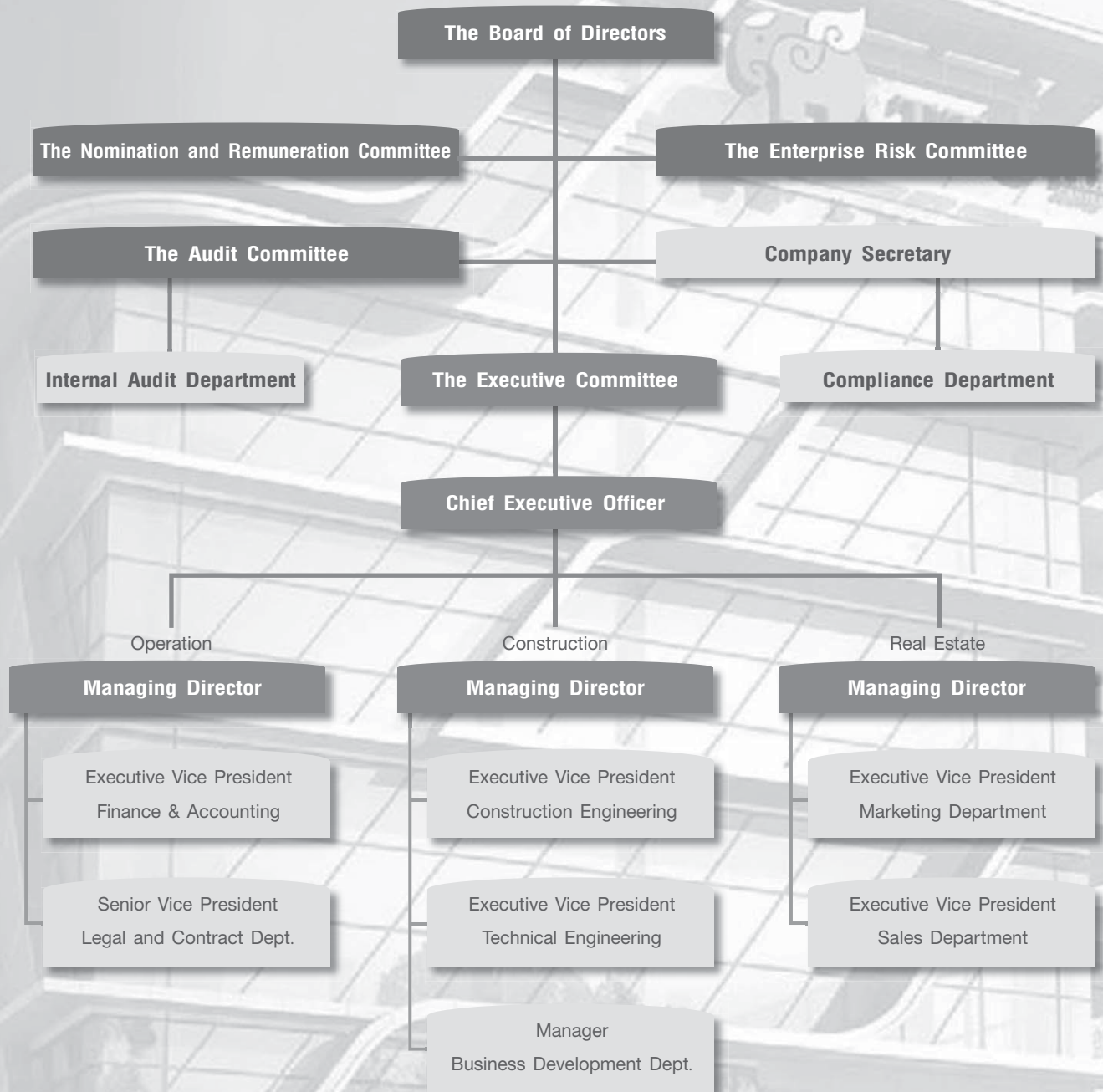
Mr. Pannatee Sriwongthai

Independent Director,
Audit Director



Organization

Organization Chart of EMC Plc. as at December 31, 2015



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	: 02-615-6100
Facsimile	: 02-615-6128 - 30
Website	: www.emc.co.th
Registered Capital	: 12,492,179,374 Baht
Paid-up Capital	: 8,430,043,580 Baht
Par value	: 1 Baht per share

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

No.	Company Name	Office Location	Shareholding portion of the Company	Paid-up Capital	Registered Capital	Paid-up Shares	Par Value
Subsidiary companies in real estate rental business and residential complex							
1	Sajja Bangsean Condominium Company Limited	151/5 Moo 3, Tumbol Samet, Aumphur Muang Chonburi, Chonburi	100%	4,000,000	4,000,000	400,000	10
2	Rich Man Property Company Limited	112/43 Moo 1, Prayasaja Road, Tumbol Samet, Aumphur Muang Chonburi, Chonburi	100%	5,000,000	5,000,000	500,000	10
3	North Property Company Limited	112/45 Moo 1, Prayasaja Road, Tumbol Samet, Aumphur Muang Chonburi, Chonburi	100%	5,000,000	5,000,000	500,000	10
4	SiamBangkok development Company Limited	140/66 ITF Tower, Floor 28, Silom Road, Suriyawongse, Bangrak, Bangkok	100%	20,000,000	20,000,000	2,00,000	10
Subsidiary companies in government and state enterprises concession business for contract construction and civil work							
5	BR Construction Company Limited	140/66 ITF Tower, Floor 28, Silom Road, Suriyawongse, Bangrak, Bangkok	51%	60,000,000	60,000,000	60,000	1,000
Associate company in contract construction of system engineering construction business							
1	Sanken - EMC Company Limited	140/66 ITF Tower, Floor 28, Silom Road, Suriyawongse, Bangrak, Bangkok	48%	10,000,000	40,000,000	400,000	100



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**
 - **IT Law and Accounting Co., Ltd. (Mr. Pollawat Naikowit and Mr. Annop Tonnam)**
38/2 Soi Ladprao 94, Ladprao Road, Wangthonglang, Bangkok 10310
Telephone 02-514-3203-5 Facsimile 02-514-3206
(There is only one case awaiting for the the judgment of the Supreme Court. No progress from the previous year)
 - **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
(There is only one criminal case awaiting for the judgment of the Supreme Court. The judgment shall be use in the case that Thai Airways sued the company, and this case has been temporary disposed. Cost of opinion letter is 5,000 Baht. No progress from the previous year)
 - **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
 - **RPS LEGAL CONSULTANT (Mr. Ratchapon Lokanuvat)**
69 Soi Pasee 2, Ekamai Road, Wattana, Bangkok 10110, Thailand
Tel. 081-920-6798 Fax 02-989-7688
 - **Srisamlan Law Office (Mr. Jakkrit SriSumrarn)**
40/131 Katiya Village 3 BangPud, Pak Kret District, NONTHABURI 11120
Telephone 081-939-5330 Facsimile 02-938-7575-7

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

To be a leading construction and property development in Thailand by deliver performance to meet international standards under the concept of sustainability and improving the quality of life for the Thai people, Social Quality and to create the highest satisfaction of all stakeholders in all sectors, include of customers, business partners, employees, surrounded community to grow together.

Mission

Continue creativity while modernize Products and Services, development with highly innovative function consistently. Accompany with organizational development and human resources will be driven companies to achieve business goals to deliver performance and service quality as well as to meet international standards under the transparent resources management and efficiency to contribute the highest effectiveness and verifiability.

The company aims to operate the business as follows.

1. Move towards an excellent organization by focusing on best practice management of the organization, broader vision, along with capability to solve problems quickly and efficiently.
2. Our company is concentrated in providing and delivering punctually quality work with an effective management system, in order to satisfy customer needs effectively.
3. Our company defines a distinct operation strategy throughout the organization, so that everyone could understand and operate in the same direction, along with conduct together to meet the determined targets.
4. Our company gives precedence to community and social responsibility by highest recognizing in construction safety management, as well as conserving the environment in construction area to avoid an affect to community.
5. Our company gives precedence to our staff by strengthening and developing their capability with knowledge and skills. Focusing on both effective external and in-house training, we emphasize on managing the development of skills in order to prepare for future competition.
6. The company is determined in conducting the operation and management to be of good quality and in accordance with the international standard. Managing with transparency which can be inspected under the good governance as well as maintaining the managerial system (ISO 9001, year 2008) and developing information system with new and modern technology for increasing the capability for a better operation.



Significant changes and development

In the past 3 years, the company had significant changes in shareholding structure and capital structure as follows:

2013

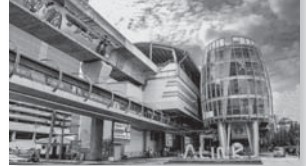
- February - The extraordinary meeting at 1/2013 has a resolution to adjust the authorized capital of 1,542,290,525 baht.
- April - The annual ordinary meeting in 2013 has a resolution to adjust the authorized capital of 1,659,598,165 baht.
- October - To joint venture forming a new company as follows.
- The Board of Directors' conference has considered to approve joint venture with Sanken Setsubi Kyoko Co., Ltd (Japan) to form a company named Sunken- 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.

2014

- April - Change the paid-up capital from 1,173,101,298 THB to be 1,173,215,563 THB due to the exercise for the last 91,781 units of EMC-W3 warrants, its par value is 1 THB per share.
- Annual general meeting of shareholders in year 2014 passed a resolution supporting the capital increase from the original 1,173,215,563 THB to 4,719,646,689 THB, through the issuance of 3,546,431,126 new ordinary shares with a par value of 1 THB each. It would be offered to the existing shareholders of the company and private placement, in order to support the fourth exercise of warrants to purchase its common shares (EMC-W4).
- May - Subscription and payment of ordinary shares during 19-23 May 2014.
- Change the paid-up capital from 1,173,215,563 THB to be 2,346,431,126 THB due to the subscription of 1,173,215,563 shares of common stock, its par value is 1 THB per share.
- August - Subscription and first payment of new shares in a private placement in 2014 for 600,000,000 shares during 14-19 August 2014.
- Establishment of subsidiary companies as follows,
- The Board of Directors has approved the investment in the subsidiaries consists of:
1. Rich Man Property Company Limited
 2. Sajja Bangsaen Condominium Company Limited
 3. North Property Company Limited
- with 100% share purchased.
- September - Change the paid-up capital from 2,946,431,126 THB to be 2,957,216,921 THB due to the first exercise for 10,052,000 units of EMC-W4 warrants, at a par value of 1 THB per share.
- November - Subscription and second payment of new shares in a private placement in 2014 for 600,000,000 shares, paid within 60 days after the resolution of the Board of Directors.
- December - The Board of Directors has approved the investment in the subsidiary consists of:
1. Imperial Land Company Limited
- with 100% share purchased.
- Change the paid-up capital from 2,957,216,921 THB to be 3,557,231,596 THB due to the second exercise for 12,500 units of EMC-W4 warrants, with the par value of 1 THB per share.
- Assign Mr. Chumpol Isarangkun Na Ayuthaya as the director, instead of Mr.Cherdsak Witoonchart who has resigned.

Year 2015 Crucial changes and development

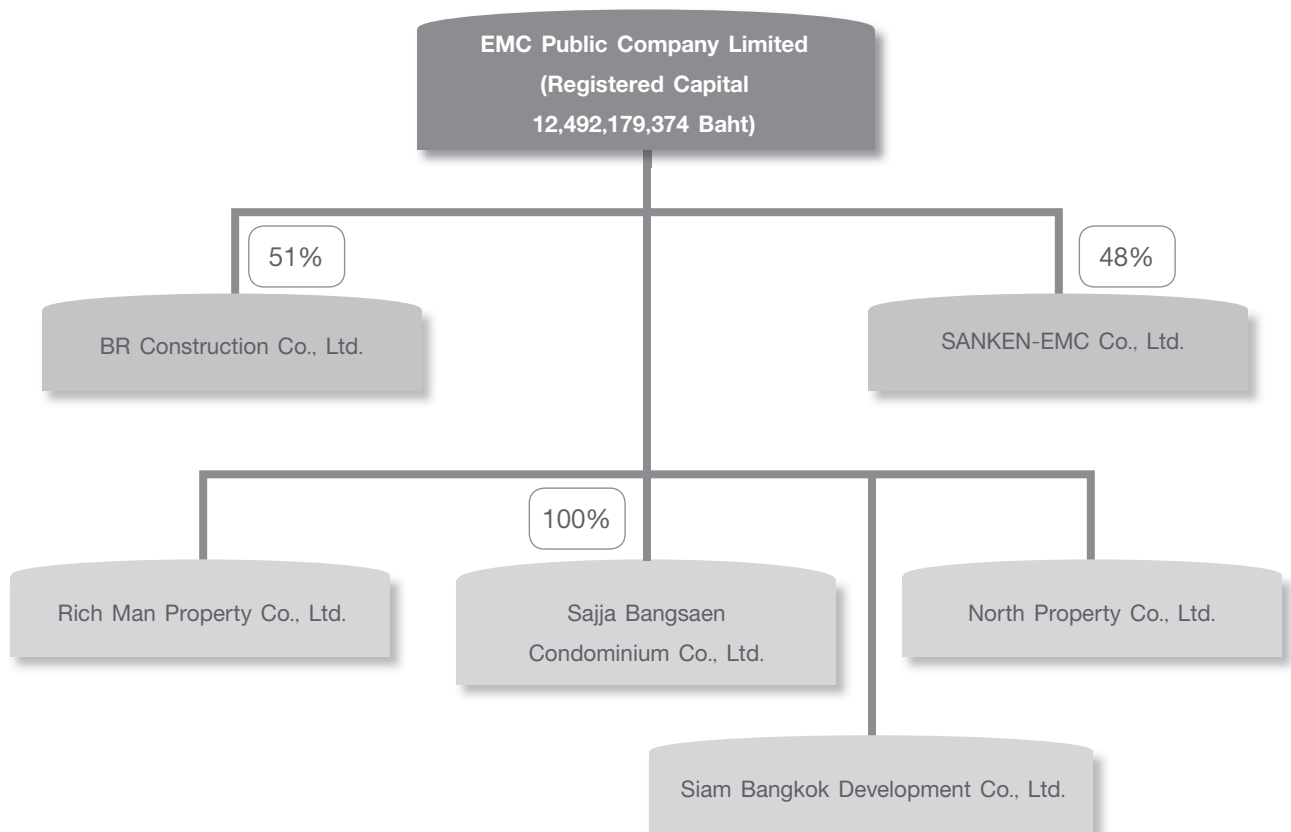
- March
- Adjust the paid capital from 3,557,231,596 Thai Baht to 3,564,580,836 Thai Baht on account of exercising the right according to the warrant EMC-W4 No. 3 for the amount of 6,260,000 units which are equivalent to 7,349,240 shares at the par value at 1 Thai Baht per share.
 - The committee meeting has considered to approve an investment in small companies and to purchase the project as follows:
 1. Siam Bangkok Development Company Limited
Through doing transaction of shares purchasing for 100%
 - Purchasing the projects from SiamGrand Property Company Limited as follows;
 - American Town A and B project
 - Siam Dhara Mantra project
 - East Venice project
 - Extraordinary general meeting of shareholders No. 1/2015
The meeting has a resolution to shares issuance for private placement for 1,200,000 Million shares at the price of 0.85 Thai Baht and has approved the investment in Imperial Company Limited from Auewittaya Company Public Limited and altered the registered capital from 4,719,646,689 Thai Baht to 6,219,646,689 Thai Baht by issuance of newly issued ordinary shares for 1,500,000,000 shares at the par value of 1 baht per share for private placement and supporting adjustment of right for the warrant EMC-W4.
- April
- To indicated the reservation date for purchasing and get paid for the newly issued ordinary shares for private placement no. 1/ 2015. Investors with no relation and not being related person pursuant to The Office of the Securities and Exchange Commission of Thailand are of 650,000,000 shares equivalent to the total sum of 552,500,000 Thai Baht.
 - To adjust the paid capital from 3,564,580,836 Thai Baht to 4,214,580,836 Thai Baht on account of issuance of newly issued ordinary shares for private placement for 650,000,000 shares at 0.85 Thai baht at the par value of 1 baht per share.
- May
- The meeting has a resolution to approve the appointment of committees to replace committees who resigned. To replace Mr. Chalotorn Leelamali with Ms. Wipaporn Sakulyunyongsuk, executive vice president, accounting and financing, as a company director. Also, to appoint Mr. Setawat Tangwatcharapong, executive vice president, real estate, replacing Mr. Paiboon Thongra-ar who resigned on 15th May 2015.
- June
- Too modify the paid capital from 4,214,580,836 THB to 4,214,986,570 THB on account of exercising the right of warrant EMC-W4 No.4 for 345,600 units for 405,734 shares at the par value of 1 THB per share.
- September
- To adjust the paid capital from 4,214,986,570 THB to 4,215,021,790 THB on account of exercising the right of warrant EMC-W4 No. 5 for the amount of 30,000 units for 35,220 shares at the par value of 1 THB per share.
- November
- The extraordinary general meeting of shareholders no. 2/ 2015 has approved the registered capital increase of company from 5,669,646,689 THB to 12,492,179,374 THB by issuance of newly issued ordinary shares for the amount of 6,822,532,685 shares at the par value of 1 THB per share for selling existing shareholders and supporting the remaining newly issued ordinary shares for private placement and supporting the exercising of right of warrant EMC-W3 and supporting the adjustment of right of warrant EMC-W4.
 - To stipulate the reservation date of purchasing and get paid of newly issued ordinary shares during the period of 23rd-27th November 2015.
 - To adjust the paid capital from 4,215,021,790 THB to 8,430,043,580 THB on account of exercising the reserved right to purchase newly issued ordinary shares for the amount of 4,215,021,790 shares at the par value of 1 THB per share.



December - The committee meeting no. 14/ 2015 dated on 18th December 2015 according to EMC Company (public) Limited, “The Company”, has been approved at the extraordinary general meeting of shareholders no. 1/ 2015 dated on 25th March 2015 to purchase ordinary shares of Imperial Company Limited in which conducts its business in the Station one project from Auewittaya Company (Public) Limited. The Company would like to notify that there is no significant progressiveness of investment at the current time so the Company shall not make any payment. Any progress will be informed by the 1st quarter of year 2016.

Business Operations of Subsidiary Companies

Shareholding Structure



- BR construction Company Limited has already registered as the company limited in Thailand on the date of 22nd December 1978 conducting its business in the field of public concession and states enterprises for the subcontractor work and all types of construction work. Presently, the small companies do not operate.
- SANKEN- EMC Company Limited has entered into joint venture agreement with SANKEN SETSUMI KYOKO Company Limited and Mr. Sumeth Jaito at 10th September 2013 with the proportion of shareholding at 48%, 49% and 3% respectively.
- The small companies undertake the subcontractor work and construction for engineering system for general buildings and industrial plants.
- Richman Property Company Limited has registered as a company limited in Thailand at 22nd February 2010 to operate the real estate development in Chonburi Province.
- North Property Company Limited has registered as a company limited in Thailand at 22nd February 2010 to operate the real estate development in Chonburi Province.

- Sajja Condominium Company Limited has registered as a company limited in Thailand at 22nd June 2007 to operate the real estate development in Chonburi Province.
- Siam Bangkok development Company Limited has registered as a company limited in Thailand at 26th December 2007 to operate the real estate development in Chonburi Province.

No.	Company Name	Office Location	Shareholding portion of the Company	Paid-up Capital	Registered Capital	Paid-up Shares	Par Value
Subsidiary companies in real estate rental business and residential complex							
1.	Sajja Bangsean Condominium Company Limited	151/5 Moo 3, Tumbol Samet, Aumphur Muang Chonburi, Chonburi	100%	4,000,000	4,000,000	400,000	10
2.	Rich Man Property Company Limited	112/43 Moo 1, Prayasaja Road, Tumbol Samet, Aumphur Muang Chonburi, Chonburi	100%	5,000,000	5,000,000	500,000	10
3.	North Property Company Limited	112/45 Moo 1, Prayasaja Road, Tumbol Samet, Aumphur Muang Chonburi, Chonburi	100%	5,000,000	5,000,000	500,000	10
4.	Siam Bangkok development Company Limited	140/66 ITF Tower, Floor 28, Silom Road, Suriyawongse, Bangrak, Bangkok	100%	20,000,000	20,000,000	2,00,000	10
Subsidiary companies in government and state enterprises concession business for contract construction and civil work							
5.	BR Construction Company Limited	140/66 ITF Tower, Floor 28, Silom Road, Suriyawongse, Bangrak, Bangkok	51%	60,000,000	60,000,000	60,000	1,000
Associate company in contract construction of system engineering construction business							
1.	Sanken - EMC Company Limited	140/66 ITF Tower, Floor 28, Silom Road, Suriyawongse, Bangrak, Bangkok	48%	10,000,000	40,000,000	400,000	100



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.

In August 2014 the Company has expanded its business by investing into the real estate development for residences and commerce. The Company has a strong intention to develop the residential projects under the notion of sustainability and quality of life improvement for Thai people. Building the qualified residences for qualified society and ultimately satisfying customers. The Company has followed the meeting’s resolution which is to approve to expand investment in real estate development business in the horizontal line such as single house, town house, commercial buildings, department stores and so on. For the vertical line, such as condominium and so on. Since the Company forecasts the business will make a huge profits which is in accordance with the current business operation, i.e. the Company conducts its business in area of subcontracting of skyscraper, condominium, department store, stadium and others including the installation of all internal system in the buildings with experiences and expertise in construction area over than 37 years enabling the potentiality of the Company to expand its business and becoming the real estate developer. The Company has prepared managers and experienced individuals in the real estate business to take part in the team strengthening the Company and constituting the potentiality for real estate business. All of these results in the business extension and exploiting the resources and manpower of the Company to earn higher incomes. And ultimately, the remuneration shall return to our shareholders.

Currently, the Company has registered capital of 12,492,179,374 THB and paid capital of 8,430,043,580 THB.

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:-

Description	Consolidated					
	2015		2014		2013	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenues						
Revenue from construction	631.83	77.38	1,780.93	97.01	1,596.23	97.04
Revenue from sales of residential condominium unit	97.04	17.86	2.55	0.14	-	-
Project consultant fees	5.48	0.68	2.31	0.13	-	-
Other revenue						
Interest income	4.66	0.56	6.05	0.32	6.92	0.41
Others	28.77	3.52	43.97	2.40	41.87	2.55
Total Revenues	816.59	100.00	1,645.02	100.00	1,645.02	100.00
Revenue increase (decrease) ratio		(55.52)		11.60		(41.29)

Description	Separate Financial Statements					
	2015		2014		2013	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenues						
Revenue from construction	631.83	88.72	1,769.48	96.88	1,640.16	97.00
Revenue from sales of residential condominium unit	26.34	3.70	-	-	-	-
Project consultant fees	5.48	0.77	2.31	0.13	-	-
Other revenue						
Interest income	27.50	3.86	10.98	0.60	9.13	0.54
Others	21.03	2.95	43.65	2.39	41.75	2.46
Total Revenues	712.18	100.00	1,826.42	100.00	1,691.04	100.00
Revenue increase (decrease) ratio		(61.01)		8.01		(44.62)

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.

Business Operation

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

1. **Construction Business**
2. **Real Estate Business**

1.1 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.

1.2 Electrical and Mechanical System Engineering

This service includes installation of various utility systems consisting of design and installation of electrical, plumbing and sanitary system, fire protection and fire fighting system, including air conditioning and ventilation system for high-rise buildings such as hotel, hospital, residential condominium, office, department store, industrial factory, 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) and skyscrapers with maximum of eight floors 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.

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 2015

Project Name	Location	Scope of Work	Contract Value (Million baht)	Progress (%)
Taokaenoi Food and Marketing Public Co., Ltd.	Rojana Industrial Park 3 Uthai district. Ayutthaya.	Civil, Architecture, M&E	270.78	40.00
Thai Travel Center	Huamark, Bangkapi, Bangkok	Civil, Architecture, M&E	135.51	15.00
Wiring plugs embedded under the International Convention and Exhibition Centre Commemorating His Majesty's 7 th Cycle Birthday Anniversary	Tambon Changpuak Muang Chiang Mai	M&E	11.30	100.00
			417.59	



Marketing Strategy and Competition

To achieve the business objectives, the Company plans for marketing strategies and competition as follows:

1. Fully integrated service provider

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

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

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.

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 Conditions and Competitions

Condition of the general construction contract business is moving in the same direction with the expansion of the domestic construction sector. While the construction industry is changing in the same direction with the growth rate of GDP (Gross Domestic Products: GDP). If we consider according to the type of investment, we will find out that the construction industry of government and private sectors generally have changed in the opposite direction. That is, when the economy is in the expansion, investment in the construction of private sector is high while the government sector will reduce its investment in the construction to slow up the economy and the price level (inflation) to be not in a too high level that will harm the stability of the economy of the country as a whole. In contrast, when the economy is in a downturn or recession, investment in the construction of the private sector will be low while the government sector has to stimulate the economy through investments in the construction industry. For value of the construction industry, 60-70 percent of total construction value comes from the investment of government sector while the remaining 30-40 percent of its investment comes from the private sector. This is because of the government policy to stimulate the government's construction business including an expectation that public sector investment would still be the main factor that will drive the growth of the construction industry in the future. This is a result of the investment projects that the government will start in the future including in-process ongoing projects, especially investment in the transportation sector and the development of public health and education system. All of these would be a major driving force in the government's construction business.



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., Power Line 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 Power Line 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 in 2014

The contract value of the on-going projects is 2,185.70 million Baht, and the remaining unrealized value is 642.23 million Baht as follows

Project Name	Contract Value (Million Baht)	Backlog (Million Baht)
Building schools Vajiravudh 2 groups (four buildings)	436.91	188.14
Taokaenoi Food and Marketing Public Co., Ltd.	270.78	162.07
Thai Travel Center	135.51	115.67
Total	843.20	465.88

2. Real estate line

The nature of business divided into products as follows;

2.1 Residential business

In August 2015, the Company has expanded its business from construction business to real estate development with the notion of sustainability and life uplifting to Thai people. Besides the Company is determined to increase the profits since real estate business gain profits far better than that of construction business and for the faster income acknowledgement. Also, this will lessen the risk at the initial stage of real estate development business. The Company has done business transaction by purchasing entities from previous experienced entrepreneurs in such area. Also the income of projects purchased is partly acknowledged in the 2nd quarter, year of 2015.



Projects the Company has purchased as follows:

North Beach Resort project: Residential buildings 6 floors, 4 buildings expected to be finished constructed in 2016 for 2 buildings. The selling area is of 200 units under the Rich Man Property Company Limited.



North land Condominium project: Recently, the project's name is changed to Palmio which consists of residential buildings 8 floors, 2 buildings, construction in process by commencing in 2015 under SajjaBangs and Condominium Company Limited and residential buildings 8 floors, 11 buildings, starting the construction for the 1st phase for 1 building in the beginning of 2015 under North Property Company Limited.



Furthermore, the Company has developed real estate project under EMC Company (Public) Limited which consists of URBITIA, a low rise project, for 8 buildings, 130 units in the alley Sukhumvit 36 where is away from BTS Thonglor only 230 meters. The size begins at 28-97 sqm. which is open to reserve the right to purchase in 2016 and expected to construct in the middle of 2016.

Apart from the projects aforementioned, the Company has a plan to develop the residential projects in 2016 on the land nearby the public transportation system existing and about to exist in the future as well as in other provinces where the center of business and traveling attraction with high demand in market stand so that the Company shall become fully engaged in real estate business. With the experiences and expertising in the construction over than 37 years, the Company is ready to expand its business and to become real estate developer.

2.2 Housing and land estate

In March 2015, to accelerate the income acknowledgement and lessen the business risk at the initial stage, the Company has entered into the transaction of purchasing from previous experienced entrepreneurs in the area and the Company is about to acknowledge partly incomes at the 2nd quarter in 2015. The Company has invested in real estate business for residential project in horizontal in form of Townhome along with developing the projects purchased as follows:

Iyara Project: Townhome 3 floors and 2 floors, total units: 251 under Siam Bangkok Development Company Limited.

2.3 Real estate Development (Mixed uses)

The Company has developed real estate (Mixed uses) projects consisting of community mall and commercial buildings under EMC Company (Public) Limited as follows:



Landmark Mahachai Project: Community Mall and Commercial buildings projects

Near the Nikom Mahachai railway residences around Wongwien Yai - Mahachai of Thai railway station by acquiring the land lease right in land developing projects for the period of 34 years. The duration of construction agreement is of 4 years and land use agreement for the period of 30 years which has been already affixed the signatures and shall be effective on 2nd January 2015. The Company has a plan to develop project to be of community mall under Landmark Mahachai project consisting of plaza building 6,607 sqm. and commercial building for 101 units with 21,210 sqm. which shall be sold in 2nd quarter of year 2015.

The Market and Competition Condition

1. Competition strategy

Market and competition strategy

Real estate market in Thailand which composes of various real estate developers and variety of size as well as behaviors and being a deciding factor to purchase for customers at the present time such as affordable price, location, quality and standard of house, residential buildings, types of project and of house patterns and function arrangement in house or in room with the reputation of entrepreneurs that satisfy the customers. Accordingly, there are competition in design, product and service quality, environment and facilities in projects as well as pricing competition in certain product. Therefore not only the Company has many competitors in registered in SET but also competitors not registered in SET and other small competitors. The nature of competition shall depend upon the form of products, pattern and quality, location and pricing. The Company has a potentiality and capability to compete with other entrepreneurs by means of competition strategy as follows;

Product and service Strategy

- The Company prioritizes location of project to be of potentiality by considering to choose location where community extension tends to be and public transportation expansion in future. To emphasize the quality of structure and pattern with facilities and modern design with green space. The building is designed to be open-aired and decent ventilation with natural light being utilized for family as well as saving energy, solid foundation in long run and no useless space. Besides, building society to be of quality is crucial in the project. Enhancing the relation within family and community in projects.
- To manufacture products to cover various residences such as house, twin house, townhouse, town home, commercial buildings and Low rise condominiums in different areas throughout Bangkok and other provinces where the growth of economic is on the rise. Such location shall be potential with high demand to reflect the demand in the market and spread the risk of investment.

Pricing strategy

- Improving pricing strategy by employing the financial principles together with marketing principles for pricing to compete with competitors nearby. To beneficial in products, price and satisfaction of customers and take - off in units sold and gained initial profits. All of these constitutes utmost benefits to the Company.

Promotion strategy

- To properly and continuously support the activities of promotion and marketing in each project to be the deciding factor in the mind of customers such as Aggressive Pricing Strategy for certain units/ Projects.

Uniqueness of products and services strategy

- To gradually improve novation of production such as choosing the effective construction method with international standard, choosing high quality material, improving designing of house and residences to reflect lifestyles or way of life of new generation people as well as to correspond with saving energy and environment. To effectively improve the system of inspection and approval of work and the after- service to satisfy the customers.
- To improve novation of service mind system for customers allowing the convenience for customers before and after selling such as improving online reservation system in sale offices so that the customers can see the unit plan and deduct units via online reservation by sending information directly to headquarter office of the Company resulting in the precise and faster service. To improve channel for payment such as payment by bar code card, payment by deducting bank account or credit card.



Confidences in customers Strategy

- To improve the projects and constructions in process to be completely finished within due date and deliver to customers on time.
- To engage in the international standard ISO 9001: 2008 to standardize products and services including inspection of working system and controlling the quality of work of subcontractors, employees, consultants and other suppliers by providing team to scrutinize every stages of construction and put “QC sticker” on prior to delivery of house and residences to customers as well as issuance of warranty to customers for reassurance in products and services as after service.

Targeted customer group

Targeted customer group of the Company shall be customers who have purchasing power as follows;

(1) Residential housing and buildings

Targeted customer group shall be office workers, directors, entrepreneurs and middle class persons as follows;

- Customers with low average incomes in the range of 20,000 - 50,000 THB per month
- Customers with average incomes in the range of 50,000- 120,000 THB / month
- Customers with top average incomes in the range of 120,000 THB/ month onwards

(2) Mixed use project consisting of community mall and commercial buildings

Targeted customers group such as entrepreneurs, businessmen and persons who seek the area for selling products and services to extend their branches to new trading area in the heart of the city such as Mahachai.

Distribution and Channel

The Company Group has main channel to distribute as follows;

The Company engages in distribution channel through sale offices located in each project and selling online via website of the Company and agent by advertising and broadcasting the information relating to the Company Group and the progressiveness of the project through various media for penetrating the targeted customer group such as newspaper, advertising board, email, website, facebook and so on.

2. Industrial and competition condition

Real estate situation in Thailand in the first half of the year 2015 is still influential by the risk factors going on from year 2014 especially the factor impacting the political situation. The first half of 2015, the political situation is unstable. The economic is not in good status. All of these lead to low investment and purchasing of real estate since the customers and entrepreneurs do not have confidences in economic and security of the country. Moreover, the household debt is still increasing and the purchasing power in the country is dropped resulting in higher beware of commercial banks to grant credits for residential loans. Further, real estate still got the impact from factors of cost, land price, labours and material price which tend to be of higher price. However, amidst of many risk factors, there are supportive factors enabling real estate market for the second half of the year 2015 to be in good health since the public sector and government support real estate entrepreneurs by issuing tax measure, decreasing the transfer fee so that houses can be transferred to customers in a fast pace for the benefit of motivating the entire economy in Thailand.

For the past period, the problem of oversupply of residences is lessened at certain level. For the tendency of real estate market in 2016, the Company anticipates such problem shall be solved out and the demand shall be higher provided that no influences from political and economic risks. The Company forecasts the customers shall have confidences in deciding to purchase real estate whilst the real estate entrepreneurs will reinvest as well especially in condominiums where are expected to grow increasingly according to BTS extension projects. For the future real estate market, the positive factor from officially entering ASEAN Economic Community (AEC) since the end of year 2015 shall impact the residential growth and real estate shall be expanded to other huge cities and other provinces in addition to the greater foreign investment in real estate.

3. Product Supplier

- Land supply and forms of project development.

The business development department is a main unity to allocate land, explore, for selection of location for project development, to enhance potentiality to select proper lands. This department shall analyze and study the probability in project development through working together with other departments such as design and product developer, project developer, legal and financial and marketing to scrutinize and decide to choose the types of residences suitable for such location such as condominium, single house, townhouse, commercial buildings with taking legal matters into account such as the height of buildings, set back, so on. Design and product developer shall consider the nature of land, planning projects to be in properness by taking account of legal matters and project developer shall consider the probability of the construction, the budget. Also, business developer shall estimate the entire selling amount by employing marketing information from marketing and sales department or explore new markets for enhancing the precise predictions and specifying the selling price in accordance with the current situation.

- Material purchasing

The Company purchases all material from suppliers in the country who are manufacturer and distributors in Thailand. The material purchased mostly are general material for electrical engineering and machines and construction engineers such as steel, plaster, wire, PVC, water pipe, etc. The material purchased from distributors in Thailand shall be customized as customers' order such as luxurious material with high price such as lamp, electric transformer, high voltage switch, cooler, fire extinguisher, fire alarm.

For Quality control, the Company has selected manufacturers and suppliers by comparing the volume of products and potentiality in providing material at the decent price as well as delivery on time to guarantee the suppliers shall provide materials with high standard and specified quantity within timeframe delivery. The Company shall regularly estimate the performance of each supplier to be ensured all of the standard stated by the Company.

- Subcontractors supply

Supply of Subcontractors who can deliver the good quality of work within timeframe is a crucial factor in business operation. Therefore the selection of subcontractors, the Company shall consider the capability of subcontractors in construction by taking quality of work, timeframe and delivery on time into account. The Company shall consider the budget and standard for single house and townhouse development project. Most of projects are in Chonburi province. Hence the Company employs local subcontractors which the cost is low compared to the cost of subcontractors in Bangkok since there is no transportation and material delivery. The Company provides small subcontractors for construction leading to the flexibility in altering construction plan to respond the changing situation. For condominium, the Company shall firstly consider the power of



manufacturing of construction of the Company whether it can proceed the construction or not. If construction works are overloaded, the Company shall hire subcontractors outside the Company. Such hire shall be exclusive subcontractor to complete the whole process of construction so as to control the construction cost. Besides, the Company still has a system to control construction to be in accordance with specific plan and has quality control system in a stringent manner according to ISO 9001: 2008

Environmental responsibility

The Company is in process of planning in managing public utility system of project to be in line with laws of land management as well as studying the impact of environment within the project according to laws for the projects unnecessary to require studying the impact on environment. The Company takes into account of the effect on environment and nearby community.

4. Projects not submitted in 2015

The Company has value of work not submitted in each project as follows:

Project	Location	Type	Project commen cing	Area sold (sqm)	Progress of project	All area sold and value		Transferred		Remaining			
										Area sold		To be sold	
						Unit	Price (THB)	Unit	Price (THB)	Unit	Price (THB)	Unit	Price (THB)
Residential project													
Siam Iyara	Nhongsbondaeng, baanbueng, Chonburi province	Townhome	Mar 15	5,685	67%	251	285,016,000	49	86,686,500	16	22,894,500	186	175,435,000
Condominium projects													
North Beach	BangsarnLang Road, Wonnapa beach, Sacnsuk, Mueng, Chonburi	Condominium	Aug 14	7,853	95%	200	570,388,200	-	-	53	171,218,800	147	399,169,400
Palmio	Soi Watautapow, Piboonpacharak road, Nhongmadaeng, Mueng, Chonburi (Amata Makorn)	Condominium	Aug 14	7,476	39%	231	253,000,000	-	-	67	63,134,099	164	189,865,901
Urbitia	Soi, Sukhumvit 36, Sukhumvit road (away from BTS Thonglor 230 meter)	Condominium	Feb 16	5,299	Start to construct in June 16	130	930,000,000	-	-	-	-	130	930,000,000
Mixed use projects													
**Landmark	Nikom railway road,	Commercial	Nov 14	21,210	10%	101	750,155,280	-	-	54	422,559,156	47	327,596,124
Mahachai	Mahachai, Mueng, Samutrasakorn	building		6,607	10%	6,607 sqm.	**	-	-	995 sqm.	121,640,400	5,612 sqm.	Depending on
		Community Mall					1,728,650,134						the contract

Remark: The total value of Landmark Mahachai project is calculated from rental fees during the whole period of contract for 30 years which is divided into community mall for 1,728,650,134.THB and commercial buildings for 750,155,280.- THB.

The Company shall enter into contract with customers for selling in area of community mall. The duration of contract shall be 1- 6 year depending upon the conditions in contract. The utmost benefits of the Company shall be put in priority. The areas sold are 995 sqm. The total value of the entire lease agreement concluded by the Company and customers is of 121,640,400 THB.

Risk Factors

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.

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. The risk of not receiving payment or delay payment

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

4. The risk from higher competitive

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



5. Risk from Loss of Personnel

General construction contract business including electrical and mechanical engineering field of the company, is the business that relies on the knowledgeable persons with their qualification in design, planning and construction as planned. The knowledgeable persons are engineers in the positions of project director, project manager, and supervisor. The loss of these personnel may affect the performance and competitiveness of the company, so our company has adopted a human resource management policy and appropriately provides rewards to employees.

6. Risk from Government Policy

From the government policy to increase labor costs as well as improving the welfare of the workers, had a great impact on the cost of operations of the company especially for the bidding auction that has been done before the policy changing. This policy affects the profitability of the company, while the company trying to reduce other operating costs to compensate for the increased cost of such factors.

For new projects, nevertheless, our company has announced a new price for bidding to cover the costs of such increases. This has not much affection to bidding procedure because this factor affects to the whole industry simultaneously. Moreover, our company had also imposed more intense and more efficient measure for recruitment.

7. The risk of deficiency of qualified subcontractors.

The deficiency of qualified subcontractors shall result in incapability of the Company not to construction within timeframe and cost increase. However the Company shall prevent such risk by engaging in the policy to select qualified subcontractors through considering the reputation, experiences and assessment of work used to perform for the Company. Moreover, the Company has a good relationship with at least 5-10 subcontractors who are willing to perform work with the Company. The inspection of work by subcontractors must be in system i.e. the Company would specify that one project has 5-10 subcontractors and the construction plan is provided to every subcontractors. There will be subcontractors' meeting every week as well as there is a project engineer to control and solve the problem at site for subcontractors to ensure that each of subcontractors shall proceed as planned under the same standard of work. In case any subcontractors cannot proceed the work according to stated standard, the Company still can replace such subcontractors with other qualified subcontractors in time.

8. The risk of labour deficiency

The problem of labour deficiency shall impact on the construction performance of the Company group leading to a delay of work and incapability to deliver work within timeframe. However, the Company group has realised this risk factor and prepared alien labours in replacement. The government policy to free trade in Asean Economics Community (AEC composed of 10 countries i.e. Thailand, Burma, Laos, Vietnam, Malaysia, Singapore, Indonesia, Phillipphine, Cambodia, Brunei for the benefits of economics and higher bargaining power with the counterparts and importing and exporting of these countries shall have no barrier) The cost of labour shall be lessened which relieves the problem of labour deficiency. Thailand would not lack of qualified labours since the free movement of labours. There will be more Burmese, Lao, and Cambodian entering into Thailand to work as labours. However, the Company must prepare plan and coordinate with public sector to control and handle the social problems which may follow such as crimes.

However, the free trade in AEC supported by government is likely to have a good impact on the Company which constitutes trade expansion in the country at least 25% of industrial sector such as vehicles and tourism. Also, the investment from Asian Countries into Thailand shall be expanded. Therefore we have an opportunity to invest and undertake work in Asian countries more than before. The Company is expecting to undertake construction works resulting from this promotion of free trade. Further, the demand of residences of investors coming into Thailand shall be another customer of real estate development of the Company. Hence the Company realizes that English language is important in order to communicate with others from Asian countries. Also, customers in Thailand might not be sufficient since foreign business comes into Thailand to take our market share as well. Therefore, AEC is an important issue the Company must concern and be well-prepared.

9. The risk of change in the rules, regulations or real estate laws

The real estate development risk may be limited such as the limited in use of space in a building, administrative charges area, retraction of the building including the disputed of land boundary with adjacent landowners, as well issue a complaint under construction or the expropriation of land for construction of public utility or problems arising from the announced amendments and regulations as it is in the process of preparing to ask for permission. The Company plans to reduce; such risks by prior to the start of project development; will check the limited of the legal and regulations which involved in land.

10. The risk of acquiring the land

The operators of real estate development, accelerate new projects at the stroke of the real estate market also contributed to the growth factor. Contributed in pushing land prices and the cost of the business to increase. And push housing prices higher as well. This will enable the purchase of residential consumers reduced. Moreover, the developing and investment in public transportation such as Metro Orange Line and Pink Line are rapidly rising land prices which in some areas, land prices rose to a higher purchasing power of people in these areas. Making the real estate market in some areas are facing excess supply. The Company's policy is to purchase land along the BTS or MRT areas for condominium, the grow potential community close to the workplace and reduce the risk of economic and political. The Company's policy is to purchase land for immediate development. Moreover, the emergence of the AEC will allow real estate needs rising as well.

11. The risk of rising expectations and litigation

A property development project is involving many laws and a more complexity. If indiscretion could bring enormous damaged to the company, such as land use changes along revised the Act. A comprehensive plan as a result it purchasing plan is unsuccessful.

12. The risk of fluctuations in the economy

The Company's real estate business The business has been directly affected by the economic slowdown. Such factors might affect the purchasing power and the decision to purchase residential customers of the Company's target customers are mainly middle to upper class. It may be affected negatively by. Changes in economic conditions, the Company has more ways to reduce such risks. By planning and policy formulation in line with the economic conditions in each period, the company has been doing surveys and market research continues. In order to obtain the information needs of residential customers reliable. And to use the company to bring such information



to analyze in a systematic way by a team of experienced, so that the company can achieve its objectives in response to customer demand, continuously and completely in every aspect. Whether it is a residential style function applications. And location, etc.

There is also a designated target in accordance with its selection and project types. To ensure that the company can develop products that meet the needs of residential and purchasing power of customers in the near term as possible. The sales of the company for sustainable growth even in the current economic climate there. The expansion dropped This will result in the company that can reduce the risk of fluctuations in the economy.

13. The risk of increased interest rates on loans and access to capital

The company is operator for the leap into the real estate development market. Thus creating confidence and reliability to the financial institution. Support for the funding that is so important to the company. And strive to create a good result to take place as planned on the Company. With the creation of a strategic partnership with commercial banks. For the benefit of the lower interest rate for funding or financing will be used to perform optimally. And reduce the risk of increased cost of future projects.

Securities and Shareholders Highlights

The Number of Registered Capital and Paid-up Capital

Ordinary Shares

As at December 31, 2015, the Company has registered capital at the amount of 12,492,179,374 Baht consisting of 12,492,179,374 ordinary shares at the par value of 1 Baht each. The paid-up capital is 8,430,043,580 Baht consisting of 8,430,043,580 shares at the par value of 1 Baht each.

Shareholders

The distribution of shareholdings is divided by the range of shares held by shareholders as follows:

Range of Shareholding	As at December 30, 2015		
	Amount of Share	Amount of Shareholder	Percentage of Shareholder
1 - 999,999	838,765,224	7,816	92.22
1,000,000 - 10,000,000	3,348,615,983	647	7.63
10,000,000 and above	4,242,662,373	12	0.15
Total	8,430,043,580	8,475	100.00

- (1) As of the latest registration book closing on December 30, 2015 provided by Thailand Securities Depository Co., Ltd., the list of 10 Major Shareholders is as follows:

Shareholders' Name	Amount of Shareholding	Percentage (%)
1. Mr. Chinchai Leenabanchong	1,154,422,615	13.694
2. Capital Engineering Network Plc.	660,384,984	7.834
3. Mr. Voravit Leenabanchong	560,370,000	6.647
4. Miss Chinsiree Leenabanchong	397,076,491	4.710
5. Miss Chinree Leenabanchong	350,000,000	4.152
6. Miss Wannee Rojwanitchayakarn	209,000,000	2.479
7. Mr. Chanachai Leenabanchong	185,308,847	2.198
8. The Hongkong and Shanghai Banking Corporation Limited	173,169,700	2.054
9. Mr. Nawawit Kuwanun	167,479,736	1.987
10. Mr. Anuwit Tantisaywaykul	151,000,000	1.791

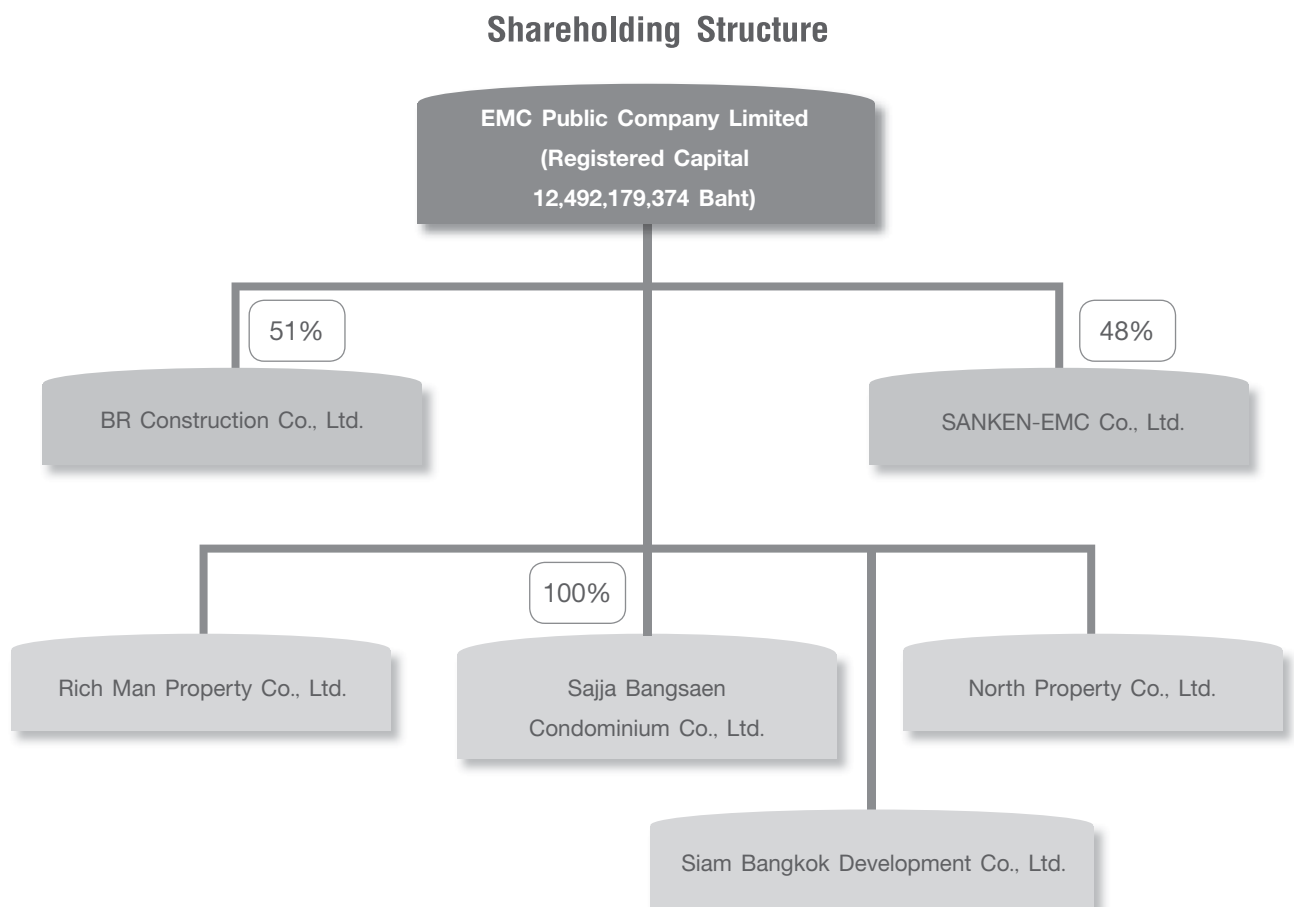


Warrants

As of the latest registration book closing on December 28, 2015 provided by Thailand Securities Depository Co., Ltd., the list of 10 Major Warrant Holders is as follows:

Shareholders' Name		Amount of Shareholding	Percentage (%)
1. Mr. Somkiat	Kuakoolpitak	200,000,000	17.295
2. Mr. Anuwit	Tantisaywaykul	47,305,900	4.091
3. Miss Sawitree	Suwanpratet	35,801,400	3.096
4. Mr. Boonsaeng	Chokyangkool	30,006,200	2.595
5. Miss Kanjaporn	Taninroongroj	25,000,000	2.162
6. Mr. Apiwat	Niradsoongnern	25,000,000	2.162
7. Mr. Narongpol	Siripanichpong	19,919,600	1.723
8. Mr. Wuttichai	Piriyothaisakul	18,258,700	1.579
9. Mr. Jaksawat	Wimolmongkolrat	18,154,243	1.570
10. Mr. Pitoon	Maneepairoj	16,520,200	1.429

- (2) As at December 31, 2015, the Company had shareholdings in its subsidiaries and the joint investment company as follows:



Shareholding Structure of BR Construction Co., Ltd.

1.	Miss Tipkanang	Lertkomolsuk	48.9984%
2.	Mr. Peerapol	Pipawakorn	0.0016%
3.	EMC Plc.		51.0000%
Total			100%

Shareholding Structure of SANKEN-EMC Co., Ltd.

1.	Mr. Siriphong	Vongvuttiornchai	0.00025%
2.	Mr. Paiboon	Thongra-ar	0.00025%
3.	Mr. Krisana	Sngar-saeng	0.00025%
4.	Mr. Sumet	Jaito	3.00000%
5.	EMC Plc.		47.99925%
6.	SANKEN Setsubi Kogyo Co., Ltd.		49.00000%
Total			100%

The shareholders in such subsidiaries are not connected persons.

- (3) The agreement between shareholders that has the impact towards the issuance and offering of securities or the Company's management, including the substantial that affects the Company's operation.

- None -

Convertible Securities

The Extraordinary General Meeting of Shareholders No.1/2013, held on February 15, 2013, had approved the capital increase to accommodate the adjustment of Warrants to purchase ordinary shares No.3 (EMC-W3) of the Company as follows:

Previous

Exercise ratio : 1 unit of Warrant to 1 ordinary share

Exercise price : 1.50 Baht per share

New

Exercise ratio : 1 unit of Warrant to 1.245 ordinary shares

Exercise price : 1.205 Baht per share

The Annual General Meeting of Shareholders 2014, held on April 25, 2014, had approved the Company to issue and offer 1,173,215,563 units of Warrants to purchase ordinary shares No.4 (EMC-W4) of the Company for the existing shareholders at the ratio of 2 existing shares to 1 unit of warrant. Any fraction shall be disregarded. The term of warrants shall be valid for 2 years without offering price. The exercise price is 0.40 Baht per share at the exercise ratio of 1 unit of warrant to 1 ordinary share (the exercise ratio and the exercise price may be changed in case of right adjustment).



Details of Warrants to Purchase Ordinary Shares No.4 (EMC-W4) of the Company

Type of Warrants	:	Specify Warrant Holders and Transferable
Offer to	:	The existing shareholders of the Company whose names are listed on the shareholders' register book on the closure date for suspension of share transfer of the Company as at June 30, 2014.
Offering price per unit	:	0 Baht (Zero Baht)
Number of warrants	:	1,173,215,563 units (allocated 1,173,111,070 units)
Number of underlying shares	:	1,173,215,563 shares
Issuing date of warrants	:	July 4, 2014
Maturity date	:	March 28, 2016
Warrant term	:	2 years from the issuing date of warrants
Exercise ratio	:	1 unit of Warrant to 1 ordinary share unless there will be right adjustment, it shall be adjusted according to the right adjustment conditions.
Exercise price	:	0.40 Baht unless there will be right adjustment, it shall be adjusted according to the right adjustment conditions.
Exercise period	:	The first exercise date is on September 15, 2014, thereafter the exercise date shall be on every 15th of March, June, September and December of each year throughout the terms of warrants.
Number of unexercised Warrants	:	1,173,111,070 units

The Board of Directors Meeting No. 5/2014, held on August 13, 2014, resolved that the payment for 600,000,000 shares to be paid by specific person (Private Placement) was approved, thereby resulting to the exercise of EMC-W4 as follows:

	Previous		New	
Exercise price	Share	Baht	Share	Baht
	1	0.40	1	0.373
Exercise ratio	Warrant	Share	Warrant	Share
	1	1	1	1.073

Effective Date : The first payment date of PP (August 14, 2014)

Result of the exercise on September 15, 2014 (No.1)

Number of the exercised warrants was 10,052,000 units representing 10,785,795 ordinary shares.

Number of the unexercised warrants was 1,163,163,563 units.

The Board of Directors Meeting No. 6/2014, held on November 14, 2014 resolved that the payment for 600,000,000 shares to be paid by specific person (Private Placement) was approved, thereby resulting to the exercise of EMC-W4 as follows:

	Previous		New	
Exercise price	Share	Baht	Share	Baht
	1	0.373	1	0.341
Exercise ratio	Warrant	Share	Warrant	Share
	1	1.073	1	1.174

Effective Date : The first payment date of PP No.2 (November 24, 2014)

Result of the exercise on December 15, 2014 (No.2)

The number of exercised warrants was 12,500 units representing 14,675 ordinary shares.

The number of unexercised warrants was 1,163,151,063 units.

Result of the exercise on March 15, 2015 (No.3)

The number of exercised warrants was 6,260,000 units representing 7,349,240 ordinary shares.

The number of unexercised warrants was 1,156,891,063 units.

Result of the exercise on June 15, 2015 (No.4)

The number of exercised warrants was 345,600 units representing 405,734 ordinary shares.

The number of unexercised warrants was 1,156,545,463 units.

Result of the exercise on September 15, 2015 (No.5)

The number of exercised warrants was 30,000 units representing 35,220 ordinary shares.

The number of unexercised warrants was 1,156,410,970 units.

The Company will adjust the exercise price and the exercise ratio to ensure that the interest of the warrant holders shall not less than the previous offer. The right adjustment shall be applied in the event that the offering price of new issued shares is lower than the market price and the offering of warrants is lower than the market price as follows:

	Previous		New	
Exercise price	Share	Baht	Share	Baht
	1	0.341	1	0.299
Exercise ratio	Warrant	Share	Warrant	Share
	1	1.174	1	1.335

The Extraordinary General Meeting of Shareholders No.2/2015, held on November 3, 2015, had approved the Company to issue and offer 2,107,510,895 units of Warrants to purchase ordinary shares No.5 (EMC-W5) of the Company for the existing shareholders who subscribed and paid for such shares at the ratio of 2 existing shares to 1 unit of warrant. Any fraction shall be disregarded. The term of warrant shall be valid for 2 years without offering price. The exercise price is 0.25 Baht per share at the exercise ratio of 1 unit of warrant to 1 ordinary share (the exercise ratio and the exercise price may be changed in case of right adjustment).

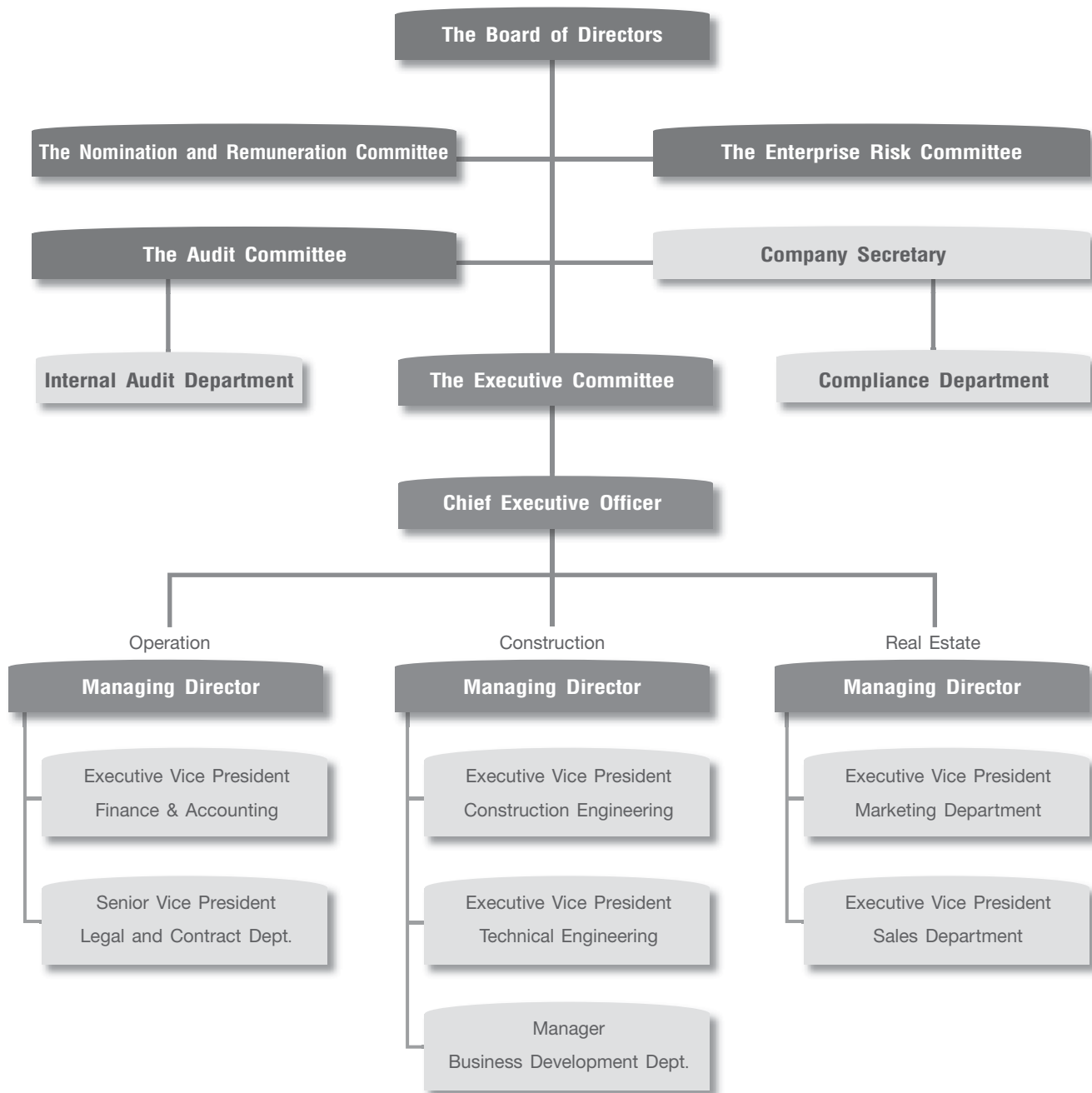


Details of Warrants to Purchase Ordinary Shares No.5 (EMC-W5) of the Company

Type of Warrants	: Specify Warrant Holders and Transferable
Offer to	: The existing shareholders of the Company who subscribe for the newly issued ordinary shares and their names are listed on the register book on the date on which the Company determines the names of shareholders who are entitled for subscriptions of shares on October 13, 2015 and for compiling the names of shareholders under Section 225 of the Securities and Exchange Act B.E. 2535 by the method of closing the Share Register Book on October 14, 2015, at the ratio of 2 new ordinary shares per 1 unit of Warrant. Any fraction of share will be disregarded.
Offering price per unit	: 0 Baht (Zero Baht)
Number of warrants	: 2,107,510,895 units
Number of underlying shares	: 2,107,510,895 shares
Issuing date of warrants	: December 14, 2015
Maturity date	: October 30, 2017
Warrant term	: 2 years from the issuing date of warrants
Exercise ratio	: 1 unit of Warrant to 1 ordinary share unless there will be right adjustment, it shall be adjusted according to the right adjustment conditions.
Exercise price	: 0.25 Baht, unless there will be right adjustment, it shall be adjusted according to the right adjustment conditions.
Exercise period	: The first exercise date is on April 30, 2016, thereafter the exercise date shall be on every 30 th of January, April, July and October of each calendar year throughout the term of warrants.
Number of unexercised warrants:	2,107,510,895 units

Management Structure

Organization Chart of EMC Plc. as at December 31, 2015





Management Lists, Authorities, and Responsibilities

The management structure of the Company consists of 5 management teams, namely, the Board of Directors, the Nomination and Remuneration Committee, the Audit Committee, the Executive Committee, and the Enterprise Risk Committee. Scope of authorities, duties and responsibilities of each team are as follows:

1. The Board of Director

As at December 31, 2015, the Board of Directors consists of 12 Directors as follows:

				<u>Appointed Date</u>
1.	Mr. Chanachai	Leenabanchong	Chairman	April 27, 2007
2.	Mr. Chumpol	Israngura Na Auttaya	Vice Chairman	December 22, 2014
3.	Mr. Supachai	Limnasiri	Vice Chairman	December 18, 2015
4.	Mr. Voravit	Leenabanchong	Director	December 18, 2015
5.	Mrs. Neeranuch	Na-ranong	Director	September 13, 2007
6.	Mr. Sunan	Yiamwanitnan	Director	December 18, 2015
7.	Mr. Kittiphun	Ouiyamaphun	Director	December 18, 2015
8.	Miss Vipaporn	Sakulyuenyongsuk	Director	May 15, 2015
9.	Dr. Jurairat	Unhaka	Chairman of the Audit Committee and Independent Director	September 13, 2007
10.	Mrs. Sunee	Sornchaitanasuk	Member of the Audit Committee and Independent Director	August 21, 2007
11.	Mr. Chuphong	Tanasettakorn	Member of the Audit Committee and Independent Director	August 21, 2007
12.	Mr. Pannatee	Sriwongthai	Member of the Audit Committee and Independent Director	April 24, 2008

Company Secretary : Mr. Matee Ittirivichai

Authorized Signatory Directors

Names and number of the Directors who are authorized to sign on behalf of the Company

“Mr. Chanachai Leenabanchong or Mr. Chumpol Israngura Na Ayuttaya or Mr. Voravit Leenabanchong cosigns with Miss Vipaporn Sakulyuenyongsuk or Mr. Supachai Limnasiri or Mr. Sunan Yiamwanitnan altogether two Directors and affix the Company’s seal”.

The Board of Directors has to perform its duties in accordance with the laws, the Company’s objectives and Articles of Association, as well as the resolutions of the Shareholders’ Meetings except the matter that requires the approval of the shareholders’ meeting before proceeding such as the matter that the resolution of the shareholders’ meeting is required by laws, the connected transaction, the acquisition and disposition of significant asset as per the regulations of the Stock Exchange of Thailand or any other relevant authorities, etc.;

Scope of Authority, Duties and Responsibilities of the Board of Directors

1. To perform its duties in accordance with the laws, the Company’s objectives and Articles of Association, as well as the resolutions of the shareholders’ meetings, with honesty, integrity, prudence, and attention to the benefit of all stakeholders;
2. To determine the business policy, the annual plan and budget of the Company, and to conduct the management team to act in accordance with the policy set forth efficiently in order to maximize the value and wealth of the Company and its shareholders;

3. To supervise the Company in compliance with the regulatory requirements and practices associated to the the Stock Exchange of Thailand and the Securities and Exchange Commission, as well as to perform any action required by laws;
4. To review and approve the connected transaction, the acquisition and disposition of significant assets, the investment in new business or any other company pursuant to the rules and regulations of the Stock Exchange of Thailand or the laws relevant to the Company's business
except the matters required by laws as follows: The Board of Directors must obtain approval of the shareholders' meeting before proceeding on the issues, namely, the capital increase, the capital decrease, the issuance of debentures, the disposition or transfer of all or partial business of the Company to other person, the purchase or acquisition of other firm by the Company, the amendment of Memorandum of Association or Articles of Association of the Company, etc.;
5. To consider and approve the quarterly financial statements and the annual financial statements that are audited and verified by the auditor and reviewed by the Audit Committee before disclosure to the Stock Exchange of Thailand and general public;
6. To consider the management structure, and the appointment of Executive Committee, Chief Executive Officer, Managing Director and other committees as appropriate;
7. To follow up the Company's operations in compliance with the plan and budget continuously;
8. The Director must not engage in any business which has the same nature and in competition with the Company, or being a partner in an ordinary partnership, or being an unlimited liability partner in a limited partnership, or being a director of a private company or any other company in the business of the same nature and in competition with the Company whether for own interest or others' benefit unless such engagement is notified to the acknowledgement of the shareholders' meeting in prior.
9. The Director must notify the Company without delay if the Director has any interest whether directly or indirectly in a contract made by the Company, or the Director holds shares or securities in the Company or its affiliate that is increased or decreased.
10. The Board of Directors may authorize one or more director, or any other person to act on its behalf under its supervision, or empower such person within a period of time as deemed fit by the Board. Such authorized person or authority may be revoked or amended whenever the Board deems appropriate.

The Board of Directors may empower the Executive Committee to have the operational authority in which the details of authorization are under the scope of authority of the Executive Committee. Such authorization must not empower the Executive Committee to consider and approve the transaction that the Executive Committee or the person who may have any conflict of interest made with the Company or its subsidiaries, except the transaction shall be approved in line with the policy, rules and regulations that were considered and approved by Board of Directors of the Company.

In 2015, the Board of Directors Meetings were held 14 times.

2. Management Team

As at December 31, 2015 Executive Committee consists of senior executives as follows:

- | | | | |
|----|---------------|-----------------------|--|
| 1. | Mr. Chanachai | Leenabanchong | Chairman |
| 2. | Mr. Chumpol | Israngura Na Ayuttaya | Chief Executive Officer |
| 3. | Mr. Supachai | Limnasiri | Chief Operation Officer |
| 4. | Mr. Paiboon | Thongra-ar | Managing Director - Engineering |
| 5. | Mr. Sunan | Yiamwanitnan | Managing Director - Finance & Accounting |
| 6. | Mr. Kittiphun | Ouiyamaphun | Managing Director - Real Estate |



7.	Mr. Krisana	Sangar-sang	Senior Executive Vice President
8.	Mr. Voravit	Leenabanchong	Executive Vice President
9.	Miss Vipaporn	Sakulyuenyongsuk	Executive Vice President
10.	Mr. Setthavat	Tangvacharapongse	Executive Vice President
11.	Mr. Pak	Thaldumrong	Executive Vice President
12.	Mr. Wachara	Pakdeemonthon	Executive Vice President
13.	Miss Wanida	Puangboonmak	Executive Vice President
14.	Mr. Pinit	Karntikoon	Executive Vice President
15.	Mr. Korngrit	Prakongvittaya	Executive Vice President

The Board of Directors has authorized the Executive Committee to have the operational authority in which the details of authorization are under the scope of authority of the Executive Committee. Such authorization must not empower the Executive Committee to consider and approve the transaction that the Executive Committee or the person who may have any conflict of interest made with the Company or its subsidiaries, except the transaction shall be approved in line with the policy, rules and regulations that were considered and approved by Board of Directors of the Company.

Determination of the Financial Authority

The Board of Directors has determined the amount of the authorization for normal transaction of the Company's business including the financial transaction such as loans or credit facilities requested from financial institutions, as well as the guarantor being on behalf of the Company. Details of which are as follows:

	Authorized Amount	
	Investment Transaction	Financial Transaction
Managing Director	-	not exceed 100 MB
Executive Committee	5% of total assets but not exceed 50 MB	not exceed 500 MB
The Board of Directors	50 MB up	not limited

3. Company Secretary

The Board of Directors had been in the nomination and appointment of a New Company Secretary to fill the vacant position. Currently, Mr. Matee Ittirivichai is appointed as the Company Secretary reporting directly to the Board of Directors.

Duties and responsibility on behalf of the Company or the Board of Directors

1. To prepare and maintain the register of directors
2. To prepare and maintain the notices of the Board of Directors Meetings, the minutes of the Board of Directors Meeting, and the Annual Report
3. To prepare and maintain the notices of the shareholders' meetings and the minutes of the shareholders' meetings
4. To follow up the implementation of the resolutions of the Board of Directors Meetings and the resolutions of the shareholders' meetings
5. To maintain and submit the report of interest of the directors, executives, or related persons who has interest in respect of the management of the Company to Chairman of the Board of Directors and Chairman of the Audit Committee
6. To perform any action as prescribed by the Securities and Exchange Act (No.4) B.E.2551 or related laws and regulations including notifications and determinations of the Capital Market Supervisory Board.

4. Director and Management Remunerations

In the Annual General Meeting of Shareholders 2015, held on April 29, 2015, the shareholders approved the determination of the Directors' remunerations for 2015 in the amount of 4,000,000 Baht. Details of which are as follows:

Meeting allowances

- Chairman of the Board of Directors, Chairman of the Nomination and Remuneration Committee, and Chairman of the Audit Committee shall individually receive the meeting allowance at 30,000 Baht per meeting.
- Company's Director, Nomination and Remuneration Director, and Audit Director shall individually receive the meeting allowance at 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.

In 2015, the Company paid for the meeting allowance to the Directors in the total amount of 4.32 million Baht increased by 1.63 million Baht or 60.88 percent compared to the year 2014 at the amount of 2.63 million Baht. In this regards, the Board of Directors shall ratify to the Annual General Meeting of Shareholders 2016 and propose therein to approve the additional amount which exceeds the sum of 4 million Baht approved by the Annual General Meeting of Shareholders 2015. Details of which are listed individually as follows:

Total Meeting Allowance

Name - Surname		Position	Meeting Allowance in 2015 (Baht)
Mr. Chanachai	Leenabanchong	Chairman of the Board of Directors Chairman of the Executive Committee	390,000
Mr. Chumpol	Israngura Na Ayuttaya	Vice Chairman, Executive Director	260,000
Mr. Siriphong	Vongvuttipornchai	Director, Executive Director, Chairman of the Enterprise Risk Committee, Nomination and Remuneration Director	260,000 (Resign Dec.18, 2015)
Mr. Supachai	Limnasiri	Director, Executive Director (replace Mr. Siriphong Vongvuttipornchai)	- (Appointed Dec.18, 2015)
Mr. Paiboon	Thongra-ar	Director, Executive Director, Enterprise Risk Director	140,000 (Resign May 15, 2015)
Mr. Setthavat	Tangvacharapongse	Director, Executive Director	100,000 (Appointed May 15, 2015) (Resign Dec.18, 2015)
Mr. Voravit	Leenabanchong	Director, Executive Director	- (Appointed Dec.18, 2015)
Mrs. Neeranuch	Na-ranong	Director	240,000
Mr. Krisana	Sangarsang	Director, Executive Director, Enterprise Risk Director	260,000 (Resign Dec.18, 2015)
Mr. Sunan	Yiamwanitnan	Director, Executive Director (Replace Mr. Krisana Sangarsang)	- (Appointed Dec.18, 2015)



Name - Surname	Position	Meeting Allowance in 2015 (Baht)
Miss Vipaporn Sakulyuenyongsuk	Director, Executive Director (Replace Mr. Chalothorn Leelamali)	120,000 (Appointed May 15, 2015)
Mr. Trin Pimhataivut	Independent Director	180,000 (Resign Sep. 28, 2015)
Mr. Kittphun Ouiyamaphun	Director, Executive Director	60,000 (Appointed Sep. 28, 2015)
Dr. Jurairat Unhaka	Chairman of the Audit Committee, Independent Director, Nomination and Remuneration Director	730,000
Mrs. Sunee Sornchaitanasuk	Chairman of the Nomination and Remuneration Committee, Independent Director, Audit Director	500,000
Mr. Chupong Tanasettagorn	Independent Director, Nomination and Remuneration Director, Audit Director	500,000
Mr. Pannatee Sriwongthai	Independent Director, Audit Director	580,000
	Total meeting allowance	4,320,000

Other Remuneration

- None

Total Management Remunerations

- Total remunerations in the form of salary and others were 16,012,794 Baht for 5 senior executives.

5. Personnels

Total employees of the Company as of December 31, 2015 were 363 persons as categorized below.

Position	Number
Executives and Supporting Employees	12
Construction Engineering	118
M&E Engineering	64
Accounting, Finance and Administration	83
Budget Control and Purchasing	35
Real Estate	51
Total	363

As at December 31, 2015, the total compensation of the company's personnels was 171.16 million Baht (such compensation was consisted of salary, bonus, provident fund and other benefits) excluding total compensation of executives as notified on item 4, Director and Management Remunerations.

Human Resources Development Policy

Human Resource Management of the Company

Due to human resources is an important factor to the success of construction business, the Company establishes management policy for human resources under three essential principles as follows.

E	Expertise	=	Development of human resources to be expertises in responsible functions
M	Motivation	=	Building motivation to work
C	Career Path	=	Define career progression

Human resources management is focus to develop employees not only in working skill but also in technical and managerial skills responding to the business expansion as follows:

1. Recruitment and Selection : The Company has increased recruiting channels for effective recruitment and also defined job competency for all positions which will use as a recruitment and selection guideline to meet the Company requirements.
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 developed an ongoing HRD plan to strengthen knowledge, skills, practice, management skills, including technical skills based on job fields and functions to be consistent and compatible with the capabilities of the employees, whereby the employees has been developed to grow up in line with the career path which is divided into 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, etc.
 - 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 accredited 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.

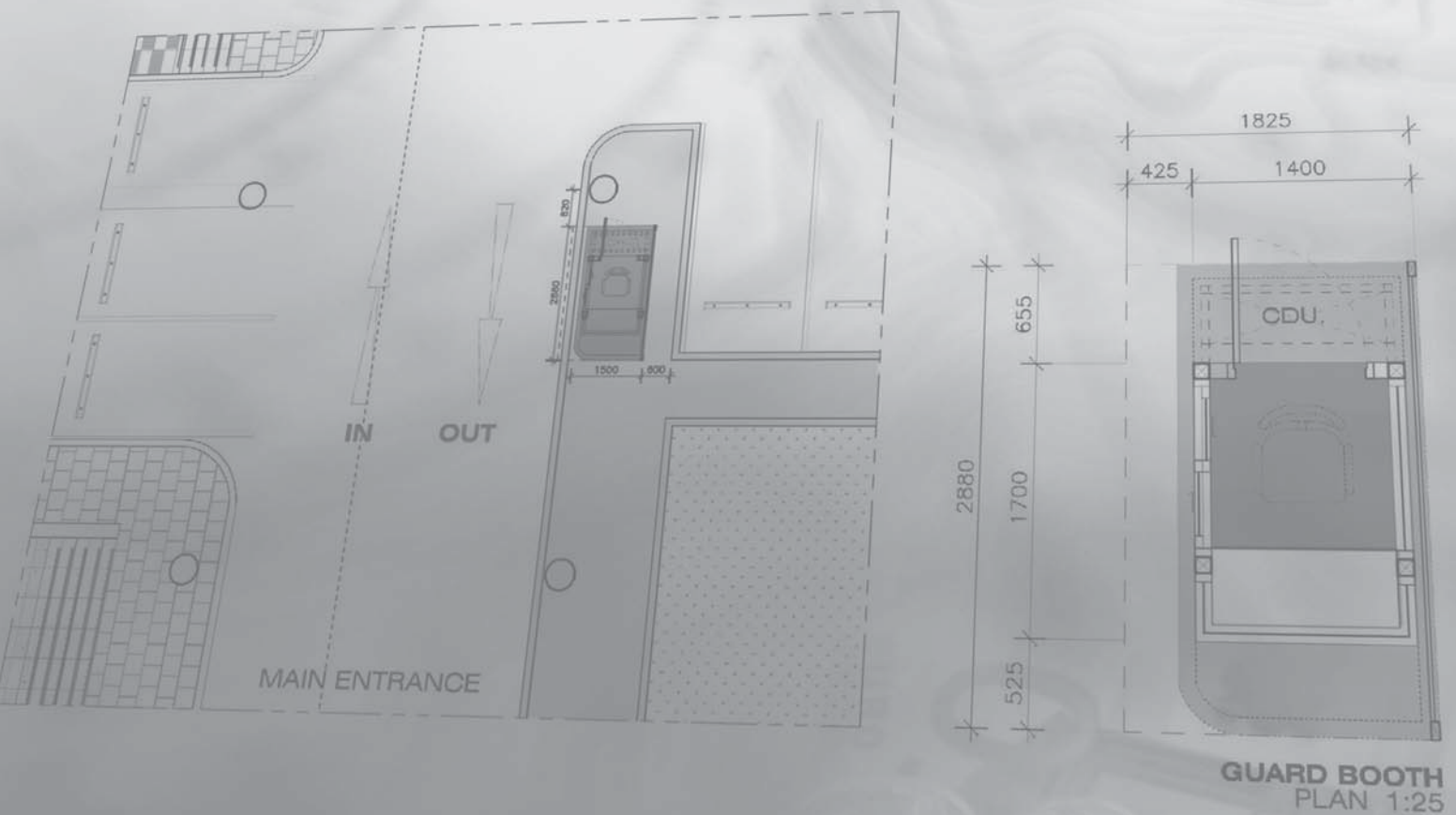
Employee Welfare

The Company realizes the importance of appropriate compensation and welfare arrangement for employees; therefore, Welfare Committees in the Workplace is set up to review welfare policy constantly by considering justified 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 the 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 recognized the importance of the corporate governance and the good corporate governance by implementing the principles and practices consistent with the good corporate governance to manage its delegated duties and responsibilities for maximum benefit of the Company and overall shareholders. The policies of the good corporate governance are set out as follows:

1. The Board of Directors will conduct the Company's business with prudence and caution under 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 of Directors will conduct the Company's business with transparency, accountability, and adequate disclosure of information to build up trust and confidence among shareholders, investors, and relevant parties equally.
3. The Board of Directors ensures that treatment to shareholders and stakeholders is on 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 of Directors has set up specific committees, namely, the Audit Committee, the Nomination and Remuneration Committee, the Enterprise Risk Committee, and sub-committees with the delegation of duties and responsibilities clearly assigned to each committee.
5. The Board of Directors will held meetings regularly under the meeting schedule and agenda clearly set out in advance.
6. The Management Team will held meetings regularly every week to monitor and supervise the implementation of all projects in detail under the meeting schedule and agenda clearly set out in advance. Special meeting shall be determined upon necessity.
7. The Board of Directors recognizes the importance of the internal control system in covering of the finance, the operations, and the corporate governance, thereby an Internal Audit has been set up as a department of the Company and report directly to the Audit Committee.

Corporate Governance Policies

The Company has adopted the principle and practices consistent with the good corporate governance to manage its delegated duties and responsibilities for maximum benefit of the Company and overall shareholders. The policies have been set out in 4 main items covering good practices on the corporate governance in 5 sections as follows:

1. The Rights of Shareholders and The Treatment to the Shareholders with Equality equality

The Board of Directors recognizes the rights of shareholders and treats all shareholders with equality, thereby all shareholders have the rights and equality as follows:

- The rights to obtain share certificate, to transfer shares, and to perceive information, results of operation, management policies timely and continuously
- The rights to attend shareholders' meeting to give opinion and recommendation as well as to participate in decision making on any significant changes such as the amendment to the Memorandum and Articles of Association, the appointment of directors, the appointment of auditors, etc..
- The Company has established guidelines for the preservation and protection of inside information by setting out the policies and procedures that the Company's directors, management, employees, staffs, including their spouses and immature children are not allowed to use inside information of the Company for their benefits before the information thereof shall be disclosed to public.



Shareholder's Meeting

The Company arranges shareholders' meeting on the date, time and place that is convenient for shareholders. The meeting procedures are determined as required by laws, namely the notice of meeting, the dispatch of documents, and the proceeding of meeting agenda.

- The Company delivers the notice of meeting to shareholders 7 days or 14 days (depending on the case) prior to the meeting date with the supporting documents of each agenda including the opinions of the Board of Directors and the minutes of meetings that is duly recorded. The shareholders, therefore, have enough time to study the agenda issues in detail, and the information thereof is also available on the Company's website. The proxy forms are also enclosed with the notice of meeting for the shareholder who wishes to appoint a proxy to attend the meeting on his/her behalf. The nomination of independent directors is proposed therein as the alternate proxy with their information such as names, profiles, addresses, shareholding status, and number of meeting attendance for shareholders' consideration.
- The Chairman of the meeting clarifies to shareholders about voting criteria and procedures and allowed shareholders to inquire on various issues in the meeting. The directors or executives then make appropriate and adequate clarifications on those issues while open for exchange of opinion therein.
- The Company provides and distributes ballots to shareholders or proxies to vote on all agenda items. The shareholders are allowed to raise questions in the meeting within adequate time and equitable basis.
- The Company allows shareholders to exercise the rights to appoint directors individually.
- The Company completes minutes of meeting within 14 days with adequate details including questions and answers taken place at the meeting. The dispatch of minutes of meetings is in line with the rules and regulations of the Securities and Exchange Commission, the Stock exchange of Thailand, and other relevant laws.

The Company, however, has not yet opened the opportunity for minority shareholders to propose additional agenda to the consideration of shareholders in prior to the Annual General Meeting of Shareholders. Likewise, the method for nomination of the directors representing minority shareholders has not been set out. This was not in line with the principle of the Stock Exchange of Thailand; anyhow, the Company will consider implementing such practices later.

2. Rights of stakeholders

The Company recognizes the importance of stakeholders by means of information exchange and paying attention to the recommendations of both internal and external stakeholders as follows:

- **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 projects efficiently so that all projects are profitable and be able to allocate such profits as the dividends to shareholders.

- **Customers**

The Company has managed all projects to be of quality and efficiency with a significant focus on timely and budget management. Communication with the customers has been made, whereby the procedures and indicators have been set up 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 has competed 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 nurtures 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 affects 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

The 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 has a total number of 12 Directors, consisting of seven executive directors, one non-executive director, and four independent directors whose qualifications and authorities are complied with the guidelines determined by the Securities and Exchange Commission and the Stock Exchange of Thailand.

Aggregation and segregation of positions

The Chairman is not the same person with the President which the Company has defined segregated roles, authority, and responsibilities between these positions clearly. In addition, the Company has appointed the Audit Committee consisting of four independent directors with a function as the representative of the minority shareholders to oversee the Company performance that it is operated with accuracy and transparency.

Company Secretary

The Board of Directors had been in the nomination and appointment of a New Company Secretary to fill the vacant position. Currently, Mr. Matee Ittirivichai is appointed as the Company Secretary reporting directly to the Board of Directors.

4.2 Committees

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

4.3 Roles, duties and responsibilities of the Board of Directors and Committees

Scope of authorities, duties, and responsibilities of the Board of Directors and each Committees (Details of which are provided on Management Structure)

4.4 The 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.

Each meeting takes about 2 hours when each director is free to express opinion and propose guidelines for operations, whereby Secretary to the Board of Directors is in function, namely to take records and complete minutes of meeting within 14 days, to dispatch minutes of meeting certified by the Board of Directors, to maintain minutes of meeting and supporting documents with readiness for inspection by the Board of Directors, shareholders, auditors, and related persons.

Total number of the Director's meeting

In 2015, each Director attended the Company's meetings, namely 1 time of the Annual General Meeting of Shareholders, 7 times of the Board of Directors Meeting, 13 times of the Audit Committee Meeting, 1 time of the Nomination and Remuneration Committee meeting, 9 times of the Executive Committee meeting, and 1 time of the Enterprise Risk Management Committee Meeting. Details of which are as follows:

Name - Surname	AGM 2015 (1 time)	EGM 2015 No.1/2015 No.2/2015	The Board of Directors (14 times)	The Audit Committee (15 times)	The Nomination & Remuneration (1 time)
Mr. Chanachai Leenabanchong	-	-	13	-	-
Mr. Chumpol Israngura Na Ayuttaya	1	1	13	4	-
Mr. Siriphong Vongvuttipornchai	1	1	13	4	1
Mr. Supachai Limnasiri	-	-	-	-	-
Mr. Paiboon Thongra-ar	-	-	7	-	-
Mr. Setthavat Tangvacharapongse	1	1	5	-	-
Mr. Voravit Leenabanchong	-	-	-	-	-
Mrs. Neeranuch Na-ranong	1	1	12	-	-
Mr. Krisana Sangarsang	1	1	13	-	-
Miss Vipaporn Sakulyuenyongsuk	1	1	6	3	-
Mr. Sunan Yiamwanitnan	-	-	-	-	-
Mr. Trin Pimhataivut	1	-	9	-	-
Mr. Kittphun Ouiyamaphun	-	1	3	-	-
Dr. Jurairat Unhaka	1	1	14	15	1
Mrs. Sunee Sornchaitanasuk	-	-	12	13	1
Mr. Chupong Tanasettagorn	-	-	12	13	1
Mr. Pannatee Sriwongthai	1	1	14	15	-

Remark : Mr. Paiboon Thongra-ar resigned from the position on May 15, 2015.

Mr. Siriphong Vongvuttipornchai resigned from the position on December 18, 2015.

Mr. Trin Pimhataivut resigned from the position on September 28, 2015.

Mr. Setthavat Tangvacharapongse had taken the position of Director on May 15, 2015 and resigned from the position on December 18, 2015.

Mr. Kittphun Ouiyamaphun has taken the position of Director on September 28, 2015.

Miss Vipaporn Sakulyuenyongsuk has taken the position of Director on May 15, 2015.



The Meeting of Directors and Auditor

In the year 2015, the Audit committee attended the meeting with the external auditor without management at 1 time.

4.5 Self Evaluation of Committees

In 2015, 12 Directors of the Company completed self-assessment in the Assessment Forms prepared by the Compliance Department to comply with the Good Corporate Governance Policy and scope of duties and responsibility of the Directors. The assessment results were presented to the Board of Directors Meeting No.3/2016 on March 15, 2016, and the self-assessment scores of the Directors were delivered to the Compliance Department to collect as evidence.

Summary of overall self-assessment scores of twelve Directors for the year 2015 are as follows;

Topics of Assessment	Total Scores	Scores Marked (Average)	Equivalent to %
1. The Structure and qualification of the Board of Directors	40	34	84.38
2. Function, duty and responsibility of the Board of Directors	72	58	80.67
3. The Board of Directors meetings	32	25	76.82
4. Performance of the Board of Directors	28	25	87.50
5. The relationship with management teams	20	18	91.67
6. Self- development of the Board of Directors and the development of Executives	24	21	86.81
Total	215	180	84.64

4.6 Director and Executive Remunerations

The Board of Directors 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 remunerations 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.

4.7 Development of Directors, Executives and relevant individuals

The Company promotes and facilitates to attend the seminars and various training courses of Thai Institution of Directors, Thai Listed Company Association and to educate relevant persons in the corporate governance of the Company such as the Directors, the Audit Committee, Executives, Company Secretary, etc. to improve operation continuously.

Committees

The Board of Directors has appointed 4 Committees comprised of the Audit Committee, the Nomination and Remuneration Committee, the Executive Committee and the Enterprise Risk Committee.

1. The Audit Committee

As at December 31, 2015, the Audit Committee consisted of 4 Independent Directors whose characteristic are entirely complied with the prescription of The Securities and Exchange Commission and the Stock Exchange of Thailand. Name list of the The Audit Committee is as follow:

1. Dr. Jurairat Unhaka Chairman of the Audit Committee
2. Mrs. Sunee Sornchaitanasuk Audit Director
3. Mr. Chuphong Tanasettakorn Audit Director
4. Mr. Punntee Sriwongthai Audit Director

Secretary to the Audit Committee: Miss Nattaphat Kulsirimongkol

The first and the second Directors are those with sufficient knowledge and experience to function on the reliability review of the financial statements. The third Director possess knowledge and experience in Management and Investment. The forth Director possess knowledge and experience in Law.

Scope of authority, duties and responsibilities of the Audit Committee

1. To consider 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 the Stock Exchange of Thailand, and justification of such lists to be of ultimate benefit of the Company.
2. To consider the financial statements of each quarter and each year that have been reviewed and audited by the auditor in conjunction with the auditor and Management before revealing the information to the Stock Exchange of Thailand and general public. To verify the accuracy of the financial statements that the information provided was complete, reliable and transparent in accordance with the accounting standards including laws and regulations related.
3. To ensure that the Company has internal control, and internal audit systems, and to consider the independence of the internal auditing unit, as well as agreement in consideration of appointment, reshuffle, employment termination of internal auditing unit chief, or other work units responsible for internal audit, including review of risk management 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 the 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 proposing selection, appointment, remuneration fee and work assessment for the auditor of the Company, including participating in the meeting with the auditor at least once a year without Management in the meeting.
7. To prepare corporate governance report of the Audit Committee and disclose the information in the annual report of the Company. The mentioned report must be signed by Chairman of the Audit Committee and must contain at least information required by the Stock Exchange of Thailand as follows:
 - Opinions on correctness, completeness, reliability of the financial statements of the Company
 - Opinions concerning sufficiency of internal control of the Company
 - Opinions on performance in compliance with law concerning assets and Stock Exchange, requirement of Stock Exchange, or law relating to the business of the Company



- Opinions on suitability of the accounting auditor
 - Opinions on the transactions that may have conflict of interest
 - Number of meetings of Audit Committee and attendance of each committee member
 - Opinions of overall observation which the Audit Committee received from duties under the charter
 - Others that should be notified to the shareholders and general investors within the scope of duties and responsibility assigned by the Board of Directors.
 - Other matters that shareholders and investors should know under duties and responsibilities assigned by the Board of Directors
8. Other actions assigned by the Board of Directors with the approval of the Audit Committee
- In 2015, the Audit Committee meetings were held 15 times.

2 The Nomination and Remuneration Committee

As of December 31, 2015, the Nomination and Remuneration Committee composed of 4 members below:

- | | | |
|----|---|--|
| 1. | Ms. Sunee Sornchaitanasuk | Chairman of the Remuneration Committee |
| 2. | Dr. Jurairat Unhaka | Remuneration Director |
| 3. | Mr. Chuphong Tanasettakorn | Remuneration Director |
| | Secretary to the Nomination and Remuneration Committee : Miss 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 2015, Nomination and Remuneration Committee meeting were held 1 time.

3. The Executive Committee

As of December 31, 2015, the Executive Committee was composed of the following members:

- | | | |
|----|-----------------------------------|--|
| 1. | Mr. Chanachai Leenabanchong | Chairman of the Executive Committee |
| 2. | Mr. Chumpol Israngura Na Ayuttaya | Vice Chairman of the Executive Committee |
| 3. | Mr. Supachai Limnasiri | Executive Director |
| 4. | Miss Vipaporn Sakulyuenyongsuk | Executive Director |
| 5. | Mr. Krisana Sangarsang | Executive Director |
| 6. | Mr. Korngrit Prakongvittaya | Executive Director |
| 7. | Mr. Voravit Leenabanchong | Executive Director |
| 8. | Mr. Pinit Karntikul | Executive Director |

- | | | |
|-----|---------------------------------|--------------------|
| 9. | Mrs. Wanida Puangboonmak | Executive Director |
| 10. | Mr. Wachara Pakdeemonthon | Executive Director |
| 11. | Mr. Setthavat Tangvacharapongse | Executive Director |
| 12. | Mr. Sunan Yiamwanitnan | Executive Director |
| 13. | Mr. Kittphun Ouiyamaphun | Executive Director |

Secretary to the Executive Committee : Mrs. Peangpetch Imchanya

Scope of 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 approval. This includes consideration and approval of change and addition of annual budget while there is no Board of Directors meeting held, under the authority granted by the Board of Directors, and to propose for the acknowledgement of the Board of Directors in the next 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 2015, the Executive Committee meetings were held 32 times.



4. The Enterprise Risk Committee

As of December 31, 2015, the Enterprise Risk Committee composed of the following members:

1. Mr. Paiboon Thong-ra-ar Enterprise Risk Director
 2. Mr .Pinit Kantikul Enterprise Risk Director
 3. Mr. Korngrit Prakongvittaya Enterprise Risk Director
 4. Mrs. Wanida Puangboonmak Enterprise Risk Director
- Secretary of the Enterprise Risk Committee : Mrs. Peangpetch Imchanya

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 2015, altogether 1 Enterprise Risk Committee meetings were held; however, the Company has a working group to follow up debts and trouble projects. This working group regularly holds the meeting once a week.

Recruitment of director and the top management

1. Nomination of Independent Directors

The Nomination and Remuneration Committee is responsible for nominating individuals who are qualified and independent according to the Board of Directors' policy and the regulations of the Capital Market Supervisory Board as follows:

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

(The business relationship mentioned above includes any normal business transaction, rental or lease of immovable property, transaction relating to assets or services or grant or receipt of financial assistance

through receiving or extending loan, guarantee, providing assets as collateral, including any other similar actions, which result in the Company or its counterparty being subject to indebtedness payable to the other party. The amount of such indebtedness shall be calculated according to the calculation method for the value of connected transactions under the Notification of the Capital Market Supervising Committee : Rules on Connected transaction.)

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

2. Nomination of Director and Management

The Nomination and Remuneration Committee is responsible for nominating individuals who have qualifications, experiences, and sufficient time to perform duties for the Company, including to propose the Board of Directors / General Meeting of Shareholders for approval based on the rules and procedures 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

1. 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 meeting.
2. 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.

Auditor Remuneration

Year	Auditor	Certified Public Accountant Registration No.	Company
2013	Mr. Apichart Sayasit	4229	Baker Tilly Audit and Advisory Services (Thailand) Ltd.
2014	Mr. Apichart Sayasit	4229	Baker Tilly Audit and Advisory Services (Thailand) Ltd.
2015	Mr. Apichart Sayasit	4229	Baker Tilly Audit and Advisory Services (Thailand) Ltd.

Summary of the Auditor's report in the past years

In 2013, the auditor rendered unconditional opinion towards consolidated financial statements of the company, subsidiaries and joint venture, including the separate financial statements of the Company.

In 2014, the auditor rendered unconditional opinion towards consolidated financial statements of the company, subsidiaries and joint venture, including the separate financial statements of the Company.

In 2015, the auditor did not give opinion towards consolidated financial statements of the company, subsidiaries and joint venture, including the separate financial statements of the Company.

Audit fee

EMC group of companies paid audit fee for the year 2015 in the amount of 5.08 million Baht as follows;

- Paid to Baker Tilly Audit and Advisory Services (Thailand) Co., Ltd as the audit fee of EMC Public Company Limited and its subsidiaries in the total amount of 2.53 million Baht.
- In March of 2015, the Company had invested in 1 subsidiary resulting to the additional audit fee at the amount of 660,000 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 commitments 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.

- Business operation policy
- Equitable right and fair treatment of shareholders
- Stakeholder treatment policy
- Internal control, enterprise risk management and business ethics
- Conflict of Interest prevention
- Disclosure of information and Transparency
- Structure and responsibilities of the Board of Directors

To ensure that the human rights are in respect effectively, the Company has established the knowledge of human rights and encouraged the personnel of the Company to comply with the principle thereof.

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 provides fair wages to its employees at an appropriate level with Thai industrial. The organization's structural alteration shall be implemented with responsibilities under Thai laws and also complied with legal practices in respect thereof. Moreover, the Company has set up a provident fund to ensure that the security shall be provided to the employees towards their employments. Details of which are as follows:

1. To respect the rights of employees under the principles of the human rights and in compliance with labor laws
2. To provide recruiting process, fair employment conditions, and compensation determination, as well as to consider performance achievement under fair performance appraisal process
3. To provide a regular assessment in respect of compliance of the policies set forth
4. To provide welfare facilities for employees as required by laws such as social security, others welfare facilities apart from the laws such as health insurance, accident insurance, including allowances for children's scholarships, funeral allowance, etc.

5. To ensure that the employees work in safe and healthy workplaces under measures provided to prevent accidents and encourage safety awareness among employees, by this means, trainings are provided to promote good hygiene of employees and workplaces to attain consistent safety.
6. To promote personnel development by providing trainings, seminars, professional development, potential development, as well as to build up positive attitude, morality, ethics and teamwork among its personnel



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.

The Chairman of the Executive Committee has recognized the reduction of resource consumption such as to reduce papers used for copier as a measure of environmental impact reduction which overall results good aspects to the business with the capability to provide services more efficiently. In addition, this measure is a method of cost reduction which effects to the increase of profits and competitiveness of the Company.

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.

Anti-Corruption Guidance The Company has ideology to operate the business with integrity by adhering to social responsibility and all stakeholders based on the good corporate governance, the Code of Conduct, as well as the policies and practices in respect of various stakeholders of the Company. To ensure that the Company has the policies that defines responsibilities, guidelines, and regulations for suitable implementation to prevent corruption in all business activities of the Company, and to make decisions and carry out the business that may be at risk of frauds and corruptions with cautious consideration and treatment, the Company has established a “the Anti-Corruption Guidance” in written notice to be clear guidelines for business operations and sustainability development.



Guidelines

1. The directors, management and employees of the Company, associated companies, and subsidiaries are prohibited to accept or support any form of corruptions, both direct and indirect, which covers all companies in this business line, including contractors or subcontractors involved. The implementation of the policy against corruption shall be reviewed regularly, and the guidelines shall be reviewed in compliance with the policy, procedures, prescriptions, rules and regulations, notifications, laws, and changes of business.
2. The Standard of Anti-Corruption is a part of the business operations and responsibilities of the Board of Directors, management, supervisor, and employees at all levels, including suppliers or subcontractors to share opinions and achieve the implementation of anti-corruption in line with the policies set forth.
3. The Company shall not engage in or support bribery in all forms and all activities under its supervision, including controlling, and donations to charity and political parties. For provision of any business gifts or activity support shall be transparent without intention to convince public or private official to conduct inappropriate operation.
4. The Company shall provide appropriate internal control regularly to prevent employees from improper performance.
5. The Company shall provide knowledge on anti-corruption to the Board of Directors, management, and employees to promote honesty, good faith, and responsibility in the operation of their responsible duties, with an aim to convey the commitment of the Company in this regards.
6. The Company shall provide a mechanism to report its financial status with transparency and accuracy.
7. The Company shall encourage diverse communication channels so that employees and concerned parties can identify clue suspicion by ensuring that the whistleblower shall be protected without punishment, unfair migration, or bullying in any way, thereby the appointment of persons who monitor all incoming notifications shall be made.
8. The Company is in the process to express its intention to participate with the private ally in Thailand to fight corruption.

Follow-up

The Company has the internal audit department who plays a significant role in monitoring and evaluating the implementation of policies related to anti-corruption functions. The Audit Committee is responsible for reviewing the adequacy of the internal controls of the organization to report to the Board of Directors who plays a significant role in reviewing the appropriateness of the policy including measures to develop the framework and guidelines on anti- corruption functions in order to build up confidence with all stakeholders

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.

- **Activities promoting relationship with neighboring community**

In addition to building strong relationships with neighboring communities, the Company also focuses on building networking and strong relationships with government agencies and organizations in neighboring areas as well.

EMC donated exercise equipment to people in the Utapao community.

Dr. Pak Thaldumrong, Executive Vice President-Marketing on behalf of EMC Plc. the project management of Palmeo Amatanakorn Condominium delivered a donation to support outdoor fitness equipment for the exercise yard at Utapao temple, aiming to promote healthy of the people in the community. Mr. Uthai Sripinit/ Member of Nong Mai Daeng Municipal Council, Mr. Tawee Chaaim/ Head of Moo 6 Village, and Mr. Somsak Thongcha-um/ Head of Moo 7 Village, Tambol Nong Mai Daeng, are representatives of the community in receiving the equipment at the exercise yard of Utapao Temple, Chonburi province.





Internal Control

The Board of Directors Meeting No. 3/2559 on March 15, 2559 consisted of the Independent Directors and the Audit Directors, the meeting recognized the importance of the Internal Control that the management system is implemented and monitored continuously to prevent and reduce potential risks while the Audit Committee reviewed and evaluated the internal audit system in parallel. The Internal Audit Department reported the result to the Audit Committee to review the performance of the various factions of the annual audit plan approved by the Audit Committee as following objectives;

1. To promote reliability and accuracy of the information
2. To comply with the Company policy, business plan, operation procedure and regulations
3. To maintain security of the Company's assets
4. To operate economically and efficiently
5. To achieve the organization's objectives and goals of the operations or projects

With the internal control structure of the 5 compositions according to the standard of Committee of Sponsoring Organization of The Tread way Commission : Coso, the evaluation of internal control is summarized below;

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.

Risk Management Committee emphasized on the follow-up of debts and trouble projects as an important issue by setting a scheduled meeting for debt management and follow-up once a week.

Head of the internal audit and Head of the Compliance 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 Compliance Department of the Company at present appoints Mr. Matee Ittirivichai as the Compliance Manager directly reporting to the Board of Directors.

Connected Transactions

1. Connected Transactions between the company and persons who may have conflicts of interest

(Unit: Thousand Baht)

Persons who may have conflicts of interest	Relationship	Transactions	Necessity and reason of the transaction	2013	2014	2015	Accrued creditor/debtor as at December 31, 2015
1. BR Construction Co., Ltd.	Subsidiary	1. Income from construction charged to subsidiary for its construction projects	The incurred item was the construction services that the Company worked for its subsidiary and charged at a fair and appropriate price based on normal business that was not different with other customers.	97,856	-	-	158,873*
		2. Interest charged to subsidiary for short-term loan used for the operation of the subsidiary	The incurred item was the short-term loan used for the operation of the subsidiary, which the Company charged for the interest at the rate of 6.50-6.87% per year	2,370	2,370	2,370	10,482*
		3. Short-term loan used in the operation of the subsidiary	The incurred item was the loan used in the operation of the subsidiary which the Company charged for the interest at the rate of 6.50-6.87% per year	111,857	84,157	1,450	85,607*
		4. Construction costs which the Company paid on behalf of the subsidiary for its construction project	The incurred item was the construction cost which the Company paid on behalf of the subsidiary and charged at the actual price.	-	-	-	4,601*
2. EMC and Power Line Joint Venture.	Joint Venture between the company and Power Line Engineering Public Co., Ltd.	1. Consultant fees which the Company charged to the Joint Venture	The incurred item was the project consultant fee which the Company provided to the joint venture and charged at a fair and appropriate price based on normal business that was not different with other customers.	-	-	1,001	-



Persons who may have conflicts of interest	Relationship	Transactions	Necessity and reason of the transaction	2013	2014	2015	Accrued creditor/debtor as at December 31, 2015
		2. Dividend	Dividend received from the investment proportionally	-	-	7,350	-
		3. Interest charged to the Joint Venture from short-term loan used for its operation	The incurred item was the short-term loan used for the operation of the Company, and the interest was charged at the rate of 8% per year.	93	-	71	20*
		4. Short-term loan used for the operation of the subsidiary	The incurred item was the loan used for the operation of the subsidiary which the Company charged for the interest at the rate of 8% per year	-	-	2,500	500*
		1. Income from construction charged to subsidiary for its construction projects	The incurred item was the construction services that the Company worked for its subsidiary and charged at a fair and appropriate price based on normal business that was not different with other customers.	-	39,299	24,158	-
3. Rich Man Property Co., Ltd.	Subsidiary	2. Other income	The incurred item was the advertising cost that was paid on behalf of the subsidiary.	-	-	30	-
		3. Interest charged to the subsidiary for short-term loan used for the operation of the subsidiary	The incurred item was the short-term loan used for the operation of the subsidiary which the Company charged for the interest at the rate of 7.50% per year.	-	2,189	14,659	16,848
		4. Short-term loan used for the operation of the subsidiary	The incurred item was the short-term loan used for the operation of the subsidiary which the Company charged for the interest at the rate of 7.50% per year.	-	99,100	274,784	274,784

Persons who may have conflicts of interest	Relationship	Transactions	Necessity and reason of the transaction	2013	2014	2015	Accrued creditor/debtor as at December 31, 2015
4. North Property Co., Ltd.	Subsidiary	1. Other income	The incurred item was the advertising cost that was paid on behalf of the subsidiary.	-	-	95	39
		2. Interest charged to subsidiary for the short-term loan used for the operation of the subsidiary	The incurred item was the short-term loan used in the operation of the subsidiary, which the Company charged for the interest at the rate of 7.50% per year	-	402	2,052	2,454
		3. Short-term loan used for the operation of the subsidiary	The incurred item was the short-term loan used for the operation of the subsidiary, which the Company charged for the interest at the rate of 7.50% per year	-	18,000	39,703	39,703
5. Sajja Bangsaen Condominium Co., Ltd.	Subsidiary	1. Interest charged to the subsidiary for short-term loan used for the operation of the subsidiary	The incurred item was the short-term loan used in the operation of subsidiary, which the Company charged for the interest at the rate of 7.50% per year	-	79	1,608	1,687
		2. Short-term loan used for the operation of the subsidiary	The incurred item was the short-term loan used for the operation of the subsidiary, which the Company charged for the interest at the rate of 7.50% per year	-	4,830	32,574	37,404
6. Siam Bangkok Development Co., Ltd.	Subsidiary	1. Interest charged to subsidiary for short-term loan used for the operation of the subsidiary	The incurred item was the short-term loan used for the operation of the subsidiary, which the Company charged for the interest at the rate of 7.50% per year	-	-	2,184	2,184



Persons who may have conflicts of interest	Relationship	Transactions	Necessity and reason of the transaction	2013	2014	2015	Accrued creditor/debtor as at December 31, 2015
		2. Short-term loan used for the operation of the subsidiary	The incurred item was the short-term loan used for the operation of the subsidiary, which the Company charged for the interest at the rate of 7.50% per year	-	-	46,400	46,400
7. Ua Withya Public Co., Ltd.	Co-shareholder	1. Material used in construction which the Company purchased from Uea Vtaya Public Co., Ltd. for use in construction of project of the Company	The incurred item was the material costs used for construction which was the normal business of the Company, being charged at a fair and appropriate price based on normal business that was not different with other customers.	13,862	7,558	1,695	13,971
		2. Other income from sales of construction debris	The incurred item was the income from selling of scrap construction materials which was the normal business of the Company. The pricing was based on the market price.	-	8,765	-	-
		3. Advance	The incurred item was the advance of material used in construction which was normal business of the company, being charged at a fair and appropriate price based on normal business that was not different with other customers.	-	-	(252)	378
		4. Contractors' retentions payable	The incurred item was the payment for construction services which was the normal business of the Company, being charged at a fair and appropriate price based on normal business that was not different with other customers.	-	-	84	272

Persons who may have conflicts of interest	Relationship	Transactions	Necessity and reason of the transaction	2013	2014	2015	Accrued creditor/debtor as at December 31, 2015
8 SANKEN-EMC Co., Ltd.	Co-investment company	1. Consultant fees which the Company charged to the co-investment company	The incurred item was the project consultant fee which the Company provided to the co-investment company, being charged at a fair and appropriate price based on normal business that was not different with other customers.	-	2,219	4,029	3,745
		2. Advances	The incurred item was advances used for operations of the co- investment company.	-	-	1,369	-
		3. Short-term loan	The incurred item was the short-term loan used for the operation of the co- investment company, which the Company charged for the interest at the rate of 7.50% per year.	-	-	1,000	1,000
		4. Interest payable, which the Company paid for short term loan for the operation of the subsidiary	The incurred item was loan used in the business operation of the subsidiary, which the Company charged for the interest at the rate of 7.50 percent per year.	-	-	1	1
9. Mr. Krisana Sangarsang	Director	1. Petty cash that the Director used at site for the Company's operation	The incurred item was the petty cash that the Director used at site for the Company's operation	-	-	(646)	167
10. Mr. Chumpol Israngura Na Ayuttaya	Director	1. Petty cash that the Director used at site for the Company's operation	The incurred item was the petty cash that the Director used at site for the Company's operation	-	150	(150)	-
11. Mr. Kittiphun Ouyiamaphun	Director	2. Advances that the Director used for the Company's operation	The incurred item was the advances that the Director used at site for the Company's operation.	-	-	1,836	531
		1. Petty cash that the Director used at site for the Company's operation	The incurred item was the petty cash that the Director used at site for the Company's operation	-	-	100	100



Persons who may have conflicts of interest	Relationship	Transactions	Necessity and reason of the transaction	2013	2014	2015	Accrued creditor/debtor as at December 31, 2015
12. Mr. Siriphong Vongvuttipomchai	Director	1. Advances that the Director used for the Company's operation	The incurred item was the advances that the Director used at site for the Company's operation.	2,000	13,000	5,700	-
13. Mr. Chanachai Leenabanchong	Director	1. Short-term loan that the Director used for the Company's operation	The incurred item was short-term loan without interest that the Director used for the Company's operation	-	-	50,165	50,165
14. Mr. Palboon Thongra-ar	Director	1. Short-term loan that the Director used for the Company's operation	The incurred item was the short-term loan without interest that the Director used for the Company's operation	-	13,410	-	-
15. Mr. Norapat Teeyaphun	Director of a subsidiary	1. Short-term loan that the Director used for the Company's operation	The incurred item was the short-term loan without interest that the Director used for the Company's operation	-	19,069	41,795	15,237
		2. Advances	The incurred item was the advances used for the Company's operation.	-	-	700	2,708
16. Rayong Wire Industry Plc.	Related parties having the same shareholders, namely CEN and some other shareholders	1. Drawing expenses	The incurred item was the drawing expenses, being charged according to the market price	-	-	182	182
17. Siam Grand Property Co., Ltd.	Related parties having Mr. Anuwit Tantisaywaykul as a Director and the shareholder	1. Income from properties' transfers	The incurred item was the income from the properties' transfers, being charged according to the market price.	-	-	25,909	14,395*

Persons who may have conflicts of interest	Relationship	Transactions	Necessity and reason of the transaction	2013	2014	2015	Accrued creditor/debtor as at December 31, 2015
		2. Deposits for selling of projects	The incurred item was the deposits for selling of projects, being charged according to the market price.	-	-	2,003	2,003
		3. Selling expenses	The incurred item was the selling expenses, being charged according to the market price.	-	-	1,000	-
		Interest for loan given to Director of a subsidiary	The incurred item was the loan that the interest was charged according to the market price. The incurred item was the used for the company's operation without interest.	-	-	57	57*
18. Mr. Anuwit Tantisyaywaykul	Director of a subsidiary	Short-term loan used for operation	The incurred item was the short-term loan without interest used for the Company's operation.	-	-	12,910	733

* The Company has set aside the allowance for doubtful debts in full amount.



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 including sale of construction debris which was ordinary business operation of the Company
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 equipment and materials for undertakings in project construction which was of the company's ordinary business. The company compared the price of equipment and materials in accordance with the company's practices and regulations as well as considered recruiting a seller of such equipment and materials in a fair manner by taking account of the seller's qualifications and the price of such equipment and materials which was of the company's ordinary business.
5. Short-term loans used for the Company's operation without interest charged
6. Short-term loans used for the subsidiaries operations, which the company charges interest at the rate of 6.50 - 7.50% per year

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.

The transaction is a necessity and reasonableness of the transaction to the benefit of the Company. The Audit Committee is of the opinion that according to normal business. The Company has received and pay a fair market price. And guarantees for loans from banks. And loans to subsidiaries and related companies. The transaction was to increase liquidity and improve the financial position of the company, the better to be able to operate continuously. The implementation of such a policy transaction by the Board of Directors.

6. Short-term loans used for the subsidiaries operations, which the company charges interest at the rate of 6.50 - 7.50% per year

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 Board of Directors for approval provided that the director who is in conflict of interest must be excluded from the opinions rendered 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 budgrt verified by the company's auditor.



Audit Committee Report and Assessment of Adequacy for the Internal Control System

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 the year 2015, the Audit Committee had arranged 15 meetings with full attendance from members and the management and other concerned parties from the Departments of Accounting, Finance, Legal, and Internal Audit, including the Auditor to exchange opinions and monitor efficiency and effectiveness of the system.

The Audit Committee consists of four Independent Directors being neither executives nor employees of the Company, namely

1.	Dr. Jurairat	Romlumduan	Chairman of the Audit Committee
2.	Mrs. Sunee	Sornchaitanasuk	Audit Committee Director
3.	Mr. Chupong	Tanasettakorn	Audit Committee Director
4.	Mr. Punnathee	Sriwongthai	Audit Committee Director

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 public. 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 to prevent and reduce probable risks and that no material weakness is present.

4. To review the Company's internal audit report that involves the Company's operations in relation to its plan, reviewed the mission, scope of work, accountability and responsibility, independence, and authority of internal audit activities to ensure that every business 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 2015, 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.



(Dr. Jurairat Romlumduan)
Chairman of the Audit Committee



Financial Highlights

The Financial Statements

The Auditor

Year	Auditor	Certified Public Accountant Registration No	Company
2013	Mr.Apichart Sayasit	4229	Baker Tilly Audit and Advisory Services (Thailand) Ltd.
2014	Mr.Apichart Sayasit	4229	Baker Tilly Audit and Advisory Services (Thailand) Ltd.
2015	Ms. Waleerat Akkarasrisawad	4411	Baker Tilly Audit and Advisory Services (Thailand) Ltd.

Audit report of the auditors in the past year

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.

In 2014, the auditor rendered unconditional opinion towards consolidated financial statement of the company, subsidiary company and joint venture and financial statement of the company.

In 2015, the auditor unable to express an opinion towards consolidated financial statement of the company, subsidiary company and joint venture and financial statement of the company.

Consolidated/Separate Financial Statements

EMC Public Company Limited, its Subsidiary and Joint Ventures

Statement of Financial Position

As of December 31, 2015

	Consolidated Financial Statements					
	2015		2014		2013	
	Million Baht	%	Million Baht	%	Million Baht	%
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents	1,075.54	32.43	108.36	4.77	36.62	2.03
Short-term investments	4.95	0.15	402.36	17.72	-	-
Trade account receivables - net	125.15	3.77	117.08	5.16	295.99	16.41
Unbilled trade receivables - net	82.48	2.49	184.70	8.14	339.15	18.80
Retention receivable from customers - net	72.09	2.17	65.67	2.89	150.34	8.33
Other receivables from and advances to related parties - net	6.98	0.21	16.03	0.71	4.60	0.26
Short-term loans to subsidiaries and interest receivable-net	3.34	0.10	-	-	-	-
Inventories	213.19	6.43	-	-	-	-
Work in progress - net	34.05	1.03	30.92	1.36	16.79	0.93
Real estate projects for sales under development	403.43	12.16	474.23	20.89	-	-
Assets held for sales	-	-	-	-	89.74	4.97
Other current assets	593.04	17.88	99.41	4.38	303.55	16.83
Total Current Assets	2,614.24	78.83	1,498.76	66.02	1,236.78	68.56
NON-CURRENT ASSETS						
Investments in restricted deposits with financial institutions	206.73	6.23	278.56	12.27	314.96	17.46
Other long-term investments - net	-	-	12.27	0.54	12.27	0.68
Investments in subsidiaries and associate - net	1.91	0.06	4.45	0.20	4.79	0.27
Real estate projects for sales under development	96.48	2.91	86.31	3.80	-	-
Project under construction	114.15	3.44	10.22	0.45	-	-
Property, plant and equipment-net	164.14	4.95	197.97	8.72	181.61	10.07
Intangible assets - net	3.92	0.12	-	-	-	-
Withholding tax deducted at sources - net	102.42	3.09	90.00	3.96	-	-
Deferred income tax assets - net	-	-	78.42	3.45	47.66	2.64
Other non-current assets - net	12.37	0.37	13.33	0.59	5.78	0.32
Total Non-Current Assets	702.12	21.17	771.53	33.98	567.07	31.44
TOTAL ASSETS	3,316.36	100.00	2,270.29	100.00	1,803.85	100.00



EMC Public Company Limited, its Subsidiary and Joint Ventures

Statement of Financial Position (Continued)

As at December 31, 2015

	Consolidated Financial Statements					
	2015		2014		2013	
	Million Baht	%	Million Baht	%	Million Baht	%
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Bank overdrafts and short-term loans from financial institutions	-	-	41.92	1.85	298.09	16.53
Trade account payables	154.12	4.65	237.74	10.47	643.10	35.65
Current portion of long-term loans from financial institutions	174.47	5.26	155.66	6.86	-	-
Current portion of liabilities under finance lease contracts	0.29	0.01	1.05	0.05	0.78	0.04
Unbilled construction cost payables	124.21	3.75	233.87	10.30	258.29	14.32
Advances received from customers	120.34	3.63	90.41	3.98	129.76	7.19
Short-term loans from related persons						
Advance received for share capital of associated company	-	-	-	-	5.20	0.29
Payable for investment in associated company	-	-	-	-	4.80	0.27
Other payables to related parties	7.25	0.22	12.50	0.55	-	-
Income tax payable	3.86	0.12	0.23	0.01	-	-
Accrued dividends	2.83	0.09	2.83	0.12	2.83	0.16
Provision for loss on litigation claim	68.28	2.06	58.52	2.58	60.04	3.33
Provision for loss on construction projects	14.49	0.44	12.76	0.56	9.00	0.50
Other current liabilities	88.33	2.66	66.09	2.91	56.09	3.11
Total Current Liabilities	774.44	23.35	946.06	41.67	1,528.98	84.76
NON-CURRENT LIABILITIES						
Long-term loans from financial institutions - net	0.12	0.00	80.90	3.56	-	-
Retention payable to contractors	110.65	3.34	127.28	5.61	126.85	7.03
Liabilities under finance lease contracts - net	0.47	0.01	0.76	0.03	0.76	0.04
Provision for employee retirement benefit	24.04	0.72	18.21	0.80	13.55	0.75
Deferred income tax liability	7.72	0.23	8.32	0.37	8.92	0.49
Total Non-Current Liabilities	143.00	4.31	235.47	10.37	150.08	8.32
Total Liabilities	917.44	27.66	1,181.53	52.04	1,679.06	93.08

EMC Public Company Limited, its Subsidiary and Joint Ventures

Statement of Financial Position (Continued)

As at December 31, 2015

	Consolidated Financial Statements					
	2015		2014		2013	
	Million Baht	%	Million Baht	%	Million Baht	%
TOTAL LIABILITIES AND EQUITY						
EQUITY						
Share capital						
Authorized share capital, common share	12,492.18		4,719.65		1,659.60	
12,492,179,374 shares in 2015 and 4,719,646,689 shares in 2014, at Baht 1 par value						
Issued and paid-up share capital, common share 8,430,043,580 shares in 2015 and 3,557,231,596 shares in 2014, at Baht 1 per share	8,430.04	254.20	3,557.23	156.69	1,173.10	65.03
Premium on share capital	248.61	7.50	248.61	10.95	248.58	13.78
Discount on share capital	(4,457.28)	(134.40)	(1,193.38)	(52.57)	-	-
Premium on share capital-treasury stocks	5.97	0.18	5.97	0.26	5.97	0.33
Retained earnings (deficit)						
- Appropriated for legal reserve	16.48	0.50	16.48	0.73	16.48	0.91
- Deficit	(1,746.25)	(52.66)	(1,449.05)	(63.83)	(1,245.36)	(69.04)
Other component of equity - net	30.87	0.93	33.28	1.47	35.70	1.98
Equity Attributable to Owners of the Parent - net	2,528.44	76.24	1,219.14	53.70	234.47	13.00
Non - controlling interests	(129.52)	(3.91)	(130.38)	(5.74)	(109.68)	(6.08)
Equity-Net	2,398.92	72.34	1,088.76	47.96	124.79	6.92
TOTAL LIABILITIES AND EQUITY	3,316.36	100.00	2,270.29	100.00	1,803.85	100.00



EMC Public Company Limited, its Subsidiary and Joint Ventures

Income Statement

For the year ended December 31, 2015

	Consolidated Financial Statements					
	2015		2014		2013	
	Million Baht	%	Million Baht	%	Million Baht	%
REVENUES						
Revenue from construction	631.83	80.68	1,780.93	99.73	1,596.23	100.00
Revenue from sales of residential condominium units and commercial building	145.85	18.62	2.55	0.14	-	-
Project consultant fees	5.48	0.70	2.31	0.13	-	-
Total Revenues	783.15	100.00	1,785.79	100.00	1,596.23	100.00
Costs of construction and project consultant	(642.51)	(82.04)	(1,726.81)	(96.70)	(1,644.10)	(103.00)
Cost of sales of residential condominium units and commercial building	(135.46)	(17.30)	(1.85)	(0.10)	-	-
Gross Profit	5.19	0.66	57.13	3.20	(47.86)	(3.00)
Interest income	4.66	0.60	6.05	0.34	6.92	0.43
Reversal of allowance for doubtful accounts	30.18	3.85	68.79	3.85	3.55	0.22
Reversal of estimated construction cost	50.50	6.45	-	-	-	-
Other income	28.77	3.67	43.97	2.46	41.87	2.62
Dividend income	-	-	-	-	28.70	1.80
Selling expenses	(48.71)	(6.22)	(0.94)	(0.05)	-	-
General and administrative expenses	(143.67)	(18.35)	(127.50)	(7.14)	(83.29)	(5.22)
Allowance for doubtful accounts	(72.52)	(9.26)	(219.12)	(12.27)	(148.99)	(9.33)
Allowance for impairment loss of investments of other companies	(12.27)	(1.57)	-	-	-	-
Written off unclaimable withholding tax deducted at sources	(4.08)	(0.52)	(0.46)	(0.03)	(3.93)	(0.25)
Management benefit expenses	(20.91)	(2.67)	(17.31)	(0.97)	(17.28)	(1.08)
Provision for loss on litigation claim	(12.39)	(1.58)	-	-	(56.38)	(3.53)
Loss from increment estimated cost for construction projects to be completed	(8.00)	(1.02)	(55.19)	(3.09)	(448.06)	(28.07)
Loss from decline in value of investment in subsidiary	-	-	-	-	(718.36)	(45.00)
Share of loss of investments in associate and joint venture	(6.38)	(0.81)	(0.33)	(0.02)	(0.01)	-
Finance costs	(4.54)	(0.58)	(9.61)	(0.54)	(17.64)	(1.11)
Loss before Tax	(214.17)	(27.35)	(254.52)	(14.25)	(1,460.75)	(91.51)
Income tax income (expense)	(82.62)	(10.55)	30.13	1.69	24.39	1.53
LOSS FOR THE YEAR	(296.79)	(37.90)	(224.39)	(12.57)	(1,436.36)	(89.98)
OTHER COMPREHENSIVE LOSS :						
Items that will not be reclassified subsequently to profit or loss :						
	-	-	-	-	44.62	2.80
Revaluation surplus of fixed assets	(3.02)	(0.39)	(3.02)	(0.17)	-	-
Depreciation of revaluation surplus of fixed assets	0.60	0.08	0.60	0.03	(8.92)	(0.56)
Income tax relating to item that will not be reclassified						
Actuarial gain - net of tax	0.45	0.06	-	-	-	-
Other Comprehensive Loss for the Year - Net of Tax	(1.97)	(0.25)	(2.42)	(0.14)	35.70	2.24
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	(298.75)	(38.15)	(226.81)	(12.70)	(1,400.67)	(87.75)

EMC Public Company Limited, its Subsidiary and Joint Ventures

Income Statement (Continued)

For the year ended December 31, 2015

	Consolidated Financial Statements					
	2015		2014		2013	
	Million Baht	%	Million Baht	%	Million Baht	%
Loss for the year attributable to:						
Owners of the parent	(203.69)	(11.41)	(1,348.54)	(84.48)		
Non-controlling interests	0.87	0.11	(20.70)	(1.16)	(87.83)	(5.50)
Loss for the year	(296.79)	(37.90)	(224.39)	(12.57)	(1,436.36)	(89.98)
Total comprehensive loss for the year attributable to:	(299.62)	(38.26)	(206.11)	(11.54)	(1,312.84)	(82.25)
Owners of the parent						
Non-controlling interests	0.87	0.11	(20.70)	(1.16)	(87.83)	(5.50)
Total comprehensive loss for the year	(298.75)	(38.15)	(226.81)	(12.70)	(1,400.67)	(87.75)
Loss per Share Attributable to Owners of the Parent						
Basis loss per share	(0.07)		(0.09)		(1.15)	
Diluted loss per share	(0.07)		(0.09)		(1.15)	



EMC Public Company Limited, its Subsidiary and Joint Ventures

Statement of Cash Flows

For the year ended December 31, 2015

	Consolidated Financial Statements		
	2015 (Million Baht)	2014 (Million Baht)	2013 (Million Baht)
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss for the year	(296.79)	(224.39)	(1,436.36)
Adjustments to reconcile loss for the year to net			
Cash used in operating activities:			
Depreciation and amortization	33.72	33.04	35.38
Loss from increment estimated cost for construction projects to be completed	8.00	55.19	448.06
Reversal of estimated construction cost	(50.50)	-	718.36
Provision for (reversal of) provision for loss on litigation claim	12.39	(1.52)	56.38
Provision for employee retirement benefit	6.40	4.66	(2.12)
Allowance for doubtful accounts - net	42.34	150.33	145.44
Allowance for impairment loss of investments of other companies	12.27	-	-
Loss (gain) on sales of fixed assets	0.05	(0.85)	0.16
Written of fixed assets	6.11	0.17	-
Gain on sales of assets held for sales	-	(0.18)	-
Written of unclaimable withholding tax deducted at source	4.08	0.46	3.93
Written off liabilities	(7.80)	-	-
Share of loss of investment in associate and joint venture	6.38	0.33	0.01
Unrealized (gain) loss on valuation adjustment of short-term investments	1.54	(0.80)	-
Interest income	(4.66)	(6.05)	(6.92)
Interest expense	4.54	9.61	17.64
Income tax (income) expense	82.62	(30.13)	(24.39)
Decrease (increase) in operating assets:			
Trade account receivables	7.50	91.70	(51.67)
Unbilled trade receivables	102.22	110.92	590.94
Retention receivable from customers	(0.63)	84.33	4.03
Other receivables from and advances to related parties	(4.86)	(7.17)	-
Work in progress	(3.13)	(43.42)	(890.19)
Real estate projects for sales under development	(51.80)	(54.06)	-
Deposits for purchases of real estate projects			
Under development and land	(553.55)	(25.00)	-
Other current assets	29.18	110.26	53.38
Project under construction	(103.94)	(10.22)	-
Deferred loan arrangement fees	-	(2.00)	-
Other non-current assets	0.98	(3.22)	3.31

EMC Public Company Limited, its Subsidiary and Joint Ventures

Statement of Cash Flows (Continued)

For the year ended December 31, 2015

	Consolidated Financial Statements		
	2015 (Million Baht)	2014 (Million Baht)	2013 (Million Baht)
Increase (decrease) in operating liabilities:			
Trade account payables	(100.88)	(407.79)	(280.53)
Unbilled construction cost payables	(67.17)	(24.42)	(63.46)
Advances received from customers	27.24	(61.66)	(114.83)
Other payables from related parties	2.00	-	-
Other current liabilities	19.45	9.15	(47.19)
Retention payable to contractors	(14.83)	20.05	7.02
Cash refund from withholding tax deducted at sources	-	50.40	133.09
Income tax paid	(18.28)	(47.44)	(44.52)
Net Cash Used in Operating Activities	(869.81)	(219.71)	(745.04)
CASH FLOWS FROM INVESTING ACTIVITIES:			
(Increase) decrease in short-term investments	395.86	(401.56)	-
Increase in short-term loans to subsidiaries and related parties	(3.30)	-	-
Increase in investment in subsidiaries	(20.00)	(100.06)	-
Effect on cash flows from additionally investing in subsidiaries	0.19	2.10	-
Decrease in investments in restricted fixed deposits	71.83	36.46	37.77
Acquisition of property, plant and equipment	(8.95)	(3.18)	(7.00)
Acquisition of intangible assets	(3.99)	-	-
Proceeds from sales of fixed assets	-	2.44	1.00
Interest received	4.91	6.42	7.73
Dividend received	-	-	-
Advance received for share capital of associate	-	(5.20)	5.20
Payable for investment in associate	-	(4.80)	-
Net Cash Provided by (Used in) Investing Activities	436.56	(467.39)	44.71



EMC Public Company Limited, its Subsidiary and Joint Ventures

Statement of Cash Flows (Continued)

For the year ended December 31, 2015

	Consolidated Financial Statements		
	2015 (Million Baht)	2014 (Million Baht)	2013 (Million Baht)
CASH FLOWS FROM OPERATING ACTIVITIES:			
Decrease in bank overdrafts and short-term loans from financial institutions	(41.92)	(256.17)	101.40
Increase in short-term loans from directors	91.96	23.41	190.00
Repayment for short-term loans from directors	(121.38)	(160.44)	(170.00)
Repayment for short-term loans from other company	-	-	(10.00)
Repayment for finance lease contracts	(1.20)	(1.34)	(0.92)
Cash receipt from long-term loan from financial institutions	20.48	9.40	-
Repayment for long-term loans from financial institutions	(151.72)	(31.65)	-
Increase in share capital from the exercised warrants	2.66	4.17	0.03
Increase in share capital	1,606.26	1,186.61	586.54
Interest paid	(4.71)	(15.15)	(18.02)
Net Cash Provided by Financing Activities	1,400.43	758.84	679.04
NET INCREASE IN CASH AND CASH EQUIVALENTS	967.18	71.74	(21.29)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	108.36	36.62	57.91
CASH AND CASH EQUIVALENTS AT END OF YEAR	1,075.54	108.36	36.62

EMC Public Company Limited

Financial Ratios

		2015	2014	2013
Liquidity Ratio				
Current Ratio	(Times)	3.38	1.58	0.81
Quick Ratio	(Times)	1.56	0.66	0.22
Account Receivable Turnover	(Times)	6.47	8.65	5.00
Average Collection Period	(Day)	56.00	42.00	73.00
Account Payable Turnover	(Times)	3.97	3.93	2.10
Average Payment Period	(Day)	92.00	93.00	174.00
Profitability Ratio				
Gross Profit Margin	(%)	0.66	3.20	(3.00)
Operating Profit Margin	(%)	(27.36)	(14.05)	(90.84)
Net Profit Margin	(%)	(37.90)	(0.13)	(89.98)
Cash to profitability ratio	(%)			
Return on Equity	(%)	(15.84)	(30.87)	(240.35)
Efficiency Ratio				
Return on Asset	(%)	(7.67)	(12.49)	(61.78)
Return on Fix Asset	(%)	(29.07)	(38.03)	(254.19)
Total Asset Turnover	(Times)	0.28	0.88	0.68
Financial Policy Ratio				
Debt to Equity Ratio	(Times)	0.36	0.97	7016
Dividend Payout Ratio	(%)	-	-	-
Data per Share				
Book Value per Share	(Baht)	0.30	0.34	0.20
Earnings per Share	(Baht)	(0.04)	(0.06)	(1.22)
Dividend per Share	(Baht)	-	-	-
Dividend Yield	(%)	-	-	-

In 2015, the Liquidity Ratio is better than the previous year according to the investment increasing. Even the account receivable turnover decrease, which lead to average collection period increase however company able to manage the account payable turnover as the same average payment period previously which leads to business partner supporting.

The Profitability Ratio is decrease in 2015 cause from,

1. The Difference of Revenue from construction, 631.83 Million baht, which is less than the previous year as 1,149.10 million baht or decreased by 64.52%. According to the company invest the construction and also the cost of construction increase from adjustment of the real construction cost, which is effect to loss of gross profit as 10.7 million baht.
2. Revenue from sales of residential condominium units and commercial building, 145.85 million baht, which increased as 143.30 million baht from previous year. Cost of sales of residential condominium units and commercial building, 135.46 million baht as 92.81% contribution lead to generate gross profit as 10.39 million baht.

However, the Operating Profit Margin and Net Profit Margin are loss which leads to the Return on Equity shows negative. However, the company promises to develop the management efficiency in order to generate the better performance of the Return on Equity, Book Value per Share, and Earnings per Share.



Explanation and Analysis of Business Operation and Financial Status

Overview of business operation in the past

EMC Public Co., Ltd. is a company to operate its business relating to providing services according to a long-term service contract and a construction contract. During the year 2009, the company had entered a joint venture contract with Power Line Engineering Public Co., Ltd. with the shares proportioned as 49% and 51% respectively to proceed the construction of projects of public sector in Chiang Mai province and during the year 2010, the company had invested in BR Construction Co., Ltd. a company providing services as service contract and construction contract with an investment ratio of 51% (The company, subsidiary company, and joint venture hereinafter inclusively referred to as "Group of companies") In year 2013, the company had invested with Sanken Setsubi Kyogo Co., Ltd. (Japan) to conduct its construction business concerning engineering system on behalf of Sanken-EMC Co., Ltd. with the shares holding ratio of 48% which deems to be a joint company of the company. In year 2014, the company had invested in three subsidiary companies comprising Rich Man Property Co., Ltd., North Property Co., Ltd. and Sajja Bangsaen Condominium Co., Ltd. which is a construction company in Meuang district, Chonburi province. In year 2015, the company had invested in subsidiary company which is Siam Bangkok Development co., Ltd which is a construction company in Baan Bung district, Chonburi province.

In year 2015, Group of companies had revenue from contracting for the construction for a total amount of 631.83 million baht which was decreased as 1,149.10 million baht or 64.52% decreasing which was revenue from two main lines in construction such as general construction line and system construction line The revenue also is included revenue from sales of resident condominium units amounting to 145.85 million baht and revenue from project consultant fee amount of 5.48 million baht. By the way, Group of companies had costs from contracting for the construction and cost from sales of resident condominium units a total amount of 777.97 million baht and there was gross profit at 5.19 million baht, equivalent to gross profit ratio of 0.66 %, which was decreased compared with the last year. The cause was the company adjusted the construction cost follow the real cost occurring. Group of the companies had general expenses and compensation for the executives for 213.29 million baht which were increased amounting to 46.34 million baht or 27.23 % from the revenue. There was the record of significant loss was demonstrated as below.

1. Loss recognition from construction projects of the company at that time for one project, the total loss was expected to be 8.00 million baht. The main cause was from the delay of construction. However, the projects above was completed and delivered in year 2015. The detail and status of project was summarized in the table below.

Project Name	Estimate loss in year 2015	Cause of Loss
Kirimaya Project	8.00 Million Baht	Company had estimated value and residual work in both of construction line and system construction line of Kirimaya Project before the end of term insurance contract one year. Company estimates the additional construction cost amount of 8.0 million baht at December 30, 2015. According to this project has large area which is included of work detail need skillfully and delicately. Besides, this project has the additional work of construction line and system construction line as the detail mentioned above.

2. Allowance for doubtful accounts of several projects had been reserved that was composed of account receivables for 3.40 million baht and debtor for retention receivables for 3.37 million baht according to did not receive the money from debtor for one year excess and also consisted of construction problem.

(Unit: Million Baht)

Project Name	Account receivables	Retention receivables
Airport Link Square car park	3.10	-
The Kris Extra 5	0.30	-
Airport Link Square car park	-	3.37
Total	3.40	3.37

All of these rendered the year 2015 Group of companies had loss of operation before interest and tax (EBIT) for 209.63 million baht that was less than the last year by 14.41%. Besides, Group of companies had financial costs for 4.54 million baht and expenses corporate income tax for 82.62 million baht leading to the outcome of operation to be in net loss for 296.79 million baht. Conversely, if considering merely the parent company, net loss would be 297.65 million baht.

Income

In year 2015, Group of companies had income from contracting for the construction for the total amount of 631.83 million baht, decreased from the previous year amount to 1,149.10 million baht or decreased as 64.52%. The revenue caused from continually constructed project since year 2014 Due to the company under the new bid and the company is in the process of preparatory work in real estate. Group of companies had income from sales of residential condominiums 145.85 million baht, which increased of 5,619.14% compared to the same period in last year. Group of companies had other income for 114.11 million baht consisted of interests for 4.66 million baht and income from reversal of allowance for doubtful accounts amounted 30.18 million baht. Income from the reversal of estimated construction cost of 50.50 million baht. due to set allowance and estimates the before year 2015 and received later in 2015 and other income for 28.77 million baht that mostly revenue from the sale of scrap materials that cannot be reused, then. Including clear long overdue payables.

Cost of Contracting for the Construction and Gross Profit

In year 2015, Group of companies had costs of contracting for the construction for the total amount of 777.97 million baht creating the gross profit for 5.19 million baht or equivalent to 0.66%. However, considering only group, the group of companies had gross profit from sales of residential condominium unit amount of 10.39 million baht, representing 7.12%. And a gross loss from construction amount of 5.20 million baht or equivalent to 0.82%, as mentioned above.

Other General Expenses and Management cost

General expenses and management cost including compensation for executives for year 2015 were 213.29 million baht was consisted of salaries, wages, welfares, expenses, benefits for workers, sanitary expenses, depreciation cost, expert fee, other miscellaneous expenses that were of 27.23% of the income compared to the last year the general expenses and management cost including compensation for executives for 145.75 million baht or 8.16 % of income. The expenses were decreased compared to the last year as of 21.84%. Most of the company expanded investment in real estate is the cost of sales increased by 47.77 million baht, which mainly consisted of sale employees cost increased 21.74 million baht. Benefits of Sale employees were increased by 10.30 million baht. Marketing and promotion amount of 8.26 million baht, decorate the office of 2.87 million baht and the other 4.60 million baht. In addition, the company had set up the account with the following list.



Allowance for impairment of investments in shares of M One Property Co., Ltd amount of 12 million baht due to this mentioned company losses continued to the present and there was significant uncertainty in the recovery of investments in such companies.

Liabilities estimation was losses from the lawsuits of 3.10 million baht which the Court of First Instance, has considered to pay for such damages.

The company had set up the allowance for doubtful accounts for the deposit project of Fine 22 Property Co., Ltd amount of 25 million baht. Since the third quarter of 2014 the company paid the deposit for the purchase from Fine 22 Property Co., Ltd amount of 25 million baht. On January 5, 2015, the company has terminated the Intent to purchase project. Fine 22 Property Co., Ltd has sent a refund deposit letter to the company and refund the deposit to the company within December 31, 2015. Company had set the allowance for doubtful accounts of 25 million baht since the company has not received the refund. Currently, the company has been paid in advance by cheque dated amount of 3 editions already.

The company had set allowance for more deposits in amount of 24 million baht. In the third quarter of 2015, the company had paid a deposit for purchase of land from Mrs.Vimoljit Arintamapong ("Seller") amount of 25 million baht. The seller presented a cheque dated October 10, 2015 amount of 25 million baht to company in order to ensure the sale of such land. Then, the company canceled the purchase of such land.

Moreover, the doubtful accounts written off as 0.87 million baht. Provision for employee benefits 5.84 million baht and impairment 12.27 million baht. The doubtful accounts in the amount of 0.87 million baht, the company has filed a lawsuit ended. Including the partial repayment already consisted of the table below.

Project Name	Type	Million Baht
THE EMPORIO	Other debtor - contractors	0.86
THE EMPORIO	Other debtor - Other	0.01
Total		0.87

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

In year 2015, Group of companies had recorded allowance of doubtful debt for account receivables from construction which has been behind in payment for long time comprising construction fee and retention which customers already had deducted for 8.45 million baht. Most of the causes were from the debtors who had financial problem and/or the problem of repairing of work that could not be concluded as the detail following.

Type	2015 (Million Baht)	2014 (Million Baht)
Trade account receivables	3.40	125.67
Retention receivables	3.37	36.40
Unbilled trade receivables	-	43.23
Advance payment	1.68	13.82
Total	8.45	219.12

However, the company has continued follow up which makes the reserve declined from the previous year.

Loss from increased of estimated costs on the purpose of completing of the Construction Projects.

In year 2015, Group of companies had adjusted the estimation of costs for one project constituting loss and reverse of profits that were recognized in such a project for the total loss amount of 8 million. The estimated cost is expected to arise in the future. For the cause of loss, it was shown in the heading topic of overview of previous business operation.

Financial Cost

In year 2015, Group of companies had financial costs for 4.54 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 decreased volume of construction work. Therefore the financial cost produced by fee of guarantee letter was lesser.

Income (Expenses), Corporate Income Tax

In year 2015, Group of companies had net loss and income from corporate income tax for 82.62 million baht. Mainly due to the valuation allowance for deferred income tax amount of 76.57 million baht which was recognized as assets in the statement of financial position of the past.

Financial Status

Assets

Total assets of Group of companies were 3,316.36 million baht which were increased compared to the last year by 1,046.07 million baht. The main factor was from cash and cash equivalent, work in progress, other current assets and including the company has invested in a subsidiary company As a result, the Company recognized in the real estate projects under development for sale and real estate held for sale - condominium unit increase in receivables while unbilled trade receivables have reduced.

Cash and Cash Equivalent and Investment in Restricted Fixed Deposit

In year 2015, Group of companies had cash and cash equivalent items for 1,075.54 million baht and investment money in restricted fixed deposit for 4.95 million baht that would be the total of 1,080.49 million baht which were increased compared to the last year by 569.77 million baht. In year 2015 Group of companies had issued new ordinary shares to the existing shareholder. The fund from new ordinary share has been used for investment in real estate business and working capital in the company.

Account Receivables

As of 31 December 2015, Group of companies had account receivables for 243.72 million baht which were reduced compared to the last year by 7.76 million baht since the income of contracting for the construction was decreased. If considering the table showing debts' period, 24.70% of account receivables of Group of companies was account receivables that still did not come to due and 27.95% was for unpaid debtors who had been outstanding for not exceeding 6 months and 48.65% was for unpaid debtors who had been outstanding for more than 6 months. In year 2015 Group of companies had reserved additional allowance for doubtful accounts for 118.57 million baht that covered all unpaid debtors who had been outstanding for more than 12 months rendering the net debtor for 125.15 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 in each customer to payment prior to considering the acceptance of their work.



(Unit: Million Baht)

Items	Consolidated Financial Statements					
	2015	%	2014	%	2013	%
Within credit-term	60.21	24.70	88.06	35.02	113.07	32.95
Periods over credit-term						
- Not over 3 months	61.15	25.09	25.62	10.19	44.64	13.01
- Over 3 months to 6 months	3.79	1.56	2.33	0.93	67.92	19.79
- Over 6 months to 12 months	-	-	49.65	19.74	73.99	21.56
- Over 12 months	118.57	48.65	85.82	34.13	43.56	12.69
Total	243.72	100.00	251.48	100.00	343.18	100.00
Less: Allowance for doubtful accounts	(118.57)	(48.65)	(134.40)	(53.44)	(47.19)	(13.75)
Net	125.15	51.35	117.08	46.56	295.99	86.25

Unbilled Account Receivables and Retention Receivables from Customers

Unbilled net account receivables of Group of companies at the end of the year 2015 amounted 82.48 million baht which were reduced by 102.22 million baht or by 55.34% compared to the year 2014.

The factor was from during the year Group of the companies has not recorded allowance doubtful debt from unbilled account receivable from the previous year. The total allowance doubtful debt from unbilled account receivable amounted to 121.16 million baht.

For net retention receivables from customers of Group of companies at the end of 2015 amounted 72.09 million baht which were increased compared to the year 2014 by 6.42 million baht or by 9.77 %. This was because during the year, group of companies had recorded allowance for doubtful accounts of retention receivables unpaid for exceeding 12 months for the amount of 3.37 million baht. The total allowance for doubtful accounts of retention receivables contributions in the amount of 85.83 million baht. However, Group of companies anticipated to pursue the debts already reserved not less than 30%-40%.

The company has set up a working group to follow up on overdue debt in order to ongoing and rigorous assessment based on the customer's capability to repay debt. In the case of the debt was composition, the company requested the customers to process payments by cheque in advance to confirm the repayment of the customer. Including of the customer operate the quality assets to perform the revaluation of assets to pay the debt. For the provision for doubtful accounts or write-offs, the company holds the criteria of accounting is a major factor in determining progress.

Work in Process

Net work in process of Group of companies at the end of 2015 amounted 34.05 million baht which was increased compare to the year 2014 by 3.13 million baht or by 10.12%.

Lands, Buildings and Equipment

During the year 2014 the company had appraise lands and buildings. The report of approximate of price by an independent company carrying the estimation of price of assets as presented in the statement of financial position at December 31, 2015. The estimated price of assets which was higher than historical cost for 30.87 million baht (net from deferred income tax for 7.71 million baht) was shown in the account "other composition of Shareholders' Equity-net" under "Shareholders' Equity" in statement of financial position. The excess of capital of appraisal of fixed asset could not be paid as dividend.

During the year 2015 the investment in buying 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 high-valued fixed assets. Hence, after deduction of depreciation cost during the year, Group of companies would have net fixed asset after deduction of accumulated depreciation cost for 164.13 million baht or calculated as 4.95 % of total assets which was decreased by 17.09 % compared to the last year.

Liabilities (Debts)

The total liabilities of Group of companies amounted 917.44 million baht which were reduced compared to the last year by 264.09 million baht because of settlement to trade account payable and bank overdraft and short term loans from financial institutions. On the other hand, long term loans from financial institutions have increased from subsidiary company using the long term loan for real estate projects for sales under development in year 2015. Currently, the company also has the ability to repay debt and to comply with the terms of the loan. It also has the ability to provide the additional source of fund to expand the business further.

Overdrafts and Short-term Loan from Financial Institutions

As of 31 December 2015, Group of companies had not drawn overdrafts and short-term loan from financial institutions which were decreased compared to the last year by 41.92 million baht. This was because in year 2015 the company has increased capital for working capital and including at the end of the year 2015 there are many projects have been completed so that, this cause to reduce of overdrafts and such of loans.

Trade Account Payable and Unrealized Construction Cost

As of 31 December 2015, the account balance of trading account payable has balance amounted 154.12 million baht that was reduced compared to the last year by 83.62 million baht. This was because in such year the company has capacity to control the number of order or employ therefore this cause to decrease such amount.

Short-term Loan from Committees

The balance as of 31 December 2015 amount 15.97 million baht which was reduced from the previous year by 16.51 million baht. The company made repayment of such loan after received fund from increased capital.

Shareholders' Equity

As of 31 December 2015, the company had capital issued and paid for 8,430.04 million baht which was increased compared to the last year by 4,872.81 million baht through the method of new capital increase shares offering to existing shareholders in the ratio of 1 existing share for 1 new share at the price 0.25 per share for the amount of 1,053.75 million baht. Meanwhile, Group of companies had annual turnover for loss that amounted 296.7 million baht (a portion of the parent company merely.) resulting in deficit or accumulated loss for 1,746.25 million baht and shareholders' equity of the parent company increased from 1,219.14 million baht at the end of the year 2014 to be 2,528.44 million baht at the end of the year 2015 or accounting value per share as 0.30 baht per share.

Cash Flow and Liquidity

In year 2015, Group of companies has recorded allowance doubtful debt from account receivable. Therefore, loss from operating result of Group of companies amount 296.79 million baht effecting to the Group of companies' liquidity. In addition, Group of companies had payment for trade account payable and also collected debt from account receivable. In summary, net cash flow used in operating activities was negative 869.81 million baht.



Group of companies provided additional capital to be used for maintaining liquidity sufficient in the organization. Net cash flow by financial activities amounted 1,400.43 million baht consisted of money by increasing capital of the company for 1,606.26 million baht. Therefore, in year 2015 Group of companies had net cash flow which was increased by 967.18 million baht. The company has tried to find additional funding sources whether a financial institution investors, including the current business to ensure adequate implementation including of the business expansion growth in the future.

		2015	2014	2013
Current Ratio	(times)	3.38	1.58	0.81
Average collection period	(days)	56	42	73
Average payment period	(days)	92	93	174

Once considering the ratio of liquidity of Group of companies, the liquidity was recovery in year 2015. Also the duration of debt collecting and payment of debts was shorter which was supported on recovery of the liquidity.

Sources of Capital

(Unit: Million Baht)

	Consolidated Financial Statements					
	2015		2014		2013	
	Million Baht	%	Million Baht	%	Million Baht	%
Current liabilities	774.44	23.35	946.06	41.67	1,528.98	84.76
Non-current liabilities	143.00	4.31	235.47	10.37	150.08	8.32
Total liabilities	917.44	27.66	1,181.53	52.04	1,679.06	93.08
Shareholders' equity	2,398.92	72.34	1,088.76	47.96	124.79	6.92
Total	3,316.36	100.00	2,270.29	100.00	1,803.85	100.00

As seen in the table above, it demonstrated that the source of capital of Group of companies consisted of shareholders' equity and liabilities as 72.34% and 27.66% respectively and mostly 23.35% belong to current liabilities. This was because the nature of business operation of Group of companies had to use capital for a considerable amount to purchase equipment and materials for construction, payment of wages for construction in many projects to be delivered to customers. The nature of capital was mostly in the form of credit received by trade account payable, money received in advance from customers, unbilled construction costs, overdrafts and short-term loan from financial institutions and since Group of companies had not emphasized on investment of equipment and large size machines therefore there was no need to use long-term capital. In the year 2015, the ratio of debt to equity was 0.36.

Obligations

As of 31 December 2015, Group of companies had obligations according to several long-term hire contracts to rent its offices, facilities, office devices and vehicles. The hire contracts as such had duration to be terminated in many intervals up to the year 2048. The total rental fee in 2016 will be 6.61 million baht and in 2017-2048 will be 81.67 million baht.

Guarantee Letter

Group of companies had guarantee letter issued by financial institutions on behalf of the company which related to obligations of ordinary business trade contract. The balance as of 31 December 2015 was 615.5 million baht which was dropped compared to the last year by 5.8 million baht. Such a guarantee letter guarantees by cash at financial institutions of Group of companies, lands and buildings, inclusion of the transfer of the rights to collect money from account receivables of Group of companies.

Factors and Main Influences which probably effect business operation or financial status in the future

Factors that effect the business operation or financial status in the future of Group of companies were fluctuation of price of construction equipment and materials, shortage of construction labor, economic situation, government policies and so on.

The labor shortage affect to the construction of the Group of companies in the past, which is the cause of Construction delays problems and cannot deliver on time as scheduled. However, the Group is aware of this risk and be prepared to supply foreign workers to replace some parts including the government policy on trade liberalization in ASEAN (AEC or Asean Economics Community is Asean Economics Community is the integration of the Asean 10 countries, with Thailand, Myanmar, Laos, Vietnam, Malaysia, Singapore, Indonesia, Philippines, Cambodia, Brunei, to provide mutual economic benefits, have more bargaining power benefits with partner and also import & export of ASEAN, it is free.) labor cost is lower and it can help alleviate the labor shortage does not affect the operations of the company. Thailand will not lack of unskilled labor because workers move freely with Myanmar, Laos, and Cambodia to work in Thailand increasingly. However, the government has to plan to deal with social problems, crime may increase as well.

Economic and the policy of the government can be considered as another factor that affects the operation of the Group of companies. If the economic condition of the country has improved. Investment has expanded in both the public and private sectors then, it will contribute the work increasing of the Group of companies. However, the liberalization of trade in ASEAN group (AEC), that the government supports is likely to be advantage of the company toward internal trading expansion, at least 25% of the industry such as automotive, tourism and so on and it's likely to cause the expansion of ASEAN to Thailand. Meanwhile, it is the opportunity to expanding for investment or contractor in ASEAN or more. However, the Company expects to receive the task of building up from government support this free trade. In addition, demand for housing of people who want to invest in Thailand will be another customer group of real estate development business of Company. Respectively, what we should be prepared early is English; at least we can communicate with Asean, because if you do not communicate then it would be difficult to do. Only Thai customers, it may not be enough because the foreign business, it will take our market share as well. The AEC is a big deal that the company has to well preparation and adaptation.

The current political is lead to uncertainties of large investments plans in the infrastructure of the country including of the investment plans of the private sector. If the situation is still unclear and continue protracted so it will be adversely affect the construction sector and the real estate development business of company including of the results of company operations as well. However, the Group of companies has adjusted the strategy by increasing the proportion of the private sector job which is low risk and construction period is not too long and also with a good margin by not focus on the project quantity. That is the cause of operations result of the Group of companies will not much affect with these risk factors. Future plans for the company, remains focused on constructions which provide the good profit such as a plant construction and the low rise buildings by concerning about business potential and finance of the employer parallel with the increasing of expansion into real estate business by accelerating the construction, sale and transfer, according to the projections or plans of the part of real estate development business of company to generate higher profits to the company.

Audit Fee

Group of EMC paid audit fee for year 2015 amounted 5.08 million baht as follow:

- Payment to Baker Tilly Audit and Advisory Services (Thailand) Co., Ltd. as audit fee of the company and subsidiary company amount 2.53 million baht.
- In March 2015, the audit fee has increased amount 660,000 baht because of new investment in one subsidiary company.

Non-Audit Fee (If any)

- None -



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 and its subsidiaries, and of EMC Public Company Limited, which comprise the consolidated and separate statements of financial position as at December 31, 2015, and the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the 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

Except as discussed in Bases for Disclaimer of Opinion paragraph, 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 disclaimer of opinion.

Bases for Disclaimer of Opinion

- a) As discussed in Note 8 to the financial statements, on September 2, 2015, the Company received a letter from a former shareholder of Siam Bangkok Development Co., Ltd. to terminate the share sale agreement dated March 20, 2015 to sell 100% of common shares of Siam Bangkok Development Co., Ltd. to the Company based on the reasons that the Company conducted against rules, regulation, announcements and laws of the Stock Exchange and made a claim to the Company and/or its directors to jointly responsible for damages (to be informed later) plus interest at 15% from the date of this letter until the last settlement and instructed the Company to return all common shares within September 9, 2015. Subsequently on September 7, 2015, the Company issued a letter to argue such termination by claiming that such sell and purchase common shares was legally completed and could not be cancelled. On November 16, 2015, the Company received a legal opinion from the Company's independent legal counselor that such share sale agreement was comprehensive agreement and could not be terminated. Therefore, the termination letter was unfair, illegitimate and invalid. The final outcome of this matter cannot presently be determined. The Company recorded investment in this company of Baht 20.0 million as a part of "Investments in subsidiaries and associate" and short-term loan to and interest receivable from such company amounting to Baht 48.6 million in the separate statement of financial position as at December 31, 2015. Total assets and total liabilities of this company amounting to Baht 111.8 million and Baht 36.4 million, respectively, were included in the consolidated statement of financial position as at December 31, 2015.

- b) As discussed in Note 8 to the financial statements, on September 16, 2015, Siam Grand Property Co., Ltd. ("the Plaintiff") filed a court case with the Civil Court as a black case no. Por 2206/2558 against the Company, in order to force the Company to 1) submit the original copy of the mortgagee of a mortgage contract dated August 13, 2014, consent document to redeem the mortgage from a local bank, the original land title deeds of land located at Amphur Ban Bung, Chonburi Province totalling 20 plots, including power of attorney for transfer of land of the Plaintiff, 2) pay the amount of Baht 500,000 to the Plaintiff together with interest at the rate of 7.5% per annum of such principal starting from the sued date until completely settling such amount, and 3) pay for the damage continuously on a monthly basis of Baht 1.3 million per month starting from the sued date until the Company can return such land title deeds to the Plaintiff. Subsequently, on October 26, 2015, the Company presented to the court and filed the counterclaim to the Civil Court against such case to force (1) the Plaintiff and a shareholder of the Plaintiff to transfer the ownership of land title deeds according to the sale and purchase asset agreements of Siam Tara Muntra Project (60 plots), Venice East Project (6 plots) and American Town Project (150 plots), (2) if the Plaintiff and the shareholder of the Plaintiff cannot transfer the ownership of land to the Company as required by (1), the Plaintiff and the shareholder of the Plaintiff have to repay the Company for the amount paid by the Company of Baht 521.6 million together with interest at the rate of 7.5% per annum of the principal of Baht 515.8 million starting from the date of filing the counterclaim until the Plaintiff and the shareholder of the Plaintiff completely settle to the Company, and (3) the Plaintiff and the shareholder of the Plaintiff pay for the damage to the Company of Baht 751.4 million together with interest at the rate of 7.5% per annum of the principal of Baht 743.0 million starting from the date of filing the counterclaim until the Plaintiff and the shareholder of the Plaintiff completely settle to the Company. The final outcome of these matters cannot presently be determined. The Company recorded payments for purchase of such projects and additional construction costs in such projects totalling Baht 479.4 million as a part of "Deposits for purchases of real estate projects under development and land" in the consolidated and separate statements of financial position as at December 31, 2015.

Disclaimer of Opinion

Because of the matters described in the Bases of Disclaimer of Opinion paragraph could have significant and pervasive effects to the consolidated and separate financial statements as a whole, I was unable to express an opinion on the consolidated and separate financial statements of EMC Public Company Limited and its subsidiaries, and of EMC Public Company Limited for the year ended December 31, 2015.

Other Matter

The consolidated and separate financial statements of EMC Public Company Limited and its subsidiaries and of EMC Public Company Limited for the year ended December 31, 2014, which are presented for comparative purposes, were audited by another auditor in my firm whose report dated March 2, 2015 expressed an unqualified opinion on those statements.

(Ms. Waleerat Akkarasrisawad)
Certified Public Accountant, Registration No. 4411
Baker Tilly Audit and Advisory Services (Thailand) Ltd.
Bangkok
February 29, 2016



Statement of Financial Position

EMC Public Company Limited, its subsidiaries and joint venture

As at December 31, 2015

ASSETS

		In Baht			
		Consolidated Financial Statements		Separate Financial Statements	
Notes		2015	2014	2015	2014
CURRENT ASSETS					
Cash and cash equivalents	3	1,075,544,635	108,360,932	1,067,125,267	94,277,045
Short-term investments	4, 34	4,955,046	402,359,778	4,955,046	402,359,778
Trade account receivables - net					
- Subsidiaries and related company	3, 5, 13	181,900	-	181,900	42,049,522
- Other companies	5, 7, 17, 32	124,969,095	117,075,238	124,969,095	117,075,238
Unbilled trade receivables - net	3, 6, 13, 17, 27, 32	82,476,551	184,701,130	82,476,551	184,701,130
Retention receivable from customers - net	5, 7	72,090,915	65,673,128	72,090,915	65,673,128
Other receivables from and advances to related parties - net	3, 13	6,984,427	16,025,978	8,398,809	15,437,109
Short-term loans to subsidiaries, related parties and interest receivable - net	3, 13	3,338,630	-	424,803,611	124,600,285
Inventories	8	213,189,621	-	-	-
Work in progress		34,048,106	30,918,643	34,048,106	30,918,643
Real estate projects for sales under development	8, 13, 19, 32	403,432,599	474,225,907	3,613,878	-
Other current assets					
- Advance payments for purchase of supplies - net		5,816,421	16,664,857	5,816,421	16,664,857
- Advance payments to sub-contractors - net	3, 18	21,678,532	17,887,750	4,471,245	17,887,750
- Deposits for purchases of real estate projects under development and land - net	8, 13	529,553,674	25,000,000	529,553,674	25,000,000
- Others - net		35,991,288	39,857,338	21,232,227	21,846,568
Total Current Assets		2,614,251,440	1,498,750,679	2,383,736,745	1,158,491,053
NON-CURRENT ASSETS					
Investments in restricted deposits with financial institutions	11, 17, 32	206,731,253	278,562,866	206,283,253	278,114,866
Other long-term investments - net	12	-	12,274,047	-	12,274,047
Investments in subsidiaries and associate - net	3, 5, 6, 8, 13	1,910,271	4,451,282	118,313,933	117,360,857
Real estate projects for sales under development	8, 13, 19, 32	96,474,526	86,306,824	-	-
Project under construction	14	114,151,340	10,215,069	114,151,340	10,215,069
Property, plant and equipment - net	9, 15, 17, 32, 34	164,134,488	197,968,678	163,756,923	197,672,706
Intangible assets - net		3,920,182	-	3,810,079	-
Withholding tax deducted at sources - net	10	102,416,553	90,008,528	102,416,430	86,099,700
Deferred income tax assets - net	16	-	78,419,076	-	78,419,076
Other non-current assets - net		12,372,678	13,334,014	10,344,143	11,282,514
Total Non-Current Assets		702,111,291	771,540,384	719,076,101	791,438,835
TOTAL ASSETS		3,316,362,731	2,270,291,063	3,102,812,846	1,949,929,888

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

Statement of Financial Position

EMC Public Company Limited, its subsidiaries and joint venture

As at December 31, 2015

	Notes	In Baht			
		Consolidated Financial Statements		Separate Financial Statements	
		2015	2014	2015	2014
CURRENT LIABILITIES					
Bank overdrafts and short-term loans from financial institutions	5, 6, 8, 11, 15, 17	-	41,920,396	-	41,920,396
Trade account payables					
- Related companies	3	13,971,264	24,242,606	13,262,656	23,533,997
- Other companies	32	140,148,506	213,493,495	130,596,728	209,367,986
Current portion of long-term loans from financial institutions	8, 19	174,470,548	155,660,000	-	-
Current portion of liabilities under finance lease contracts		295,876	1,046,602	295,876	1,046,602
Unbilled construction cost payables		124,207,009	233,871,280	116,948,439	233,871,280
Advances received from customers	18	120,341,940	90,413,825	97,362,179	45,522,428
Short-term loans from related persons	3	15,970,038	32,478,880	-	13,410,000
Other payables to related parties	3, 13	7,250,156	12,500,000	7,250,156	12,500,000
Income tax payable		3,863,523	231,506	-	-
Accrued dividends		2,825,073	2,825,721	2,825,073	2,825,721
Provision for loss on litigation claim	8, 32	68,279,212	58,519,041	68,279,212	58,519,041
Provision for loss on construction projects		14,492,016	12,758,544	-	-
Other current liabilities		88,329,984	66,104,139	85,130,302	61,015,347
Total Current Liabilities		774,445,145	946,066,035	521,950,621	703,532,798
NON-CURRENT LIABILITIES					
Long-term loans from financial institutions - net	8, 19	116,887	80,900,000	-	-
Retention payable to contractors	3	110,657,951	127,278,295	108,077,265	125,425,600
Liabilities under finance lease contracts - net		467,987	763,864	467,987	763,864
Provision for employee retirement benefit	20	24,040,491	18,205,026	24,040,491	18,205,026
Deferred income tax liability	16	7,716,291	8,320,341	7,716,291	8,320,341
Total Non-Current Liabilities		142,999,607	235,467,526	140,302,034	152,714,831
Total Liabilities		917,444,752	1,181,533,561	662,252,655	856,247,629
EQUITY					
Share capital	21				
- Authorized share capital, common share 12,492,179,374 shares in 2015 and 4,719,646,689 shares in 2014, at Baht 1 par value		12,492,179,374	4,719,646,689	12,492,179,374	4,719,646,689
- Issued and paid-up share capital, common share 8,430,043,580 shares in 2015 and 3,557,231,596 shares in 2014, at Baht 1 per share		8,430,043,580	3,557,231,596	8,430,043,580	3,557,231,596
Premium on share capital	22	248,605,613	248,605,613	248,605,613	248,605,613
Discount on share capital	21, 22, 23	-4,457,280,225	(1,193,380,146)	-4,457,280,225	(1,193,380,146)
Premium on share capital - treasury stocks		5,970,478	5,970,478	5,970,478	5,970,478
Retained earnings (deficit)					
- Appropriated for legal reserve	24	16,482,791	16,482,791	16,482,791	16,482,791
- Deficit		(1,746,254,359)	(1,449,051,001)	(1,834,127,214)	(1,574,509,439)
Other component of equity - net	15	30,865,168	33,281,366	30,865,168	33,281,366
Equity Attributable to Owners of the Parent - Net		2,528,433,046	1,219,140,697	2,440,560,191	1,093,682,259
Non-controlling interests		(129,515,067)	(130,383,195)	-	-
Equity - Net		2,398,917,979	1,088,757,502	2,440,560,191	1,093,682,259
TOTAL LIABILITIES AND EQUITY		3,316,362,731	2,270,291,063	3,102,812,846	1,949,929,888

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



Statement of Comprehensive Income

EMC Public Company Limited, its subsidiaries and joint venture

For the year ended December 31, 2015

	Notes	In Baht			
		Consolidated Financial Statements		Separate Financial Statements	
		2015	2014	2015	2014
Revenue from construction	3	631,828,040	1,780,929,411	631,828,040	1,769,482,846
Revenue from sales of residential condominium units and commercial building	3	145,845,075	2,550,000	26,335,650	-
Project consultant fees	3	5,480,053	2,309,300	5,480,053	2,309,300
Total Revenues		783,153,168	1,785,788,711	663,643,743	1,771,792,146
Costs of construction and project consultant	3	(642,506,883)	(1,726,806,356)	(642,506,883)	(1,701,783,470)
Cost of sales of residential condominium units and commercial building	8	(135,459,775)	(1,849,271)	(18,607,453)	-
Gross Profit		5,186,510	57,133,084	2,529,407	70,008,676
Interest income	3	4,660,902	6,046,048	27,502,171	10,976,081
Reversal of allowance for doubtful accounts	5, 6, 7	30,179,652	68,788,890	32,359,071	128,114,906
Reversal of estimated construction cost	33	50,498,836	-	50,498,836	-
Other income	3	28,772,905	43,971,125	21,026,335	43,645,862
Dividend income	3	-	-	7,350,000	-
Selling expenses		(48,708,621)	(940,538)	(46,005,398)	-
General and administrative expenses		(143,674,020)	(127,502,946)	(132,796,098)	(122,903,406)
Allowance for doubtful accounts	5, 6, 7, 13	(72,515,495)	(219,117,868)	(76,854,817)	(253,480,000)
Allowance for impairment loss of investments of other companies	12	(12,274,047)	-	(12,274,047)	-
Written off unclaimable withholding tax deducted at sources	10	(4,081,469)	(463,838)	(165,100)	-
Management benefit expenses	3	(20,907,310)	(17,305,160)	(20,907,310)	(17,305,160)
Provision for loss on litigation claim	32	(12,386,227)	-	(12,386,227)	-
Loss from increment estimated cost for construction projects to be completed	33	(8,000,000)	(55,185,683)	(8,000,000)	(29,287,000)
Loss from decline in value of investment in subsidiary	13	-	-	(11,793,849)	-
Share of loss of investments in associate and joint venture	13	(6,383,479)	(334,318)	-	-
Finance costs		(4,539,164)	(9,610,894)	(1,845,587)	(9,193,003)
Loss before Tax		(214,171,027)	(254,522,098)	(181,762,613)	(179,423,044)
Income tax income (expense)	16	(82,615,334)	30,132,586	(78,306,293)	30,765,689
LOSS FOR THE YEAR		(296,786,361)	(224,389,512)	(260,068,906)	(148,657,355)
OTHER COMPREHENSIVE LOSS :					
Items that will not be reclassified subsequently to profit or loss:					
Depreciation of revaluation surplus of fixed assets	15	(3,020,248)	(3,020,248)	(3,020,248)	(3,020,248)
Income tax relating to item that will not be reclassified	16	604,050	604,050	604,050	604,050
Actuarial gain - net of tax	20	451,131	-	451,131	-
Other Comprehensive Loss for the Year - Net of Tax		(1,965,067)	(2,416,198)	(1,965,067)	(2,416,198)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(298,751,428)	(226,805,710)	(262,033,973)	(151,073,553)
Loss for the year attributable to:					
Owners of the parent		(297,654,489)	(203,689,763)	(260,068,906)	(148,657,355)
Non-controlling interests		868,128	(20,699,749)	-	-
Loss for the year		(296,786,361)	(224,389,512)	(260,068,906)	(148,657,355)
Total comprehensive loss for the year attributable to:					
Owners of the parent		(299,619,556)	(206,105,961)	(262,033,973)	(151,073,553)
Non-controlling interests		868,128	(20,699,749)	-	-
Total comprehensive loss for the year		(298,751,428)	(226,805,710)	(262,033,973)	(151,073,553)
Loss per Share Attributable to Owners of the Parent	25				
Basic loss per share		(0.070)	(0.095)	(0.061)	(0.069)

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

Statement of Changes in Equity

EMC Public Company Limited, its subsidiaries and joint venture

For the year ended December 31, 2015

Consolidated Financial Statements (in Bakh)										
Notes	Share capital - issued and paid-up	Premium on share capital	Discount on share capital	Premium on share capital - treasury stocks	Retained earnings (deficit)			Other components of equity		
					Appropriated for legal reserve	Excess	Revaluation surplus of fixed assets	Income tax relating to components of other comprehensive income	Net	Equity attributable to owners of the parent - net
Balance as at January 1, 2014	1,173,101,298	248,582,189	-	5,970,478	16,882,791	(1,245,361,238)	44,621,955	(8,924,139)	35,697,564	254,473,082
Increase in share capital	2,373,315,563	-	(1,186,607,782)	-	-	-	-	-	-	1,186,607,781
Increase in share capital from the exercised warrants	10,914,755	23,424	(6,772,364)	-	-	-	-	-	-	4,165,795
Total comprehensive loss for the year	-	-	-	-	-	(205,689,783)	(3,020,240)	694,050	(2,416,198)	(228,895,71)
Balance as at December 31, 2014	3,557,231,596	248,605,613	(1,193,380,146)	5,970,478	16,882,791	(1,449,051,091)	41,601,707	(8,230,341)	33,291,366	1,088,757,505
Increase in share capital	4,865,621,790	-	(3,258,766,541)	-	-	-	-	-	-	1,606,255,449
Increase in share capital from the exercised warrants	7,790,194	-	(5,133,738)	-	-	-	-	-	-	2,656,456
Total comprehensive loss for the year	-	-	-	-	-	(297,203,358)	(3,020,240)	694,050	(2,416,198)	(298,751,422)
Balance as at December 31, 2015	8,430,643,580	248,605,613	(4,457,280,225)	5,970,478	16,882,791	(1,746,254,359)	38,581,469	(7,716,291)	30,865,168	2,398,917,695

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

Statement of Changes in Equity (Continued)

EMC Public Company Limited, its subsidiaries and joint venture

For the year ended December 31, 2015

Separate Financial Statements (In Baht)									
Notes	Share capital - issued and paid-up	Premium on share capital	Discount on share capital	Premium on share capital - treasury stocks	Retained earnings (deficit)		Other component of equity		
					Appropriated for legal reserve	Deficit	Revaluation surplus of fixed assets	Income tax relating to components of other comprehensive income	Equity - net
we as at January 1, 2014	1,171,101,298	248,582,189	-	5,970,478	16,482,791	(1,425,852,884)	44,621,955	(8,924,191)	53,982,246
use in share capital	2,373,215,563	-	(1,186,607,782)	-	-	-	-	-	1,186,607,781
use in share capital from the exercised warrants	10,914,735	23,424	(6,772,364)	-	-	-	-	-	4,165,795
comprehensive loss for the year	-	-	-	-	-	(148,657,355)	(3,020,248)	604,050	(151,073,553)
we as at December 31, 2014	3,557,221,596	248,605,613	(1,193,380,146)	5,970,478	16,482,791	(1,574,509,439)	41,601,707	(8,320,341)	1,093,882,259
use in share capital	4,865,021,790	-	(3,258,766,341)	-	-	-	-	-	1,606,255,449
use in share capital from the exercised warrants	7,790,194	-	(5,133,738)	-	-	-	-	-	2,656,456
comprehensive loss for the year	-	-	-	-	-	(259,617,775)	(3,020,248)	604,050	(262,033,973)
we as at December 31, 2015	8,430,043,580	248,605,613	(4,457,280,225)	5,970,478	16,482,791	(1,834,127,214)	38,581,459	(7,716,291)	2,440,560,191



Statement of Cash Flows

EMC Public Company Limited, its subsidiaries and joint venture

For the year ended December 31, 2015

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2015	2014	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss for the year	(296,786,361)	(224,389,512)	(260,068,906)	(148,657,355)
Adjustments to reconcile loss for the year to net cash used in operating activities:				
Depreciation and amortization	33,718,900	33,040,452	33,609,478	32,640,387
Loss from increment estimated cost for construction projects to be completed	8,000,000	55,185,683	8,000,000	29,287,000
Reversal of estimated construction cost	(50,498,836)	-	(50,498,836)	-
Provision for (reversal of) provision for loss on litigation claim	12,386,227	(1,523,065)	12,386,227	(1,523,065)
Provision for employee retirement benefit	6,399,379	4,656,233	6,399,379	4,656,233
Allowance for doubtful accounts - net	42,335,843	150,328,978	44,495,746	125,365,094
Allowance for impairment loss of investments of other companies	12,274,047	-	12,274,047	-
Loss from decline in value of investment in subsidiary	-	-	11,793,849	-
Loss (gain) on sales of fixed assets	45,822	(852,537)	45,822	(852,537)
Written of fixed assets	6,105,653	166,750	6,038,679	-
Gain on sales of assets held for sales	-	(175,233)	-	(175,233)
Written of unclaimable withholding tax deducted at source	4,081,469	463,838	165,100	-
Written off liabilities	(7,795,467)	-	-	-
Share of loss of investment in associate and joint venture	6,383,479	334,318	-	-
Unrealized (gain) loss on valuation adjustment of short-term investments	1,540,890	(798,825)	1,540,890	(798,825)
Interest income	(4,660,902)	(6,046,048)	(27,502,171)	(10,976,081)
Dividend income	-	-	(7,350,000)	-
Interest expense	4,539,164	9,610,894	1,845,587	9,193,003
Income tax (income) expense	82,615,334	(30,132,586)	78,306,293	(30,765,689)
Decrease (increase) in operating assets:				
Trade account receivables	7,498,008	91,701,870	(18,351,681)	25,199,848
Unbilled trade receivables	102,224,579	110,917,210	102,224,579	69,489,943
Retention receivable from customers	(627,267)	84,331,023	(627,267)	84,331,023
Other receivables from and advances to related parties	(4,862,995)	(7,167,475)	(5,177,323)	(9,203,353)
Work in progress	(3,129,463)	(43,418,117)	(3,129,463)	(45,024,837)
Real estate projects for sales under development	(51,799,336)	(54,064,482)	(3,613,878)	-
Deposits for purchases of real estate projects under development and land	(553,553,674)	(25,000,000)	(553,553,674)	(25,000,000)
Other current assets	29,181,115	110,259,262	24,283,795	107,840,953
Project under construction	(103,936,271)	(10,215,069)	(103,936,271)	(10,215,069)
Deferred loan arrangement fees	-	(2,000,000)	-	-
Other non-current assets	981,871	(3,216,568)	938,371	(3,238,998)
Increase (decrease) in operating liabilities:				
Trade account payables	(100,879,602)	(407,786,697)	(91,668,655)	(377,512,596)
Unbilled construction cost payables	(67,165,435)	(24,418,836)	(74,424,005)	(22,522,828)
Advances received from customers	27,238,865	(61,659,758)	51,839,751	(84,024,783)
Other payables from related parties	2,003,231	-	2,003,231	-
Other current liabilities	19,451,956	9,146,380	24,211,217	11,069,232
Retention payable to contractors	(14,832,718)	20,049,449	(17,348,335)	21,338,498
Cash refund from withholding tax deducted at sources	-	50,400,721	-	50,400,721
Income tax paid	(18,283,513)	(47,441,138)	(16,481,830)	(44,089,202)
Net Cash Used in Operating Activities	-869,806,008	-219,712,885	-811,330,254	-243,768,516

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



Statement of Cash Flows (Continued)

EMC Public Company Limited, its subsidiaries and joint venture

For the year ended December 31, 2015

	In Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2015	2014	2015	2014
CASH FLOWS FROM INVESTING ACTIVITIES:				
(Increase) decrease in short-term investments	395,863,842	(401,560,953)	395,863,842	(401,560,953)
Increase in short-term loans to subsidiaries and related parties	(3,300,000)	-	(215,711,617)	(154,230,000)
Cash receipts from repayment of short-term loans to subsidiary	-	-	2,000,000	60,000,000
Increase in investment in subsidiaries	(20,000,000)	(100,060,857)	(20,000,000)	(100,060,857)
Effect on cash flows from additionally investing in subsidiaries	193,742	2,095,085	-	-
Decrease in investments in restricted fixed deposits	71,831,613	36,459,681	71,831,613	29,493,681
Acquisition of property, plant and equipment	(8,948,579)	(3,183,794)	(8,731,733)	(3,153,019)
Acquisition of intangible assets	(3,989,140)	-	(3,876,790)	-
Proceeds from sales of fixed assets	-	2,443,925	-	2,443,925
Interest received	4,912,673	6,419,177	4,860,752	6,278,438
Dividend received	-	-	7,350,000	-
Advance received for share capital of associate	-	(5,200,000)	-	(5,200,000)
Payable for investment in associate	-	(4,800,000)	-	(4,800,000)
Net Cash Provided by (Used in) Investing Activities	436,564,151	-467,387,736	233,586,067	-570,788,785
CASH FLOWS FROM FINANCING ACTIVITIES:				
Decrease in bank overdrafts and short-term loans from financial institutions	(41,920,396)	(256,167,698)	(41,920,396)	(256,167,698)
Increase in short-term loans from directors	91,959,791	23,410,000	50,165,000	23,410,000
Repayment for short-term loans from directors	(121,378,387)	(160,441,630)	(63,575,000)	(71,000,000)
Repayment for finance lease contracts	(1,198,526)	(1,335,306)	(1,198,526)	(1,335,306)
Cash receipt from long-term loan from financial institutions	20,479,480	9,400,000	-	-
Repayment for long-term loans from financial institutions	(151,719,244)	(31,646,397)	-	-
Increase in share capital from the exercised warrants	2,656,456	4,165,795	2,656,456	4,165,795
Increase in share capital	1,606,255,449	1,186,607,781	1,606,255,449	1,186,607,781
Dividend payment	(648)	-	(648)	-
Interest paid	(4,708,415)	(15,149,303)	(1,789,926)	(8,960,694)
Net Cash Provided by Financing Activities	1,400,425,560	758,843,242	1,550,592,409	876,719,878
NET INCREASE IN CASH AND CASH EQUIVALENTS	967,183,703	71,742,621	972,848,222	62,162,577
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	108,360,932	36,618,311	94,277,045	32,114,468
CASH AND CASH EQUIVALENTS AT END OF YEAR	1,075,544,635	108,360,932	1,067,125,267	94,277,045
Additional cash flow information :				
1) Cash and cash equivalents consisted of:				
- Cash on hand	3,292,840	5,162,893	3,271,860	5,155,704
- Deposits at banks	1,072,251,795	103,198,039	1,063,853,407	89,121,341
Total	1,075,544,635	108,360,932	1,067,125,267	94,277,045
2) Payment to a creditor by condominium units	-	40,622,488	-	40,622,488
3) Assets held for sales transferred to property, plant and equipment	-	49,297,200	-	49,297,200
4) Transfer trade account receivables, other receivables and advance to subsidiaries				
to be short-term loans to subsidiaries	-	-	67,899,211	-
5) Purchased vehicles by means of finance lease	-	1,467,290	-	1,467,290
6) Payable for investment in subsidiary	-	12,500,000	-	12,500,000
The accompanying notes to financial statements are an integral part of these financial statements.				

Notes to Financial Statements

EMC Public Company Limited, its subsidiaries and joint venture

For the year ended December 31, 2015

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 140/66-67, ITF Tower, 28th - 30th Floor, Silom Road, Suriwongse, Bangrak, Bangkok 10500, Thailand.

The major shareholder of the Company as at December 31, 2015 and 2014 is Leenabanchong Group who owned 31.4% and 15.6% of the Company’s authorized share capital, respectively.

Subsidiaries

- BR Construction Co., Ltd., (51% - owned subsidiary) was incorporated as a limited company in Thailand on December 22, 1978. This subsidiary is engaged in the provision of services under long-term service agreements and construction agreements. Currently, the subsidiary does not engage in any business.

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

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

- Rich Man Property Co., Ltd., (100% - owned subsidiary) was incorporated as a limited company in Thailand on February 22, 2010. This subsidiary is engaged in real estate development.

The registered office address of this subsidiary is located at 112/43 Moo 1, Prayasajja Road, Tambol Samet, Amphur Muang Chonburi, Chonburi Province 20000, Thailand.

- North Property Co., Ltd., (100% - owned subsidiary) was incorporated as a limited company in Thailand on February 22, 2010. This subsidiary is engaged in real estate development.

The registered office address of this subsidiary is located at 112/45 Moo 1, Prayasajja Road, Tambol Samet, Amphur Muang Chonburi, Chonburi Province 20000, Thailand.

- Sajja Bangsaen Condominium Co., Ltd., (100% - owned subsidiary) was incorporated as a limited company in Thailand on June 22, 2007. This subsidiary is engaged in real estate development.

The registered office address of this subsidiary is located at 151/5 Moo 3, Tambol Samet, Amphur Muang Chonburi, Chonburi Province 20000, Thailand.

- Siam Bangkok Development Co., Ltd., the (100% - owned subsidiary) was incorporated as a limited company in Thailand on December 26, 2007. This subsidiary is engaged in real estate development.

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

Joint Arrangement

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”). 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 140/66-67, ITF Tower, 28th - 30th Floor, Silom Road, Suriwongse, Bangrak, Bangkok 10500, Thailand.

As a result of TFRS 11 (Revised 2014), the Company has changed its accounting policy for its interests in joint arrangement. Under TFRS 11, the Company shall classify its interests in joint arrangement as either joint operations or joint venture depending on the Company's right to the assets and obligations for the liabilities of the arrangement. When making this assessment, the Company considers the structure of the arrangement, the legal form of any separate vehicle, the contractual terms of the arrangement and other facts and circumstances. The Company re-evaluated its involvement in this joint venture and reclassified as joint venture, as a consequence, the Company has changed its accounting policy for the investment in joint venture in the consolidated financial statements from proportionate consolidation to the equity method. However, such change has no significant effect to the consolidated financial statements for the year ended December 31, 2014 because this joint venture has stopped the operation since 2013.

Associate

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 associate was registered with the Department of Business Development on December 4, 2013.

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

The Company and its subsidiaries 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 and its subsidiaries.

Subsidiaries

Subsidiaries are entities controlled by the EMC Group. The EMC Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Loss of Control

When the EMC Group loses control over the subsidiaries, it derecognizes the assets and liabilities of the subsidiaries, and any related non-controlling interests and other components of equity. Any resulting gain or loss from loss of control over subsidiaries is recognized in profit or loss. Any interest retained in the former subsidiaries are measured at fair value when control is lost.

Associate

Associated company is a company in which the Company has significant influence, but not control, over the financial and operating policies. The consolidated financial statements include the Company's share of the total recognized gains or losses of associated company by the equity accounting method, from the date that significant influence commences until the date that significant influence ceases. When the Company's share of losses exceeds its interest in an associate, the Company will account for the share of losses not exceeding its investments and further losses are no longer accounted for, except to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associated company.

Joint Venture

The joint venture is an arrangement in which the Company has joint control, whereby the Company has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Business combinations

The Company applies the acquisition method for all business combinations when control is transferred to the Company other than those with entities under common control.

Goodwill is measured as the fair value of the consideration transferred including the recognized amount of any non-controlling interest in the acquiree, less the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Company to the previous owners of the acquiree, and equity interests issued by the Company. Consideration transferred also includes the fair value of any contingent consideration. A contingent liability of the acquiree is assumed in a business combination only if such liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

The Company measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

Transaction costs that the Company incurs in connection with a business combination, such as legal fees, and other professional and consulting fees are expensed as incurred.

The accompanying consolidated financial statements for each of the years ended December 31, 2015 and 2014 included the financial statements of the EMC Group as follows:

	Nature of Business	Proportionate of Share (%)	
		2015	2014
Subsidiaries			
BR Construction Co., Ltd.	Construction	51	51
Rich Man Property Co., Ltd.	Real Estate	100	100
North Property Co., Ltd.	Real Estate	100	100
Sajja Bangsaen Condominium Co., Ltd.	Real Estate	100	100
Siam Bangkok Development Co., Ltd.	Real Estate	100	-

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

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.



Short-term Investments

Investments in open-end money market fund are valued at fair value. The change in fair value will be recognized in profit or loss for the year.

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.

Real Estate Projects for Sales under Development

Real estate projects for sales under development are stated at the lower of cost and net realizable value. Cost comprises cost of land, design fees, utilities, construction costs and directly related finance cost and expenses.

The EMC Group recognizes loss on diminution in value of projects (if any) in the statement of comprehensive income.

Investments in Shares

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

Investments in subsidiaries, associate and joint venture in the separate financial statements are accounted for using the cost method less allowance for impairment loss (if any). Investments in associate and joint venture in the consolidated financial statements are accounted for using the equity method, until the date on which significant influence or joint control ceases.

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

Project under Construction

Project under construction comprises leasehold rights on land, design fee, construction cost and other fees.

Leasehold rights on land that are acquired by the EMC Group are stated at cost less accumulated amortization. The amortization is on a straight-line basis from the date that assets are available for use over the remaining terms of the leases. Amortization that is not directly attributable to the acquisition, construction or production of a qualifying asset is 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 in profit and loss.
- 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
Sales gallery	4
Tools, machinery and equipment	5 - 10
Furniture, fixtures and office equipment	3 - 10
Vehicles	5

Intangible Assets

Software licenses that are acquired by the EMC Group are stated at cost less accumulated amortization and impairment losses.

Amortization is charged to the statement of comprehensive income on a straight-line basis from the date that intangible assets are available for use over the estimated useful lives of the assets, unless such lives are indefinite. Intangible assets with an indefinite useful life are not amortized but are systematically tested for impairment at each statement of financial position date. The estimated useful lives of software licenses are 3 years to 10 years.

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).

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

As a result of TAS 19 (revised 2014), the EMC Group has changed its accounting policy with respect to the basis for determining the income or expense related to defined benefit and actuarial gains or losses recognition, which requires to be recognized immediately in other comprehensive income, and no longer permits to be recognized in profit or loss the EMC Group had applied in previous years. However, such change did not affect to the consolidated and separate statements of comprehensive income for the year ended December 31, 2014.

The EMC Group'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 and gains or losses on the curtailment are recognized immediately in profit or loss. The EMC Group recognizes gains or losses on the settlement of pension benefits when the curtailment or settlement occurs. Actuarial gains or losses are recognized immediately to other comprehensive income. The defined benefit obligations are measured at the present value of estimated future cash flows using a discount rate that is similar to the government bonds.

Use of Judgements and Estimates

In order to prepare financial statements in conformity with Thai Financial Reporting 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.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements consists of the following:

- Classification of the joint arrangement
- Consolidation: whether the EMC Group has de facto control over an investee
- Lease classification

Assumptions and estimation uncertainties

Information about significant areas of estimation uncertainties that have a significant risk of resulting in material adjustments to the amounts recognized in the financial statements consists of the following:

- Percentage of completion of construction project
- Current and deferred taxation
- Utilization of tax losses
- Business combination
- Key assumptions used in discounted cash flow projections
- Measurement of provision for employee retirement benefit
- Provisions and contingencies
- Valuation of financial instruments

Revenue Recognition and Expenses

Construction Contracts

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.

Revenue from Sales of Residential Condominium Unit

The EMC Group recognized sales of residential condominium units as revenue when the construction works are completed and the ownerships have been transferred to buyers after all payments received from the buyers.

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.

Cost of Residential Condominium Units Sold

Development costs are stated at the lower of cost and net realizable value, consisting of cost of land, design fees, utilities, construction and direct related interest and expense cost.

In determining the cost of residential condominium units sold, the anticipated total development costs (taking into account actual costs incurred to date) are attributed to residential condominium units sold on the basis of the ownerships area.

The EMC Group recognizes loss on diminution in value of projects (if any) in the consolidated statement of comprehensive income.

Selling expenses directly associated with projects, such as specific business tax and transfer fee are recognized when the ownerships have been transferred.

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 risks 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 expense and similar costs are charged to the statement of comprehensive income for the period in which they are incurred, except to the extent that they are capitalized as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale. The interest component of finance lease payments is recognized in the statement of comprehensive income using the effective interest rate method.

Income Tax

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.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

Loss per Share Attributable to Owners of the Parent

Loss per share attributable to owners of the parent is determined by dividing loss for the year attributable to owners of the parent 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. These parties are related through common shareholdings and/or directorships.

Balances with related parties as at December 31, 2015 and 2014 are as follows:

	Consolidated Financial Statements (In Thousand Baht)			
	December 31, 2014	Increase	Decrease	December 31, 2015
Petty cash at site :				
Khun Krissana Sa-ngar-sang	813	-	(646)	167
Khun Chumpol Israngura Na Ayuttaya	150	-	(150)	-
Khun Kittiphun Ouiyamaphun	-	100	-	100
Total	<u>963</u>	<u>100</u>	<u>(796)</u>	<u>267</u>
Trade account receivables :				
Rayong Wire Industries Public Company Limited	-	182	-	182

Consolidated Financial Statements (In Thousand Baht)

	December 31, 2014	Increase	Decrease	December 31, 2015
Other receivables :				
Siam Grand Property Co., Ltd.	-	25,909	(11,514)	14,395
Less allowance for doubtful account	-	(14,395)	-	(14,395)
Net	-	11,514	(11,514)	-
Khun Anuwit Tantisewekul	-	57	-	57
Less allowance for doubtful account	-	(57)	-	(57)
Net	-	-	-	-
Sanken - EMC Co., Ltd.	803	4,311	(1,369)	3,745
JV EMC-PLE	-	1,071	(1,071)	-
Total other receivables	803	16,896	(13,954)	3,745
Advances to:				
Sanken - EMC Co., Ltd.	-	1,369	(1,369)	-
Khun Siripong Wongwutpornchai	13,000	5,700	(18,700)	-
Khun Chumpol Israngura Na Ayuttaya	-	1,836	(1,305)	531
Khun Norrapat Teeyapan	2,223	700	(215)	2,708
Total advances	15,223	9,605	(21,589)	3,239
Grand Total	16,026	26,501	(35,543)	6,984
Short-term loans to :				
(interest at 8.0% per annum) :				
JV EMC-PLE	-	2,500	(2,000)	500
Less allowance for doubtful account	-	(500)	-	(500)
Net	-	2,000	(2,000)	-
(interest at 7.5% per annum) :				
Khun Nutteera Ngamlertkul	-	2,300	-	2,300
Sanken - EMC Co., Ltd.	-	1,000	-	1,000
Total	-	5,300	(2,000)	3,300
Interest receivables :				
JV EMC-PLE	-	71	(51)	20
Less allowance for doubtful account	-	(20)	-	(20)
Net	-	51	(51)	-
Khun Nutteera Ngamlertkul	-	38	-	38
Sanken - EMC Co., Ltd.	-	1	-	1
Total	-	90	(51)	39
Grand Total	-	5,390	(2,051)	3,339

On September 3, 2015, Khun Nutteera Ngamlertkul ("Borrower") entered into the loan agreement with the Company amounting to Baht 4 million for requisition of electricity and water meters and expansion of the electricity and water service of the North Beach Condominium project of a subsidiary. The borrower will manage these matters within 4 months from the agreement date (up to the present, the borrower has not been completed these matters). The borrower will repay the principal and interest on February 1, 2016. Subsequently on January 29, 2016, the Company entered into the additional memorandum of loan agreement for extending the repayment of principal and interest to be June 1, 2016.



Consolidated Financial Statements (In Thousand Baht)

	December 31, 2014	Increase	Decrease	December 31, 2015
Advance payments :				
Ua WithYa Public Company Limited	630	-	(252)	378
Trade account payables :				
Ua WithYa Public Company Limited	24,243	1,813	(12,085)	13,971
Siam Grand Property Co., Ltd.	-	1,000	(1,000)	-
Total	24,243	2,813	(13,085)	13,971
Retention payable to contractor :				
Ua WithYa Public Company Limited	188	84	-	272
Short-term loans from (non-interest bearing) :				
Khun Chanachai Leenabanchong	-	50,165	(50,165)	-
Khun Paiboon Thong-Ra-Ar	13,410	-	(13,410)	-
Khun Norrapat Teeyapan	19,069	41,795	(45,627)	15,237
Khun Anuwit Tantisewekul	-	12,910	(12,177)	733
Total	32,479	104,870	(121,379)	15,970
Other payables :				
Khun Norrapat Teeyapan	12,500	-	(7,253)	5,247
Siam Grand Property Co., Ltd.	-	2,003	-	2,003
Total	12,500	2,003	(7,253)	7,250

Separate Financial Statements (In Thousand Baht)

	December 31, 2014	Increase	Decrease	December 31, 2015
Petty cash at site :				
Khun Krissana Sa-ngar-sang	813	-	(646)	167
Khun Chumpol Israngura Na Ayuttaya	150	-	(150)	-
Khun Kittiphun Ouyiamaphun	-	100	-	100
Total	963	100	(796)	267
Trade account receivables :				
BR Construction Co., Ltd.	158,873	-	-	158,873
Less allowance for doubtful account (Note 13)	(158,873)	-	-	(158,873)
Net	-	-	-	-
Rich Man Property Co., Ltd.	42,050	25,849	(67,899)	-
Rayong Wire Industries Public Company Limited	-	182	-	182
Total	42,050	26,031	(67,899)	182
Unbilled trade receivable :				
BR Construction Co., Ltd.	307	-	-	307
Less allowance for doubtful account (Note 13)	(307)	-	-	(307)
Net	-	-	-	-

Separate Financial Statements (In Thousand Baht)

	December 31, 2014	Increase	Decrease	December 31, 2015
Other receivables :				
BR Construction Co., Ltd.	6,780	-	(2,179)	4,601
Less allowance for doubtful account (Note 13)	(6,780)	-	2,179	(4,601)
Net	-	-	-	-
 Siam Grand Property Co., Ltd.	-	25,909	(11,514)	14,395
Less allowance for doubtful account	-	(14,395)	-	(14,395)
Net	-	11,514	(11,514)	-
 JV EMC-PLE	1,634	8,421	(10,055)	-
Sanken - EMC Co., Ltd.	803	4,311	(1,369)	3,745
Rich Man Property Co., Ltd.	-	32	(32)	-
North Property Co., Ltd.	-	102	(102)	-
Total other receivables	2,437	24,380	(23,072)	3,745
 Advances to :				
North Property Co., Ltd.	-	247	-	247
Sajja Bangsaen Condominium Co., Ltd.	-	603	-	603
Siam Bangkok Development Co., Ltd.	-	1,144	-	1,144
Sanken - EMC Co., Ltd.	-	1,369	(1,369)	-
Khun Siripong Wongwutpornchai	13,000	5,700	(18,700)	-
Khun Chumpol Israngura Na Ayuttaya	-	1,836	(1,305)	531
Rich Man Property Co., Ltd.	-	65,487	(63,358)	2,129
Total advances	13,000	76,386	(84,732)	4,654
 Grand total	15,437	100,766	(107,804)	8,399
 Short-term loans to :				
(interest at 6.50% to 6.87% per annum):				
BR Construction Co., Ltd.	84,157	1,450	-	85,607
Less allowance for doubtful account (Note 13)	(84,157)	(1,450)	-	(85,607)
Net	-	-	-	-
 (interest at 8.00% per annum) :				
JV EMC-PLE	-	2,500	(2,000)	500
Less allowance for doubtful account	-	(500)	-	(500)
Net	-	2,000	(2,000)	-
 (interest at 7.50% per annum) :				
Rich Man Property Co., Ltd.	99,100	175,684	-	274,784
North Property Co., Ltd.	18,000	21,703	-	39,703
Sajja Bangsaen Condominium Co., Ltd.	4,830	32,574	-	37,404
Siam Bangkok Development Co., Ltd.	-	46,400	-	46,400
Khun Nutteera Ngamlertkul	-	2,300	-	2,300
Sanken - EMC Co., Ltd.	-	1,000	-	1,000
Total short-term loans	121,930	281,661	(2,000)	401,591



	Separate Financial Statements (In Thousand Baht)			
	December 31, 2014	Increase	Decrease	December 31, 2015
Interest receivables :				
BR Construction Co., Ltd.	8,112	2,370	-	10,482
Less allowance for doubtful account (Note 13)	(8,112)	(2,370)	-	(10,482)
Net	-	-	-	-
 JV EMC-PLE	-	71	(51)	20
Less allowance for doubtful account	-	(20)	-	(20)
Net	-	51	(51)	-
 Rich Man Property Co., Ltd.	2,189	14,659	-	16,848
North Property Co., Ltd.	402	2,052	-	2,454
Sajja Bangsaen Condominium Co., Ltd.	79	1,608	-	1,687
Siam Bangkok Development Co., Ltd.	-	2,184	-	2,184
Khun Nutteera Ngamlertkul	-	38	-	38
Sanken - EMC Co., Ltd.	-	1	-	1
Total interest receivables	2,670	20,593	(51)	23,212
Grand Total	124,600	302,254	(2,051)	424,803
 Advance payments :				
Ua WithYa Public Company Limited	630	-	(252)	378
 Trade account payables :				
Ua WithYa Public Company Limited	23,534	1,813	(12,085)	13,262
Siam Grand Property Co., Ltd.	-	1,000	(1,000)	-
Total	23,534	2,813	(13,085)	13,262
 Retention payable to contractor :				
Ua WithYa Public Company Limited	188	84	-	272
 Short-term loans from (non-interest bearing) :				
Khun Chanachai Leenabanchong	-	50,165	(50,165)	-
Khun Paiboon Thong-Ra-Ar	13,410	-	(13,410)	-
Total	13,410	50,165	(63,575)	-
 Other payables :				
Khun Norrapat Teeyapan	12,500	-	(7,253)	5,247
Siam Grand Property Co., Ltd.	-	2,003	-	2,003
Total	12,500	2,003	(7,253)	7,250

Significant transactions with the related parties for each of the years ended December 31, 2015 and 2014 are as follows:

			In Thousand Baht			
			Consolidated Financial Statements		Separate Financial Statements	
	Relationship	Pricing Policy	2015	2014	2015	2014
BR Construction Co., Ltd. :	Subsidiary					
- Interest income		6.50% - 6.87% per annum	-	-	2,370	2,370
Rich Man Property Co., Ltd.	Subsidiary					
- Revenue from construction		Agreed upon contract price	-	-	24,158	39,299
- Interest income		7.50% per annum	-	-	14,659	2,189
- Other income		Agreed upon contract price	-	-	30	-

			In Thousand Baht			
			Consolidated Financial Statements		Separate Financial Statements	
	Relationship	Pricing Policy	2015	2014	2015	2014
North Property Co., Ltd.	Subsidiary					
- Interest income		7.50% per annum	-	-	2,052	402
- Other income		Agreed upon contract price	-	-	95	-
Sajja Bangsaen Condominium Co., Ltd.	Subsidiary					
- Interest income		7.50% per annum	-	-	1,608	79
Siam Bangkok Development Co., Ltd.	Subsidiary					
- Interest income		7.50% per annum	-	-	2,184	-
JV EMC - PLE :	Joint venture					
- Project consultant fees		Agreed upon contract price	1,001	-	1,001	-
- Dividend income		Investment proportion	-	-	7,350	-
- Interest income		8.00% per annum	71	-	71	-
Ua WithYa Public Company Limited :	Common shareholders and director					
- Other income		Agreed upon contract price	-	8,765	-	8,765
- Cost of construction		Agreed upon contract price	1,695	7,558	1,695	7,558
Sanken - EMC Co., Ltd. :	Associate					
- Project consultant fees		Agreed upon contract price	4,029	2,219	4,029	2,219
- Interest income		7.50% per annum	1	-	1	-
Khun Nutteera Ngamlertkul :	Shareholder					
- Interest income		7.50% per annum	38	-	38	-
Khun Norraphat Teeyapan :	Director of subsidiary					
- Revenue from sales of the commercial building		Agreed upon contract price	68,007	-	-	-
Rayong Wire Industries Public Company Limited :	Common shareholders and director					
- Revenue from construction		Agreed upon contract price	170	-	170	-

The monetary management benefit expenses for each of the years ended December 31, 2015 and 2014 are as follows:

Type of Remunerations	Consolidated/Separate Financial Statements (In Thousand Baht)	
	2015	2014
Salaries	16,519	14,565
Meeting allowances	4,388	2,740
Total	20,907	17,305

4. SHORT-TERM INVESTMENTS

Type of Remunerations	Consolidated/Separate Financial Statements (In Thousand Baht)	
	2015	2014
Short-term investments in open-end money market fund		
- Cost value	5,697	401,561
- Unrealized gain (loss) on valuation adjustment	(742)	799
- Fair value	4,955	402,360



5. TRADE ACCOUNT RECEIVABLES - Net

As at December 31, 2015 and 2014, the aging analyses of trade account receivables are detailed as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2015	2014	2015	2014
• Within credit-term	60,208	88,057	60,208	88,057
• Periods over credit-term				
- Not over 3 months	61,149	25,623	61,149	67,673
- Over 3 months to 6 months	3,794	2,327	3,794	2,327
- Over 6 months to 12 months	-	49,648	-	49,648
- Over 12 months	118,567	85,823	277,440	244,696
Total	243,718	251,478	402,591	452,401
Less: Allowance for doubtful accounts	(118,567)	(134,403)	(277,440)	(293,276)
Net	125,151	117,075	125,151	159,125
Bad and doubtful debt expenses during the year	(3,395)	(125,666)	(3,395)	(125,666)
Reversal of allowance for doubtful accounts during the year	19,231	36,693	19,231	36,693
Transfer out allowance for doubtful account during the year	-	1,760	-	1,760

As at December 31, 2014, the Company has transferred the rights over collections from certain trade account receivables of the Company totalling Baht 22.4 million (as at December 31, 2015: Nil) as collateral for credit facilities from financial institutions as discussed in Notes 17 and 32.

Trade account receivables who have been long outstanding for over 6 months in the separate statement of financial position as at December 31, 2015 totalling Baht 277.4 million consisted of:

	In Thousand Baht	Status of the Receivable
a) Construction Projects of BR Construction Co., Ltd.	158,873	The receivable is a subsidiary company. The Company has provided an allowance for doubtful account of Baht 158.9 million, as discussed in Note 13.
b) Airport Link Square Project	86,943	The Company has provided an allowance for doubtful account of Baht 86.9 million.
c) Airport Link Square Car Park Project	3,095	The Company has provided an allowance for doubtful account of Baht 3.1 million.
d) Airport Link Square - Building D Project	24,787	The Company has provided an allowance for doubtful account of Baht 24.8 million.
e) United Center Renovation Project	3,317	The Company has provided an allowance for doubtful account of Baht 3.3 million.
f) Other projects	425	The Company has provided an allowance for doubtful account of Baht 0.4 million.
Total	277,440	

Kool Residence Project

As at December 31, 2015 and 2014, the receivables related to Kool Residence Project totalling Baht 3.0 million which have details as follows:

	Consolidated /Separate Financial Statements (In Thousand Baht)			
	December 31, 2014	Additions	Collections	December 31, 2015
Retention receivable (Note 7)	3,007	-	-	3,007
Less: Allowance for doubtful accounts	(3,007)	-	-	(3,007)
Net	-	-	-	-

On March 13, 2014, the Company entered into the memorandum with R.S. Asset Co., Ltd. (the owner of Kool Residence Project) to extend the payment period until September 10, 2014 with interest rate at 7.5% per annum by 7 monthly installments starting on March 13, 2014.

Subsequently on July 7, 2014, the Company entered into another the memorandum with R.S. Asset Co., Ltd. to extend the payment period until November 10, 2014 with interest rate at 15% per annum by 5 monthly installments starting on July 10, 2014. As at December 31, 2014, R.S. Asset Co., Ltd. repaid all trade account receivable. Retention receivable from Arion Assets Co., Ltd. who was original owner of this project who will be responsible for this amount according to sentence of the Civil Court.

6. UNBILLED TRADE RECEIVABLES - Net

As at December 31, 2015 and 2014, the unbilled trade receivables are detailed as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2015	2014	2015	2014
• On - going construction projects	82,477	184,701	82,477	184,701
• Suspended projects or no movement over 12 months	121,162	121,162	121,162	121,162
Total	203,639	305,863	203,639	305,863
Less: Allowance for doubtful accounts	(121,162)	(121,162)	(121,162)	(121,162)
Net	82,477	184,701	82,477	184,701
Bad and doubtful debt expenses during the year	-	(43,226)	-	(43,226)

As at December 31, 2015 and 2014, the Company has provided an allowance for doubtful accounts on unbilled trade receivable of suspend projects totalling Baht 121.2 million in the consolidated and separate financial statements (including allowance for doubtful accounts on unbilled trade receivables from BR Construction Co., Ltd. of Baht 0.3 million and from Airport Link Square Project of Baht 43.2 million). The management believes that such allowance is adequate to absorb possible losses on doubtful accounts.

The Company has transferred the rights over collections from certain unbilled trade receivables of the as collateral for credit facilities from financial institutions as discussed in Notes 17 and 32.



7. RETENTION RECEIVABLE FROM CUSTOMERS - Net

As at December 31, 2015 and 2014, the retention receivable from customers are detailed as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2015	2014	2015	2014
• Retention receivable amount	72,091	65,673	72,091	65,673
• Retention receivable outstanding over credit term over 12 months	85,832	93,165	85,832	93,165
Total	157,923	158,838	157,923	158,838
Less: Allowance for doubtful accounts (Note 5)	(85,832)	(93,165)	(85,832)	(93,165)
Net	72,091	65,673	72,091	65,673
Bad and doubtful debt expenses during the year	(3,369)	(36,396)	(3,369)	(36,396)
Reversal of allowance for doubtful accounts during the year	10,702	37,816	10,702	37,816
Transfer in allowance for doubtful account during the year	-	(1,760)	-	(1,760)

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 5 totalling Baht 85.8 million and Baht 93.2 million as at December 31, 2015 and 2014, respectively. The management believes that such allowance is adequate to absorb possible losses on doubtful accounts.

8. REAL ESTATE PROJECTS FOR SALES UNDER DEVELOPMENT AND DEPOSITS FOR PURCHASES OF REAL ESTATE PROJECTS UNDER DEVELOPMENT AND LAND – Net

	In Thousand Baht	
	Consolidated Financial Statements	Separate Financial Statements
<i>Real Estate Projects For Sales Under Development</i>		
Balance as at January 1, 2014	-	-
Increase from investments in subsidiaries (Note 13)	369,891	-
Addition	185,996	-
Capitalized borrowing cost during the year	6,495	-
Transfer to cost of sales of residential condominium units	(1,849)	-
Balance as at December 31, 2014	560,533	-
Addition	262,043	3,614
Capitalized borrowing cost during the year	7,374	-
Transfer to inventories	(213,190)	-
Transfer to cost of sales of residential condominium units and commercial building	(116,853)	-
Balance as at December 31, 2015	499,907	3,614

Land and construction on such land for real estate projects for sales under development of 4 subsidiaries which have carrying value as at December 31, 2015 and 2014 totalling Baht 680.2 million (included costed transferred to inventories of Baht 213.2 million) and Baht 481.4 million, respectively, were pledged as collateral for long-term loans from financial institution and for relieving the enforcement of the court cases sentenced by the Court as discussed in Notes 19 and 32.

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2015	2014	2015	2014
<i>Deposits for purchases of real estate projects under development and land - net</i>				
American Town project, Siam Tara Muntra project and Venice East project	479,389	-	479,389	-
Project from Fine 22 Properties Co., Ltd.	25,000	25,000	25,000	25,000
Project purchase land in Chonburee province to development	24,000	-	24,000	-
Project purchase land in Bangkok province to development	50,165	-	50,165	-
Total	578,554	25,000	578,554	25,000
Less: allowance for doubtful accounts	(49,000)	-	(49,000)	-
Net	529,554	25,000	529,554	25,000

At the Board of Directors' meeting no. 6/2015 held on March 20, 2015, the Board of Directors unanimously passed the resolutions to approve the Company to purchase land and constructions of American Town project, Siam Tara Muntra project and Venice East project from Siam Grand Property Co., Ltd. The Company paid the total project costs, the loans for the projects from financial institutions and additional construction costs as agreed, which the Company recorded as a part of "Deposits for purchases of real estate projects under development and land" in the statement of financial position as at December 31, 2015. The details are as follows:

Project	In Thousand Baht			
	Project costs	Loans for the projects from financial institutions	Construction costs as agreed	Total
American Town project	155,000	21,000	32,467	208,467
Siam Tara Muntra project	65,000	36,900	10,643	112,543
Venice East project	67,567	160,000	81,076	308,643
Total	287,567	217,900	124,186	629,653

Deposits for purchases of real estate projects under development 3 projects are detailed below:

	In Thousand Baht			
	Amounts paid to former project owner	Additional investments	Transferred to cost of sales	Balance as at December 31, 2015
American Town project	204,708	26,201	-	230,909
Siam Tara Muntra project	93,616	21,761	(18,607)	96,770
Venice East project	143,518	8,192	-	151,710
Total	441,842	56,154	(18,607)	479,389

As at December 31, 2015, the ownership of land and constructions of such 3 projects have not been transferred to the Company.

On September 2, 2015, the Company received 2 letters from the owner of 3 projects (American Town project, Siam Tara Muntra project and Venice East project) who was a former shareholder of Siam Bangkok Development Co., Ltd. to terminate:

- The agreements to sell assets in American Town project, Siam Tara Muntra project and Venice East project dated March 20, 2015 to the Company based on the reasons that the Company breached such agreements and performed against rules, regulation, announcements and laws of the Stock Exchange and also made a claim to the Company and/or its directors to jointly responsible for damages (to be informed later) plus interest at 15% from the date of this letter until the last settlement and instructed the Company to return all assets, in good conditions, within September 9, 2015. Subsequently on September 7, 2015, the Company issued a letter to argue such termination letter by notifying that such termination could not be legally valid because the Company:



- 1) Has never breached any agreements.
- 2) Fully paid for the purchase of assets in American Town project and repaid loan from financial institution for withdrawing the mortgaged assets in such project but the ownership of such assets have not been transferred to the Company, which was considered as a serious breach of agreement.
- 3) Fully paid for the purchase of assets in Siam Tara Muntra project and Venice East project but the ownership of such assets have not been transferred to the Company as a result of inability to swap loan with the financial institution since the owner of the projects breached the agreement with the bank.

In addition, the Company instructed the owner of the projects to immediately transfer the ownership of such assets to the Company and reserved the right to claim for compensation of Baht 743.0 million for guarantee profit as specified in the agreements.

On September 16, 2015, Siam Grand Property Co., Ltd. ("the Plaintiff") filed a court case with the Civil Court as a black case no. Por 2206/2558 against the Company, in order to force the Company to 1) submit the original copy of the mortgagee of a mortgage contract dated August 13, 2014, consent document to redeem the mortgage from a local bank, the original land title deeds of land located at Amphur Ban Bung, Chonburi Province totalling 20 plots, including power of attorney for transfer of land of the Plaintiff, 2) pay the amount of Baht 500,000 to the Plaintiff together with interest at the rate of 7.5% per annum of such principal starting from the sued date until completely settling such amount, and 3) pay for the damage continuously on a monthly basis of Baht 1.3 million per month starting from the sued date until the Company can return such land title deeds to the Plaintiff. Subsequently, on October 26, 2015, the Company presented to the court and filed the counterclaim to the Civil Court against such case to force (1) the Plaintiff and a shareholder of the Plaintiff to transfer the ownership of land title deeds according to the sale and purchase asset agreements of Siam Tara Muntra Project (60 plots), Venice East Project (6 plots) and American Town Project (150 plots), (2) if the Plaintiff and the shareholder of the Plaintiff cannot transfer the ownership of land to the Company as required by (1), the Plaintiff and the shareholder of the Plaintiff have to repay the Company for the amount paid by the Company of Baht 521.6 million together with interest at the rate of 7.5% per annum of the principal of Baht 515.8 million starting from the date of filing the counterclaim until the Plaintiff and the shareholder of the Plaintiff completely settle to the Company, and (3) the Plaintiff and the shareholder of the Plaintiff pay for the damage to the Company of Baht 751.4 million together with interest at the rate of 7.5% per annum of the principal of Baht 743.0 million starting from the date of filing the counterclaim until the Plaintiff and the shareholder of the Plaintiff completely settle to the Company. The final outcome of these matters cannot presently be determined. The Company recorded payments for purchase of such projects and additional construction costs in such projects totalling Baht 479.4 million as a part of "Deposits for purchases of real estate projects under development and land" in the consolidated and separate statements of financial position as at December 31, 2015

- b) The share sale agreement dated March 20, 2015 to sell 100% of common shares of Siam Bangkok Development Co., Ltd. to the Company based on the reasons that the Company conducted against rules, regulation, announcements and laws of the Stock Exchange and made a claim to the Company and/or its directors to jointly responsible for damages (to be informed later) plus interest at 15% from the date of this letter until the last settlement and instructed the Company to return all common shares within September 9, 2015. Subsequently on September 7, 2015, the Company issued a letter to argue such termination letter by claiming that such sell and purchase common shares was legally completed and could not be cancelled. On November 16, 2015, the Company received a legal opinion from the Company's independent legal counselor that such share sale agreement was comprehensive agreement and could not be terminated. Therefore, the termination letter was unfair, illegitimate and invalid. The final outcome of this matter cannot presently be determined. The Company recorded investment in this company of Baht 20.0 million as a part of "Investments in subsidiaries and associate" and short-term loan to and interest receivable from such company amounting to Baht 48.6 million in the separate statement of financial position as at December 31, 2015. Total assets and total liabilities of this company amounting to Baht 111.8 million and Baht 36.4 million, respectively, were included in the consolidated statement of financial position as at December 31, 2015.

In the third quarter of 2014, the Company paid deposit for purchase of a project to Fine 22 Properties Co., Ltd. of Baht 25 million. Subsequently, on January 5, 2015, the Company cancelled its letter of intent for purchase of this project, which Fine 22 Properties Co., Ltd. sent a letter to inform the Company that it will return such deposit to the Company within December 31, 2015. Up to the present, the Company has not yet been able to refund such deposit. Hence, the Company has provided an allowance for doubtful account on deposit for purchase such project amounting Baht 25 million in the consolidated and separate financial statements for the year ended December 31, 2015.

In the third quarter of 2015, the Company paid deposit for purchase of two vacant pieces land for developing two real estate projects totalling Baht 75.2 million from 2 sellers. A seller issued a cheque dated October 10, 2015 amounting to Baht 25 million to the Company for guarantee such sale of land. Subsequently the Company cancelled purchasing such land for developing the real estate project from such seller but the Company could not deposit such cheque to a bank. Such seller issued new 3 cheques dated December 10, 2015 amounting to Baht 5 million, dated January 10, 2016 amounting to Baht 10 million and dated February 10, 2016 amounting to Baht 10 million. Up to present, such seller repaid such deposit to the Company amounting Baht 1 million, therefore, the Company has provided an allowance for doubtful account on deposit for purchase land for developing the real estate project amounting Baht 24 million in the consolidated and separate financial statements for the year ended December 31, 2015.

9. 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, 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. Subsequently in the first quarter of 2014, the Company transferred a portion of the above assets amounting to Baht 40.4 million to such company.

Subsequently on August 5, 2014, the Company signed the amendment memorandum of understanding (No.1) with such company for cancellation to transfer assets held for sales for debt repayment and the Company would repay the remaining debts amounting to Baht 49.3 million within one year from the date of the amendment memorandum of understanding (No.1). As a result, the Company transferred condominium units totalling Baht 49.3 million to present under property, plant and equipment in the statement of financial position as at December 31, 2014 as discussed in Note 15.

10. WITHHOLDING TAX DEDUCTED AT SOURCES - Net

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2015	2014	2015	2014
• Deducted during the year 2012	-	1,468	-	-
• Deducted during the year 2013	42,605	42,770	42,605	42,770
• Deducted during the year 2014	44,090	46,531	44,090	44,090
• Deducted during the year 2015	16,482	-	16,481	-
Total	103,177	90,769	103,176	86,860
Less : Allowance for loss on unclaimable withholding tax deducted at sources	(760)	(760)	(760)	(760)
Net	102,417	90,009	102,416	86,100

During the year 2014, a subsidiary wrote off unclaimable withholding tax deducted at sources for 2013 of Baht 0.5 million as an expense in the consolidated financial statements for the year ended December 31, 2014.

During the year 2014, the Company received the refund of withholding tax deducted at sources for the year 2012 from the Revenue Department of Baht 50.4 million and reversed of allowance for loss on unclaimable withholding tax deducted at sources of Baht 6.7 million.

During the year 2015, the Company and four subsidiaries wrote off unclaimable withholding tax deducted at sources of Baht 0.2 million and Baht 4.1 million as an expense in the separate and consolidated financial statements for the year ended December 31, 2015, respectively.



11. INVESTMENTS IN RESTRICTED DEPOSITS WITH FINANCIAL INSTITUTIONS

Investments in restricted deposits with financial institutions of the Company (bearing interest at the rates of 0.8% to 2.0% per annum as at December 31, 2015 and 1.05% to 2.3% per annum as at December 31, 2014) 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 as discussed in Notes 17 and 32.

Investments in restricted deposits with financial institutions of two subsidiaries, which were included in the consolidated statements of financial position as at December 31, 2015 and 2014 of Baht 448,000 (bearing interest at the rates of 0.375% to 1.375% per annum and 1.5% per annum as at December 31, 2015 and 2014, respectively) have been pledged as collateral for letters of guarantee issued by financial institutions on behalf of such subsidiaries as discussed in Note 32.

12. OTHER LONG-TERM INVESTMENTS - Net

	Consolidated/Separate Financial Statements (In Thousand Baht)	
	2015	2014
Investments in common shares:		
M. One Property Company Limited	12,000	12,000
Wave Development Company Limited	-	10,000
Thai Medical Center Public Company Limited	5,000	5,000
The Bangkok Club Company Limited	1,000	1,000
Total	18,000	28,000
Less : allowance for impairment loss of investments	(18,000)	(15,726)
Net	-	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. Subsequently in 2015, the Company wrote off such investment in common shares and allowance for impairment loss of investment amounting Baht 10 million because such company was in bankrupt position.

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. However, such company has continuous loss from the operation (a real estate project located in Phuket Province) and there is significant uncertainty on recoverability of investment in this Company. Hence, the Company has provided allowance for impairment loss of investment amounting Baht 12 million in the consolidated and separate financial statement for the year ended December 31, 2015.

13. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATE - Net

As at December 31, 2015 and 2014, the investments in subsidiaries and associate 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	
				2015	2014	2015	2014
Associate							
Sanken - EMC Co., Ltd.	Thailand	Construction	10	48	48	1,910	4,451
Total						1,910	4,451

	Country of Registration	Type of Business	Paid-up Share Capital (In Million Baht)	Percentage of ownership (%)		Separated Financial Statements (In Thousand Baht)	
				2015	2014	Cost Method	
						2015	2014
Subsidiaries							
BR Construction Co., Ltd.	Thailand	Construction	60	51	51	3,600	3,600
Rich Man Property Co., Ltd.	Thailand	Real Estate	5	100	100	32,173	32,173
North Property Co., Ltd.	Thailand	Real Estate	4	100	100	48,573	67,620
Sajja Bangsaen Condominium Co., Ltd.	Thailand	Real Estate	4	100	100	12,768	12,768
Siam Bangkok Development Co., Ltd.	Thailand	Real Estate	20	100	-	20,000	-
Associate							
Sanken - EMC Co., Ltd.	Thailand	Construction	10	48	48	4,800	4,800
Total						121,914	120,961
Less allowance for impairment							
loss on investment						(3,600)	(3,600)
Net						118,314	117,361

In January 2010, the Company invested in shares of BR Construction Co., Ltd. with percentage of ownership of 51%. The Company paid for these shares of Baht 3.6 million.

BR Construction Co., Ltd. had capital deficiency as at December 31, 2015 and 2014 of Baht 264.3 million and Baht 266.1 million, respectively. As at December 31, 2015, the Company fully provided allowances for doubtful accounts on outstanding balances with this subsidiary which consisted of trade account receivable of Baht 158.9 million, unbilled trade receivable of Baht 0.3 million, other receivable of Baht 4.6 million, short-term loans of Baht 85.6 million and interest receivable of Baht 10.5 million (as discussed in Notes 3, 5 and 6).

At the Board of Directors' meeting no. 5/2014 on August 13, 2014, the Board of Directors unanimously passed the resolutions to approve the Company to purchase the investments in 3 new subsidiaries which operate in real estate business in Chonburi Province, which the details are as follows:

- 1) Rich Man Property Company Limited

Transactions detail	Purchase common shares of 499,998 shares (at Baht 10 par value) or 100% of authorized share capital
Pricing method	Mutual negotiation based on net assets value after deducting loans
Value of investment in common shares	Within Baht 37,030,000
- 2) North Property Company Limited

Transactions detail	Purchase common shares of 399,998 shares (at Baht 10 par value) or 100% of authorized share capital
Pricing method	Mutual negotiation based on net assets value after deducting loans
Value of investment in common shares	Within Baht 73,320,000
- 3) Sajja Bangsaen Condominium Co., Ltd.

Transactions detail	Purchase common shares of 399,998 shares (at Baht 10 par value) or 100% of authorized share capital
Pricing method	Mutual negotiation based on net assets value after deducting loans
Value of investment in common shares	Within Baht 7,950,000

According to the sale and purchase agreement of shares of North Property Company Limited, the Company made a payment for the purchase of shares to former shareholder of Baht 60.8 million and is committed to pay the remaining amount to such former shareholder not exceeding Baht 12.5 million, based on the net profit from sale of 30 units in commercial building in North Land Amata Nakorn Project of North Property Company Limited. The Company recorded payable to such former of Baht 12.5 million and presented as "Other payable" in the consolidated and separate statements of financial position as at December 31, 2014. Subsequently on August 31, 2015, North Property Company Limited entered into a sell and purchase developed land (include building) agreement to sell 30 units in this project to such former shareholder at the selling price totalling Baht 68.0 million.



At the Board of Directors' meeting no. 6/2015 on March 20, 2015, the Board of Directors unanimously passed the resolutions to approve the Company to purchase the investment in another subsidiary which operates in real estate business in Chonburi Province, which the details are as follows:

Siam Bangkok Development Co., Ltd.	
Transactions detail	Purchase common shares of 2,000,000 shares (at Baht 10 par value) or 100% of authorized share capital
Pricing method	Detail from financial statements as at October 31, 2014
Value of investment in common shares	Baht 20,000,000

On September 2, 2015, the Company received a termination letter on sell of common shares of Siam Bangkok Development Co., Ltd. as discussed in Note 8.

14. PROJECT UNDER CONSTRUCTION

	Consolidated/Separate Financial Statements (In Thousand Baht)	
	2015	2014
Leasehold rights on land	24,296	7,129
Construction costs	89,855	3,086
Total	114,151	10,215

On November 24, 2014, the Company ("Lessee") has entered into a land rental agreement for construction building according to the development land project with the State Railway of Thailand ("Lessor") for the period of 4 years starting from January 1, 2015 to December 31, 2018. The Company is committed to construct the building, construction and other components according to the agreement with the lessor within the rental period. All expenses relating to construction are the responsibility of the lessee. The Company can deduct the construction costs from the operating benefit fee not over the amount specified in the agreement. The ownership of all building, construction and other components in rental area will be transferred to the lessor at the end of rental period. During the rental period, the lessor can cancel this agreement by giving the lessee at least 30 days written notice in advance and the lessee cannot claim any damages or compensations.

On November 24, 2014, the Company ("Lessee") has entered into land rental agreement for operating benefit with the State Railway of Thailand ("Lessor") for the period of 30 years starting from January 1, 2019 to December 31, 2048. The lessee will pay the annual rental in advance and the lessee agrees to adjust the rental rate 15% of the final rental expense of every 5th year starting from January 1, 2024 until the end of the agreement. The ownerships of all building, construction and other components, equipment and furniture in rental area, which the lessee constructs during the rental period for operating benefit, will be transferred to the lessor at the end of rental period. During the rental period, the lessor can cancel this agreement by giving the lessee at least 30 days written notice in advance and the lessee cannot claim any damages or compensations.

As at December 31, 2015 and 2014, the Company recorded operating benefit fee of Baht 6.0 million (net of cost of building to be constructed in the future of Baht 36.5 million) as a part of project under construction in the consolidated and separate statements of financial position.

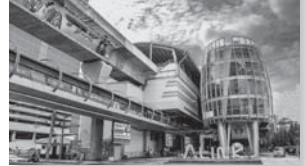
On April 10, 2015, the Company ("Lessee") has entered into a land rental for utility construction agreement for vehicle entrance, thoroughfare to enter to the lessee's place with a local company ("Lessor"). The land rental agreement has the period of 4 years starting from May 1, 2015 to December 31, 2018.

On April 10, 2015, the Company ("Lessee") has entered into land rental agreement for operating benefit with such company ("Lessor") for the period of 30 years starting from January 1, 2019 to December 31, 2048. The lessee will pay the annual rental in advance as indicate in the agreement. The Company already prepaid the rent for the first 15 years in advance totalling Baht 16.3 million.

15. PROPERTY, PLANT AND EQUIPMENT – Net

Consolidated Financial Statements (In Thousand Baht)

	Land	Buildings	Building improvements	Sales gallery	Tools, machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Total
At Appraised Value								
As at January 1, 2014	24,030	71,648	-	-	-	-	-	95,678
Transfer in (Note 9)	-	49,297	-	-	-	-	-	49,297
As at December 31, 2015 and 2014	<u>24,030</u>	<u>120,945</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>144,975</u>
Accumulated Depreciation								
As at January 1, 2014	-	-	-	-	-	-	-	-
Depreciation charge for the year	-	6,513	-	-	-	-	-	6,513
As at December 31, 2014	<u>-</u>	<u>6,513</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,513</u>
Depreciation charge for the year	-	7,735	-	-	-	-	-	7,735
As at December 31, 2015	<u>-</u>	<u>14,248</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,248</u>
At Cost								
As at January 1, 2014	-	-	28,539	-	150,155	52,464	25,652	256,810
Increase from investments in subsidiaries (Note 13)	-	-	-	-	107	118	-	225
Additions	-	-	-	-	1,290	1,374	1,987	4,651
Disposals	-	-	-	-	(4,894)	(384)	(1,191)	(6,469)
As at December 31, 2014	<u>-</u>	<u>-</u>	<u>28,539</u>	<u>-</u>	<u>146,658</u>	<u>53,572</u>	<u>26,448</u>	<u>255,217</u>
Increase from investments in subsidiaries (Note 13)	-	-	-	-	-	38	-	38
Additions	-	-	526	3,808	1,077	3,537	-	8,948
Decrease/disposals	-	-	-	-	(29,510)	(970)	(118)	(30,598)
As at December 31, 2015	<u>-</u>	<u>-</u>	<u>29,065</u>	<u>3,808</u>	<u>118,225</u>	<u>56,177</u>	<u>26,330</u>	<u>233,605</u>
Accumulated Depreciation								
As at January 1, 2014	-	-	28,427	-	78,752	42,663	21,032	170,874
Depreciation charge for the year	-	-	54	-	23,386	4,586	1,521	29,547
Disposals	-	-	-	-	(3,177)	(343)	(1,191)	(4,711)
As at December 31, 2014	<u>-</u>	<u>-</u>	<u>28,481</u>	<u>-</u>	<u>98,961</u>	<u>46,906</u>	<u>21,362</u>	<u>195,710</u>
Depreciation charge for the year	-	-	94	529	22,340	4,192	1,780	28,935
Decrease/disposals	-	-	-	-	(23,413)	(916)	(118)	(24,447)
As at December 31, 2015	<u>-</u>	<u>-</u>	<u>28,575</u>	<u>529</u>	<u>97,888</u>	<u>50,182</u>	<u>23,024</u>	<u>200,198</u>
Net Book Value								
As at December 31, 2014								
Owned assets	24,030	114,432	58	-	47,697	6,666	1,943	194,826
Assets under finance leases	-	-	-	-	-	-	3,143	3,143
Total	<u>24,030</u>	<u>114,432</u>	<u>58</u>	<u>-</u>	<u>47,697</u>	<u>6,666</u>	<u>5,086</u>	<u>197,969</u>
As at December 31, 2015								
Owned assets	24,030	106,697	490	3,279	20,337	5,995	2,256	163,084
Assets under finance leases	-	-	-	-	-	-	1,050	1,050
Total	<u>24,030</u>	<u>106,697</u>	<u>490</u>	<u>3,279</u>	<u>20,337</u>	<u>5,995</u>	<u>3,306</u>	<u>164,134</u>



Separate Financial Statements (In Thousand Baht)

	Land	Buildings	Building improvements	Sales gallery	Tools, machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Total
At Appraised Value								
As at January 1, 2014	24,030	71,648	-	-	-	-	-	95,678
Transfer in (Note 9)	-	49,297	-	-	-	-	-	49,297
As at December 31, 2015 and 2014	<u>24,030</u>	<u>120,945</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>144,975</u>
Accumulated Depreciation								
As at January 1, 2014	-	-	-	-	-	-	-	-
Depreciation charge for the year	-	6,513	-	-	-	-	-	6,513
As at December 31, 2014	-	6,513	-	-	-	-	-	6,513
Depreciation charge for the year	-	7,735	-	-	-	-	-	7,735
As at December 31, 2015	-	14,248	-	-	-	-	-	14,248
At Cost								
As at January 1, 2014	-	-	28,539	-	148,881	51,813	25,652	254,885
Additions	-	-	-	-	1,259	1,373	1,988	4,620
Disposals	-	-	-	-	(3,920)	-	(1,190)	(5,110)
As at December 31, 2014	-	-	28,539	-	146,220	53,186	26,450	254,395
Additions	-	-	526	3,808	1,068	3,330	-	8,732
Disposals	-	-	-	-	(29,223)	(752)	(118)	(30,093)
As at December 31, 2015	-	-	29,065	3,808	118,065	55,764	26,332	233,034
Accumulated Depreciation								
As at January 1, 2014	-	-	28,427	-	77,922	42,175	21,032	169,556
Depreciation charge for the year	-	-	54	-	23,113	4,459	1,521	29,147
Disposals	-	-	-	-	(2,328)	-	(1,190)	(3,518)
As at December 31, 2014	-	-	28,481	-	98,707	46,634	21,363	195,185
Depreciation charge for the year	-	-	94	529	22,293	4,132	1,780	28,828
Disposals	-	-	-	-	(23,185)	(706)	(118)	(24,009)
As at December 31, 2015	-	-	28,575	529	97,815	50,060	23,025	200,004
Net Book Value								
As at December 31, 2014								
Owned assets	24,030	114,432	58	-	47,513	6,552	1,944	194,529
Assets under finance leases	-	-	-	-	-	-	3,143	3,143
Total	<u>24,030</u>	<u>114,432</u>	<u>58</u>	<u>-</u>	<u>47,513</u>	<u>6,552</u>	<u>5,087</u>	<u>197,672</u>
As at December 31, 2015								
Owned assets	24,030	106,697	490	3,279	20,250	5,704	2,257	162,707
Assets under finance leases	-	-	-	-	-	-	1,050	1,050
Total	<u>24,030</u>	<u>106,697</u>	<u>490</u>	<u>3,279</u>	<u>20,250</u>	<u>5,704</u>	<u>3,307</u>	<u>163,757</u>

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

Certain plots of land, building and construction thereon and condominium units transfer from assets held for sales, which had carrying value as at December 31, 2015 and 2014 of Baht 106.7 million and Baht 138.5 million, respectively, were mortgaged as guarantee for the Company's credit facilities obtained from those financial institutions as discussed in Notes 17 and 32.

The gross carrying amounts of the Company's fixed assets totalling approximately Baht 121.8 million and Baht 110.3 million were fully depreciated as at December 31, 2015 and 2014, 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 component of equity - net" under "Equity" in the statement of financial position as at December 31, 2013.

As at December 31, 2015 and 2014, revaluation surplus of fixed assets amounting to Baht 30.9 million and Baht 33.3 million is shown as "Other component of equity - net" under "Equity" in the statements of financial position as at December 31, 2015 and 2014, respectively.

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

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

	Consolidated/Separate Financial Statements (In Thousand Baht)		
	Land	Buildings	Total
As at December 31, 2014			
Revaluation model	24,030	114,432	138,462
Less revaluation surplus	(3,605)	(37,997)	(41,602)
Cost model	20,425	76,435	96,860
As at December 31, 2015			
Revaluation model	24,030	106,697	130,727
Less revaluation surplus	(3,605)	(34,977)	(38,582)
Cost model	20,425	71,720	92,145

In April 2011, the Federation of Accounting Professions issued Notification No. 18/2554 to allow companies 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 companies 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 this notification. However, the Company had the depreciation charge been calculated based on the revalued amounts, loss for the year and basic loss per share would have been changed as follows:

	Consolidated Financial Statements/ Separated Financial Statements	
	2015	2014
Loss for the year increase (In Thousand Baht)	3,020	3,020
Basic loss per share increase (Baht per share)	0.0007	0.0010



16. DEFERRED INCOME TAX ASSETS AND LIABILITY

Income tax income (expense) for each of the years ended December 31, 2015 and 2014 are as follows:

Consolidated Financial Statements (In Thousand Baht)		
	2015	2014
Income tax expense - current tax	(4,309)	(632)
Tax effect from deferred income tax of temporary differences		
- Allowance for doubtful accounts	(4,969)	30,139
- Provision for employee retirement benefit	1,280	931
- Provision for loss on litigation claims	1,952	(305)
- Change in allowance for deferred income tax valuation	(76,569)	-
Income tax income (expense)	(82,615)	30,133

Separate Financial Statements (In Thousand Baht)		
	2015	2014
Income tax expense - current tax	-	-
Tax effect from deferred income tax of temporary differences		
- Allowance for doubtful accounts	(4,969)	30,139
- Provision for employee retirement benefit	1,280	931
- Provision for loss on litigation claims	1,952	(305)
- Change in allowance for deferred income tax valuation	(76,569)	-
Income tax income (expense)	(78,306)	30,765

Reconciliations between income tax income (expense) and accounting loss multiplied by the applicable tax rates for each of the years ended December 31, 2015 and 2014 are as follows:

Consolidated Financial Statements (In Thousand Baht)		
	2015	2014
Accounting loss before tax	(214,171)	(254,522)
Income tax rates at 20%	42,834	50,904
Tax effect of non - deductible expenses	(31,598)	(27,474)
Change in unrecognition of deferred income tax assets during the year	(17,282)	6,703
Change in allowance for deferred income tax valuation	(76,569)	-
Income tax income (expense)	(82,615)	30,133

Separate Financial Statements (In Thousand Baht)		
	2015	2014
Accounting loss before tax	(181,763)	(179,423)
Income tax rates at 20%	36,353	35,884
Tax effect of non - deductible expenses	(19,312)	(19,815)
Change in unrecognition of deferred income tax assets during the year	(18,778)	14,696
Change in allowance for deferred income tax valuation	(76,569)	-
Income tax income (expense)	(78,306)	30,765

The details of deferred income tax assets and liability as at December 31, 2015 and 2014 are as follows:

	Consolidated/Separate Financial Statements (In Thousand Baht)		
	(Charged)/Credited to		December 31, 2015
	December 31, 2014	Loss for the year Other comprehensive loss for the year	
Deferred income tax assets			
Allowance for doubtful accounts	63,074	(4,969)	58,105
Provision for employee retirement benefit	3,641	1,280	4,808
Provision for loss on litigation cases	11,704	1,952	13,656
Total	78,419	(1,737)	76,569
Less : Valuation allowance for deferred income tax	-	(76,569)	(76,569)
Deferred income tax assets - net	78,419	(78,306)	-

	Consolidated/Separate Financial Statements (In Thousand Baht)	
	(Charged)/credited to equity	
	December 31, 2014	December 31, 2015
Deferred income tax liability		
Revaluation surplus on fixed assets	(8,320)	604
		(7,716)

Unrecognized Deferred Income Tax Assets

The details of deferred income tax assets, which were not recognized in the financial statements as at December 31, 2015 and 2014, were as follows:

	Consolidated Financial Statements (In Thousand Baht)	
	2015	2014
Deferred income tax assets		
Revaluation on fair value of short-term investments	(148)	160
Allowance for doubtful accounts	81,250	68,139
Allowance for impairment loss of investments	4,320	1,865
Tax loss carry forward	274,321	272,297
Total	359,743	342,461

	Separate Financial Statements (In Thousand Baht)	
	2015	2014
Deferred income tax assets		
Revaluation on fair value of short-term investments	(148)	160
Allowance for doubtful accounts	81,250	68,139
Allowance for impairment loss of investments	4,320	1,865
Tax loss carry forward	222,566	219,046
Total	307,988	289,210

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

Type of Loan	In Thousand Baht				Interest Rate (% p.a.)				Objective	Securities
	Consolidated Financial Statements		Separate Financial Statements		Consolidated Financial Statements		Separate Financial Statements			
	2015	2014	2015	2014	2015	2014	2015	2014		
Bank overdraft (Credit line of Baht 2 million in the consolidated financial statements as at December 31, 2015 and Baht 22 million and Baht 20 million in the consolidated and separate financial statements as at December 31, 2014)	-	19,493	-	19,493	MOR p.a. 7.375%	MOR p.a. 7.4%	-	MOR p.a. 7.4%	To use as working capital	Secured by land and building and a director of a subsidiary in the consolidated financial statements and secured by land and building at Prawate District, fixed deposit and a director of the Company in the separate financial statements (as at December 31, 2015, the Company already redeemed the mortgage land).
Promissory notes - Kasikorn Bank	-	4,000	-	4,000	-	MLR p.a. 6.75%	-	MLR p.a. 6.75%	To use as working capital	Secured by land and building at ITF Tower, 28 th - 30 th 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 5 and 6.
Promissory notes - Bangkok Bank	-	18,427	-	18,427	-	MLR p.a. 6.75%	-	MLR p.a. 6.75%	To use as working capital	Secured by transfer of the rights over collections from trade receivables of the Company as discussed in Notes 5 and 6 and a director of the Company.
Total	-	41,920	-	41,920						



These promissory notes represent short-term loans obtained under credit facilities from certain financial institutions totalling Baht 155.0 million and Baht 552.0 million and credit facilities from bank guarantee totalling Baht 1,248.4 million and Baht 1,214.0 million as at December 31, 2015 and 2014, respectively. In addition, the Company obtained credit facility of Baht 50.0 million from a local financial institution for the discounted sale of trade account receivables as at December 31, 2015 and 2014.

18. 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.

19. LONG-TERM LOANS FROM FINANCIAL INSTITUTION - Net

	Interest Rates (% p.a.)		In Thousand Baht			
			Consolidated Financial Statements		Separate Financial Statements	
	2015	2014	2015	2014	2015	2014
Loans from financial institution	6.50	6.75	174,588	236,560	-	-
Less: current portion			(174,471)	(155,660)	-	-
Net			117	80,900	-	-

Subsidiaries

The first subsidiary obtained loan facilities from the a local bank totalling Baht 250 million for the land and condominium construction in “The North Beach” project of such subsidiary which consisted of:

Credit Line (Million Baht)	Interest Rate	Repayment Term	Securities
40	Minimum Loan Rate	Releasing the mortgage of condominium in the North Beach Project – A and B Buildings which are pledged for sell. The lender agreed to repay 80% of selling price according to purchase and sales agreement in each unit. When fully repayment, the remaining amount will be repaid to loan facility line of Baht 185 million. The lender will fully repay within May 8, 2015.	Secured by land and building thereon of subsidiary as discussed in Note 8, a director and two former shareholders of subsidiary.
185	Minimum Loan Rate minus 0.5% per annum from the first drawdown loans until the 18th month after that minimum loan rate	From May 2015, Baht 15.4 million per month when releasing the mortgage of condominium in the North Beach Project – A and C Buildings which are pledged for sell. The lender agreed to repay 80% of selling price according to purchase and sales agreement in each unit. The lender agreed with the bank to repay for loan credit facility line of Baht 40 million after that repay to loan facility line of Baht 185 million. The lender will fully repay within May 15, 2016.	Secured by land and building thereon of subsidiary as discussed in Note 8, a director and a former shareholder of subsidiary.



Credit Line (Million Baht)	Interest Rate	Repayment Term	Securities
25	Minimum Loan Rate	Releasing the mortgage of condominium in the North Beach Project which are pledged for sell. The lender agreed to repay 80% of selling price according to purchase and sales agreement in each unit. The lender will fully repay within 24 months from the first drawdown (August 19, 2014).	Secured by land and building thereon of subsidiary as discussed in Note 8, a director and a former shareholder of subsidiary.
250			

The second subsidiary obtained loan facilities from a local bank totalling Baht 85 million for the commercial building construction of such subsidiary which consisted of:

Credit Line (Million Baht)	Interest Rate	Repayment Term	Securities
85	Minimum Loan Rate	Baht 10.1 million per month. The first repayment will be after 22 months of the first drawdown (December 20, 2012) when releasing the mortgage of commercial building which are pledged for sell. The lender agreed to repay 70% of selling price according to purchase and sales agreement. The lender will fully repay within 30 months from the first drawdown loan.	Secured by land and building thereon of subsidiary as discussed in Note 8, a director and a former shareholder of subsidiary.

The third subsidiary obtained loan facilities from a local bank totalling Baht 193 million for the project construction of such subsidiary which consisted of:

Credit Line (Million Baht)	Interest Rate	Repayment Term	Securities
193	Minimum Loan Rate	Baht 6.5 million per month. The first repayment will be after 19 months of the first drawdown (January 11, 2013) when releasing the mortgage of town home 3 floors repaid at least Baht 2.2 million per unit and town home 2 floors repaid at least Baht 1.1 million per unit. The lender agreed to repay 70% of selling price according to purchase and sales agreement in each unit. The lender will fully repay within 48 months from the first drawdown loan.	Secured by land and building thereon of subsidiary as discussed in Note 8, and a former shareholder of subsidiary.

20. PROVISION FOR EMPLOYEE RETIREMENT BENEFIT

	Consolidated and Separate Financial Statements (In Thousand Baht)	
	2015	2014
Provision for employee retirement benefit as at January 1,	18,205	13,549
Actuarial gains	(564)	-
Current service cost	5,338	4,213
Interest cost	1,061	443
Provision for employee retirement benefit as at December 31,	24,040	18,205

Expenses recognized in the statements of comprehensive income for each of the years ended December 31, 2015 and 2014 are as follows:

	Consolidated and Separate Financial Statements (In Thousand Baht)	
	2015	2014
Actuarial gains	(564)	-
Current service cost	5,338	4,213
Interest cost	1,061	443
Total	5,835	4,656

Actuarial assumptions

	2015	2014
Discount rate	2.2000%	3.2742%
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

21. SHARE CAPITAL

At the 2014 Annual General Shareholders' Meeting held on April 25, 2014, the shareholders unanimously passed the resolutions to approve on the following matters:

- To reduce the share capital of the Company under a General Mandate from Baht 1,659.6 million (divided into 1,659,598,165 common shares at Baht 1 par value) to be Baht 1,173.2 million (divided into 1,173,215,563 common shares at Baht 1 par value) by reducing 486,382,602 unsubscribed common shares at Baht 1 par value which were reserved for exercise of warrants ("EMC-W3") expired on March 28, 2014.
- To increase the share capital of the Company under a General Mandate from Baht 1,173.2 million (divided into 1,173,215,563 common shares at Baht 1 par value) to be Baht 4,719.6 million (divided into 4,719,646,689 common shares at Baht 1 par value) by issuance of new common shares of 3,546,431,126 shares to reserve for Right Offering (RO) 1,173,215,563 shares, exercise of warrants ("EMC-W4") 1,173,215,563 shares and Private Placement 1,200,000,000 shares.
- To approve the new common shares as follows:

Distribute to	No. of shares	Ratio	Selling price (Baht per share)
Shareholders (Right Offering)	1,173,215,563	1:1	0.50
Warrants for existing shareholders ("EMC-W4")	1,173,215,563	2:1	-
Private Placement	1,200,000,000	-	0.50

In this regard, the Company already received the proceeds from increase in share capital from its shareholders of 1,173,215,563 shares (at Baht 1 par value) at the selling price of Baht 0.50 per share according to the above resolution with the discount on share capital of Baht 586.6 million. The Company registered the increase in share capital with the Ministry of Commerce on May 30, 2014.

At the Board of Directors' meeting no. 5/2014 on August 13, 2014, the Board of Directors unanimously passed the resolutions to approve allot the additional common shares 600,000,000 shares (at Baht 1 par value) to private placement for 10 investors at selling price of Baht 0.50 per share with the discount on share capital of Baht 300 million. The Company registered the increase in share capital with the Ministry of Commerce on August 21, 2014.



At the Board of Directors' meeting no. 6/2014 held on November 14, 2014, the Board of Directors unanimously passed the resolutions to approve to allot the additional common shares 600,000,000 shares (at Baht 1 par value) to private placement for 4 investors at selling price of Baht 0.50 per share with the discount on share capital of Baht 300 million. The Company registered the increase in share capital with the Ministry of Commerce on November 26, 2014.

At the Extra-ordinary Shareholders' meeting no. 1/2015 held on March 25, 2015, the shareholders unanimously passed the resolutions to approve the increase share capital 1,500,000,000 shares from Baht 4,719.6 million (divided into 4,719,646,689 common shares at Baht 1 par value) to Baht 6,219.6 million (divided into 6,219,646,689 common shares at Baht 1 par value). The Company registered the increase share capital with the Ministry of Commerce on April 2, 2015.

At the Board of Directors' meeting no. 7/2015 on April 8, 2015, the Board of Directors unanimously passed the resolutions to approve allot the additional common shares 650,000,000 shares (at Baht 1 par value) to private placement for 25 investors at selling price of Baht 0.85 per share with the discount on share capital of Baht 97.5 million. The Company registered the increase in share capital with the Ministry of Commerce on April 17, 2015.

At the Extra-ordinary Shareholders' Meeting no. 2/2015 held on November 3, 2015, the shareholders unanimously passed the resolutions to approve on the following matters:

- a. To reduce the share capital of the Company from Baht 6,219.6 million (divided into 6,219,646,689 common shares at Baht 1 par value) to be Baht 5,669.6 million (divided into 5,669,646,689 common shares at Baht 1 par value) by reducing 550,000,000 unsubscribed common shares at Baht 1 par value which were reserved for Private Placement.
- b. To increase the share capital of the Company from Baht 5,669.6 million (divided into 5,669,646,689 common shares at Baht 1 par value) to be Baht 12,492.1 million (divided into 12,492,179,374 common shares at Baht 1 par value) by issuance of new common shares of 6,822,532,685 shares as follows:

Distribute to	No. of shares	Ratio	Selling price (Baht per share)
Shareholders (Right Offering)	4,215,021,790	1:1	0.25
Warrants for existing shareholders ("EMC-W5")	2,107,510,895	2:1	0.25
Warrants for existing shareholders ("EMC-W4")	500,000,000	-	-

- c. To issue 2,107,510,895 warrants ("EMC-W5") to the Company's existing shareholders who had share subscription and paid the share subscription.

In this regard, the Company already received the proceeds from increase in share capital from its shareholders of 4,215,021,790 shares (at Baht 1 par value) at the selling price of Baht 0.25 per share according to the above resolution with the discount on share capital of Baht 3,161.3 million. The Company registered the increase in share capital with the Ministry of Commerce on December 8, 2015.

22. PREMIUM (DISCOUNT) ON SHARE CAPITAL

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

23. WARRANTS

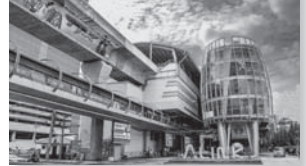
At the 2012 Annual General Shareholders' Meeting held on March 29, 2012, the shareholders have unanimously passed the resolution to issue 293,269,021 warrants ("EMC-W3"), which have the significant details as follows:

	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 1.50 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 last exercised warrant was on March 28, 2014, were exercised totalling 91,781 units (the remaining warrants are 293,113,168 units). The Company has registered the change in issued and paid-up share capital resulted from the exercised warrants from 1,173,101,298 common shares at Baht 1 par value to be 1,173,215,563 common shares at Baht 1 par value with the Ministry of Commerce on April 3, 2014. The Company had additional premium on share capital of Baht 23,424 from such exercised warrants.

At the 2014 Annual General Shareholders' Meeting held on April 25, 2014, the shareholders have unanimously passed the resolution to issue 1,173,215,563 warrants ("EMC-W4"), which have the significant details as follows:

	Description
Type of warrant	Registered name and transferable
Term of warrants	1 year and 9 months from the issuance date and selling the warrant (Last exercise date will be on March 15, 2016)
To be issued and offered quantities	1,173,215,563 units
Offering price per warrant	At zero value
Exercise ratio	1 warrant to 1 common share
Exercise price	Baht 0.40 per share



On August 25, 2014, the Company notified the adjustment of exercise price and exercise ratio of warrants to purchase ordinary shares ("EMC-W4") to ensure that the benefit of the warrant holders are not less than the existing status as following details:

	Old	New
Exercise price (Baht per share)	0.4	0.373
Exercise ratio (warrant: common share)	1:1	1:1.073

On November 28, 2014, the Company notified the adjustment of exercise price and exercise ratio of warrants to purchase ordinary shares ("EMC-W4") to ensure that the benefit of the warrant holders are not less than the existing status as following details:

	Old	New
Exercise price (Baht per share)	0.373	0.341
Exercise ratio (warrant: common share)	1:1.073	1:1.174

On October 9, 2015, the Company notified the adjustment of exercise price and exercise ratio of warrants to purchase ordinary shares ("EMC-W4") to ensure that the benefit of the warrant holders are not less than the existing status as following details:

	Old	New
Exercise price (Baht per share)	0.341	0.299
Exercise ratio (warrant: common share)	1:1.174	1:1.335

The 1st exercised warrant was on September 15, 2014, which were exercised totalling 10,052,000 units (the remaining warrants are 1,163,163,563 units). The Company has registered the change in issued and paid-up share capital resulted from the exercised warrants from 2,946,431,126 common shares at Baht 1 par value to be 2,957,216,921 common shares at Baht 1 par value with the Ministry of Commerce on September 17, 2014. The Company had discount on share capital of Baht 6.7 million from such exercised warrants.

The 2nd exercised warrant was on December 15, 2014, which were exercised totalling 12,500 units (the remaining warrants are 1,163,151,063 units). The Company has registered the change in issued and paid-up share capital resulted from the exercised warrants from 2,957,216,921 common shares at Baht 1 par value to be 2,957,231,596 common shares at Baht 1 par value with the Ministry of Commerce on December 17, 2014. The Company had discount on share capital of Baht 9,671 from such exercised warrants.

The 3rd exercised warrant was on March 15, 2015, which were exercised totalling 6,260,000 units (the remaining warrants are 1,156,891,063 units). The Company has registered the change in issued and paid-up share capital resulted from the exercised warrants from 2,957,231,596 common shares at Baht 1 par value to be 2,964,580,836 common shares at Baht 1 par value with the Ministry of Commerce on March 24, 2015. The Company had discount on share capital of Baht 4.8 million from such exercised warrants.

The 4th exercised warrant was on June 15, 2015, which were exercised totalling 345,600 units (the remaining warrants are 1,156,545,463 units). The Company has registered the change in issued and paid-up share capital resulted from the exercised warrants from 2,964,580,836 common shares at Baht 1 par value to be 2,964,986,570 common shares at Baht 1 par value with the Ministry of Commerce on June 23, 2015. The Company had discount on share capital of Baht 0.3 million from such exercised warrants.

The 5th exercised warrant was on September 15, 2015, which were exercised totalling 30,000 units (the remaining warrants are 1,156,515,463 units). The Company has registered the change in issued and paid-up share capital resulted from the exercised warrants from 2,964,986,570 common shares at Baht 1 par value to be 2,965,021,790 common shares at Baht 1 par value with the Ministry of Commerce on September 24, 2015. The Company had discount on share capital of Baht 23,210 from such exercised warrants.

During the third quarter of the year 2015, the Company write-off warrants totalling 104,493 units (the remaining warrants are 1,156,410,970 units) because they were not qualified with the rule of Thailand Securities Depository Co., Ltd. and round up the unit according to the rules issue to the shareholders for exercised warrants.

24. 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.

25. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE PARENT

Basic loss per share attributable to owners of the parent are determined by dividing the loss for each of the years attributable to owners of the parent by the weighted average number of shares outstanding during the year.

Basic weighted average numbers of shares for each of the years ended December 31, 2015 and 2014 are as follows:

	In Million Shares	
	2015	2014
Number of shares outstanding as at January 1	3,557.2	1,173.1
Effect of warrants exercised during the year	724.7	975.3
Weighted average number of share (basic)	4,281.9	2,148.4

The calculations of diluted loss per share attributable to owners of the parent were based on the loss for each of the years attributable to owners of the parent 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.

The Company did not present diluted loss per share for each of the years ended December 31, 2015 and 2014 because the effect of exercisable warrants will make loss per share decrease.

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 1.7 million and Baht 1.6 million for each of the years ended December 31, 2015 and 2014, respectively.

27. CONSTRUCTION CONTRACTS IN PROGRESS

The significant information of the construction contracts, which were in progress as at December 31, 2015 and 2014, were as follows:

	In Thousand Baht			
	Consolidated		Separate Financial Statements	
	2015	2014	2015	2014
Aggregate amount of construction costs incurred to date	1,910,201	4,463,329	1,910,201	4,463,329
Adjust with the recognised profit (loss) to date	232,541	(215,830)	232,541	(215,830)
Aggregate amount of construction revenues incurred to date	2,142,742	4,247,499	2,142,742	4,247,499
Less : Sum of progress billings	(2,060,265)	(4,019,573)	(2,060,265)	(4,019,573)
Unbilled trade receivables	82,477	227,926	82,477	227,926
Less : Allowance for doubtful accounts	-	(43,225)	-	(43,225)
Net	82,477	184,701	82,477	184,701



28. DISCLOSURE OF FINANCIAL INSTRUMENTS

Financial assets and financial liabilities carried on the consolidated and separate statements of financial position include cash and cash equivalents, short-term investment, trade and other account receivables, short-term loans to and interest receivable, 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 related persons, liabilities under finance lease contracts and long-term loans from financial institution. 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 consolidated statement of financial position and separate 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 subsidiaries, related parties and other company, bank overdrafts and short-term loans from financial institutions, short-term loans from director, liabilities under finance lease contracts and long-term loans from financial institutions.

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, 2015 and 2014, 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						
2015 (In Thousand Baht)						
Fixed interest rates						Effective interest rate (% p.a.)
Within 1 year	1- 5 years	Over 5 years	Floating interest rate	Non-interest bearing	Total	
-	-	-	1,072,253	3,292	1,075,545	0.125 - 0.50
-	-	-	-	4,955	4,955	-
-	-	-	-	125,151	125,151	-
-	-	-	-	72,091	72,091	-
-	-	-	-	6,984	6,984	-
3,300	-	-	-	39	3,339	7.50
<u>206,731</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>206,731</u>	0.375 - 2.00
<u>210,031</u>	<u>-</u>	<u>-</u>	<u>1,072,253</u>	<u>212,512</u>	<u>1,494,796</u>	
-	-	-	-	154,120	154,120	-
-	-	-	-	120,342	120,342	-
-	-	-	-	15,970	15,970	-
-	-	-	-	7,250	7,250	-
-	-	-	-	110,658	110,658	-
-	-	-	174,588	-	174,588	6.50
<u>296</u>	<u>468</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>764</u>	4.56
<u>296</u>	<u>468</u>	<u>-</u>	<u>174,588</u>	<u>408,340</u>	<u>583,692</u>	



Consolidated Financial Statements							
2014 (In Thousand Baht)							
	Fixed interest rates					Total	Effective interest rate (% p.a.)
	Within 1 year	1- 5 years	Over 5 years	Floating interest rate	Non-interest bearing		
Financial assets							
Cash and cash equivalents	-	-	-	103,198	5,163	108,361	0.125 - 0.625
Short-term investments	-	-	-	-	402,360	402,360	-
Trade account receivables - net	-	-	-	-	117,075	117,075	-
Retention receivable from customers - net	-	-	-	-	65,673	65,673	-
Other receivables from and advances to related parties	-	-	-	-	16,026	16,026	-
Investments in restricted deposits with financial institutions	278,563	-	-	-	-	278,563	1.05 - 2.30
Other long-term investments - net	-	-	-	-	12,274	12,274	-
Total	<u>278,563</u>	<u>-</u>	<u>-</u>	<u>103,198</u>	<u>618,571</u>	<u>1,000,332</u>	
Financial liabilities							
Bank overdrafts and short-term loans from financial institutions	-	-	-	41,920	-	41,920	6.75 - 7.40
Trade account payables	-	-	-	-	237,736	237,736	-
Advance received from customers	-	-	-	-	90,414	90,414	-
Short-term loans from related persons	-	-	-	-	32,479	32,479	-
Other payables to related parties	-	-	-	-	12,500	12,500	-
Retention payable to sub-contractors	-	-	-	-	127,278	127,278	-
Long-term loans from financial institutions	-	-	-	236,560	-	236,560	6.75
Liabilities under finance lease contracts	<u>1,047</u>	<u>764</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,811</u>	4.56 - 5.50
Total	<u>1,047</u>	<u>764</u>	<u>-</u>	<u>278,480</u>	<u>500,407</u>	<u>780,698</u>	

Separate Financial Statements							
2015 (In Thousand Baht)							
Fixed interest rates							Effective interest rate
	Within 1 year	1- 5 years	Over 5 years	Floating interest rate	Non-interest bearing	Total	(% p.a.)
Financial assets							
Cash and cash equivalents	-	-	-	1,063,853	3,272	1,067,125	0.125 - 0.50
Short-term investments	-	-	-	-	4,955	4,955	-
Trade account receivables - net	-	-	-	-	125,151	125,151	-
Retention receivable from customers - net	-	-	-	-	72,091	72,091	-
Other receivables from and advances to related parties - net	-	-	-	-	8,399	8,399	-
Short-term loans to subsidiaries, related parties and interest receivable - net	401,591	-	-	-	23,212	424,803	6.50 – 8.00
Investments in restricted deposits with financial institutions	<u>206,283</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>206,283</u>	0.80 - 2.00
Total	<u>607,874</u>	<u>-</u>	<u>-</u>	<u>1,063,853</u>	<u>237,080</u>	<u>1,908,807</u>	
Financial liabilities							
Trade account payables	-	-	-	-	143,859	143,859	-
Advance received from customers	-	-	-	-	97,362	97,362	-
Other payables to related parties	-	-	-	-	7,250	7,250	-
Retention payable to sub-contractors	-	-	-	-	108,077	108,077	-
Liabilities under finance lease contracts	<u>296</u>	<u>468</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>764</u>	4.56
Total	<u>296</u>	<u>468</u>	<u>-</u>	<u>-</u>	<u>356,548</u>	<u>357,312</u>	



Separate Financial Statements							
2014 (In Thousand Baht)							
	Fixed interest rates					Total	Effective interest rate (% p.a.)
	Within 1 year	1- 5 years	Over 5 years	Floating interest rate	Non-interest bearing		
Financial assets							
Cash and cash equivalents	-	-	-	89,121	5,156	94,277	0.125 - 0.625
Short-term investments	-	-	-	-	402,360	402,360	-
Trade account receivables - net	-	-	-	-	159,125	159,125	-
Retention receivable from customers - net	-	-	-	-	65,673	65,673	-
Other receivables from and advances to related parties - net	-	-	-	-	15,437	15,437	-
Short-term loans to subsidiaries and interest receivable - net	121,930	-	-	-	2,670	124,600	6.50 - 7.50
Investments in restricted deposits with financial institutions	278,115	-	-	-	-	278,115	1.05 - 2.30
Other long-term investments - net	-	-	-	-	12,274	12,274	-
Total	400,045	-	-	89,121	662,695	1,151,861	
Financial liabilities							
Bank overdrafts and short-term loans from financial institutions	-	-	-	41,920	-	41,920	6.75 - 7.40
Trade account payables	-	-	-	-	232,902	232,902	-
Advance received from customers	-	-	-	-	45,522	45,522	-
Short-term loans from related persons	-	-	-	-	13,410	13,410	-
Other payables to related parties	-	-	-	-	12,500	12,500	-
Retention payable to sub-contractors	-	-	-	-	125,426	125,426	-
Liabilities under finance lease contracts	1,047	764	-	-	-	1,811	4.56 - 5.50
Total	1,047	764	-	41,920	429,760	473,491	

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, retention receivable from customers, short-term loans to subsidiaries and related parties, bank overdrafts and short-term loans from financial institutions, short-term loans from related persons, trade and other account payables, advance received from customers and retention payable to sub-contractors : 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.

Other long-term investments : cannot be calculated reasonable estimate of 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, 2015 and 2014 are as follows:

	In Thousand Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2015	2014	2015	2014
Change in work in progress	(3,129)	14,131	(3,129)	15,738
Cost of sales of residential condominium units and commercial building	135,460	1,849	18,607	-
Sub-contractors expenses	272,957	763,953	272,957	759,378
Employee benefit expenses	159,909	151,648	159,909	150,512
Supplies and construction materials used	147,957	589,989	147,957	585,800
Direct labor expenses	84,054	162,784	84,054	161,283
Depreciation and amortization	33,719	33,040	33,609	32,640
Loss from decline in value of investments	-	-	11,794	-
Other expenses	269,587	431,778	256,539	419,408
Total	1,100,514	2,149,172	982,297	2,124,759

30. SEGMENT FINANCIAL INFORMATION

The operations of the EMC Group principally involve construction contracting and real estate development, and are mostly carried on in the single geographic area of Thailand. Segment financial information for each of the years ended December 31, 2015 and 2014 are as follows:

	In Thousand Baht							
	Construction contracting		Real estate development		Elimination of inter-segment		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
Revenue from construction	631,828	1,780,929	-	-	-	-	631,828	1,780,929
Revenue from sales of residential condominium units	-	-	145,845	9,550	-	(7,000)	145,845	2,550
Project consultant fees	5,480	2,309	-	-	-	-	5,480	2,309
Total revenues	637,308	1,783,238	145,845	9,550	-	(7,000)	783,153	1,785,788
Costs of construction	(642,507)	(1,726,806)	-	-	-	-	(642,507)	(1,726,806)
Costs of sales of residential condominium units	-	-	(99,398)	(6,929)	(36,062)	5,080	(135,460)	(1,849)
Gross profit (loss)	(5,199)	56,432	46,447	2,621	(36,062)	(1,920)	5,186	57,133



In Thousand Baht								
	Construction contracting		Real estate development		Elimination of inter-segment		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
Other income	146,535	183,513	76	333	(32,499)	(65,040)	114,112	118,806
Other expenses	(304,696)	(395,840)	(14,285)	(3,852)	4,434	34,362	(314,547)	(365,330)
Loss from increment estimated cost for construction projects to be completed	(8,000)	(55,186)	-	-	-	-	(8,000)	(55,186)
Loss from decline in value of investment in subsidiary	(11,794)	-	-	-	11,794	-	-	-
Share of loss of investments in associate and joint venture	-	-	-	-	(6,383)	(334)	(6,383)	(334)
Profit (loss) from operations	(183,154)	(211,081)	32,238	(898)	(58,716)	(32,932)	(209,632)	(244,911)
Finance costs	(4,564)	(11,576)	(18,366)	(3,075)	18,391	5,040	(4,539)	(9,611)
Income tax income (expense)	(78,306)	30,765	(4,309)	(632)	-	-	(82,615)	30,133
Profit (loss) for the year	(266,024)	(191,892)	9,563	(4,605)	(40,325)	(27,892)	(296,786)	(224,389)
Other comprehensive loss								
Depreciation of revaluation surplus of fixed assets	(3,020)	(3,020)	-	-	-	-	(3,020)	(3,020)
Actuarial gain	451	-	-	-	-	-	451	-
Income tax relating to components of other comprehensive income	604	604	-	-	-	-	604	604
Other comprehensive loss for the year	(1,965)	(2,416)	-	-	-	-	(1,965)	(2,416)
Total comprehensive income (loss) for the year	(267,989)	(194,308)	9,563	(4,605)	(40,325)	(27,892)	(298,751)	(226,805)
Segment assets	3,113,519	1,975,278	684,557	459,665	(481,713)	(164,652)	3,316,363	2,270,291
Segment liabilities	937,275	1,137,567	674,452	480,780	(694,282)	(436,814)	917,445	1,181,533

31. LONG-TERM LEASE CONTRACTS

The Company has entered into various long-term lease contracts to rent office space and facilities, office equipment and vehicles, land for construct building, land for operating benefit and land for construction employee. The agreements have the term for certain periods expiring in 2048 as follows :

	Consolidated/Separate Financial Statements (In Thousand Baht)	
	2015	2014
Not later than 1 year	6,612	2,591
Later than 1 year and not later than 5 years	7,580	3,957
Later than 5 years	73,085	43,583
Total	87,277	50,131

32. OTHERS

- a. The Company and subsidiary had outstanding letters of guarantee issued by financial institutions on behalf of the Company and subsidiary in respect as required in the normal course of business. The Company had outstanding letters of guarantee of Baht 615.5 million and of Baht 621.3 million as at December 31, 2015 and 2014, respectively. Subsidiary had outstanding letters of guarantee of Baht 14.5 million and Baht 21.0 million as at December 31, 2015 and 2014, respectively.

The letters of guarantee are guaranteed by the deposits with financial institutions of the Company, building and construction, a director and the transfer of the rights over collection from trade receivables of the Company as discussed in Notes 5, 6, 11 and 15.

- b. As at December 31, 2015 and 2014, three subsidiaries had letter of guarantees issued by financial institutions of such subsidiaries of Baht 2.6 million and Baht 0.4 million, respectively, which guaranteed by deposits in financial institutions, land and construction for real estate projects thereon of a subsidiaries, a former shareholder of such subsidiary and a shareholder of the Company as discussed in Notes 8 and 11.
- c. The Company had commitments under purchase orders of construction materials and subcontractors services totaling Baht 191.4 million and Baht 156.4 million as at December 31, 2015 and 2014, respectively.
- d. The Company was sued for the damages of certain litigation cases. 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 Airways 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 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. On November 20, 2013, the Court of Appeals determined that the Company has to compensate of claimed amount totalling Baht 5.5 million plus interest charge at the rate 7.5% per annum until settlement. A government agency filed an appeal to the Supreme Court 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 in the consolidated and separate financial statements as at December 31, 2015 and 2014. The management believes that such provision is adequate to absorb possible losses from such litigation case. Moreover, the Company has put cash as collateral debt to the Court amounting to Baht 8.2 million for stopping the calculation on interest charge during waiting for the sentence of the court.
- 3) 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 this litigation claim in the accounts.



- 4) The Company was sued by a local company (plaintiff) for breach of the subcontract and purchasing. The Court of First Instance (the Civil Court) Appeals sentenced that the Company had to pay the amount of Baht 15.6 million. The Company already record part of liabilities amounting Baht 6.5 million in the account. In this regard, the Company has provided addition provision for loss on litigation claim of Baht 9.0 million in the consolidated and separate financial statements for the year ended December 31, 2015.
- 5) The Company provided provision for loss on other litigation cases (which the Court of First Instance sentenced, the Court of Appeals and the Supreme Court that the Company had to compensate of claim, for cases that the Company is in the process of litigation in the Court of First Instance, the Court of Appeals and the Supreme Court 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 13.7 million and Baht 12.9 million in the consolidated and separate financial statements as at December 31, 2015 and 2014, respectively. Moreover, the Company has put land of subsidiaries pledging for relieving the enforcement of the court cases sentenced by the Court (as at December 31, 2014: Nil).
- 6) As at December 31, 2014, the Company was sued to claim for the damage from its construction projects totalling approximately Baht 57.2 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.
- 7) In October and November 2015, the EMC Group were sued to claim for the damage from its construction projects of the EMC Group totalling approximately Baht 23.2 million (of the Company totaling approximately Baht 18.0 million). These cases are currently being determined by of the Court of First Instance (the Civil Court). The EMC Group recorded the claim for damage in the accounts as at December 31, 2015. The Company refused to pay such amounts since they are relevant to the projects under the court case as discussed in Note 8.

33. LOSS ON CONSTRUCTION PROJECTS

The management of the Company considered revising the budget construction costs of 2 projects of the Company and 2 projects of a subsidiary which resulted in recognizing loss from increment estimated cost for construction projects to be completed in the consolidated and separate statements of comprehensive income for each of the years ended December 31, 2015 and 2014 as follows:

Projects	Status of the projects	In Thousand Baht	
		Loss from increment estimated cost for construction projects to be completed	
		2015	2014
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 at December 31, 2013. However, the Company transferred the work on May 30, 2014.	-	29,287
Kirimaya Project	The Company estimated the project's budget and the remaining construction and system work of Kirimaya Project before the ending of warranty period 1 year. The Company set up the increment estimated cost for construction projects to be completed of Baht 8.0 million as at December 31, 2015 because of the large of the project and use of the specialize work and detail. Moreover, the project had the additional works of construction and system.	8,000	-
Total loss in the separate statements of comprehensive income		8,000	29,287

Projects	Status of the projects	In Thousand Baht	
		Loss from increment estimated cost for construction projects to be completed	
		2015	2014
2 projects of a subsidiary	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 at December 31, 2013. The subsidiary delivered the work on March 10, 2014 and March 30, 2014.	-	25,899
Total loss in the consolidated statements of comprehensive income		8,000	55,186

During the year 2015, the Company had reversed estimated construction costs of Airport Link Square project, Lotus Klongluang project, Bluroc Huahin project and Pyramid Thai Factory (Renewal) project because the Company no any liabilities to be responsible for such projects as follows:

Projects	Status of the projects	In Thousand Baht
		Reversal of estimated construction cost
Airport Link Square project	The Company stopped the construction since beginning of the year 2014 and is in the process of taking legal action against the project owner of Airport Link Square. At present such project is in use. The Company reversed estimated construction costs amounting to Baht 39.4 million because the Company has no any liabilities to be responsible for such project.	39,388
Lotus Klongluang project	At present this project has already started the operation. The Company reversed estimated construction costs amounting to Baht 5.0 million because the Company has no any liabilities to be responsible for such project.	4,996
Pyramid Thai Factory (Renewal) project	At present this project has already started the operation. The Company reversed estimated construction costs amounting to Baht 6.1 million because the Company has no any liabilities to be responsible for such project.	6,115
Total		50,499

34. FAIR VALUE MEASUREMENT

The EMC Group uses the market approach to measure its assets and liabilities that are required to be measured at fair value by relevant financial reporting standards, except that the cost approach or income approach is used when there is no active market or a quoted market price is not available.

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 - Use of unobservable inputs, such as estimates of future cash flows



As at December 31, 2015, the EMC Group had the following assets that were measured at fair value using different levels of inputs as follows:

	Consolidated and Separate Financial Statements (In Thousand Baht)			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Trading investments				
- Open-end money market fund	-	4,955	-	4,955
Land and Building	-	-	130,727	130,727
Total	-	4,955	130,727	135,682

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, 2015 and 2014, the Company's debt-to-equity ratio as follow:

	Consolidated Financial Statements		Separate Financial Statements	
	2015	2014	2015	2014
Debt-to-equity ratio	0.38 : 1	1.09 : 1	0.27 : 1	0.78 : 1

No changes were made in the Company's objectives, policies or processes during the years ended December 31, 2015 and 2014.

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

The EMC Group 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 2015)	Share-based Payment	2016
TFRS 3 (revised 2015)	Business Combinations	2016
TFRS 4 (revised 2015)	Insurance Contracts	2016
TFRS 5 (revised 2015)	Non-current Assets held for Sale and Discontinued Operations	2016
TFRS 6 (revised 2015)	Exploration for and Evaluation of Mineral Resources	2016
TFRS 8 (revised 2015)	Operating Segments	2016
TFRS 10 (revised 2015)	Consolidated Financial Statements	2016
TFRS 11 (revised 2015)	Joint Arrangements	2016
TFRS 12 (revised 2015)	Disclosure of Interests in Other Entities	2016
TFRS 13 (revised 2015)	Fair Value Measurement	2016
TAS 1 (revised 2015)	Presentation of financial statements	2016
TAS 2 (revised 2015)	Inventories	2016
TAS 7 (revised 2015)	Statement of Cash Flows	2016
TAS 8 (revised 2015)	Accounting Policies, Changes in Accounting Estimates and Errors	2016
TAS 10 (revised 2015)	Events after the Reporting Period	2016
TAS 11 (revised 2015)	Construction Contracts	2016
TAS 12 (revised 2015)	Income Taxes	2016
TAS 16 (revised 2015)	Property, Plant and Equipment	2016
TAS 17 (revised 2015)	Leases	2016
TAS 18 (revised 2015)	Revenue	2016
TAS 19 (revised 2015)	Employee Benefits	2016
TAS 20 (revised 2015)	Accounting for Government Grants and Disclosure of Government Assistance	2016
TAS 21 (revised 2015)	The Effects of Changes in Foreign Exchange Rates	2016
TAS 23 (revised 2015)	Borrowing Costs	2016
TAS 24 (revised 2015)	Related Party Disclosures	2016

TFRS	Topic	Effective date
TAS 26 (revised 2015)	Accounting and Reporting by Retirement Benefit Plans	2016
TAS 27 (revised 2015)	Separate Financial Statements	2016
TAS 28 (revised 2015)	Investments in Associates and Joint Ventures	2016
TAS 29 (revised 2015)	Financial Reporting in Hyperinflationary Economies	2016
TAS 33 (revised 2015)	Earnings per Share	2016
TAS 34 (revised 2015)	Interim Financial Reports	2016
TAS 36 (revised 2015)	Impairment of Assets	2016
TAS 37 (revised 2015)	Provisions, Contingent Liabilities and Contingent Assets	2016
TAS 38 (revised 2015)	Intangible Assets	2016
TAS 40 (revised 2015)	Investment Property	2016
TAS 41	Agriculture	2016
TFRIC 1 (revised 2015)	Changes in Existing Decommissioning, Restoration and Similar Liabilities	2016
TFRIC 4 (revised 2015)	Determining whether an Arrangement contains a Lease	2016
TFRIC 5 (revised 2015)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	2016
TFRIC 7 (revised 2015)	Applying the Restatement Approach under TAS 29 (revised 2015) Financial Reporting in Hyperinflationary Economies	2016
TFRIC 10 (revised 2015)	Interim Financial Reporting and Impairment	2016
TFRIC 12 (revised 2015)	Service Concession Arrangements	2016
TFRIC 13 (revised 2015)	Customer Loyalty Programmes	2016
TFRIC 14 (revised 2015)	TAS 19 (revised 2015) —The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	2016
TFRIC 15 (revised 2015)	Agreements for the Construction of Real Estate	2016
TFRIC 17 (revised 2015)	Distributions of Non-cash Assets to Owners	2016
TFRIC 18 (revised 2015)	Transfers of Assets from Customers	2016
TFRIC 20 (revised 2015)	Stripping Costs in the Production Phase of a Surface Mine	2016
TFRIC 21	Levies	2016
TSIC 10 (revised 2015)	Government Assistance—No Specific Relation to Operating Activities	2016
TSIC 15 (revised 2015)	Operating Leases-Incentives	2016
TSIC 25 (revised 2015)	Income Taxes—Changes in the Tax Status of an Entity or its Shareholders	2016
TSIC 27 (revised 2015)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	2016
TSIC 29 (revised 2015)	Service Concession Arrangements Disclosure	2016
TSIC 31 (revised 2015)	Revenue—Barter Transactions Involving Advertising Services	2016
TSIC 32 (revised 2015)	Intangible Assets -Web Site Costs	2016

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 EMC Group 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 29, 2016.



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