

ANNUAL REPORT 2016



EMC PUBLIC COMPANY LIMITED



COMPUTER GRAPHIC GENERATED



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					
	2016		2015		2014	
	Mil.Baht	%	Mil.Baht	%	Mil.Baht	%
Total Assets	3,096.61	(6.62)	3,315.99	46.06	2,270.29	25.86
Total Liabilities	918.61	0.17	917.07	(22.38)	1,181.53	(29.63)
Shareholders' Equity	2,178.00	(9.21)	2,398.92	120.34	1,088.76	772.47
Service Revenues	591.62	(24.46)	783.15	(56.15)	1,785.79	11.57
Gross Profit	(30.31)	(684.01)	5.19	(90.92)	57.13	219.37
Net Profit (Loss)	(271.73)	(8.71)	(297.65)	46.13	(203.69)	84.90

Financial Ratio		2016	2015	2014
Gross Profit Margin	(%)	(5.12)	0.66	3.20
Net Profit Margin	(%)	(45.93)	(38.01)	(11.41)
Return on Equity	(%)	(12.48)	(12.41)	(18.71)
Return on Assets	(%)	(8.78)	(8.98)	(8.97)
Total Assets Turnover	(Times)	0.22	0.31	0.93
Debt to Equity Ratio	(Times)	0.42	0.38	1.09



Message from the Chairman

In 2016, the country's economic growth rate was still low displaying that domestic consumption, public and private investment, and exports are still small. Since the growth rate of the construction and real estate industries moving in the same direction of the country's economic growth, the company's performance was affected as well. The real estate development sector has also been affected by the end of the government's stimulus plan and more stringent lending to residential buyers in the banking sector.

For the trend in 2017, the overall expected economy will be low growth rate relatively. The government is supposed to launch a policy to stimulate the economy through public investments. This will be a driving force for the growth of the construction industry, which will benefit from future government investment and accelerate the ongoing projects under construction, especially the investment in transportation, public health system and education development. The real estate development business continues to be another challenging year for real estate developers who must tackle barriers to consumer purchasing power, the supply of products still exceeding the market demand, as well as the tightening of lending in the banking sector.

However, the company continues to strive to offer high quality construction services, deliver on time and bring new technology to support the work to be most effective in order to meet the needs of the public and private sectors. In addition, the company continues to strive to recruit and create new projects under the concept of quality of life development, along with environmental conservation to restore nature to society. The company has a long-term experience in the construction business with the dedication of the management and all employees, therefore the company will be able to overcome the obstacles and will continue to grow steadily in order to return the profit to shareholders sustainably.

The success of the company cannot be achieved without good support from all those involved. On behalf of the Board of Directors, we would like to thank the shareholders, financial supporters, business partners, mass media, public and private organizations and all the participants who have well supported the company over the past year. The company pledges to operate on a sustainable growth basis, and taking into account with the interests of all stakeholders and following the principles of corporate governance continuously.

A handwritten signature in blue ink, appearing to read 'Chanachai Leenabanchong'.

Mr. Chanachai Leenabanchong
Chairman of the Board

Board of Directors



Mr. Chanachai Leenabanchong

Chairman



Mr. Ratchai Pichayapoom

Vice Chairman



Mr. Voravit Leenabanchong

Vice Chairman



Mrs. Neeranuch Na-ranong

Director



Mr. Krisana Sangarsang

Director



Mr. Setthavat Tangvacharapongse

Director



Mr. Boontan Sumetvanit

Director



Miss Praomart Hantra

Chairman of the Audit Committee
and Independent Director



Miss Thaweesri Wikayathipat

Member of the Audit Committee
and Independent Director



Dr. Yaowarin Srichainan

Member of the Audit Committee
and Independent Director



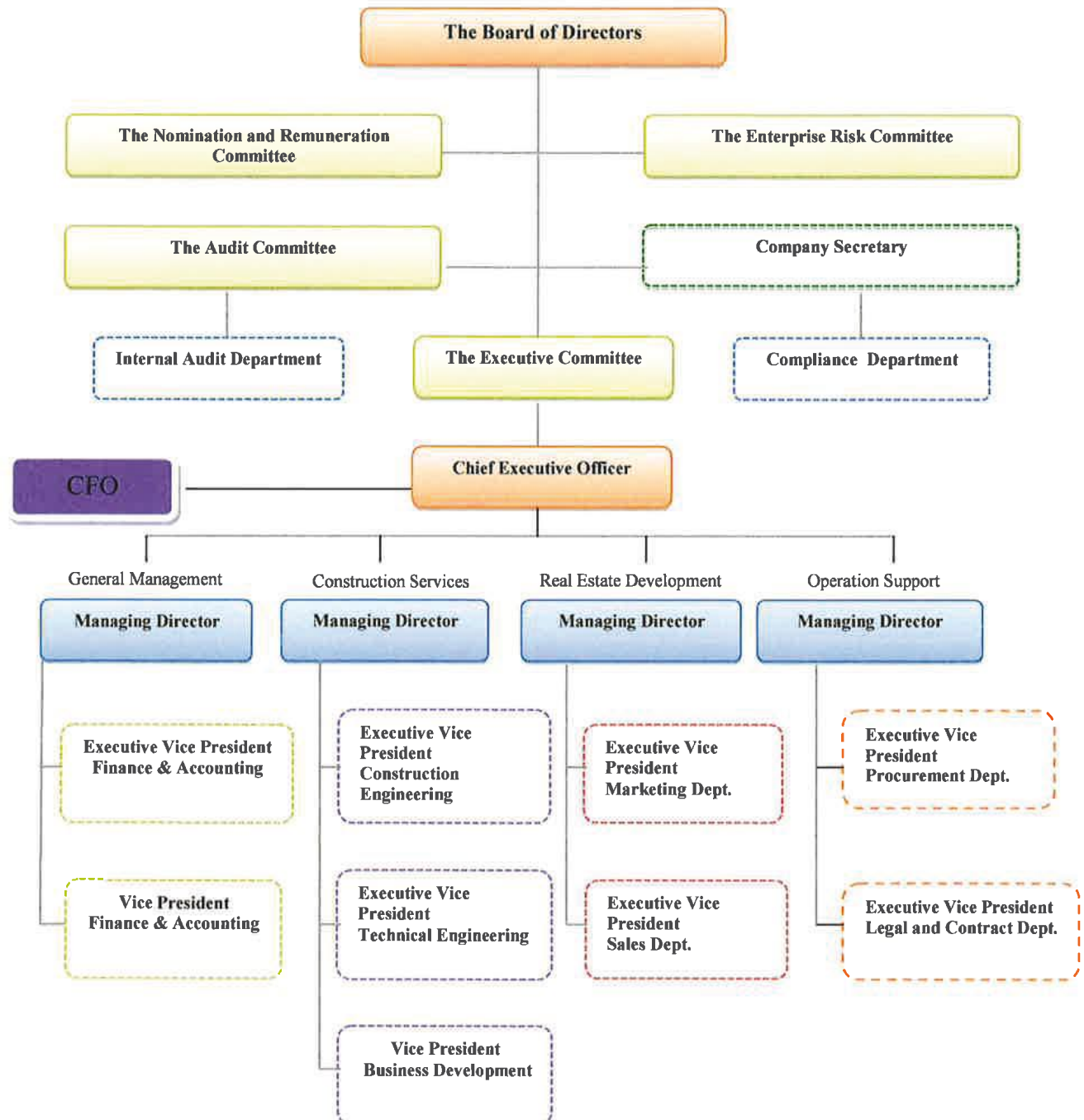
Mr. Pannatee Sriwongthai

Member of the Audit Committee
and Independent Director



Organization Chart

Organization Chart of EMC Plc. As at December 31, 2016



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, and real estate development.
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	:	8,433,734,716 Baht
Par value	:	1 Baht per share

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

No.	Company Name	Shareholding portion	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	100%	4,000,000	4,000,000	400,000	10
2	Rich Man Property Company Limited	100%	5,000,000	5,000,000	500,000	10
3	North Property Company Limited	100%	4,000,000	4,000,000	400,000	10
4	Siam Bangkok Development Company Limited	100%	20,000,000	20,000,000	2,000,000	10
5	Imperial Land Company Limited	100%	110,000,000	110,000,000	1,100,000	100
Subsidiary companies in government and state enterprises concession business for contract construction and civil work						
1	BR Construction Company Limited	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	48%	40,000,000	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. Ms. Susan Aimwanitcha CPA no. 4306 and/or
2. Mr. Suchart Panichjareon CPA no. 4475 and/or
3. Ms. Yupin Chumjai CPA no.8622 and/or
4. Ms. Sheunta Chommeon CPA no. 7570 and/or
5. Ms. Wandee Aimwanitcha CPA no. 8210 and/or
6. Mr. Kiattisak Vanichhanon CPA no. 9922

SP Audit Company Limited

503/31 KSL Tower, Sriyuthaya Road, Rachadhevee, Bangkok 10400

Telephone 02-642-6172-4 Facsimile 02-642-6253

E-mail : spaudit@asianet.co.th

- Legal Counsels

- R&K LEGAL CONSULTANT

69 Soi Pasee 2, Ekamai Road, Wattana, Bangkok 10110, Thailand

Tel. 092-832-0199

- Srisamlan Law Office

40/131 Katiya Village 3 BangPud , Pak Kret District, NONTHABURI 11120

Telephone 081-939-5330 Facsimile 02-938-7515-7

Policy and Overall Business Operations

Vision and Mission of the company

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

Vision

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;

<u>Year 2014</u>	<u>Crucial changes and development</u>
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. Cherdasak Witoonchart who has resigned.
<u>Year 2015</u>	<u>Crucial changes and development</u>

March	- Adjust the paid capital from 3,557,231,596 Baht to 3,564,580,836 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 Baht per share. 1. The committee meeting has considered to approve an investment in subsidiaries and to purchase the project as follows; - Siam Bangkok Development Company Limited - Through doing transaction of shares purchasing for 100% 2. Purchasing the projects from Siam Grand 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 Baht and has approved the investment in Imperial Company Limited from Ua Wittaya Public Company Limited and altered the registered capital from 4,719,646,689 Baht to 6,219,646,689 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 Baht. -To adjust the paid capital from 3,564,580,836 Thai Baht to 4,214,580,836 Baht on account of issuance of newly issued ordinary shares for private placement for 650,000,000 shares at 0.85 Baht at the par value of 1 Baht per share.
May	-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.



	-The BOD meeting 11/2015 has a resolution to approve the appointment to replace committees who resigned, Mr. Kittipan Oyamapan to replace Mr. Teun Pinhathaiwut, who resigned on 28th September 2015.
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-W5 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 Ua Wittaya Public Company 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. -The committee meeting no. 14/ 2015 has a resolution to approve the appointment to replace committees who resigned as follows; <u>Mr. Supachai Limnasiri</u> to replace Mr. Siripong Wongvutpornchai, who resigned on 18th December 2015. <u>Mr. Sunan Yiemvanichnan</u> to replace Mr. Kissana Sangasang, who resigned on 18th December 2015. <u>Mr. Voravit Leenabunchong</u> to replace Mr. Sethawat Tungwacharapong, who resigned on 18th December 2015.
<u>Year 2016</u>	<u>Crucial changes and development</u>
February	- Change of paid-up capital from 8,430,043,580 THB to 8,433,734,716 THB due to the exercise of the right under the EMC-W4 of 2,764,899 units at par value of 1 THB.
March	- Mr. Supachai Limasiri has resigned from the position of the Company's director effective from March 31, 2016.
April	- Mr. Kittipan Oyamapan has resigned from the position of the Company's director

effective from April 30, 2016.

May

- Ms. Vipaporn Sakulyeunyongsuk has resigned from the position of the Company's director. Effective from May 3, 2016.

- Dr. Churairat Unhaka

- Mrs. Sunee Sornchaithanasuk

- Mr. Chupong Thanasetakorn

Resigned from the position of Audit Committee Member, Independent Director, Nomination and Remuneration Committee effective from May 27, 2016

- Mr. Chumpol Isarangkun Na Ayutthaya has resigned from Chief Operating Officer.

June

- The Board of Directors Meeting No. 5/2016, held on June 23, 2016, approved the appointment of new directors to replace those who resigned as follows;

Mr. Jittichai Saengthong to replace Ms. Vipaporn Sakulyeunyongsuk, who retains the position of director.

Ms. Kannat Rattanasribuathong to replace Mr. Supachai Limnasiri, who retains the position of director.

Mr. Setthawat Tangvatcharapong to replace Mr. Kittipong Oyanapan, who retains the position of director.

Ms. Paowmatr Huntra to replace Dr. Churairat Unhaka, the Chairman of the Audit Committee, Nomination and Remuneration Committee Member, Independent Director.

Ms. Taveesri Vikiyathipat to replace Mrs. Sunee Sornchaithanasuk, Director of Audit Committee, the Chairman of the Nomination and Remuneration Committee, Independent Director.

Dr. Yaowarin Srichainan to replace Mr. Chupong Thanasetakorn, Director of Audit Committee Director, Nomination and Remuneration Committee, Independent Director,

- Mr. Chumpol Isarangkun Na Ayutthaya has resigned from the position of the Company's director and Vice Chairman of the Board of Director from June 30, 2016.

July

- Mr. Sunan Yiemvanichnan resigned from the board of directors effective from July 15, 2016.

August

- Ms. Kannat Rattanasribuathong resigned from the board of directors effective from August 1, 2016.

- Mr. Jittichai Saengthong resigned from the board of directors effective from August 2, 2016.

- The Board of Directors' Meeting No. 6/2016, held on August 15, 2016, passed the resolution to appoint the new directors to replace those who resigned as follows;



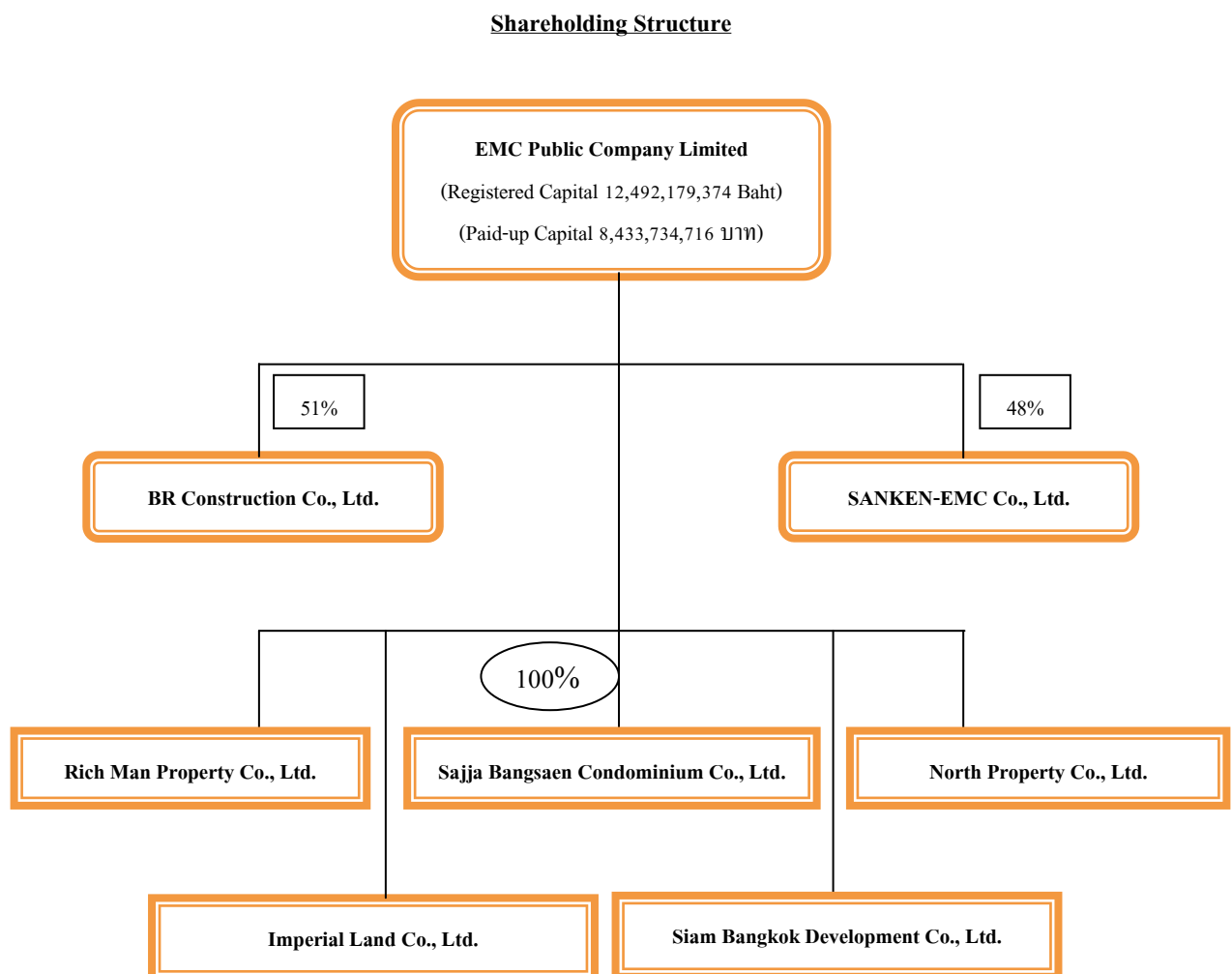
Mr. Krissana Songsang to replace Mr. Sunan Yiemvanichnan.

Mr. Ratchai Pichayapoom to replace Ms. Kannat Rattanasribuathong.

- October
- The Board of Directors Meeting No. 7/2016, on October 5, 2016, has progress in acquiring shares of Imperial Land Company Limited, has resolved to pay for the shares to be completed by October 2016 in accordance with the resolution of the shareholders' meeting No. 1/2015 held on March 25, 2015, and resolved to appoint;
 - Mr. Boontan Sumetvanich to replace Mr. Chumpol Isarangkun Na Ayudhya, the position of director.

Business Operations of Subsidiary Companies

As of December 31, 2016, the group of company has the shareholding structure as below;



BR construction Company Limited has 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 company does not operate.

SANKEN- EMC Company Limited has entered into joint venture agreement with Sanken Setzumi Kyoko Company Limited and Mr. Sumeth Jaito at 10th September 2013 with the proportion of shareholding at 48%, 49% and 3% respectively.

The subsidiary company undertakes 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.

Imperial Land Company Limited has registered as a company limited in Thailand at 27th May 1991 to operate the real estate development in Yoawarach, named Station 1 @ China Town.

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	140/66 ITF Tower, Floor 28, Silom Road, Suriyawongse, Bangrak, Bangkok	100%	4,000,000	4,000,000	400,000	10
2	Rich Man Property Company Limited	140/66 ITF Tower, Floor 28, Silom Road, Suriyawongse, Bangrak, Bangkok	100%	5,000,000	5,000,000	500,000	10
3	North Property Company Limited	140/66 ITF Tower, Floor 28, Silom Road, Suriyawongse, Bangrak, Bangkok	100%	4,000,000	4,000,000	400,000	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	2,000,000	10



No.	Company Name	Office Location	Shareholding portion of the Company	Paid-up Capital	Registered Capital	Paid-up Shares	Par Value
5	Imperial Land Company Limited	140/66 ITF Tower, Floor 28, Silom Road, Suriyawongse, Bangrak, Bangkok	100%	110,000,00 0	110,000,000	1,100,000	100
Subsidiary companies in government and state enterprises concession business for contract construction and civil work							
1	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%	40,000,000	40,000,000	400,000	100

Relationships with major business groups

The company's core business is not significantly related to or otherwise related to the business of major shareholders.

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-up capital of 8,433,734,716 THB.

Revenue Structure

Consolidated revenue structure of the company dating back 3 years (2014-2016) can be classified of core businesses as follows:-

Items	Consolidated Financial Statement					
	2016		2015		2014	
	million	%	million	%	million	%
Revenue						
Income from construction	572.10	82.77	631.83	72.87	1,780.93	93.51
Sales of condominium units	14.81	2.14	145.85	16.82	2.55	0.13
Project advisory fee income	4.24	0.61	5.48	0.63	2.31	0.13
Other incomes						
Interest	8.89	1.29	4.66	0.54	6.05	0.32
Others	91.13	13.19	79.27	9.14	112.76	5.91



Total Revenue	691.17	100.00	867.09	100.00	1,904.60	100.00
Rate of increase (decrease) of income		(20.29)		(54.47)		11.60

Items	Separate Financial Statement					
	2016		2015		2014	
	million	%	million	%	million	%
Revenue						
Income from construction	572.10	82.19	631.83	82.05	1,769.48	96.88
Sales of condominium units	-	-	26.34	3.42	-	-
Project advisory fee income	5.26	0.76	5.48	0.71	2.31	0.13
Other incomes						
Interest	49.31	7.08	27.50	3.57	10.98	0.60
Others	69.36	9.97	78.87	10.25	43.65	2.39
Total Revenue	696.03	100.00	770.02	100.00	1,826.42	100.00
Rate of increase (decrease) of income		(9.61)		(57.84)		8.01

Business Overview

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

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

1. Construction Business

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.

1.1 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.

1.2 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 and Construction in 2015-2016

Project Name	Location	Scope of Work	Contract Value (Million baht)	Progress (%)
Taokaenoi Food and Marketing Plc. Plant	Rojana Industrial Park 3 Uthai district, Ayutthaya.	Civil, Architecture, M&E	304.00	100
Thai Travel Center	Huamark, Bangkok, Bangkok	Civil, Architecture, M&E	137.32	100
School Buildings Vajiravudh 2 groups (4 buildings)	Dusit, Bangkok	Civil, Architecture, M&E	439.21	100
Bangkhunthian Elderly Hospital	Bangkhunthian, Bangkok	Civil, Architecture, M&E	2,795.33	2.00
New Production Plant	Bang poo industrial Estate Samutprakan	Civil, Architecture, M&E	144.00	0.35
Total			3,819.86	

Marketing Strategy and Competition

1. Competition Strategy

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.

2. Industry Conditions and Competitions

The industry condition and trend

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., Powerline Engineering Public Co., Ltd. , Jardin Mathison Co., Ltd (Thailand), Secco Co., Ltd, Sangpradit Engineering Co., Ltd.

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

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

3. The entrepreneurs in construction industry in large size

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

4. The entrepreneurs in construction industry in small size

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

5. The entrepreneurs in construction industry in full packaging

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

3. **Sourcing of the products**

3.1 Method to source the products

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.

b. 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.

3.2 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.

4. Work in Progress in 2016

The contract value of the on-going projects is 2,939.33 million Baht, and the remaining unrealized value is 2,882.28 million Baht as follows:

Project Name	Contract Value (Million Baht)	Backlog (Million Baht)
Bangkhunthian Elderly Hospital	2,795.33	2,738.78
New Production Plant	144.00	143.50
Total	2,939.33	2,882.28

2. Real Estate Development

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 Sajja Bangsand Condominium Company Limited and residential buildings 8 floors, 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 expertise 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.

In October 2016, the Company acquired Imperial Land Co., Ltd. The location of the project is located on Charoenkrung Road, next to the Dragon Temple or Wat Leng Ne Yi, away from the Dragon Temple Station subway just 110 meters. The project is located near the economic district of Yaowarat, and is a complete construction project. The projects that the company has purchased include:



Station One: Commercial area 1-3, sales area 1,074.40 sqm., and living space for 4-7 floors of 56 units sales area of 1,910.22 sqm., currently under sale of space.

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 innovation 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, e-mail, website, facebook and so on.

2. Industrial and competition condition

In the midst of economic downturn and household debt is at a high level. The real estate stimulus and the government's public policy has made the real estate market grow noticeably in the first quarter of 2016. Based on the first half transfer, the developers have the opportunity to discharge for liquidity in business and to reduce the risk of housing supply overflow to a certain extent. Although in the second quarter, the market has started to noticeably slow down when the plan stimulates for real estate by the government ended in second half of 2016. The companies in the stock market and outside markets tend to launch new projects into the market. The real estate market in late 2016 will remain stable until the year 2017. Overall in 2016, the real estate market continues to grow at a steady rate, with housing prices rising, especially the upper condominium projects in the central of the CBD, while the supply is still slowing. The market has absorbed the old products to moderate.

For the real estate market trend in the year 2017, the company expects the market will return to normal and tend to grow higher than 2016. However, the real estate overview in the country is likely to be brighter from the plan to launch new projects of real estate developers in the market, which reflects the confidence of the developers in the current economic situation. In particular, the CBD market is moving towards higher-end products due to higher cost prices, especially land prices. The middle class property market both high and horizontal has driven the market conditions by expansion to the suburbs along the lines of MRT and BTS. The government approved the construction plan which opens to new land to be developed as can be seen from the bustling markets along the Purple Line in 2014 and 2015. With the expansion of the communications network, motorways High-speed trains, twin-track trains, and open government special economic zones getting a clear picture in 2017, those will have stimulated employment and investment by the private sector and money will have been injected into the economy. The growth of housing and real estate will expand into major cities and provinces, and foreign investment in the property sector will increase. The company foresee that the real estate development in the East of the country is very interested, thus the company have been investing in Chonburi, such as the condominium projects such as North Beach at Bangsan, Palmio Condominium near Amata Nakorn Industrial Estate and Siam Iyara Housing Project. In addition, the government's investment plan for the motorway and the development plan for the U-Tapao International Airport to increase its capacity as an international airport will increase capacity to support the growth of the tourism sector in the east area.

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 2016

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

Project	Location	Type	Start date	Sales Area Sq.m.	Progress	Sales Area and Project Value		Transferred		Balance			
						Total				Sold Area		Unsold	
						Unit	Value (Baht)	Unit	Value (Baht)	Unit	Value (Baht)	Unit	Value (Baht)
Town Home Project													
Siam Iyara	Nongbondaeng , Ban Bueng , Chonburi	Town Home	Mar-15	5,685.10	75%	251	427,161,500	59	102,261,500	-	-	192	324,900,000
โครงการคอนโดมิเนียม													
North Beach	Bangsaenlang Rd. , Won-napa Beach , Saensuk , Mueang , Chonburi	Condominium	Aug-14	7,850	95%	200	508,815,051	-	-	40	127,326,685	160	381,488,366
Palmio	Soi Utapao Temple , Piboon Pracharak Rd. , Nong Mai Daeng , Mueang , Chonburi (Amata Nakorn)	Condominium	Aug-14	7,476	39%	231	253,925,099	-	-	66	64,943,699	165	188,981,400
Hall mark Ngum Wong Wan (chewathai)	151/72-73,151/104-106 , Soi Duang Mani , Bangkok- Nontaburi Rd.	Condominium		265		10	18,940,340	-	-	-	-	10	18,940,340
Malibu	Malibu Khao Tao , Soi Hua Hin 101 , Phet Kasem Rd. , Nongkac , Hua Hin , Prachuap Khiri Khan	Condominium		2,801		5	58,130,000	-	-	-	-	5	58,130,000
Urbis	Soi Sukhumvit 36 , Sukhumvit Rd. (230 m from HTS ThongLo)	Condominium	Feb-16	5,299	10%	130	931,181,526	-	-	111	761,418,350	19	169,763,176
Mix Used Project													
**Landmark Mahachai	Nikhom Rotfai Rd. , Mahachai ,	Shop House	Nov-14	21,210	85%	101	750,155,280	0	0	36	310,690,656	65	439,464,624
	Mueang , Samut Sakhon	Community Mall		6,338		6,338	406,667,777	0	0	2,455.55	95,955,743	3,882.45	310,712,034
***Station 1	Charoenkrung Rd. , Pom Prap ,	Plaza	Oct-16	1,074.40	100%	61	431,616,908	319.85	37,310,867	6.94	5,220,000	747.61	392,218,041
	Pom Prap Sattru Phai , BKK.	Residential		1,910.22		56	168,274,250	0	0	0	0	56	168,274,250

Remarks : The total Value of Landmark Mahachai is calculated from the rent throughout the terms of 30 years Lease and then think back to the Present Value which separated into the value of the Community Mall Baht 406,677,777 and the value of the Commercial Building Baht 750,155,280

In Terms of Sales of Community Mall Area, the company will sign contract with the customer which the terms of rent contract is from 1-3 year with every 3 years renew contract and up to each deal by taking the maximum benefit of the company is important. In total, the rental area 2,455.55 sqm of the lease term that the company signed with the customers is calculated into Present Value approximately Baht 95,955,743.

*** The total Value of Station One is calculated from the rent throughout the terms of 30 years Lease and then think back to the Present Value which separated into the value of the Commercial Area Baht 85,200,000 and the value of the Residential Area Baht 205,800,000

In Terms of Sales of Commercial Area, the company will sign contract with the customer which the terms of rent contract is from 1-3 year with every 3 years renew contract and up to each deal by taking the maximum benefit of the company is



important. In total, the rental area 319.85 sqm of the lease term that the company signed with the customers is calculated into Present Value approximately Baht 37,310,867.

Risk Factors

1. Risk from delay of the project

The reason of delay may occur in many cases such as the delay from the owner of projects lacking of capital and liquidity or changing of construction plan or engineering system which might result the company to increase expenses in projects such as utility, worker salary, and cost of administration and finance etc. In addition, project delay may be caused by the delay in operation of the company. By such delay, the company has risk to be claim by the project owners. However, the company has tried to set up the management process, continuous monitor plan, including the clarification and communication to the owner about the reason of delay and how to fix the problem. Furthermore, the company will manage to undertake any project within schedule. The number of experienced engineer will be provided sufficiently and enough equipment and material for construction will be prepared as demanded.

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

Due to the construction raw material being very important in the construction services and real estate development business, the changing fluctuation of construction raw material price might have been the company risk in term of the higher price of construction raw material after contracts awarded which it affects to the production cost and profit of the company. The company has policy to prevent this kind of risks by entering into forward purchase contracts with various suppliers under committed prices and delivery terms for some main materials and equipment. By purchasing raw material in big lot, the company will gain bargaining power to negotiate for lower price of raw material, of which the company will be able to control the cost of construction effectively.

Moreover, the company has contracted to main suppliers for raw material amount and time to delivery in advance in order to prevent the fluctuation of the raw material prices. This will improve the efficient and effective cost control of the company throughout of the construction period which will decrease the risk of the increase in the raw material prices.

3. The risk of not receiving payment or delay payment

The company's clients are generally classified into 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 tender, particularly with



the banks that the project owners seek 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, however the record will be complied with the accounting standard.

4. The risk from higher competitive

The intensifying competition in construction industry and the rising number of contractors nowadays results 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 to which the company has an expertise and can control for making suitable gross profit. In addition, the company will the human resource and operating system to serve the customers' requirement in order to receive trust and confidence in performance from them.

The company has been into many construction services such as building structure, architecture, electrical and mechanical engineering systems and safety system ect. The company has also constructed various types of building such as infrastructures, general and high buildings, hospitals, and industrial buildings. Referring to the company's performance in those building constructions, the clients have impressed and perceived the quality and potential of the company performance, so as to invite the company to bid for their new projects continuously. In the aspect of the real estate development business, there is very competition due to the occurring of new developers in houses and condominiums which has made the supply of residential units more than the demand in that market whereas the private purchasing power has reduced and private sector investment has dropped because of the deteriorate of economy. Nevertheless, the company has still find out the opportunity to invest in the high potential location which still has demand of residential units

5. Risk from Loss of Personnel

General construction business including electrical and mechanical engineering field is the business that relies on the knowledgeable persons with their qualification in design, planning and construction controlling as planned. The knowledgeable engineers in the construction business such as directors, project managers, and supervisors are very important human resources. Since the loss of these personnel may affect the performance and competitiveness of the company, the company not only has adopted a human resource management policy for good living and fairness, but also has appropriately provided rewards and benefits 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.

Nevertheless, for new projects, the company has announced a new price for bidding to cover the costs of such increases. This has not much affection to bidding competition because the factor affects to the whole industry simultaneously. Moreover, the company had also imposed more intense and more efficient measure for recruitment the high quality labors.

7. The risk of deficiency of qualified subcontractors.

The deficiency of qualified subcontractors shall result in capability 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 10 main subcontractors who are willing to perform work with the company. The inspection of work by subcontractors must be in system. The company would specify that one project has 5-6 subcontractors and the construction plan is provided to every subcontractor clearly. 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 perform the work according to stated standard, the company still can replace such subcontractors with other qualified subcontractors in time.

8. The risk of labor deficiency

The problem of labor 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 realized this risk factor and prepared alien labors in replacement. The government policy to free trade in Asian Economics Community (AEC composed of 10 countries i.e. Thailand, Burma, Laos, Vietnam, Malaysia, Singapore, Indonesia, Philippine, 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 labor shall be lessened which relieves the problem of labor



deficiency. Thailand will have lower cost of labor and will not lack of qualified labors since the free movement of labors within the community. There will be more Burmese, Lao, and Cambodian entering into Thailand to work as labors. However, the Company must prepare plan and coordinate with public sector to control and handle the social problems which may follow such as crimes.

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

The real estate development has many risk on which the company must concern such as the limitation in utilization of space in a building, high limitation zone, building boundary dimension, retraction of the building including the disputed of land boundary with adjacent landowners, as well as issue on 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, checking the limitation of the legal and regulations which involved in any target land.

10. The risk of acquiring the land

The operators of real estate development have accelerated to open new projects, whereas the land in high demand location in market has been decreased. By this reason, land prices and the cost of the real estate development business has been pushed to increase leading to push housing prices higher as well. This will enable the purchasing power of residential consumers being reduced. Moreover, the developing and investment in public transportation such as Metro Orange Line and Pink Line causes rapidly rising land prices, which in some areas, land prices rose higher than purchasing power of people in those areas.

The Company's policy is to purchase land along the BTS or MRT areas and suburb areas with high potential close to the workplace to develop for condominiums. In order to minimize the economic and political risk, 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

Operating a property development project is complex and involving in many laws. The indiscretion in real estate development could bring enormous damaged to the company, such as the land use changed along the revise of the Act of comprehensive city plan which will affect the development plan in some holding areas of the company not in line of the previous plan.

12. The risk of fluctuations in the economy

The real estate business has been directly affected by the economic slowdown. Such factors might affect the purchasing power and the decision to purchase of residential customers. The company's target customers are mainly middle to upper class whose might be little negatively affected by economic conditions. However, the company has tried to reduce the by planning and policy determining in line with the economic conditions in each period, and continuously doing market survey and market research in order to obtain the reliable requested information of residential customers. The researched information will be analyzed and utilized by the experienced team of the company, so that the company can achieve its objectives in continuous response to customer demands and completely in every aspect as residential style function applications, and desired locations.

There are also designated target customers in accordance with its selected location and project types in order to ensure that the company can develop products to meet the needs of residential demand and purchasing power of customers in the near term as possible, and to support the sustainable sales growth of the company in the current economic climate. The above mentioned policy will help to reduce the risk of fluctuations in the changing economy.

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

The company is named as a new operator just leaping into the real estate development market. Thus creating confidence and reliability to the financial market for supporting is very important to the company. The company has endeavored to render excellent performance as plan, and at the same time the company has built connection and strategic partners with a lot of financial institutions in order to gain confidence on which the company is able to raise funds to support existing and future projects with the adequate amount and reasonable cost of funds.



Securities and Shareholders Highlights

THE NUMBER OF REGISTERED CAPITAL AND PAID-UP CAPITAL

Ordinary Shares

As at December 31, 2016, 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 8,433,734,716 Baht consisting of 8,433,734,716 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, 2016		
	Amount of Share	Amount of Shareholder	Percentage of Shareholder
1 - 999,999	756,883,246	6,800	90.65
1,000,000 – 10,000,000	1,616,425,717	618	8.24
10,000,000 and above	6,060,425,753	83	1.11
Total	8,433,734,716	7,501	100.00

(1) As of the latest registration book closing on December 30, 2016 provided by Thailand Securities Depository Co., Ltd., the list of 10 Major Shareholders is as follows:

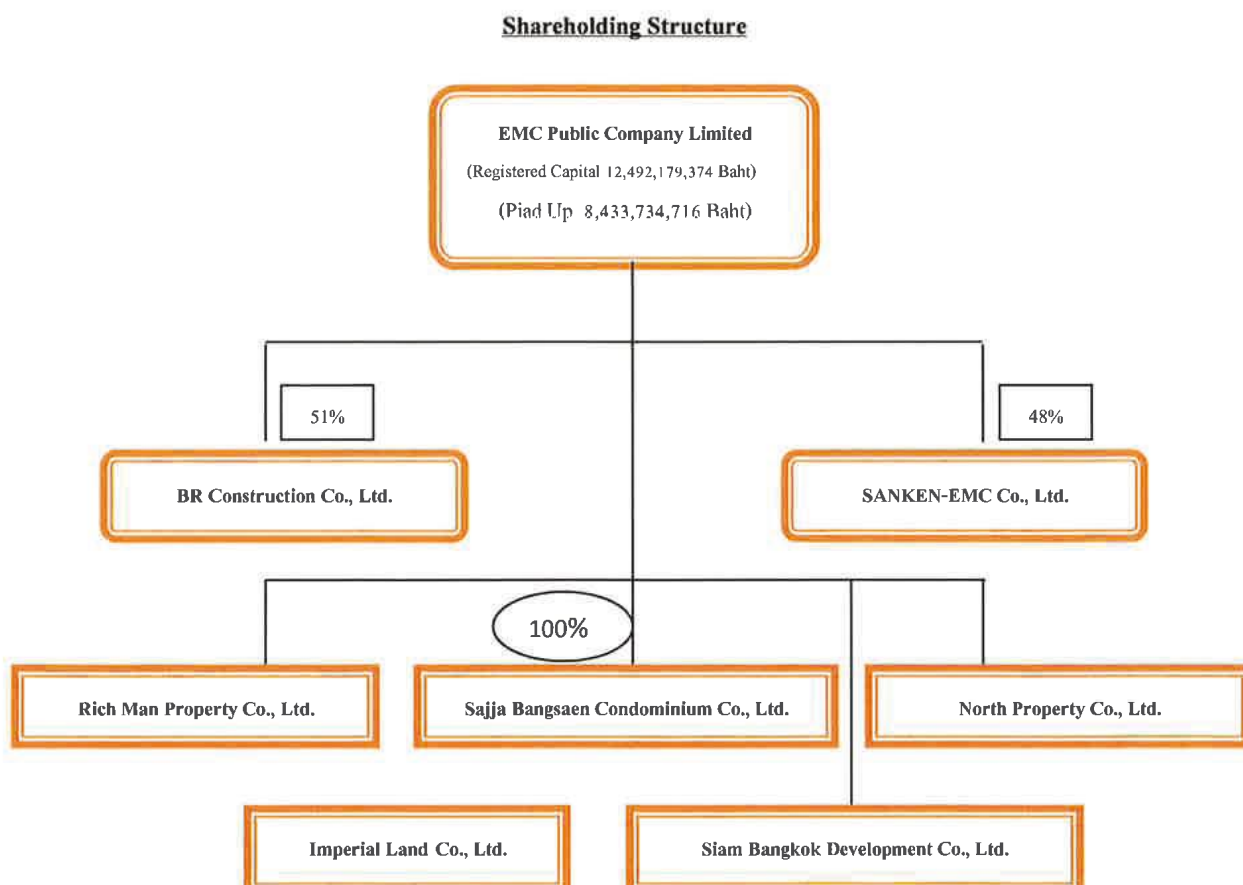
Shareholders' Name	Amount of Shareholding	Percentage (%)
1. Mr. Chinchai Leenabanchong	1,202,972,915	14.264
2. Capital Engineering Network Plc.	660,384,984	7.830
3. Mr. Voravit Leenabanchong	560,370,000	6.644
4. Miss Chinsiree Leenabanchong	397,076,491	4.708
5. Miss Chinree Leenabanchong	350,000,000	4.150
6. Miss Wannee Rojwanitchayakarn	264,000,000	3.130
7. Mr. Chanachai Leenabanchong	185,308,847	2.197
8. Mr. Jirawut Kuwanan by Siam Night Fund	167,479,736	1.986
9. The Hongkong and Shanghai Banking Corporation Limited	134,938,900	1.600
10. Thai NVDR	132,760,638	1.574

Warrants

As of the latest registration book closing on January 13, 2017 provided by Thailand Securities Depository Co., Ltd., the list of 10 Major Warrant (EMC-W5) Holders is as follows:

Shareholders' Name	Amount of Shareholding	Percentage (%)
1. Mr. Chinchai Leenabanchong	503,497,657	23.891
2. Capital Engineering Network Plc.	240,692,489	11.421
3. Mr. Voravit Leenabanchong	195,958,400	9.298
4. Miss Chinsiree Leenabanchong	123,538,245	5.862
5. Mr. Pichai Wongteerachoawarit	108,075,400	5.128
6. Miss Chinree Leenabanchong	82,067,900	3.894
7. Mr. Anuwat Jenkittiya	44,200,000	2.097
8. Mr. Anuwit Tantisevekul	34,634,500	1.643
9. Mr. Sochai Akaneewanich	32,993,007	1.565
10. Mr. Juksawat Wimonmongkolrat	32,000,000	1.518

(2) As at December 31, 2016, the Company had shareholdings in its subsidiaries and the joint investment company as follows:





Shareholding Structure of BR Construction Co., Ltd.

● Miss Tipkanang Lertkomolsuk	48.9984%
● Mr. Peerapol Pipawakorn	0.0016%
● EMC Plc.	51.0000%
Total	100%

Shareholding Structure of SANKEN-EMC Co., Ltd.

● SANKEN Setsubi Kogyo Co., Ltd.	49.00000%
● EMC Plc.	47.99950%
● Mr. Siriphong Vongvuttipornchai	3.00000%
● Mr. Paiboon Thongra-ar	0.00025%
● Mr. Krisana Sngar-saeng	0.00025%
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 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 15 th of March, June, September and December of each year throughout the terms of warrants.

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.

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.

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.

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

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



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 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

Result of the exercise on March 15, 2016 (Last Exercise)

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

There is the remaining of 1,153,646,071 units of EMC-W4 which expire on March 15, 2016.

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.

The results of the first exercise on 29 April 2016.

There are no users.

The results of the 2nd exercise on 29 July 2016

There are no users.

The result of the 3rd exercise on October 28, 2016.

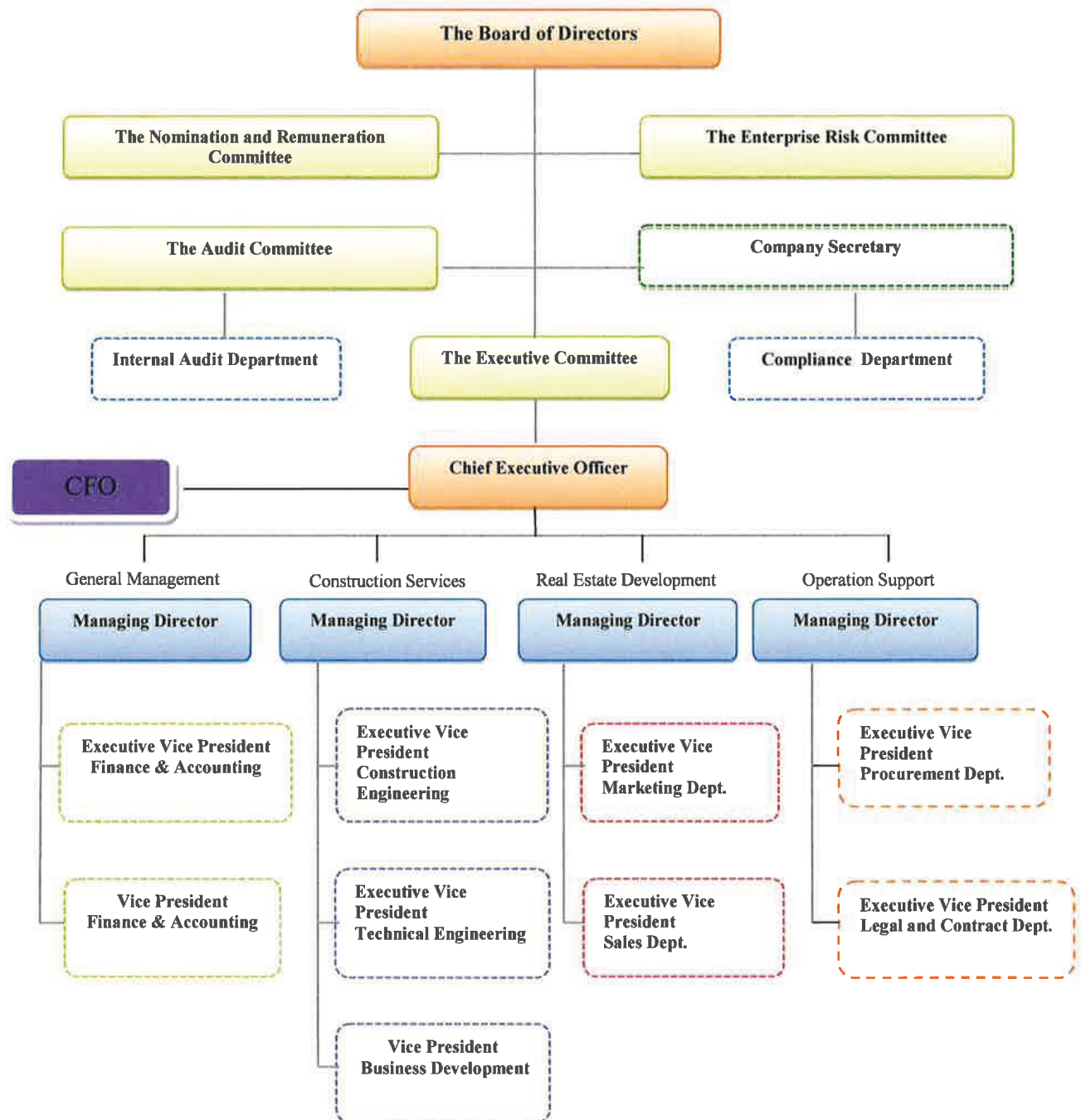
There are no users.

Number of unused units 2,107,510,895 units



Management Structure

Organization Chart of EMC Plc. As at December 31, 2016



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, 2016, the Board of Directors consists of 11 Directors as follows:

			<u>Appointed Date</u>
1. Mr. Chanachai	Leenabanchong	Chairman	April 27, 2007
2. Mr. Ratchai	Pichayapoom	Vice Chairman	August 15, 2015
3. Mr. Voravit	Leenabanchong	Vice Chairman	December 18, 2014
4. Mrs. Neeranuch	Na-ranong	Director	September 13, 2007
5. Mr. Krisana	Sangarsang	Director	August 15, 2015
6. Mr. Setthavat	Tangvacharapongse	Director	June 23, 2016
7. Mr. Boontan	Sumetvanit	Director	October 5, 2016
8. Miss Praomart	Hantra	Chairman of the Audit Committee and Independent Director	June 23, 2016
9. Miss Thaweesri	Wikayathipat	Member of the Audit Committee and Independent Director	June 23, 2016
10. Dr. Yaowarin	Srichainan	Member of the Audit Committee and Independent Director	June 23, 2016
11. 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. Ratchai Pichayapoom or Mr. Voravit Leenabanchong cosigns with Mr. Setthavat Tangvacharapongse or Mr. Krisana Sangarsang or Mr. Boontan Sumetvanit 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 2016, the Board of Directors Meetings were held 8 times.

2. Management Team

As at December 31, 2016 Executive Committee consists of senior executives as follows:

1. Mr. Chanachai	Leenabanchong	Chairman
2. Mr. Chanachai	Leenabanchong	Chief Executive Officer
3. Mr. Ratchai	Pichayapoom	Chief Financial Officer
4. Mr. Voravit	Leenabanchong	Managing Director Operation Support
5. Mr. Krisana	Sangar-sang	Managing Director M&E
6. Mr. Boontan	Sumetvanit	Managing Director Construction Services
7. Mrs. Unchalee	Leenabanchong	Managing Director General Management
8. Mr. Setthavat	Tangvacharapongse	Managing Director Real Estate Development
9. Mr. Wachara	Pakdeemonthon	Executive Vice President
10. Mr. Pak	Thaldumrong	Executive Vice President
11. Miss Wanida	Puangboonmak	Executive Vice President
12. Mr. Pinit	Karntikoon	Executive Vice President
13. 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 2016, held on April 28, 2016, the shareholders approved the determination of the Directors' remunerations for 2016 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 2016, the company paid for the meeting allowance total amount of 2.84 million Baht decreased by 1.48 million Baht or 34.26 percent compared to the year 2015. Details of which are listed individually as follows:

Total Meeting Allowance

Name - Surname		Position	Meeting Allowance in 2016 (Baht)
Mr. Chanachai	Leenabanchong	Chairman of the Board of Directors Chairman of the Executive Committee	240,000
Mr. Chumpol	Israngura Na Ayuttaya	Vice Chairman, Executive Director	100,000 (Resigned on Jun. 30, 2015)
Mr. Supachai	Limnasiri	Director, Executive Director	20,000 (Resign on Mar. 31, 2016)
Mrs. Neeranuch	Na-ranong	Director	160,000
Mr. Kittphun	Ouiyamaphun	Director, Executive Director	60,000 (Resigned on Apr. 30, 2016)
Mr. Ratchai	Pichayapoom	1 st Vice Chairman, Executive Director	40,000 (Appointed on Aug. 15, 2016)
Mr. Voravit	Leenabanchong	2 nd Vice Chairman, Executive Director	140,000
Miss Vipaporn	Sakulyuenyongsuk	Director, Executive Director	60,000 (Resigned on May 3, 2016)
Mr. Sunan	Yiamwanitnan	Director, Executive Director	100,000 (Resigned on Jul. 15, 2016)
Mr. Setthavat	Tangvacharapongse	Director, Executive Director	60,000 (Appointed on Jun. 23, 2016)
Mr. Krisana	Sangarsang	Director, Executive Director	40,000 (Appointed on Aug. 15, 2016)
Mr. Boontan	Sumetvanit	Director, Executive Director	20,000 (Appointed on Oct. 5, 2016)
Dr. Jurairat	Unhaka	Chairman of the Audit Committee, Independent Director, Nomination and Remuneration Director	350,000 (Resigned on May 27, 2016)
Mrs. Sune	Sornchaitanasuk	Chairman of the Nomination and Remuneration Committee, Independent Director, Audit Director	260,000 (Resigned on May 27, 2016)
Mr. Chupong	Tanasettagorn	Independent Director, Nomination and Remuneration Director, Audit Director	220,000 (Resigned on May 27, 2016)
Mr. Pannatee	Sriwongthai	Independent Director, Audit Director	440,000
Miss Praomart	Hantra	Chairman of the Audit Committee, Independent Director, Nomination and Remuneration Director	210,000 (Appointed on Jun. 23, 2016)
Miss Thaweesri	Wikayathipat	Chairman of the Nomination and Remuneration Committee, Independent Director, Audit Director	160,000 (Appointed on Jun. 23, 2016)
Dr. Yaowarin	Srichainan	Independent Director, Nomination and Remuneration Director, Audit Director	160,000 (Appointed on Jun. 23, 2016)
Total meeting allowance			2,840,000



Other Remuneration

- None

Total Management Remunerations

- Total remunerations in the form of salary and others were 14,604,621 Baht for 6 senior executives.

5. Personnel

Total employees of the Company as of December 31, 2016 were 304 persons as categorized below.

Position	Number
Executives and Supporting Employees	10
Construction Engineering	85
M&E Engineering	48
Accounting, Finance and Administration	75
Budget Control and Purchasing	30
Real Estate	56
Total	304

As at December 31, 2016, the total compensation of the company's personnel was 185,637,147 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 expertise 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 utilize 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

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 Annual Report.

4. Responsibilities of Board

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

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

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

- The Board will put in place effective the Enterprise Risk Committee, internal control, internal audit, and the follow-up procedure of which on a regular basis, at the Audit Committee's meetings before submission to the Board of Directors' meetings for final resolution.

- The Board has to clearly define and separate the role, duty and responsibility for the Board, the Audit Committee and the management in accordance with the management structure. There should be regular communications of the role, duty and responsibility for the Board, the management and the employees.

- The Board is required to supervise and ensure that the management fulfills the business objectives under clearly defined policy. This does not include cases of conflicts of interests and the transactions where opinions of the shareholders have to be sought under the rules and regulations of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand.

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

4.1 Composition of Board of Directors

The Board of Directors 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 2016, each Director attended the Company's meetings, namely 1 time of the Annual General Meeting of Shareholders, 8 times of the Board of Directors Meeting, 14 times of the Audit Committee Meeting, 1 time of the Nomination and Remuneration Committee meeting. Details of which are as follows:

Name - Surname		AGM 2016 (1 time)	The Board of Directors (8 times)	The Audit Committee (14 times)	The Nomination & Remuneration (1 time)
Mr. Chanachai	Leenabanchong	Absent	8	-	-
Mr. Chumpol	Israngura Na Ayuttaya	Attended	5	-	-
Mr. Supachai	Limnasiri	Absent	1	-	-
Mrs. Neeranuch	Na-ranong	Attended	8	-	-
Mr. Kittphun	Ouiyamaphun	Attended	3	-	-
Mr. Sunan	Yiamwanitnan	Attended	5	-	-
Mr. Voravit	Leenabanchong	Attended	7	-	-
Miss Vipaporn	Sakulyuenyongsuk	Attended	3	-	-
Dr. Jurairat	Unhaka	Attended	4	9	1
Mrs. Sunee	Sornchaitanasuk	Absent	4	9	1
Mr. Chupong	Tanasettagorn	Absent	4	7	1
Mr. Pannatee	Sriwongthai	Attended	8	14	-
Mr. Setthavat	Tangvacharapongse	-	3	-	-
Miss Praomart	Hantra	-	3	5	-
Miss Thaweesri	Wikayathipat	-	3	5	-
Dr. Yaowarin	Srichainan	-	3	5	-
Mr. Ratchai	Pichayapoom	-	2	-	-
Mr. Krisana	Sangarsang	-	2	-	-
Mr. Boontan	Sumetvanit	-	1	-	-
Mr. Jittichai	Saengthong	-	-	-	-
Miss Kanchanuth	Ratanasribuathong	-	-	-	-

Remark : Mr. Supachai Limnasiri resigned on March 31, 2016.

Miss Vipaporn Sakulyuenyongsuk resigned on May 4, 2016.

Mr. Kittphun Ouiyamaphun resigned on April 30, 2016.

Dr. Jurairat Unhaka resigned on May 27, 2016.

Mrs. Sunee Sornchaitanasuk resigned on May 27, 2016.

Mr. Chupong Tanasettagorn resigned on May 27, 2016.

Mr. Sunan Yiamwanitnan resigned on July 15, 2016.

Miss Kanchanuth Ratanasribuathong take the position of Director on June 23, 2016 and resigned on July 31, 2016.

Mr. Jittichai Saengthong take the position of Director on June 23, 2016 and resigned on Aug 2, 2016.

Mr. Chumpol Israngura Na Ayuttaya resigned on June 30, 2016.

Miss Praomart Hantra take on June 23, 2016.

Miss Thaweesri Wikayathipat take on June 23, 2016.

Dr. Yaowarin Srichainan take on June 23, 2016.

Mr. Setthavat Tangvacharapongse take on June 23, 2016.

Mr. Ratchai Pichayapoom take on Aug 15, 2016.

Mr. Krisana Sangarsang take on Aug 15, 2016.

Mr. Boontan Sumetvanit take on Oct 5, 2016.

The Meeting of Directors and Auditor

In the year 2016, the Audit committee attended the meeting with the external auditor without management at 1 time.

4.5 Self Evaluation of Committees

In 2016, 11 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.2/2017 on March 14, 2017, 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 2016 are as follows;

Topics of Assessment	Total Scores	Scores Marked (Average)	Equivalent to %
1. The Structure and qualification of the Board of Directors	40	36	88.86
2. Function, duty and responsibility of the Board of Directors	72	61	85.10
3. The Board of Directors meetings	32	27	84.94
4. Performance of the Board of Directors	28	25	88.31
5. The relationship with management teams	20	18	89.09
6. Self- development of the Board of Directors and the Development of Executives	24	21	86.74
Total	215	180	87.18

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, 2016, 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. Miss Praomart Hantra | Chairman of the Audit Committee |
| 2. Miss Thaweesri Wikayathipat | Audit Director |
| 3. Dr. Yaowarin Srichainan | Audit Director |
| 4. Mr. Punntee Sriwongthai | Audit Director |

Secretary to the Audit Committee: Mr.Nithipakorn Prasertwachirakoon

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 possesses 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 2016, the Audit Committee meetings were held 14 times.

2. **The Nomination and Remuneration Committee**

As of December 31, 2016, the Nomination and Remuneration Committee composed of 4 members below:

- | | |
|--------------------------------|--|
| 1. Miss Thaweesri Wikayathipat | Chairman of the Remuneration Committee |
| 2. Miss Praomart Hantra | Remuneration Director |
| 3. Dr. Yaowarin Srichainan | 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 2016, 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. Voravit | Leenabanchong | Executive Director |
| 3. | Mr. Krisana | Sangarsang | Executive Director |
| 4. | Mr. Boontan | Sumetvanit | Executive Director |
| 5. | Mr. Ratchai | Pichayapoom | Executive Director |
| 6. | Mr. Setthavat | Tangvacharapongse | Executive Director |

Secretary to the Executive Committee: Mr. Matee Ittirivichai

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 2016, the Executive Committee meetings were held 27 times.

4. The Enterprise Risk Committee

As of December 31, 2016, the Enterprise Risk Committee composed of the following members:

1. Mr. Voravit	Leenabanchong	Enterprise Risk Director
2. Mr.Pinit	Karntikul	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 2016, 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 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 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
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.
2016	Ms. Yuphin Chumjai	8622	SP Audit Company Limited

Summary of the Auditor's report in the past years

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.

In 2016, the auditor made a conditional and uncontested comment on the consolidated financial statements of the company, subsidiaries and joint ventures, and the separate financial statements of the company.

Audit fee

The group of companies paid audit fee for the year 2016 in the amount of 4.75 million Baht as follows;

- Paid to SP Audit Company Limited as the audit fee of EMC Public Company Limited and its subsidiaries in the total amount of 4.75 million Baht. (Only company 2.60 million baht, subsidiaries 2.15 million baht)
- In October 31, 2016 the company had invested in 1 subsidiary resulting to the additional audit fee at the amount of 700,000 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:

- 3.1 To respect the rights of employees under the principles of the human rights and in compliance with labor laws
- 3.2 To provide recruiting process, fair employment conditions, and compensation determination, as well as to consider performance achievement under fair performance appraisal process

- 3.3 To provide a regular assessment in respect of compliance of the policies set forth
- 3.4 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.
- 3.5 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.
- 3.6 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

1. **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.
2. **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 arranged CSR “ EMC Community Development Volunteer Project”

Mr. Ratchai Pichayapoom, one of Directors of EMC Public Company Limited (the Company) as a leaders in engineering, construction, systems and real estate developers, condominiums, townhomes and community malls, together with employees did the CSR (Corporate Social Responsibility) to which the company has constantly done the activities every year. In the year 2016, the company has launched the "EMC Community Development Volunteer Project". It aims to focus on volunteering, supporting, and benefiting to communities around the company's projects and insufficient in



various fields in any community. The activities in the project was not only by cleaning, measuring and restoring religious places such as the temple hall, the sanctuary and toilets, but also providing equipment for cleaning and restoration of religious sites at Wat Nang Ratchaworawihan, Bangkok.







Internal Control and Risk Management

The Board of Directors Meeting No. 3/2016 on March 15, 2016 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;

- To promote reliability and accuracy of the information
- To comply with the Company policy, business plan, operation procedure and regulations
- To maintain security of the Company's assets
- To operate economically and efficiently
- 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. Control Activities

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 Mr. Nithipakorn Prasertwachirakoonto to be internal audit manager with the qualification as informed in an attachment no.3. Mr. Nithipakorn Prasertwachirakoon 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

Possible of Conflict of Interest	Relationship	Description of Transaction	Necessity and Justification of Transactions	(Unit : Thousand Baht)	
				As of Dec 31, 2016	As of Dec 31, 2015
1. BR Construction Co., Ltd.	Subsidiaries	1. Income from construction service with charged to subsidiaries construction projects	The transaction occurred from the construction service which provided to subsidiary by reasonable and fair pricing and no difference with customers.	-	-
		2. Interest with charged from short term loan for subsidiaries operation	The transaction occurred from loan of subsidiaries operation with interest at the rate of 6.5-6.87% per year.	2,370	2,370
		3. Account Receivable*	Accounts receivable occurred from the outstanding construction services at the end of the accounting period.	139,119	158,873
		4. Short Term Loan*	The transaction occurred from loan of subsidiaries operation with interest at the rate of 6.5-6.87% per year.	88,207	88,207
		5. Accued Interest Receivable*	The transaction occurred from loan of subsidiaries operation with interest at the rate of 6.5-6.87% per year.	12,852	10,482
		6. Unbilled Trade Receivable*	The transaction occurred from the construction service for subsidiaries without charging.	308	308
		7. Other Receivable*	The transaction occurred from the construction advance payment and charged on the actual price.	4,600	4,600

		Relationship	Description of Transaction	Necessity and Justification of Transactions	มกราคม	
					As of Dec 31, 2016	As of Dec 31, 2015
Possible of Conflict of Interest 2. Richman Property Co., Ltd.	Subsidiaries		1. Income from construction service with charged to subsidiaries construction projects	The transaction occurred from the construction service which provided to subsidiary by reasonable and fair pricing and no difference with customers.	-	24,158
			2. Other Income	The transaction occurred from advertisement service advance payment.	-	30
			3. Interest with charged from short term loan for subsidiaries operation	The transaction occurred from loan of subsidiaries operation with interest at the rate of 7.5% per year.	24,589	14,659
			4. Short Term Loan	The transaction occurred from loan of subsidiaries operation with interest at the rate of 7.5% per year.	439,546	274,784
			5. Accued Interest Receivable	The transaction occurred from loan of subsidiaries operation with interest at the rate of 7.5% per year.	41,438	16,848
			6. Other Receivable*	Other receivable occurred from the outstanding services at the end of the accounting period.	2,129	2,129

(Unit : Thousand Baht)



(Unit : Thousand Baht)				
Possible of Conflict of Interest	Relationship	Description of Transaction	Necessity and Justification of Transactions	Transaction Value
				As of Dec 31, 2016 As of Dec 31, 2015
3. North Property Co., Ltd.	Subsidiaries	1. Other Income	The transaction occurred from advertisement service advance payment.	- 95
		2. Interest with charged from short term loan for subsidiaries operation	The transaction occurred from loan of subsidiaries operation with interest at the rate of 7.5% per year.	3,135 2,052
		3. Short Term Loan	The transaction occurred from loan of subsidiaries operation with interest at the rate of 7.5% per year.	47,203 39,703
		4. Accued Interest Receivable	The transaction occurred from loan of subsidiaries operation with interest at the rate of 7.5% per year.	5,588 2,454
		5. Other Receivable*	Other receivable occurred from the outstanding services at the end of the accounting period.	247 247
4. Sajja Bangsaen Condominium Co., Ltd.	Subsidiaries	1. Interest with charged from short term loan for subsidiaries operation	The transaction occurred from loan of subsidiaries operation with interest at the rate of 7.5% per year.	2,972 1,608
		2. Short Term Loan	The transaction occurred from loan of subsidiaries operation with interest at the rate of 7.5% per year.	37,614 37,404
		3. Accued Interest Receivable	The transaction occurred from loan of subsidiaries operation with interest at the rate of 7.5% per year.	4,659 1,687
		4. Other Receivable*	Other receivable occurred from the outstanding services at the end of the accounting period.	603 603

(Unit : Thousand Baht)				
Possible of Conflict of Interest	Relationship	Description of Transaction	Necessity and Justification of Transactions	Transaction Value
				As of Dec 31, 2016 As of Dec 31, 2015
5. Siam Bangkok Development Co., Ltd.	Subsidiaries	1. Interest with charged from short term loan for subsidiaries operation	The transaction occurred from loan of company operation with interest at the rate of 7.5% per year.	5,545 2,184
		2. Short Term Loan	The transaction occurred from loan of subsidiaries operation with interest at the rate of 7.5% per year.	94,211 46,400
		3. Accrued Interest Receivable	The transaction occurred from loan of subsidiaries operation with interest at the rate of 7.5% per year.	7,729 2,184
		4. Other Receivable*	Other receivable occurred from the outstanding services at the end of the accounting period.	1,144 1,144
6. Imperial Land Co., Ltd.	Subsidiaries	1. Income from Consulting fee with charged to subsidiaries	The transaction occurred from the consulting service which provided to subsidiary by reasonable and fair pricing and no difference with customers.	1,020 -
		2. Interest with charged from short term loan for subsidiaries operation	The transaction occurred from loan of subsidiaries operation with interest at the rate of 7.5% per year.	1,852 -
		3. Short Term Loan	The transaction occurred from loan of associated company operation with interest at the rate of 7.5% per year.	155,000 -
		4. Accrued Interest Receivable	The transaction occurred from loan of subsidiaries operation with interest at the rate of 7.5% per year.	1,852 -
		5. Other Receivable*	Other receivable occurred from the outstanding services at the end of the accounting period.	1,091 -



(Unit : Thousand Baht)				
Possible of Conflict of Interest	Relationship	Description of Transaction	Necessity and Justification of Transactions	Transaction Value
				As of Dec 31, 2016 As of Dec 31, 2015
7. JV EMC-PLE	The Joint Venture of EMC and PLE	1. Income from Consulting fee with charged to joint venture	The transaction occurred from the consulting service which provided to joint venture by reasonable and fair pricing and no difference with customers.	- 1,001
		2. Dividend	The dividends are paid in proportion to the investment.	- 7,350
		3. Interest with charged from short term loan for joint venture operation	The transaction occurred from loan of company operation with interest at the rate of 8% per year.	40 71
		4. Short Term Loan*	The transaction occurred from loan of subsidiaries operation with interest at the rate of 8% per year.	500 500
		5. Accued Interest Receivable*	The transaction occurred from loan of subsidiaries operation with interest at the rate of 8% per year.	60 20
8. Sanken-EMC Co., Ltd.	Associated Company	1. Income from Consulting fee with charged to joint venture	The transaction occurred from the consulting service which provided to associated company by reasonable and fair pricing and no difference with customers.	4,244 4,029
		2. Interest with charged from short term loan for subsidiaries operation	The transaction occurred from loan of subsidiaries operation with interest at the rate of 7.5% per year.	36 1
		3. Short Term Loan	The transaction occurred from loan of associated company operation with interest at the rate of 7.5% per year.	- 1,000
		4. Accued Interest Receivable	The transaction occurred from loan of associated company operation with interest at the rate of 7.5% per year.	- 1
		5. Other Receivable	Other receivable occurred from the outstanding services at the end of the accounting period.	607 3,745

(Unit : Thousand Baht)

Possible of Conflict of Interest	Relationship	Description of Transaction	Necessity and Justification of Transactions	Transaction Value	
				As of Dec 31, 2016	As of Dec 31, 2015
9. UA WITHYA Public Company Limited	Related party as CEN being a common shareholder and co-shareholders.	1. Construction Cost	The transaction occurred from the material cost by reasonable and fair pricing and no difference with customers.	1,195	1,695
		2. Finance costs	The transaction occurred from the loan payment for Imperial Land Co., Ltd. (Subsidiary) by four promissory notes including subsidiaries loan with interest at the rate 6.25%.	468	-
		3. Material and Construction Advance Payment	The transaction occurred from the material advanced payment by reasonable and fair pricing and no difference with customers.	-	378
		4. Account Payable	Accounts payable occurred from the outstanding material purchasing and construction services at the end of the accounting period.	14,769	13,971
		5. Retention Payable	The transaction occurred from the materials construction purchasing and services and deducted retention.	332	272
		6. Short Term Loan	The transaction occurred from the loan payment for Imperial Land Co., Ltd. (Subsidiary) by four promissory notes including subsidiaries loan with interest at the rate 6.25%.	170,000	-
		7. Accrued Interest Payable	The transaction occurred from the loan payment for Imperial Land Co., Ltd. (Subsidiary) by four promissory notes including subsidiaries loan with interest at the rate 6.25%.	468	-
10. RAYONG WIRE INDUSTRIES Public Company Limited	Related party as CEN being a common shareholder and co-shareholders.	1. Construction Income	The transaction was a drawing service income with appropriate pricing.	-	170
		2. Account Receivable	Account receivable occurred from the outstanding construction services at the end of the accounting period.	-	182



Possible of Conflict of Interest	Relationship	Description of Transaction	Necessity and Justification of Transactions	(Unit : Thousand Baht)	
				Transaction Value As of Dec 31, 2016	As of Dec 31, 2015
11. Siam Grand Property Company Limited	Related party as Anuwit Tantisevekul being a director and shareholder	1. Other Payable	The transaction occurred from the purchasing project deposit at the market pricing.	2,003	2,003
		2. Other Receivable*	Other receivable occurred from the outstanding conveyance of property at the end of the accounting period.	16,805	14,395
		1. Other Income	The transaction occurred from the utilities service by reasonable and fair pricing and no difference with customers.	46	-
		2. Material and Construction Advance Payment	The transaction occurred from the material advanced payment by reasonable and fair pricing and no difference with customers.	17,205	17,207
		3. Account Payable	Accounts payable occurred from the outstanding material purchasing and construction services at the end of the accounting period.	-	3,489
12. Poonsup Property Co., Ltd.	Related party as Norapat Tiyanpan being a director and shareholder	4. Retention	The transaction occurred from the materials construction purchasing and services and deducted retention.	2,366	2,732
		5. Other Receivable*	Other receivable occurred from the outstanding services at the end of the accounting period.	46	1,222
13. Mr. Chumpol Isarangkul Na Ayutaya	Director and top management (Already resigned)	1. Advance	The transaction occurred from an advance payment for the operation of the company.	-	531



		(Unit : Thousand Baht)	
		Transaction Value As of Dec 31, 2016	As of Dec 31, 2015
Possible of Conflict of Interest 14. Mr. Wachara Pakdeemonthon	Relationship Chief Executive	Description of Transaction 1. Advance	Necessity and Justification of Transactions The transaction occurred from an advance payment for the operation of the company.
			20
			-
			2,300
15. Ms. Natheera Ngamleoskul	Shareholders	1. Short Term Loan	The transaction occurred from loan of subsidiaries projects with interest at the rate of 7.50% per year.
		2. Accued Interest Receivable	The transaction occurred from loan of subsidiaries projects with interest at the rate of 7.50% per year.
		3. Interest Received	The transaction occurred from loan of subsidiaries projects with interest at the rate of 7.50% per year.
			38
16. Mr. Anuwit Tantisevekul	Former Executive	1. Other Receivable*	The transaction occurred from the loan of subsidiaries Managing Director with market interest rate.
			57
		2. Short Term Loan	The transaction occurred on borrowing money from Managing Director for subsidiaries operation without interest.
			733
17. Mr. Norapat Tiyanpan (Already resigned in 2017)	Director of subsidiaries	1. Advance	The transaction occurred from an advance payment for the operation of subsidiaries.
			21
		2. Other Payable	Other Payable occurred from the investments in subsidiaries.
			5,247
		3. Short Term Loan	The transaction occurred on borrowing money from Managing Director for subsidiaries operation without interest.
			4,635
		4. Income from Commercial Building for sale	The transaction occurred on the sale of the commercial building of the subsidiary with the appropriate pricing.
			-
			15,237
			68,007

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

2. *Necessity and Justification of Transactions*

Transactions occurring in the past year are transactions made from:

1. Interest payment for short term loans from joint ventures for the operation of the company.
2. The consulting fees of projects and other incomes which collected by the Company from subsidiaries and joint ventures, is a fee charged by the company under a mutually agreed contract including the sale of scrap materials from the construction such transactions are normal business of the Company.
3. The contract works for the construction of the project instead of the subsidiary as the company undertakes the construction work and consider carefully the construction cost such transactions are normal business.
4. The material purchasing of projects, the Company has compared material prices according to the Company's regulations and the selection of material vendors is fair and considering the properties of the material vendor and the material price such transactions are normal business of the Company.
5. Short term loan for company operation without interest rate
6. Short term loan occurred from loan of subsidiaries operation with interest at the rate of 6.5-7.5% per year.

The Audit Committee is of the opinion that such connected transactions are in line with the nature of the business and the income and expenses which received and paid are market prices, as well as those with unrelated parties.

Necessity and Justification of Transactions are the highest benefits of the Company. The Audit Committee has commented that it is in line with general business and the company received and paid a fair price and guarantees of loans from banks instructions and loans to subsidiaries and related companies. It is a transaction that improves liquidity and improves the financial position of the company to be able to continue operating on a continuous basis. In addition, the said transaction is in accordance with the policy of the connected transaction according to the resolutions of the Board of Directors Meeting.

3. *Measures/Procedures for Approval of Related Party Transactions*

The above related transactions in the table, the Audit Committee has audited and agreed that it is in line with the field of business and the future transactions, the Company will assign related departments to gather information transaction to propose to the Audit Committee to consider that the transaction is in line with the general business and is in line with the market pricing. In this regard, company will perform with the regulations of the Securities and Exchange Commission. The Stock Exchange of Thailand and the Audit Committee will consider and propose to the Board of Directors by commenting on the transactions must be no directors with conflict of interests.

4. *Policy or Trend of Making the Related Party Transactions in the Future*

The Company has a policy on transactions with the conditions of business at the market pricing. It can be compared with the third parties pricing, thereby, company has provided the audit committee or the auditor of the company or independent expert to audit and comment on the suitable pricing and the reasonableness of the transaction.

If the transaction between the Company or its subsidiaries occurred with the possible of conflicts of interest or possible of conflicts of interest in the future. The Company will provide the Audit Committee with an opinion on the necessity and appropriate of the transaction. In the case of the Audit Committee is not proficient in the consideration of related transactions. The Company will provide the independent expert or the auditor to comment on transactions for the



decision of Board of Directors or shareholders as the case may be. The Company will disclose related transactions in the notes to financial statements which audited by the Company's auditors.

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 2016, the Audit Committee had arranged 14 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. Miss Praomart Hantra | Chairman of the Audit Committee |
| 2. Dr. Yaowarin Srichainan | Audit Committee Director |
| 3. Miss Thaweesri Wikayathipat | 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 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 probably risks and that no material weakness is present.

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



audit activities to ensure that every business units possess better internal control system which will enhance their operations' effectiveness and efficiency.

5. To review the Company's compliance with the law on securities and exchange, the Exchange's regulations, and the laws relating to the Company's business such as the Public Company Act, Securities and Exchange acts, Regulations of the Securities and Exchange Commission, and business commitments with third party agreements. The audit committee concluded that the Company operates in adherence to all related laws and regulations strictly and acts in favour 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 2016, 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.

Miss Praomart Hantra

Chairman of the Audit Committee

Dr. Yaowarin Srichainan

Audit Committee Director

Miss Thaweesri Wikayathipat

Audit Committee Director

Mr. Punnathee Sriwongthai

Audit Committee Director

Financial Highlights

Auditor Remuneration

Year	Auditor	Certified Public Accountant Registration No.	Company
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.
2016	Ms. Yupin Chumjai	8622	SP Audit Ltd.

Audit report of the auditors in the past year

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.

In 2016, the auditor made a conditional and uncontested comment on the consolidated financial statements of the company, subsidiaries and joint ventures, and the separate financial statements of the company.



Consolidated/Separate Financial Statements

EMC Public Company Limited, its Subsidiaries and Joint Ventures

Statement of Financial Position

As of December 31, 2016

				Consolidated financial statements					
				2016		2015		2014	
				Million Baht	%	Million Baht	%	Million Baht	%
<u>Assets</u>									
Current assets									
			Cash and cash equivalents items						
			Short-term investments	199.40	6.44	1,075.54	32.44	108.36	4.77
			Trade and other receivables	8.60	0.28	4.96	0.15	402.36	17.72
			Earned revenues not yet billed	74.31	2.40	150.59	4.54	145.68	6.42
			Retention receivable from customers	121.11	3.91	82.48	2.49	184.70	8.14
			Short-term loans and interest receivable to related parties	60.16	1.94	72.09	2.17	65.67	2.89
			Work in progress	0.00	-	3.34	0.10	0.00	-
			Real estate development cost	2.69	0.09	34.05	1.03	30.92	1.36
			Projects under construction on the leasehold	882.42	28.50	587.56	17.72	445.16	19.61
			Advance payments for materials and contractors	435.53	14.06	114.15	3.44	10.22	0.45
			Deposits for lands	51.94	1.68	27.49	0.83	34.55	1.52
			Other current assets	3.60	0.12	50.17	1.51	25.00	1.10
			Total current assets	4.18	0.14	17.16	0.52	27.28	1.20
Non-current assets				1,843.94	59.55	2,219.58	66.94	1,479.90	65.19
			Restricted bank deposits		-		-		-
			Other long-term investments	161.70	5.22	206.73	6.23	278.56	12.27
			Investments in subsidiaries	0.00	-	0.00	-	12.27	0.54
			Investments in associates and joint venture	0.00	-	0.00	-	0.00	-
			Land awaiting development	3.47	0.11	1.91	0.06	4.45	0.20
			Prepaid leasehold	125.54	4.05	125.54	3.79	115.37	5.08
			Property, plant and equipment	291.00	9.40	0.00	-	0.00	-
			Intangible assets	167.20	5.40	164.13	4.95	197.97	8.72
			Withholding tax deducted at sources	4.85	0.16	3.92	0.12	0.00	-
			Deferred income tax assets	29.70	0.96	102.42	3.09	90.01	3.96
			Advance payments for purchases of real estate projects	0.00	-	0.00	-	78.42	3.45
			under development	466.34	15.06	479.39	14.46	0.00	-
			Other non-current assets	2.87	0.09	12.37	0.37	13.34	0.59
			Total non-current assets	1,252.67	40.45	1,096.41	33.06	790.39	34.81
			Total assets	3,096.61	100.00	3,315.99	100.00	2,270.29	100.00

EMC Public Company Limited, its Subsidiaries and Joint Ventures

Statement of Financial Position (Continued)

As at December 31, 2016

		Consolidated financial statements					
		2016		2015		2014\	
		Million Baht	%	Million Baht	%	Million Baht	%
<u>Liabilities and shareholders' equity</u>							
Current liabilities							
Bank overdrafts and short-term loans from financial institutions		0.00	-	0.00	-	41.92	1.85
Trade and other payables		125.27	4.05	211.31	6.37	279.77	12.32
Current portion of long-term loans from financial institution		42.07	1.36	174.21	5.25	155.66	6.86
Current portion of liabilities under finance lease contracts		2.16	0.07	0.30	0.01	1.05	0.05
Unbilled construction cost payables		54.80	1.77	78.08	2.35	187.36	8.25
Advances received from customers		199.65	6.45	120.34	3.63	90.41	3.98
Short-term loans from related persons		175.83	5.68	15.97	0.48	32.48	1.43
Income tax payable		0.00	-	3.86	0.12	0.23	0.01
Provision for short-term liabilities		80.59	2.60	133.78	4.03	122.67	5.40
Other current liabilities		15.73	0.51	36.33	1.10	34.51	1.52
Total Current Liabilities		696.10	22.48	774.18	23.35	946.06	41.67
Non-current liabilities							
Long-term loans from financial institutions		72.54	2.34	0.00	-	80.90	3.56
Retention payable to contractors		90.17	2.91	110.66	3.34	127.28	5.61
Liabilities under finance lease contracts		5.56	0.18	0.47	0.01	0.76	0.03
Provision for employee retirement benefit		31.49	1.02	24.04	0.72	18.21	0.80
Deferred income tax liability		19.13	0.62	7.72	0.23	8.32	0.37
Other non-current liabilities		3.62	0.12	0.00	-	0.00	-
Total non-current liabilities		222.51	7.19	142.89	4.31	235.47	10.37
Total liabilities		918.61	29.66	917.07	27.66	1,181.53	52.04
Shareholders' equity							
Ordinary shares		12,492.18		12,492.18		4,719.65	
Issued and paid-up share capital		8,433.73	272.35	8,430.04	254.22	3,557.23	156.69
Premium on share capital		248.61	8.03	248.61	7.50	248.61	10.95
Discount on share capital		-4,459.87	(144.02)	-4,457.28	(134.42)	-1,193.38	(52.57)
Premium on share capital - treasury stocks		5.97	0.19	5.97	0.18	5.97	0.26
Retained earnings (deficit)							
Appropriated							
Legal reserve		16.48	0.53	16.48	0.50	16.48	0.73
Deficit		-2,017.98	(65.17)	-1,746.25	(52.66)	-1,449.05	(63.83)
Other component of equity		76.54	2.47	30.87	0.93	33.28	1.47
Total shareholders' equity of Parent Company		2,303.48	74.39	2,528.44	76.25	1,219.14	53.70
Non-controlling interests of subsidiaries		-125.48	(4.05)	-129.52	(3.91)	-130.38	(5.74)
Total shareholders' equity		2,178.00	70.34	2,398.92	72.34	1,088.76	47.96
Total liabilities and shareholders' equity		3,096.61	100.00	3,315.99	100.00	2,270.29	100.00



EMC Public Company Limited, its Subsidiaries and Joint Ventures

Income Statement

As at December 31, 2016

			Consolidated financial statements					
			2016		2015		2014	
			Million Baht	%	Million Baht	%	Million Baht	%
Operating revenues								
	Revenue from construction		572.10	96.70	631.83	80.68	1,780.93	99.73
	Revenue from sales of residential condominium units		14.81	2.50	145.85	18.62	2.55	0.14
	Project consultant fees		4.24	0.72	5.48	0.70	2.31	0.13
	Rental income and fee leasehold		0.47	0.08	0.00	-	0.00	-
	Total revenues		591.62	100.00	783.16	100.00	1,785.79	100.00
	Costs of construction and project consultant		-560.78	(94.79)	-642.51	(82.04)	-1,726.81	(96.70)
	Cost of sales of residential condominium units		-10.46	(1.77)	-135.46	(17.30)	-1.85	(0.10)
	Loss on devaluation of property development							
	costs are expected to be a net gain		-48.41	(8.18)	0.00	-	0.00	-
	Cost of rental and fee leasehold		-2.28	(0.39)	0.00	-	0.00	-
	Gross Margin		-30.31	(5.12)	5.19	0.66	57.13	3.20
Other revenues								
	Interest income		8.89	1.50	4.66	0.60	6.05	0.34
	Other income		47.11	7.96	28.77	3.67	43.97	2.46
	Dividend income		0.00	-	0.00	-	0.00	-
	Reversal of not yet due cost		37.52	6.34	50.50	6.45	0.00	-
	Reversal of accrued bonus		6.03	1.02	0.00	-	0.00	-
	Total other revenues		99.55	16.83	83.93	10.72	50.02	2.80
Operating cost								
	Selling expenses		-75.77	(12.81)	-48.71	(6.22)	-0.94	(0.05)
	Administrative expenses		-159.72	(27.00)	-162.36	(20.73)	-145.27	(8.13)
	Doubtful accounts		-31.89	(5.39)	-42.34	(5.41)	-150.33	(8.42)
	Loss for impairment investments in subsidiaries		0.00	-	0.00	-	-55.19	(3.09)
	Loss from impairment of investments in other companies		0.00	-	-12.27	(1.57)	0.00	-
	Loss from impairment of leasehold prepaid		-29.42	(4.97)	0.00	-	0.00	-
	Reserve short-term provisions		-15.19	(2.57)	-26.69	(3.41)	0.00	-
	Total operating cost		-311.99	(52.73)	-292.37	(37.33)	-351.73	(19.70)
	Loss before share of loss of investments in associates and joint venture		-242.75	(41.03)	-203.25	(25.95)	-244.58	(13.70)
	Share of loss of investments in associates and joint venture		-12.28	(2.08)	-6.38	(0.82)	-0.33	(0.02)
	Loss before financial cost		-255.03	(43.11)	-209.63	(26.77)	-244.91	(13.71)
	Financial cost		-12.66	(2.14)	-4.54	(0.58)	-9.61	(0.54)
	Loss before income tax expenses		-267.69	(45.25)	-214.17	(27.35)	-254.52	(14.25)
	Income tax expense		0.00	-	-82.62	(10.55)	30.13	1.69
	Loss for the year		-267.69	(45.25)	-296.79	(37.90)	-224.39	(12.57)

EMC Public Company Limited, its Subsidiaries and Joint Ventures

Income Statement (Continued)

As at December 31, 2016

	Consolidated financial statements					
	2016		2015		2014	
	Million Baht	%	Million Baht	%	Million Baht	%
Loss other comprehensive						
Items that will not be reclassified subsequently to profit or loss:						
Revaluation surplus of fixed assets	60.11	10.16	0.00	-	0.00	-
Depreciation of revaluation surplus of fixed assets	-3.02	(0.51)	-3.02	(0.39)	-3.02	(0.17)
Income tax relating to item that will not be reclassified	-11.42	(1.93)	0.61	0.08	0.60	0.03
Actuarial gain-net of tax	0.00	-	0.45	0.06	0.00	-
Loss other comprehensive for the period-net income tax	45.67	7.72	-1.96	(0.25)	-2.42	(0.14)
Total comprehensive loss for the year	-222.02	(37.53)	-298.75	(38.15)	-226.81	(12.70)
Loss attributable to for the year						
Shareholders of the Parent Company	-271.72	(45.93)	-297.66	(38.01)	-203.69	(11.41)
Non-controlling interests	4.03	0.68	0.87	0.11	-20.70	(1.16)
	-267.69	(45.25)	-296.79	(37.90)	-224.39	(12.57)
Loss comprehensive attributable to for the year						
Shareholders of the Parent Company	-226.05	(38.21)	-299.62	(38.26)	-206.11	(11.54)
Non-controlling interests	4.03	0.68	0.87	0.11	-20.70	(1.16)
	-222.02	(37.53)	-298.75	(38.15)	-226.81	(12.70)
Loss per share attributable to owners of the parent (Baht)						
Basic loss per share	(0.0322)		(0.0695)		(0.0950)	



EMC Public Company Limited, its Subsidiaries and Joint Ventures

Statement of Cash Flows

For the year ended December 31, 2016

(UNIT : MILLION)

	Consolidated financial statements		
	2016	2015	2014
Cash flows from operating activities			
Profit (loss) before income tax expenses	-267.69	-214.17	-254.52
Adjustments to reconcile loss before income tax expenses cash received (paid) from operating activities			
Depreciation	24.09	33.72	33.04
Loss on impairment of assets	0.91	0.00	0.00
Reduce real estate development cost to net realisable value	0.00	0.00	53.66
Reverse unbilled construction cost payables	48.41	0.00	0.00
Loss on impairment of subsidiary	-37.52	-50.50	0.00
Loss on impairment of other companies	0.00	0.00	0.00
Loss on impairment of prepaid leasehold	0.00	12.27	0.00
Amortization prepaid leasehold	29.42	0.00	0.00
Provision for short-term liabilities	1.99	0.00	0.00
Provision for employee retirement benefit	15.19	26.69	0.00
Write-off (reversal of) withholding tax deducted at sources	7.45	6.40	4.66
Allowance for (reversal of) doubtful account	-0.62	4.08	0.46
Reverse accrued bonus	31.89	42.34	150.33
Written off liabilities	-6.03	0.00	0.00
Gain on bargain purchase	0.00	-7.79	0.00
Amortization accrued dividends	-0.37	0.00	0.00
Share of loss of associates and joint venture	12.29	6.38	0.33
Loss on sale/write-off property, plant and equipment	4.25	6.15	-0.86
Profit (loss) on sale short-term investments	-0.30	1.54	-0.80
Interest income	-8.89	-4.66	-6.05
Dividend income	0.00	0.00	0.00
Interest expense	12.66	4.54	9.61
Loss from operations before changes in operating assets and liabilities	-132.87	-133.01	-10.13
Operating assets (increase)decrease			
Trade and other receivable	53.56	-3.29	84.53
Unbilled trade receivables	-38.64	102.22	110.92
Retention receivable from customers	2.68	0.63	84.33
Work in progress	31.36	-3.13	-43.42
Real estate development cost	-240.21	-51.80	-54.06
Deposit for lands	2.00	-74.17	-25.00
Advance payments for materials and contractors	-35.74	6.97	0.00
Advance payments for purchases of real estate projects under development	13.05	-479.39	0.00
Leasehold right for land and improvements	-321.38	-103.94	-10.22
Other current assets	12.97	28.08	108.26
Other non-current assets	9.30	0.98	-3.22
Operating liabilities increase (decrease)			
Trade and other payables	-87.56	-78.47	-407.79
Unbilled construction cost payables	14.24	-58.78	-24.42
Provision for short-term liabilities	-68.39	-15.57	0.00
Advances received from customers	78.29	27.24	-61.66
Other current liabilities	-20.06	-0.06	9.15
Retention payable to contractors	-26.91	-14.83	20.05
Non-other current liabilities	3.62	0.00	50.40
Cash paid from operating activities	-756.05	-851.58	-172.27
Income tax received (paid)	69.48	-18.28	-47.44
Net cash used from operating activities	-686.57	-869.86	-219.71

EMC Public Company Limited, its Subsidiaries and Joint Ventures

Statement of Cash Flows (Continued)

For the year ended December 31, 2016

(UNIT : MILLION)

	Consolidated financial statements		
	2016	2015	2014
Cash flows from investing activities			
(Increase) decrease in short-term investments	-3.34	395.86	-401.56
(Increase) decrease in short-term loans to subsidiaries	3.30	-3.30	0.00
Increase in investment in subsidiaries	0.00	-20.00	-100.06
Repayment of long-term loans instead than subsidiary	0.00	-68.83	0.00
Effect on cash flows from additionally investing in subsidiaries	0.88	0.19	2.10
Decrease in investments in restricted fixed deposits	45.03	71.83	36.46
Cash received for property, plant and equipment	0.08	0.00	2.44
Acquisition of property, plant and equipment	-10.72	-8.95	-3.18
Acquisition of prepaid leasehold	-134.80	0.00	0.00
Acquisition of intangible assets	-1.50	-3.99	0.00
Increase in investment in associates	-14.40	0.00	-10.00
Interest received	8.80	4.91	6.42
Net cash received (used) from investing activities	-106.67	367.73	-467.39
Cash flows from financing activities			
Decrease in bank overdrafts and short-term loans from financial institutions	0.00	-41.92	-256.17
Increase (decrease) in short-term loans from related parties	-10.60	-29.42	-137.03
Repayment for finance lease contracts	-1.44	-1.20	-1.34
Cash received from long-term loan from financial institution	118.39	20.05	9.40
Repayment of long-term loans from financial institutions	-174.21	-82.39	-31.65
Increase in share capital from the exercised warrants	1.10	2.66	4.17
Increase in share capital	0.00	1,606.26	1,186.61
Dividend payment	0.00	0.00	0.00
Interest paid	-16.14	-4.71	-15.15
Net cash received (used) from financing activities	-82.90	1,469.32	758.84
Net cash and cash equivalents items (decrease) increase-net	-876.15	967.18	71.74
Cash and cash equivalents items at the beginning of the year	1,075.54	108.36	36.62
Cash and cash equivalents items at the end of the year	199.40	1,075.54	108.36



EMC Public Company Limited

Financial Ratios

		2016	2015	2014
Liquidity Ratios				
Current Ratio	Times	2.65	2.87	1.56
Quick Ratio	Times	0.41	1.59	0.69
Account Recievable Turnover	Times	2.74	3.16	6.01
Average Collection Period	Day	131	114	60
Account Payable Turnover	Times	4.96	3.68	6.18
Average Payment Period	Day	73	98	58
Profitability Ratios				
Gross Profit Margin	%	(5.12)	0.66	3.20
Operating Profit Margin	%	(41.03)	(25.95)	(13.70)
Net Profit Margin	%	(45.93)	(38.01)	(11.41)
Cash to profitability	%	(282.84)	(427.98)	(89.83)
Return on Equity	%	(12.48)	(12.41)	(18.71)
Efficiency Ratios				
Return on Asset	%	(8.78)	(8.98)	(8.97)
Return on Fix Asset	%	(21.69)	(27.15)	(25.77)
Total Asset Turnover	Times	0.22	0.31	0.93
Leverage Ratios				
Debt to Equity Ratio	Times	0.42	0.38	1.09
Dividend Payout	%	-	-	-
Market Value Ratios				
Book Value per Share	Baht	0.26	0.28	0.31
Earning per Share	Baht	(0.03)	(0.07)	(0.10)
Dividend per Share	Baht	-	-	-
Dividend Yield	%	-	-	-

Explanation and Analysis of Business Operation and Financial Status

Overview of business operation in the past

EMC Public Company Limited (“the company”) and its subsidiaries are a group settled to operate the business relating to providing services according to long-term service contracts and construction contracts, including real estate development for sales, for short-term rental, and for long-term lease. The group of the company operates by the company and subsidiaries as follows:

Company Name	Type of Business	Paid-up Capital	Shareholding Percentage
EMC Public Company Limited	Services under construction and real estate development contracts	8,433,734,716	-
<u>Subsidiaries</u>			
Imperial Land Co., Ltd.	Property Development	110,000,000	100
Siam Bangkok Development Co., Ltd.	Property Development	20,000,000	100
Richman Property Co., Ltd.	Property Development	5,000,000	100
North Property Co., Ltd.	Property Development	4,000,000	100
Sajja Bangsaen Condominium Co., Ltd.	Property Development	4,000,000	100
BR Construction Co., Ltd.	Currently ceasing business	60,000,000	51
<u>Associates</u>			
Sanken-EMC Co., Ltd.	Construction Services	40,000,000	48

In 2016, the company received two construction contracts from two employers: 1) a government agency as The Bangkhunthian Elderly Hospital Project is located in Bangkhunthian, Bangkok, by the contract services of structural, architecture, and the building system. The work value is about 2,795 million Baht and 2) a private company as the new construction project for food and beverage factories, by the contract services of structural, architecture, and the building system. The value of work is approximately 144 million Baht.

On February 15, 2016, the company purchased land area of 395 square wah, located at Soi Sukhumvit 36, Prakanong, Klongtoey, Bangkok in order to develop a residential condominium project for sales of 130-unit with 8-storey building on behalf of URBITIA THONG LO project. The project value is approximately 930 million Baht, expected to be completed around Q1 2018.

On October 31, 2016, the company had purchased shares of Imperial Land Company Limited (IMP), which owns the Station 1 @ China Town according to the Board of Directors Meeting No. 7/2016 held on October 5, 2016 from Uawithya Public Company Limited (UWC), a total of 278.80 million Baht. IMP engages in the lease term leasehold land and in the management of the 7-story building on behalf of Station 1 @ China Town, located at Chareonkrung Road, Pom Prap Sattru Phai District Bangkok. It has been registered leasehold rights with Petcharat-Suwattana Foundation for 30 years from the date of June 1, 2016 until May 31, 2046.



In addition, the company has been monitoring the progress of the court consideration of the claim to Siam Grand Property Company Limited. On September 16, 2015, the company was filed a civil court by Siam Grand Property Company Limited ("Plaintiffs") and one of former shareholders of Siam Bangkok Development Company Limited ("Co-Plaintiffs") according to the Black Case No. P2206/2558 claimed the company to;

- 1) Deliver the original mortgage of the American Town Project dated August 13, 2014, the document permitting refinancing of a local bank, and the original deeds of American Town Project (5 titles) and of Siam Tara Mantra Project (15 titles) located at Banbuang, Chonburi Province totally 20 titles with book series authorized to transfer of land to the plaintiff.
- 2) Payment of 500,000 baht to the plaintiff, plus interest at the rate of 7.5% per annum thereof as the filing date until the payment amount completed, and
- 3) Continuing to pay damages of 1.3 million baht per month from the date of filing until the company to submit such the land titles to the plaintiff.

On October 26, 2015, the company provided to the Court and filed the Civil Court counterclaim for compensation amount of 1,272.98 million baht as the follow claims;

- (1) the plaintiff and the co- plaintiff to transfer the ownership of the land under agreement to sell the assets of Siam Tara Mantra Project (65 titles), East Venice Project (6 titles) and American Town Project (151 titles).
- (2) If the plaintiff or the co- plaintiff unable to complete the transfer of land to the company under clause (1) the plaintiff and the co- plaintiff have to pay the money back for which the company paid for the three projects acquisition and construction expenses amount of 521.62 million baht (including in the payment of the projects acquisition 287.57 million baht, the payment of the project loan debt 53.77 million baht, the construction expenses as agreed 161.33 million baht, other operating expenses 18.95 million baht) and interest 7.5% per annum on the principal amount of 515.80 million baht charged from the date of counterclaim to the date when the plaintiff and the co- plaintiff pay to the company completely, and
- (3) the plaintiff and the co- plaintiff to pay damages amounting to 751.36 million baht (the guarantee profits under the acquisition agreement for the three projects together with interest at the rate of 7.5% per annum of the principal of 743.00 million baht from the date of the counterclaim until the plaintiff and the co- plaintiff to pay to the company completely). The total counterclaim amount of 1,272.98 million has been in the law suit on considered by the court.

On June 20, 2016, the Company filed with the District Court, Chonburi (Criminal) to Siam Grand Company Limited ("Defendant No.1") and one of former shareholders of Siam Bangkok Development Company Limited ("Defendant No.2") for a total of five cases on charges of corruption by the two defendants jointly transfer of property between the case to a third party intentionally, and the Company has been damaged with the transfer of ownership in the land 22 titles of Siam Tara Mantra project 33.98 million baht and 6 titles of East Venice project 151.71 million baht totaling 185.69 million as follows.

<u>Case No.</u>	<u>Convicted</u>	<u>Damages</u>	<u>Project</u>
Black O.3781/2559	Defraud creditors	Sold 5 land title deeds	Siam Tara Mantra
Black O.4635/2559	Defraud creditors	Sold 5 land title deeds	Siam Tara Mantra
Black O.4703/2559	Defraud creditors	Sold 7 land title deeds	Siam Tara Mantra
Black O.4771/2559	Defraud creditors	Sold 5 land title deeds	Siam Tara Mantra

Black O.4989/2559 Defraud creditors Sold 6 land title deeds East Venice

Nevertheless, the case is under the process of the Court whereas the ultimate outcome of the case is unknown, but the management believes that the company is likely to win the disputes of the three projects and get compensation for losses incurred. Currently, the case is on the process of filing a lawsuit.

In 2016, the Group's total operating revenues were Baht 691.17 million, a decrease of Baht 175.92 million or 20.29% from that of the same period of last year. This is the revenue from the two main lines of construction; general building construction and M&E systems construction. In addition, there are revenues from real estate development, project advisory fee, and interest income. In 2016, it was another year that the company recorded a net loss. Details are as follows.

Revenue

In the year 2016, the Group's total revenue from the construction business was Baht 572.10 million, a decrease of Baht 59.73 million or 9.45% from that of the previous year. The construction revenue was mainly from the contracts in 2015 and partly from the contracts in 2016. The real estate development business was recognized at Baht 14.81 million, a decrease of Baht 131.04 million or a decrease of Baht 131.04 million or 89.85% compared to that of the same period last year.

In addition, the Group also had a consultant fee income of Baht 4.24 million, interest income of Baht 8.89 million, other income of Baht 47.11 million mainly from the receipt of the compensation payment from an account receivable, and the sale of building materials that cannot be reused including an unrealized cost reversal of Baht 37.52 million.

Cost of Contracting for the Construction and Gross Profit

In 2016, the Group's cost of construction and sales of residential units totaled Baht 571.24 million, representing 97.33% of the construction revenue and sales of residential units. The gross profit margin was Baht 15.67 million or 2.67%, divided into the gross profit from the construction business of Baht 11.32 million or 1.98% of the revenue from the construction business, and gross profit margin from sales of residential units was Baht 4.35 million or 29.37% of sales revenue of residential units.

Selling Expenses, General and Administrative Expenses

Selling expenses, general and administrative expenses for the year 2016 totaled Baht 235.49 million or 34.07% of total revenues, increased by Baht 24.42 million or 11.57% from that of the previous year. The total sales and marketing expenses were Baht 75.77 million or 10.96% of total revenues, including salary and welfare, sales and marketing personnel, commission fee, sales promotion, advertising media, and other sales and marketing expenses etc. The general and administrative expenses were 159.72 million baht or 23.11% of total income, including salaries, wages and employee benefits, expenses on employee benefits, utility bills, depreciation and amortization, professional fees, and other administrative expenses.

In addition, the company has recorded a loss from the decrease in property development cost to net realizable value of Baht 48.41 million, allowance for doubtful accounts amounted to Baht 31.89 million, loss from impairment of leasehold rights in advance amounted to Baht 29.42 million, and provision for short-term liabilities amounting to Baht 15.19 million.



Financial Cost

In 2016, the Group had financial cost of Baht 12.66 million, an increase of Baht 8.12 million or 178.85% from that of the previous year due to the increasing loans from financial institutions for real estate development and construction projects, and from letters of guarantee fees increased from the bid for construction projects.

Net Profit (Loss)

For the year 2016, the company and its subsidiaries recorded a net loss of Baht 267.69 million or a net profit margin - 38.73% of total revenue, a decrease of Baht 29.10 million or 9.80% comparing to net loss of Baht 296.79 million in 2015.

Financial Status

Assets

Total assets of the Group by the end of 2016 were Baht 3,096.61 million, a decrease of Baht 219.38 million or 6.62% from that of the previous year mainly due to cash and cash equivalents, trade and other receivables, and other current assets. The reason is that the company has spent money to invest in real estate development companies. As a result, the company must recognize the cost of property development, projects under construction on leasehold rights, and advance for leasehold rights.

Cash and Cash Equivalent and Short-Term Investment

In 2016, the group had cash and cash equivalents of Baht 199.40 million and short-term investment of Baht 8.60 million, totaling Baht 208.00 million, a decrease of Baht 872.50 million from that of the previous year, because the group has invested mainly in real estate development costs, payment for construction under leasehold rights, and paid for the company purchase of Imperial Land Co., Ltd., the project named Station 1 @ China Town.

Account Receivables

As at 31 December 2016, the group had net trade receivables of Baht 65.74 million, a decrease of Baht 59.41 million comparing to that of the previous year due to the lower construction income as the debtor aging table below:

Description	Consolidated Financial Statement (Million Baht)	
	2016	2015
Trade receivables of other parties:		
- undue	1.23	60.21
- overdue		
Up to 3 months	64.51	60.97
From 3 months to 6 months	-	3.79
From 6 months to 12 months	2.08	-
More than 12 months	<u>120.52</u>	<u>118.57</u>
Total	<u>188.34</u>	<u>243.54</u>
<u>Less</u> allowance for doubtful accounts	<u>(122.60)</u>	<u>(118.57)</u>

Total trade receivables of other parties	65.74	125.15
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By the end of 2016, the group had an allowance for doubtful accounts totaling Baht 122.60 million, an increase of Baht 4.03 million due to the allowance for doubtful accounts of accounts receivable from 6 months to 12 months and overdue receivables over 12 months during the year. The Group has closely monitored customers with overdue debts. In addition, to reduce the risk of collecting from customers, the group has a policy to consider the customer's ability to pay for contracts thoroughly before the consideration to undertake the construction services of each client.

Unbilled Account Receivables and Retention Receivables from Customers

The net unpaid revenue of the group as at the end of 2016 was Baht 121.12 million, an increase of Baht 38.64 million or 46.85% from that of the previous year which are the unpaid projects pending for more than 12 months, and has been set aside allowance for doubtful accounts amounting to Baht 55.78 million.

The retention receivables of the group at the end of 2016 were Baht 60.16 million, a decrease of Baht 11.93 million or 16.55% from that of the previous year. The allowance for doubtful retention receivable of Baht 81.73 million decreased by Baht 4.10 million due to the allowance for doubtful retention receivables increased by Baht 19.10 million and the reversal of allowance for doubtful retention receivables amounted to Baht 23.20 million.

Cost of real estate development and construction projects on the leasehold.

The group's net real estate development cost at the end of 2016 was Baht 882.42 million, an increase of Baht 294.86 million or 50.18% from that of the previous year. This was mainly due to the investment in land and development for the condominium project amount of Baht 250.39 million, investment in condominium units increased by Baht 66.68 million, construction cost increased by Baht 37.24 million and the allowance for loss on diminution in project development value total amount of 48.41 million Baht.

The construction projects on leasehold rights of the group as at the end of 2016 were Baht 435.53 million, an increase of Baht 321.28 million or 281.54% from that of the previous year due to the construction cost of the community mall on the right to lease the land of the State Railway of Thailand to be able to start operating in the second quarter of 2017 as scheduled.

Prepaid leasehold rights

During the year 2016, the company acquired Imperial Land Company Limited which has been granted a 30-year-old for land and 7-storey building management right from the Petcharat-Suwattana Foundation under the Station 1 @ China Town. The transaction was recorded as prepaid leasehold rights of Baht 291.00 million.

Lands, Buildings and Equipment

During the year 2016, the company conducted land and office building appraisal by way of market price comparison. It turns out that the appraised value of land and buildings has increased. According to the appraisal report by an independent property appraiser licensed by SEC Office as stated in the statement of financial position as at 31 December 2016, the appraised value is higher than the existing cost of Baht 60.11 million indicated in "Other components of shareholders' equity - net" under "Shareholders' equity." The surplus on revaluation of fixed assets is not available for dividend distribution.



For property, plant and equipment net as of December 31, 2016 totaling Baht 167.20 million, an increase of Baht 3.07 million or 1.87% from that of the previous year. The increase was mainly from land, buildings and vehicles, and the decrease was majorly from machine tools, furnishings, and office equipment, etc.

Liabilities (Debts)

The total liabilities of the group as at 2016 amounted 918.61 million Baht which were increased 1.45 million or 0.17% Baht compared to that of last because of settlement to trade account payable and long-term loans due within one year from financial institutions. On the other hand, long-term loans from financial institutions have increased for the investment in construction and real estate business. Currently, the company 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 from other sources to expand the business further.

Trade Account Payable and Other Payable

As at 31 December 2016, the outstanding balances of trade accounts payable and other accounts payable were Baht 125.27 million, a decrease of Baht 86.04 million or 40.72% from that of the previous year due to the construction projects was able to be delivered completely.

The portion of long-term loans from financial institutions due within one year

As at 31 December 2016, the outstanding balance of long-term loans from financial institutions due within one year was Baht 42.07 million, a decrease of Baht 132.14 million or 75.85% from that of the previous year due to the closing loan with a bank.

The portion of short-term loans and accrued interest from related parties

As at 31 December 2016, there were outstanding balances of short-term loans and accrued interest receivable from related parties of Baht 175.84 million, an increase of Baht 159.87 million or 1,001.06% from that of 2015 mainly due to the issuance of promissory notes to Ua Withya Plc. to buy the Station 1 @ China Town project.

Long-term loans from financial institutions

As at 31 December 2016, the outstanding balance of long-term loans from financial institutions amounted to Baht 72.54 million from zero in 2015. The loan has been used in construction and real estate development projects.

Shareholders' Equity

As of December 31, 2016, the Company's paid-up capital was Baht 8,433.73 million, an increase of Baht 3.69 million from that of the end of last year due to the warrant holders exercising their warrants to purchase new ordinary shares of the company. Meanwhile the group's operating results for the year 2016 were loss of Baht 271.73 million, the accrued deficit retain earning of Baht 2,017.98 million and a decrease in shareholders' equity of the parent company to Baht 2,303.48 million at the end of 2016 or book value was Baht 0.27 per share.

Cash Flow and Liquidity

In 2016, the Group had a cash flow from operating activities before the change in operating assets and liabilities minus Baht 132.88 million and principally spending on investment in the operating activities such as real estate development cost of Baht 240.21 million and investment in leasehold rights and improvements of Baht 321.38 million resulted in a net cash flow used in operating activities of Baht 686.57 million. There were cash utilization in investment Baht 106.67 million and financing activities Baht 82.90 million, resulting in net cash and cash equivalent decrease of Baht 876.15 million, and cash and the ending balance of cash equivalents Baht 199.40 million.

The Group has a policy to provide additional sources of funds to maintain liquidity in the organization and to provide opportunities for expansion. The company generates cash flow not only from its working capital from the operation but also from financial institutions and fund raising through the stock exchange as well.

Sources of Capital

Source of Capital	Consolidated Financial Statement					
	2016		2015		2014	
	million	%	million	%	million	%
Current Liabilities	696.10	22.48	774.19	23.35	946.06	41.67
Non-Current Liabilities	222.51	7.19	142.88	4.31	235.47	10.37
Total Liabilities	918.61	29.67	917.07	27.66	1,181.53	52.04
Shareholders' Equity	2,178.00	70.33	2,398.92	72.34	1,088.76	47.96
Total Liabilities and Shareholders' Equity	3,096.61	100.00	3,315.99	100.00	2,270.29	100.00

From the table above, for the year 2016, the group's capital base was 70.33% from the shareholders' equity and 29.67% from the total liabilities accounting for 22.48% of current liabilities. The group's business operations require a lot of capital to buy construction equipment, payroll and construction labor costs, and sub-contractor expenses. Most of the funds are in the form of credits received from trade accounts payable, money received in advance from customers, unbilled construction costs, and short-term loans from financial institutions. For the year 2016, the group has debt to total asset ratio of 0.30 times and debt to equity ratio of 0.42 times, implying that the utilization of debt financing is still low comparing to that of companies in the same business. Therefore, the group has the better opportunity to apply for a loan from a financial institution to expand its business in the future.

Commitments and contingent liabilities

1) As at December 31, 2016, the company and its subsidiaries had commitments under purchase orders of construction materials and subcontractors services totalling Baht 516.58 million.

2) Commitments under operating leases



The group has cash payable in future under various long-term operating lease contracts to rent office space and facilities, office equipment and vehicles and land for construction employee. The agreements have the term for certain periods expiring in 2046. The minimum amount to incur income in future for each interval would be as follows :-

(Unit : Thousand Baht)

Consolidated and separate
financial statements

As at December 31,

	<u>2016</u>	<u>2015</u>
Not later than 1 year	8,908	6,074
Later than 1 year and not later than 5 years	13,048	1,615
Later than 5 year	84,512	-
Total	<u>106,468</u>	<u>7,689</u>

As at December 31, 2016, Imperial Land Co., Ltd. (subsidiary) has an amount that must be paid in the future under a land and buildings rental agreement with Petcharat-Suwattana Foundation amounted Baht 96.67 million.

3) As at December 31, 2016, the company has an amount that must be paid in the future under a land rental agreement with the State Railway of Thailand and a local company amounted Baht 79.05 million.

4) Obligation under construction services

As at December 31, 2016, the company had outstanding commitments to contractor services to perform two contracts. With the total contract amount of Baht 2,939.33 million, the company has commitments to provide construction services in the amount of Baht 2,882.29 million.

5) Commitments from ongoing projects development

As at December 31, 2016, the group had commitments to transfer condominium units, land and construction thereon totalling Baht 953.69 million, under agreements to buy and sell the real estate development projects.

Letter of Guarantee

As at December 31, 2016 and 2015, the group had outstanding letters of guarantee issued by financial institutions on behalf of the group in respect as required in the normal course of business. The company and subsidiary had outstanding letters of guarantee of Baht 550.39 million and of Baht 632.58 million respectively. (The Company only : Baht 534.64 million and Baht 615.46 million, respectively). The letters of guarantee are guaranteed by trade receivable, real estate development cost, condominium, and deposits with financial institutions of the company, and joint by a director including the right to receive payment for work with the bank as collateral.

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

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

Prices of construction materials have a direct impact on the group's construction costs. Especially, steel, concrete, and wires are the main materials used in the construction. However, the company closely monitors the price of construction materials for the purpose of efficient procurement planning in order to control costs to meet the goals set for each project.

The labor shortage affects 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 Asian (AEC or Asian Economics Community, Asian Economics Community is the integration of the Asian 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 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 the company. Respectively, what we should be prepared early is English; at least we can communicate with Asian, because if you do not communicate then it would be difficult to do business with foreign country. On the other hand, oversea enterprise will take our market share as well. The AEC is a big deal that the company has to well preparation and adaptation.

In term of political, any political change will lead to uncertainties of large investments plans in the infrastructure of the country including of the investment plans of the private sector, and will affect the construction sector and the real estate development business of the company 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, complying to the target plans of the company.

Audit Fee

The group paid audit fee for year 2016 amounted 4.75 million Baht as follow:



- Payment to SP Audit Co., Ltd. as audit fee of the company and subsidiaries amount 4.75 million Baht (The company 2.60 million Baht and the subsidiaries 2.15 million Baht)
- In October 2016, the audit fee has increased 700,000 Baht because of new investment in a subsidiary company.

Non-Audit Fee (If any)

- None -

EMC Public Company Limited and its Subsidiaries
FINANCIAL STATEMENTS
DECEMBER 31, 2016



Independent Auditor's Report

To the Shareholders of EMC Public Company Limited and its subsidiaries

Qualified Opinion

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

In my opinion, except for the effects might be arise from the events as described in Basis of Qualified Opinion Expression paragraph, the accompanying consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of the EMC Public Company Limited and its subsidiaries and of EMC Public Company Limited as at December 31, 2016, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis of Qualified Opinion Expression

As discussed in note to the financial statements no.12, the Company was sued by the contract parties in the civil court filed against the Company for breach the sales contract and claim to the Company deliver some part of land title deed in the project and legal document back along with claim for compensation. Afterward the Company has made a counterclaim to the Civil Court to urge the contract parties to transfer ownership of the land title deed under 3 projects sales contract to the Company and if the contract parties are unable to complete the transfer of ownership of the Company then will be pay refund to the Company that paid to purchase and development for 3 projects according to sales contract and in the total amount of Baht 521.62 million with legal interest to the Company and claim for compensation with legal interest of the contract parties in the total amount of Baht 751.36 million. In the later, the Company found that the contract parties have jointly to transfer ownership of the land title deed which is the property that is the lawsuit to the third party intentionally, total of 29 title deed total amount of Baht 187.30 million, then the management of the Company is filed the contract parties to a party to the criminal court in the case against corporate corruption to the Company. In the present the ultimate outcome of these matters unable to know. As at December 31, 2016, the Company has not recorded allowance for impairment of "Advance payment for purchases of real estate projects under development" due to the management considers that the effect of the judgment of the Criminal Court could have a significant impact on the preparation of estimates recoverable amount. The limited scope of

Yup.

audit of such a result cause to I can't express an audit opinion about the valuation of "Advance payment for purchases of real estate projects under development" in the consolidated and separate financial statements in amount Baht 466.34 million.

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

Key Audit Matters

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

Recognition of revenues and costs of construction contracts.

According to the notes to the financial statements no 4.21.2 and 4.22.2

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

How my audit addressed the key audit matter

The percentage of construction completion.

Due to the preparation of the percentage of completion report of the construction engineer at the year end to take information from two sources included delivery of construction to customer this information will be verified for accuracy by the contract party, a third party, and the other is the construction engineer has assessed finished job but not yet deliver or on receiving process which only in latter part have risk to dislocation acceptance by the customer. So the auditing method in above I will test the difference between the amount assessed by the engineers in the second part with the value of the customer acceptance





after the end of the period, including with the construction specialist to observe at the end of period to review construction condition at the site with the actual amount of the contribution made by the management and I also compare between the completion rate from company engineer with the percentage of cost incurred with construction cost projection. I found that the rate of completion of the construction that the company used are appropriate.

Estimated total cost of the project

I will test the reliability of the estimated total cost of the project by begin from understand control system designed to be used to the preparation of estimated total cost of the project for evaluate the effectiveness of the Company overall controlling. To test the estimated cost of main construction by comparing information in the customer's contract with accounting information to show on the quantities of materials and labor used in construction (BOQ) which the project engineer prepared and test construction price in BOQ with accounting information. Auditing the documentation for the construction costs recorded in the general ledger compared with the cost estimate in transaction as to test the accuracy of the cost estimate that defined. Query to the management about controlling method to use in case of adjustment estimated cost that the company will be pay in the future to complete the construction. I found that the estimated all construction costs of the Company are appropriate.

Allowance for doubtful accounts and retention.

According to the notes to the financial statements no 7 and 9

Construction business has risks about the uncertainty of the last installment and retention due to the customer agrees to pay the last installment and retention to the Company when certain construction of Company that provides without errors and in accordance with the terms of the contract. This will take long time to collect debts than other businesses. Therefore, the management must use more discretion in determining whether a debtor has the opportunity to can not collect money or is likely to receive a not full refund of the retention. Due to a claim for damages or fines from construction by customers. Therefore, I determined such matter are the key audit matter in my audit.

How my audit addressed the key audit matter

I have to evaluated and tested the effectiveness of the control system about the calculation of the allowance for doubtful accounts by test the accuracy of the aging report and each retention, request to the management to clarify that which customers do not pay in writing letter to bring the facts to assess chance that the Company will be receive payment. For the percentage of the allowance for doubtful accounts determining by the management, I have tested the suitability of the source of figures such as evidence documentation to claims of the damage or fines that informed by customers to have confidence that the value of the allowance for doubtful accounts of Group recognized in the financial statements is adequate and appropriate.

Yup.

The recoverable amount of the assets

According to the notes to the financial statements no 5.1 ,10 and 16

In consolidate financial statement, the Group has recognized an allowance for diminution in value of properties development cost in amounting of Baht 48.41 million (Separate : Baht 3.56 million), and in separate financial statement, the Company has recognized an allowance for impairment of investments in subsidiaries in amounting Baht 132.18 million and allowance for doubtful accounts of loans and accrued interest to subsidiaries in amounting of Baht 109.07 million I determined to testing the recoverable amount of assets is important to my audit due to the evaluation process is complex and the management will be use more discretion in selecting the assumptions to be used in determining the cash inflows and outflow in the future, discount rate, including to external factors on the economic situation of the country that negative impact on property development in present. In addition, certain assets refer to fair value from the valuation report of the independent appraiser. So I focused on testing the reasonableness of the assumptions that the management and the appraiser used.

How my audit addressed the key audit matter

- I have to assessed the reasonableness of assumptions and methods that the managements used to calculate cash inflows and outflows in the future of each subsidiaries as follows.
 - 1) To test the evidence that used to support the forecast period to sale property in the economic slowdown, including to testing the reliability of the net sale price from discounts and promotions that are expected to be offered to customers.
 - 2) To test the reliability of the estimated construction cost to do next, including to test the suitability of the sales and administrative expenses that the management prepared.
 - 3) To assessing the discount rate used by the management by comparison to the same industry.
- To test the evidence that used I have assessed the appropriate of the assets that the assessor select to reference market price such as spec of assets are close to the assessing assets, number of assets be compared there must be enough, how to choose method to assess, including to the appropriateness of calculate costs of sales that the management set up. In addition, I have evaluated the efficacy and independence of the assessor.

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

Yup



Purchasing of common shares of subsidiary

According to the notes to the financial statements no.16

The Company to purchase common shares of the Imperial Land Co.,Ltd. (subsidiary),that the subsidiary has the right to manage land and buildings (Leasehold) under the " STATION 1 @ CHINA TOWN", 30 years rental period, that available for sale and in use, by no transfer customers and employees with this purchasing. The management of the Company has consider that the purchasing of common shares of a subsidiary does not meet the conditions of the business combinations in accordance with the Financial Report Standards No. 3, Business combinations, due to there is no process to generate output with this purchasing and recognize the transaction like assets leasehold purchasing. For the difference between the net assets in book value of subsidiary at the acquisition date with all investment to be pay under these purchasing contracts will recognize to total value of the leasehold. For these case, the management must require discretion in determining the actual contents of the transaction to determine a policy of recognition and measurement of such transaction. So I determine this issue is the key audit matter in my audit.

How my audit addressed the key audit matter

I have considered the condition of the sales contract contain with to checking condominium purchase contract or shop house lease agreement could be attached with the sales contract. Observation the condition of the building under a lease agreement that available for sale or ready to move in. Reviewing the list of authorized directors and present employees of the subsidiary that was same from the seller or not. Asked the management about operation plan in the future of the subsidiary. As a result of such tests I found that a policy of recognition and measurement of such transaction which management has been chosen is correct and appropriate.

Other Matter

The consolidated and separate financial statements as at December 31, 2015 of EMC Public Company Limited and its subsidiary and of EMC Public Company Limited, presented as comparative information, was audited by other auditor and who was unable to expressed an opinion on the consolidated and separate financial statements on these financial in her report dated February 29, 2016, as 1) The seller has cancel the contract of purchase and sale of Siam Tara Mantra Project , East Venice Project and American Town Project and former shareholder has terminate the contract of purchase and sale of shares of Siam Bangkok Development Co., Ltd. 2) The Company has sued by the seller and former shareholder of Siam Bangkok Development Co., Ltd. to enforce the Company to return the original documents and title deeds of the three project to the seller and request compensation from the Company. *Yup*

Other Information

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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



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

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

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

Yup.

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

SP Audit Company Limited



(Miss Yuphin Chumjai)

Certified Public Accountant (Thailand) No.8622

Bangkok

February 27, 2017



EMC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF FINANCIAL POSITION
As at December 31, 2016

(Unit : Baht)

	Notes	Consolidated financial statements			Separate financial statements		
		December 31,	December 31,	January 1,	December 31,	December 31,	January 1,
		2016	2015	2015	2016	2015	2015
<u>Assets</u>							
Current assets							
Cash and cash equivalents items		199,395,055	1,075,544,635	108,360,310	180,760,811	1,067,125,267	94,277,045
Short-term investments	6	8,602,488	4,955,046	402,359,778	8,602,488	4,955,046	402,359,778
Trade and other receivables	5,7	74,309,775	150,587,809	145,684,618	73,631,237	148,057,936	184,658,813
Earned revenues not yet billed	5,8	121,115,268	82,476,551	184,701,130	121,115,268	82,476,551	184,701,130
Retention receivable from customers	9	60,156,890	72,090,915	65,673,128	60,156,890	72,090,915	65,673,128
Short-term loans and interest receivable to related parties	5	-	3,338,629	-	725,766,913	424,803,611	124,600,285
Work in progress		2,687,140	34,048,106	30,918,643	2,687,140	34,048,106	30,918,643
Real estate development cost	10	882,418,632	587,556,066	445,159,752	344,793,389	3,613,878	-
Projects under construction on the leasehold	11	435,534,170	114,151,340	10,215,069	435,534,170	114,151,340	10,215,069
Advance payments for materials and contractors		51,940,124	27,494,953	34,552,607	49,035,475	10,287,666	34,552,607
Deposits for lands	13	3,600,000	50,165,000	25,000,000	3,600,000	50,165,000	25,000,000
Other current assets		4,181,132	17,164,016	27,273,936	2,572,546	6,724,095	11,749,623
Total current assets		1,843,940,674	2,219,573,066	1,479,898,971	2,008,256,327	2,018,499,411	1,168,706,121
Non-current assets							
Restricted bank deposits	14	161,696,466	206,731,253	278,563,488	160,436,987	206,283,253	278,114,866
Other long-term investments	15	-	-	12,274,047	-	-	12,274,047
Investments in subsidiaries	16	-	-	-	116,137,233	113,513,933	112,560,857
Investments in associates and joint venture	17	3,466,396	1,910,271	4,451,282	19,199,950	4,800,000	4,800,000
Land awaiting development	18	125,540,681	125,540,681	115,372,978	-	-	-
Prepaid leasehold	19	291,000,000	-	-	-	-	-
Property, plant and equipment	20	167,197,236	164,134,488	197,968,678	165,728,672	163,756,924	197,672,706
Intangible assets		4,850,365	3,920,182	-	4,751,497	3,810,079	-
Withholding tax deducted at sources		29,699,756	102,416,553	90,008,528	29,699,756	102,416,430	86,099,700
Deferred income tax assets		-	-	78,419,076	-	-	78,419,076
Advance payments for purchases of real estate projects							
under development	12	466,342,566	479,388,674	-	466,342,566	479,388,674	-
Other non-current assets		2,874,767	12,372,678	13,334,013	2,649,277	10,344,143	11,282,513
Total non-current assets		1,252,668,233	1,096,414,780	790,392,090	964,945,938	1,084,313,436	781,223,765
Total assets		3,096,608,907	3,315,987,846	2,270,291,061	2,973,202,265	3,102,812,847	1,949,929,886

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

EMC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF FINANCIAL POSITION
As at December 31, 2016

(Unit : Baht)

		Consolidated financial statements			Separate financial statements		
	Notes	December 31, 2016	December 31, 2015	January 1, 2015	December 31, 2016	December 31, 2015	January 1, 2015
<u>Liabilities and shareholders' equity</u>							
Current liabilities							
Bank overdrafts and short-term loans from financial institutions		-	-	41,920,396	-	-	41,920,396
Trade and other payables	5,21	125,269,142	211,311,292	279,770,896	112,057,566	198,494,952	269,119,133
Current portion of long-term loans from financial institution	22	42,065,456	174,212,547	155,660,000	42,065,456	-	-
Current portion of liabilities under finance lease contracts	23	2,162,062	295,876	1,046,602	2,162,062	295,876	1,046,602
Unbilled construction cost payables		54,799,751	78,076,958	187,360,221	54,799,751	70,818,388	187,360,221
Advances received from customers		199,649,882	120,341,941	90,413,824	181,661,257	97,362,177	45,522,427
Short-term loans from related persons	5	175,835,973	15,970,038	32,478,881	144,196,721	-	13,410,000
Income tax payable		-	3,863,523	231,506	-	-	-
Provision for short-term liabilities	24	80,586,832	133,782,678	122,670,042	60,224,242	119,290,662	109,911,497
Other current liabilities		15,731,077	36,332,294	34,513,667	24,644,597	35,688,564	35,242,519
Total Current Liabilities		696,100,175	774,187,147	946,066,035	621,811,652	521,950,619	703,532,795
Non-current liabilities							
Long-term loans from financial institutions	22	72,535,180	-	80,900,000	72,535,180	-	-
Retention payable to contractors		90,167,057	110,657,951	127,278,294	81,246,601	108,077,264	125,425,600
Liabilities under finance lease contracts	23	5,563,579	467,987	763,864	5,563,579	467,987	763,864
Provision for employee retirement benefit	25	31,491,807	24,040,491	18,205,026	31,491,807	24,040,491	18,205,026
Deferred income tax liability	28	19,133,742	7,716,292	8,320,341	19,133,742	7,716,292	8,320,341
Other non-current liabilities		3,620,226	-	-	-	-	-
Total non-current liabilities		222,511,591	142,882,721	235,467,525	209,970,909	140,302,034	152,714,831
Total liabilities		918,611,766	917,069,868	1,181,533,560	831,782,561	662,252,653	856,247,626
Shareholders' equity							
12,492,179,374 Ordinary shares @ Baht 1.00 each		12,492,179,374	12,492,179,374	-	12,492,179,374	12,492,179,374	-
4,719,646,689 Ordinary shares @ Baht 1.00 each		-	-	4,719,646,689	-	-	4,719,646,689
Issued and paid-up share capital							
8,433,734,716 Ordinary shares @ Baht 1.00 each	26,27	8,433,734,716	-	-	8,433,734,716	-	-
8,430,043,580 Ordinary shares @ Baht 1.00 each		-	8,430,043,580	-	-	8,430,043,580	-
3,557,231,596 Ordinary shares @ Baht 1.00 each		-	-	3,557,231,596	-	-	3,557,231,596
Premium on share capital		248,605,614	248,605,614	248,605,614	248,605,614	248,605,614	248,605,614
Discount on share capital		(4,459,867,711)	(4,457,280,225)	(1,193,380,146)	(4,459,867,710)	(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	5,970,478	5,970,478
Retained earnings (deficit)							
Appropriated							
Legal reserve		16,482,791	16,482,791	16,482,791	16,482,791	16,482,791	16,482,791
Deficit		(2,017,979,450)	(1,746,254,362)	(1,449,051,003)	(2,180,041,155)	(1,834,127,213)	(1,574,509,439)
Other component of equity	20	76,534,970	30,865,169	33,281,366	76,534,970	30,865,169	33,281,366
Total shareholders' equity of Parent Company		2,303,481,408	2,528,433,045	1,219,140,696	2,141,419,704	2,440,560,194	1,093,682,260
Non-controlling interests of subsidiaries		(125,484,267)	(129,515,067)	(130,383,195)	-	-	-
Total shareholders' equity		2,177,997,141	2,398,917,978	1,088,757,501	2,141,419,704	2,440,560,194	1,093,682,260
Total liabilities and shareholders' equity		3,096,608,907	3,315,987,846	2,270,291,061	2,973,202,265	3,102,812,847	1,949,929,886

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



EMC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF COMPREHENSIVE INCOME
For the year ended December 31, 2016

(Unit : Baht)

	Notes	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Operating revenues					
Revenue from construction	5	572,097,202	631,828,040	572,097,202	631,828,040
Revenue from sales of residential condominium units		14,807,000	145,845,075	-	26,335,650
Project consultant fees	5	4,243,865	5,480,053	5,263,656	5,480,053
Rental income and fee leasehold		474,234	-	-	-
Interest income	5	8,891,463	4,660,902	49,306,170	27,502,171
Other income		47,112,592	28,772,905	25,817,392	21,026,335
Dividend income	5,17	-	-	-	7,350,000
Reversal of not yet due cost		37,516,469	50,498,836	37,516,469	50,498,836
Reversal of accrued bonus		6,029,851	-	6,029,851	-
Total operating revenues		691,172,676	867,085,811	696,030,740	770,021,085
Operating cost					
Costs of construction and project consultant	5	(560,776,457)	(642,506,883)	(560,776,457)	(642,506,883)
Cost of sales of residential condominium units		(10,459,800)	(135,459,775)	-	(18,607,453)
Loss on devaluation of property development costs are expected to be a net gain		(48,414,206)	-	(3,566,007)	-
Cost of rental and fee leasehold		(2,278,935)	-	-	-
Selling expenses		(75,766,644)	(48,708,621)	(69,262,445)	(46,005,396)
Administrative expenses		(159,723,181)	(162,361,949)	(155,071,235)	(149,301,129)
Doubtful accounts		(31,886,508)	(42,335,843)	(111,036,935)	(44,495,746)
Loss for impairment investments in subsidiaries		-	-	(132,176,700)	(11,793,850)
Loss from impairment of investments in other companies		-	(12,274,047)	-	(12,274,047)
Loss from impairment of leasehold prepaid		(29,424,363)	-	-	-
Reserve short-term provisions		(15,189,289)	(26,687,077)	(7,398,715)	(24,953,606)
Total operating cost		(933,919,383)	(1,070,334,195)	(1,039,288,494)	(949,938,110)
Loss before share of loss of investments in associates and joint venture		(242,746,707)	(203,248,384)	(343,257,754)	(179,917,025)
Share of loss of investments in associates and joint vent	17	(12,287,613)	(6,383,479)	-	-
Loss before financial cost		(255,034,320)	(209,631,863)	(343,257,754)	(179,917,025)
Financial cost		(12,659,968)	(4,539,164)	(2,656,188)	(1,845,587)
Loss before income tax expenses		(267,694,288)	(214,171,027)	(345,913,942)	(181,762,612)
Income tax expense		-	(82,615,335)	-	(78,306,293)
Loss for the year		(267,694,288)	(296,786,362)	(345,913,942)	(260,068,905)

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

EMC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF COMPREHENSIVE INCOME
For the year ended December 31, 2016

(Unit : Baht)					
	Consolidated financial statements		Separate financial statements		
	Notes	2016	2015	2016	2015
Loss for the year		(267,694,288)	(296,786,362)	(345,913,942)	(260,068,905)
Loss other comprehensive					
Items that will not be reclassified subsequently to profit or loss:					
Revaluation surplus of fixed assets		60,107,546	-	60,107,546	-
Depreciation of revaluation surplus of fixed assets		(3,020,294)	(3,020,247)	(3,020,294)	(3,020,247)
Income tax relating to item that will not be reclassified		(11,417,451)	604,050	(11,417,451)	604,050
Actuarial gain-net of tax		-	451,131	-	451,131
Loss other comprehensive for the period-net income tax		45,669,801	(1,965,066)	45,669,801	(1,965,066)
Total comprehensive loss for the year		(222,024,487)	(298,751,428)	(300,244,141)	(262,033,971)
Loss attributable to for the year					
Shareholders of the Parent Company		(271,725,088)	(297,654,490)	(345,913,942)	(260,068,905)
Non-controlling interests		4,030,800	868,128	-	-
		(267,694,288)	(296,786,362)	(345,913,942)	(260,068,905)
Loss comprehensive attributable to for the year					
Shareholders of the Parent Company		(226,055,287)	(299,619,556)	(300,244,141)	(262,033,971)
Non-controlling interests		4,030,800	868,128	-	-
		(222,024,487)	(298,751,428)	(300,244,141)	(262,033,971)
Loss per share attributable to owners of the parent (Baht)	30				
Basic loss per share		(0.0322)	(0.0695)	(0.0410)	(0.0607)

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

EMC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
For the year ended December 31, 2016

(Unit : Baht)

Consolidated financial statements													
	Notes	Issued and paid-up share capital	Premiums on ordinary shares	Discount on share capital	Premium on share capital-treasury stocks	Retained earnings (deficit)			Other component of equity				
						Appropriated for legal reserve	Unappropriated (deficit)	Revaluation surplus of fixed assets	Income tax relating to components of other comprehensive income	Net	Equity attributable to owners of the parent	Non-controlling interests	Total
Balance as at January 1, 2015		3,357,231,596	248,605,614	(1,193,380,146)	5,970,478	16,482,791	(1,449,051,003)	41,601,707	(8,320,341)	33,281,366	1,219,140,696	(130,383,195)	1,088,757,501
Transaction with shareholder on directly recorded to equity													
Increase in share capital		4,465,021,790	-	(3,258,766,342)	-	-	-	-	-	-	1,606,255,448	-	1,606,255,448
Increase in share capital from the exercised warrants		7,790,194	-	(5,133,737)	-	-	-	-	-	-	2,656,457	-	2,656,457
Total transaction with shareholder on directly recorded to equity		4,872,811,984	-	(3,263,900,079)	-	-	-	-	-	-	1,608,911,905	-	1,608,911,905
Comprehensive loss for the year													
Loss for the year		-	-	-	-	-	(297,654,490)	-	-	-	(297,654,490)	868,128	(296,786,362)
Loss other comprehensive for the year		-	-	-	-	-	451,131	(3,020,247)	604,050	(2,416,197)	(1,965,066)	-	(1,965,066)
Total comprehensive loss for the year		-	-	-	-	-	(297,203,359)	(3,020,247)	604,050	(2,416,197)	(299,619,556)	868,128	(298,751,428)
Balance as at December 31, 2015		8,430,043,580	248,605,614	(4,457,280,225)	5,970,478	16,482,791	(1,746,254,362)	38,581,460	(7,716,291)	30,865,169	2,528,433,045	(129,515,067)	2,398,917,978
Transaction with shareholder on directly recorded to equity													
Increase in share capital from the exercised warrants	26,27	3,691,136	-	(2,587,486)	-	-	-	-	-	-	1,103,650	-	1,103,650
Total transaction with shareholder on directly recorded to equity		3,691,136	-	(2,587,486)	-	-	-	-	-	-	1,103,650	-	1,103,650
Comprehensive loss for the year													
Loss for the year		-	-	-	-	-	(271,725,088)	-	-	-	(271,725,088)	4,030,800	(267,694,288)
Profit other comprehensive for the year		-	-	-	-	-	-	57,087,252	(11,417,451)	45,669,801	45,669,801	-	45,669,801
Total comprehensive loss for the year		-	-	-	-	-	(271,725,088)	57,087,252	(11,417,451)	45,669,801	(226,055,287)	4,030,800	(222,024,487)
Balance as at December 31, 2016		8,433,734,716	248,605,614	(4,459,867,711)	5,970,478	16,482,791	(2,017,979,490)	95,668,712	(19,133,542)	76,534,970	2,303,481,408	(125,484,267)	2,177,997,141

EMC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
For the year ended December 31, 2016

Separate financial statements											(Unit : Baht)
Notes	Issued and paid-up share capital	Premiums on ordinary shares	Discount on share capital	Premium on share capital - treasury stocks	Retained earnings (deficit)		Other component of equity			Total	
					Appropriated for legal reserve	Unappropriated (deficit)	Revaluation surplus of fixed assets	Income tax relating to components of other comprehensive income	Net		
Balance as at January 1, 2015											
Transaction with shareholder on directly recorded to equity											
</											

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



EMC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CASH FLOWS
For the year ended December 31, 2016

	(Unit : Baht)			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cash flows from operating activities				
Profit (loss) before income tax expenses	(267,694,288)	(214,171,026)	(345,913,941)	(181,762,613)
Adjustments to reconcile loss before income tax expenses cash received (paid) from operating activities				
Depreciation	24,090,776	33,718,900	23,839,722	33,609,478
Loss on impairment of assets	906,290	-	906,290	-
Reduce real estate development cost to net realisable value	48,414,206	-	3,566,007	-
Reverse unbilled construction cost payables	(37,516,469)	(50,498,836)	(37,516,469)	(50,498,836)
Loss on impairment of subsidiary	-	-	132,176,700	11,793,850
Loss on impairment of other companies	-	12,274,047	-	12,274,047
Loss on impairment of prepaid leasehold	29,424,363	-	-	-
Amortization prepaid leasehold	1,989,750	-	-	-
Provision for short-term liabilities	15,189,289	26,687,077	7,398,715	24,953,606
Provision for employee retirement benefit	7,451,316	6,399,379	7,451,316	6,399,379
Write-off (reversal of) withholding tax deducted at sources	(618,831)	4,081,469	(653,857)	165,100
Allowance for (reversal of) doubtful account	31,886,508	42,335,843	111,036,935	44,495,746
Reverse accrued bonus	(6,029,851)	-	(6,029,851)	-
Written off liabilities	-	(7,795,467)	-	-
Gain on bargain purchase	-	-	-	-
Amortization accrued dividends	(371,596)	-	(371,596)	-
Share of loss of associates and joint venture	12,287,613	6,383,479	-	-
Loss on sale/write-off property, plant and equipment	4,248,366	6,151,475	4,211,586	6,084,501
Profit (loss) on sale short-term investments	(303,579)	1,540,890	(303,579)	1,540,890
Interest income	(8,891,463)	(4,660,902)	(49,306,170)	(27,502,171)
Dividend income	-	-	-	(7,350,000)
Interest expense	12,659,968	4,539,164	2,656,188	1,845,587
Loss from operations before changes in operating assets and liabilities	(132,877,632)	(133,014,508)	(146,852,004)	(123,951,436)
Operating assets (increase)/decrease				
Trade and other receivable	53,559,906	(3,292,282)	71,334,599	(27,940,192)
Unbilled trade receivables	(38,638,717)	102,224,579	(38,638,717)	102,224,579
Retention receivable from customers	(2,682,792)	(627,267)	(2,682,793)	(627,267)
Work in progress	31,360,966	(3,129,463)	31,360,966	(3,129,463)
Real estate development cost	(240,210,306)	(51,799,336)	(241,679,052)	(3,613,878)
Deposit for lands	2,000,000	(74,165,000)	2,000,000	(74,165,000)
Advance payments for materials and contractors	(35,736,704)	6,968,917	(35,733,844)	24,176,204
Advance payments for purchases of real estate projects under development	13,046,108	(479,388,674)	13,046,108	(479,388,674)
Leasehold right for land and improvements	(321,382,830)	(103,936,271)	(321,382,830)	(103,936,271)
Other current assets	12,974,068	28,081,183	4,151,549	4,518,779
Other non-current assets	9,298,533	981,871	7,694,866	938,371
Operating liabilities increase (decrease)				
Trade and other payables	(87,559,193)	(78,469,800)	(75,455,342)	(65,947,162)
Unbilled construction cost payables	14,239,261	(58,784,428)	21,497,831	(66,042,998)
Provision for short-term liabilities	(68,385,135)	(15,574,452)	(66,465,135)	(15,574,452)
Advances received from customers	78,286,250	27,238,865	84,299,078	51,839,751
Other current liabilities	(20,055,324)	(61,399)	(11,043,966)	3,119,020
Retention payable to contractors	(26,913,174)	(14,832,718)	(26,830,662)	(17,348,335)
Non-other current liabilities	3,620,223	-	-	-
Cash paid from operating activities	(756,056,492)	(851,580,183)	(731,379,348)	(794,848,424)
Income tax received (paid)	69,481,792	(18,283,513)	73,370,530	(16,481,830)
Net cash used from operating activities	(686,574,700)	(869,863,696)	(658,008,818)	(811,330,254)

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

EMC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CASH FLOWS (Continued)
For the year ended December 31, 2016

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cash flows from investing activities				
(Increase) decrease in short-term investments	(3,343,862)	395,863,842	(3,343,862)	395,863,842
(Increase) decrease in short-term loans to subsidiaries	3,300,000	(3,300,000)	(230,584,285)	(213,711,617)
Increase in investment in subsidiaries	-	(20,000,000)	(134,800,000)	(20,000,000)
Repayment of long-term loans instead than subsidiary	-	(68,834,003)	-	-
Effect on cash flows from additionally investing in subsidiaries	881,658	193,742	-	-
Decrease in investments in restricted fixed deposits	45,034,787	71,831,613	45,846,266	71,831,613
Cash received for property, plant and equipment	81,402	-	81,402	-
Acquisition of property, plant and equipment	(10,724,587)	(8,948,579)	(10,556,544)	(8,731,733)
Acquisition of prepaid leasehold	(134,800,000)	-	-	-
Acquisition of intangible assets	(1,499,650)	(3,989,140)	(1,499,650)	(3,876,790)
Increase in investment in associates	(14,399,950)	-	(14,399,950)	-
Interest received	8,799,719	4,912,673	8,759,108	4,860,752
Dividend received	-	-	-	7,350,000
Net cash received (used) from investing activities	(106,670,483)	367,730,148	(340,497,515)	233,586,067
Cash flows from financing activities				
Decrease in bank overdrafts and short-term loans from financial institutions	-	(41,920,396)	-	(41,920,396)
Increase (decrease) in short-term loans from related parties	(10,601,620)	(29,418,596)	-	(13,410,000)
Repayment for finance lease contracts	(1,436,722)	(1,198,526)	(1,436,722)	(1,198,526)
Cash received from long-term loan from financial institution	118,387,475	20,046,284	118,387,475	-
Repayment of long-term loans from financial institutions	(174,212,547)	(82,393,735)	-	-
Increase in share capital from the exercised warrants	1,103,650	2,656,456	1,103,650	2,656,456
Increase in share capital	-	1,606,255,449	-	1,606,255,449
Dividend payment	-	(648)	-	(648)
Interest paid	(16,144,633)	(4,708,415)	(5,912,526)	(1,789,926)
Net cash received (used) from financing activities	(82,904,397)	1,469,317,873	112,141,877	1,550,592,409
Net cash and cash equivalents items (decrease) increase-net	(876,149,580)	967,184,325	(886,364,456)	972,848,222
Cash and cash equivalents items at the beginning of the year	1,075,544,635	108,360,310	1,067,125,267	94,277,045
Cash and cash equivalents items at the end of the year	199,395,055	1,075,544,635	180,760,811	1,067,125,267

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



EMC PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
CONDENSED NOTES TO FINANCIAL STATEMENTS
For the year ended December 31, 2016

1. General information

EMC Public Company Limited (“The Company”), incorporated in Thailand, was listed on the Stock Exchange of Thailand with the Company registration number 0107538000321 on September 9, 1995, Its head office is situated at 140/66-67, ITF Tower, 28th – 30th Floor, Silom Road, Suriwongse, Bangrak, Bangkok 10500, Thailand.

The Company is engaged in the provision of services under long-term service agreements and construction agreements and real estate development.

2. Basis of financial statements preparation

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

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

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

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

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

	<u>Effective date</u>
The Conceptual Framework for Financial Reporting (revised 2015)	January 1, 2016
TFRS No. 2 Share-based Payment (revised 2015)	January 1, 2016
TFRS No. 3 Business Combinations (revised 2015)	January 1, 2016
TFRS No. 4 Insurance Contracts (revised 2015)	January 1, 2016
TFRS No. 5 Non-current Assets Held for Sale and Discontinued Operations (revised 2015)	January 1, 2016
TFRS No. 6 Exploration for and Evaluation of Mineral Resources (revised 2015)	January 1, 2016
TFRS No. 8 Operating Segments (revised 2015)	January 1, 2016
TFRS No. 10 Consolidated Financial Statements (revised 2015)	January 1, 2016
TFRS No. 11 Joint Arrangements (revised 2015)	January 1, 2016
TFRS No. 12 Disclosure of Interests in Other Entities (revised 2015)	January 1, 2016
TFRS No. 13 Fair Value Measurement (revised 2015)	January 1, 2016
TAS No. 1 Presentation of Financial Statements (revised 2015)	January 1, 2016
TAS No. 2 Inventories (revised 2015)	January 1, 2016
TAS No. 7 Statement of Cash Flows (revised 2015)	January 1, 2016
TAS No. 8 Accounting Policies, Changes in Accounting Estimates and Errors (revised 2015)	January 1, 2016
TAS No. 10 Events after the Reporting Period (revised 2015)	January 1, 2016
TAS No. 11 Construction Contracts (revised 2015)	January 1, 2016
TAS No. 12 Income Taxes (revised 2015)	January 1, 2016
TAS No. 16 Property, Plant and Equipment (revised 2015)	January 1, 2016
TAS No. 17 Leases (revised 2015)	January 1, 2016
TAS No. 18 Revenue (revised 2015)	January 1, 2016
TAS No. 19 Employee Benefits (revised 2015)	January 1, 2016
TAS No. 20 Accounting for Government Grants and Disclosure of Government Assistance (revised 2015)	January 1, 2016
TAS No. 21 The Effects of Changes in Foreign Exchange Rates (revised 2015)	January 1, 2016
TAS No. 23 Borrowing Costs (revised 2015)	January 1, 2016
TAS No. 24 Related Party Disclosures (revised 2015)	January 1, 2016
TAS No. 26 Accounting and Reporting by Retirement Benefit Plans (revised 2015)	January 1, 2016
TAS No. 27 Separate Financial Statements (revised 2015)	January 1, 2016
TAS No. 28 Investments in Associates and Joint Ventures (revised 2015)	January 1, 2016
TAS No. 29 Financial Reporting in Hyperinflationary Economies (revised 2015)	January 1, 2016
TAS No. 33 Earnings per Share (revised 2015)	January 1, 2016
TAS No. 34 Interim Financial Reporting (revised 2015)	January 1, 2016



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

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

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

	<u>Effective date</u>
TFRS No. 2 Share-based Payment (revised 2016)	January 1, 2017
TFRS No. 3 Business Combinations (revised 2016)	January 1, 2017
TFRS No. 4 Insurance Contracts (revised 2016)	January 1, 2017
TFRS No. 5 Non-current Assets Held for Sale and Discontinued Operations (revised 2016)	January 1, 2017
TFRS No. 6 Exploration for and Evaluation of Mineral Resources (revised 2016)	January 1, 2017
TFRS No. 8 Operating Segments (revised 2016)	January 1, 2017
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TFRS No. 11 Joint Arrangements (revised 2016)	January 1, 2017
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TAS No. 8 Accounting Policies, Changes in Accounting Estimates and Errors (revised 2016)	January 1, 2017
TAS No. 10 Events after the Reporting Period (revised 2016)	January 1, 2017
TAS No. 11 Construction Contracts (revised 2016)	January 1, 2017
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TAS No. 38 Intangible Assets (revised 2016)	January 1, 2017
TAS No. 40 Investment Property (revised 2016)	January 1, 2017
TAS No. 41 Agriculture (revised 2016)	January 1, 2017
TAS No. 104 Accounting for Troubled Debts Restructurings (revised 2016)	January 1, 2017
TAS No. 105 Accounting for Investments in Debt and Equity Securities (revised 2016)	January 1, 2017
TAS No. 107 Financial Instruments: Presentation and Disclosures (revised 2016)	January 1, 2017
TFRIC No. 1 Changes in Existing Decommissioning, Restoration and Similar Liabilities (revised 2016)	January 1, 2017
TFRIC No. 4 Determining whether an Arrangement contains a Lease (revised 2016)	January 1, 2017
TFRIC No. 5 Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds (revised 2016)	January 1, 2017
TFRIC No. 7 Applying the Restatement Approach under TAS 29 (revised 2016) Financial Reporting in Hyperinflationary Economies (revised 2016)	January 1, 2017



	Effective date
TFRIC No. 10 Interim Financial Reporting and Impairment (revised 2016)	January 1, 2017
TFRIC No. 12 Service Concession Arrangements (revised 2016)	January 1, 2017
TFRIC No. 13 Customer Loyalty Programmes (revised 2016)	January 1, 2017
TFRIC No. 14 TAS 19 (revised 2016) - The Limit on a Defined Benefit Assets, Minimum Funding Requirements and their Interaction (revised 2016)	January 1, 2017
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TSIC No. 29 Service Concession Arrangements : Disclosures (revised 2016)	January 1, 2017
TSIC No. 31 Revenue - Barter Transactions Involving Advertising Services (revised 2016)	January 1, 2017
TSIC No. 32 Intangible Assets - Web Site Costs (revised 2016)	January 1, 2017
Guide on Accounting for Insurance Business in Determining Financial Instruments as Financial Instruments Presented with Fair Value through Profit or Loss	January 1, 2017

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

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

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

Project development costs estimation

In calculating cost of condominium and cost of land and buildings sold, the Group have to estimate all project development costs, comprising land and land improvement costs, design and construction costs, public utility costs, borrowing costs and other related costs. The management estimates these costs based

on their business experience and revisits the estimations on a periodical basis or when the actual costs incurred significantly vary from the estimated costs.

Construction revenue and construction costs

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

Unbilled construction cost payables

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

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

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

Allowance for diminution in value of real estate development costs

The Group treat real estate development costs as impaired when a significant decline in the fair value is noted, with management determining the devaluation based on net realisable value. However, the determination of what is “significant” and the amount of devaluation requires the management to exercise judgment.

Impairment of investments in subsidiaries, associates and other in long-term investments

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

Depreciation of plant and equipment

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



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

Amortization of intangible asset

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

Provision for maintenance of housing and condominium units

In recording provision for maintenance of housing and condominium units care warrantee, the management estimates the expenses expected to be incurred as a result of providing maintenance based on past experiences of actual expenses claimed.

Compensation for Housing Estate Juristic Persons

The Group estimate the compensation for Housing Estate Juristic Persons using the rate specified by the laws and regulations and the budgeted public utilities costs as a basis for the calculation.

Estimate on employee benefit obligations

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

Lease agreement

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

Litigation

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

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

3. Basis of the consolidated financial statements preparation

- 3.1 The consolidated financial statements consist of the financial statements of the Company and subsidiaries (together called “The Group”).
- 3.2 A subsidiary companies are enterprise under the control of the Group. This control occurs when the Group have a controlling power directly or indirectly in giving direction of financial policy and operation of that company in order to derive benefits from that subsidiary companies. Also the financial statements of the subsidiary companies will be combined into the consolidated financial statements of the Group commencing from the date of control until the cessation date of such control.
- 3.3 The consolidated financial statements are prepared by using the same accounting policies for similar accounting items or events.
- 3.4 The accounting period of the subsidiary companies ends on the same date as that of EMC Public Company Limited.
- 3.5 The consolidated financial statements has been prepared by including the financial statements of EMC Public Company Limited and its subsidiaries after eliminate the significant related party balances and transactions and recognized investments in associated and joint venture with equity method. The Company holds directly and indirectly shares at the percentage of :-



<u>Name of company</u>	<u>Nature of business</u>	<u>Incorporated in</u>	<u>Percentage of shareholding</u>	
			<u>2016</u>	<u>2015</u>
<u>Subsidiaries</u>				
BR Construction Co., Ltd	The provision of services under long-term service agreements and construction agreements. Currently, the subsidiary does not engage in any business.	Thailand	51.00	51.00
Rich Man Property Co., Ltd.	Real estate development	Thailand	100.00	100.00
North Property Co., Ltd.	Real estate development	Thailand	100.00	100.00
Sajja Bangsaen Condominium Co., Ltd.	Real estate development	Thailand	100.00	100.00
Siam Bangkok Development Co., Ltd.	Real estate development	Thailand	100.00	100.00
Imperial land company Limited	Real estate development	Thailand	100.00	-
<u>Associated</u>				
Sanken - EMC Co., Ltd.	Slough service construction agreements	Thailand	48.00	48.00
<u>Joint Arrangement</u>				
Power Line Engineering Public Company Limited and EMC Public Company Limited	The joint arrangement does not engage in any business since 2013	Thailand	49.00	49.00

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

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

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

4. Accounting policies

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

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

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

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

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

4.5 Investments

4.5.1 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.

4.5.2 Investments in joint ventures and associates are accounted for in the consolidated financial statements using the equity method.

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

4.5.4 General investments are non-marketable equity instruments, shown at cost net off by allowance for accumulated impairment (if any) and change in value of general investments is recognised in the statements of income when they are sold or impaired.

The fair value of unit trusts is determined from their net asset value at the end of reporting period.

The weighted average method is used for computation of the cost of investments.

4.6 Leasehold

4.6.1 Projects under construction on the leasehold contract shown at cost price included the right to lease land, design fees, construction costs and any expenses that related to make the assets are available for use.

Leasehold rights on land that are acquired by the 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.



4.6.2 Leasehold of land and buildings are shown at accumulate amortized cost by a straight line method over the lease term. Cost price included special incentives over the lifetime contract, the renovation expenses of lease building, the difference between the net asset value of the subsidiary with investments deducted to the gain from repayment debt in the future.

4.7 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

4.8 Deferred financial fees

Financial expenses related to borrowings that are typically incurred on or before signing facility agreements and before actual draw down of the loans are recorded as deferred financial fees. A portion of deferred financial fees proportionate to the amount of the loan facility already drawn is presented as a deduction against the related loan account and amortised using the effective interest rate method over the term of the loans.

The amortisation of deferred financial fees is included in profit or loss.

4.9 Land awaiting developments

Land awaiting developments are valued at cost or net realisable value whichever is lower.

4.10 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
Office buildings	36
Building improvements	5
Sales gallery	4
Tools, machinery and equipment	5 - 10
Furniture, fixtures and office equipment	3 - 10
Vehicles	5

As at December 31, 2016, the management of the Group is considering to extend the lifetime of the usage office building for another 36 years, from the original 20 years. The change of estimate reference from age of utilization of the office building from the valuation report of the independent appraiser.

4.11 Intangible Assets

Software licenses that are acquired by the 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.

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

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

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

- 4.13 Trade and other payables are stated at cost.

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

- 4.15 Employee benefits

Short-term employee benefits

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

Post-employment benefits

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

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

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

- 4.16 Estimation of liabilities: The Group will record liability estimates whenever there is certainty that liability or obligation will occur at present legally or by estimation from the result connected with the past event. Such obligation is expected to cause damage to loss of useful or economic resources in order to make payment toward obligation and the amount to be paid is respectfully estimated. If payment made toward liability estimated is recovered fully or partly with certainty, the Group will recorded the recovered payment as asset separately but the amount so recorded must be more than the amount of related liability estimate and the related expense with the liability estimate will be shown in the statement of comprehensive income in the net amount after recovered expense already recognized.
- 4.17 The recording of long-term lease contracts of the Group (finance lease and hire purchase contract) is both an asset and a liability made in the statement of financial position at the same amount equivalent to fair value of leased asset as at the commencing date of the agreement or the present value of the minimum amount payable under the agreement whichever is the lower. The discount rate to be used in calculating such present value is the interest rate specified in the lease agreement. The directly related initial cost is included in the cost of the asset and the paid lease fee will be appropriated partly as financial expense and other to reduce the principle. The financial expense will be apportioned to various periods throughout the term of agreement so that the interest rate compared to the remaining amount of debt at each period is constant. Depreciation policy for lease assets conforms to depreciable assets owned by the Group.
- 4.18 Premiums on ordinary shares when the Company share subscription monies are in excess of the par value of the shares issued, the Company has to set aside this excess amount to a reserve account (“ premiums on ordinary shares”). Premiums on ordinary share are not available for dividend distribution.



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

4.20 Non-controlling interests

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

4.21 Incomes recognition

4.21.1 Revenue from sale of land and houses and revenue from sale of residential condominium units.

The Group recognised revenue from sale of real estate when the construction works are completed and the ownerships have been transferred to buyers after all payments are received from the buyers.

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

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

4.21.3 Rental income from leasehold is recognized in the statement of comprehensive income on straight-line method over the term of the lease.

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

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

4.21.6 Other incomes are recognized by accrual basis.

4.22 Expenses recognition

- 4.22.1 Cost of land and houses sold and cost of residential condominium units, in determining the cost of real estate sold, the anticipated total development costs (taking into account actual costs incurred to date) are attributed to land and houses sold on the basis of the salable area and to residential condominium units sold on the basis of the salable area weighted to the selling price of the unit, and then recognised as costs in profit or loss concurrently with revenue from sales.

Project development costs are stated at cost, consisting of cost of land, design fees, utilities, construction and related interest.

- 4.22.2 The Group recognizes costs from construction contracts by the percentage of completion method. The stage of completion is measured by referencing to the completion of a physical proportion of the contract work performed as assessed by the project engineers as per the conditions agreed with customers. 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.

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

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

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



- 4.22.4 Financial cost consists of interest expense or other expenses in similar nature charged to the statement of comprehensive income in the year such expenses are incurred except in case that they are partly recorded as cost of assets due to the effect of long period of time used to acquire construction or produce such assets prior to direct utilization or for sale. Interest which is part of installment amount under finance lease contract is charged to the statement of comprehensive income by effective rate method.
- 4.22.5 Other expense is recognized on accrual basis.
- 4.23 Income tax comprises current tax and deferred tax. Income tax is recognized in profit or loss except to the extent that related to items recognized in other comprehensive income or recognized directly in equity which will recognize in other comprehensive income or recognized directly in equity as same as that items.

Current tax

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

Deferred tax

The Group recognise the deferred tax on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

At each reporting date, the Group Companies reviews and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

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

- 4.25 Basic loss per share is calculated by dividing loss for the year of the Parent Company (excludes other comprehensive income) by the weighted averaged number of already issued and fully paid shares during the accounting year.
- 4.26 The sectoral business operation is disclosed under the separate business sectors of the Group Companies. The business segment is the business sector that source products or provide services which have different risks and return from the risks and return of the products or services provide by other business sectors.
- 4.27 Financial assets and liabilities carried on the statement of financial position include Bank deposit, trade receivables and payables , other receivables and payables, loan receivables and payables, receivable and payable under financial lease contracts. The important accounting policies and measurement of these items are disclosed in the respective accounting policies for related items.
- 4.28 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company and its subsidiaries measure fair value using valuation technique that are appropriate in the circumstances and maximise the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categories of input to be used in fair value measurement as follows :-

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

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

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

At the end of each reporting period, the Group determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.



5. Business transactions with related parties and person

The major shareholder of the Company in the year 2016 and 2015 is Leenabanchong Family holding 39.94% and 39.48% , respectively, of the share capital of the EMC Public Company Limited Transactions related to companies in which the Leenabanchong family is the principal shareholders or directors are recognized as related parties to the Group.

The Group incurred business transactions with related entities which have the same group of shareholders The significant remaining balances and inter-company transactions.

5.1 Inter-assets and liabilities are as follows :-

<u>Type of items</u>	(Unit :Thousand Baht)			
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Trade receivable				
BR Construction Co., Ltd	-	-	139,119	158,873
<u>Less</u> Allowance for doubtful debts	-	-	(139,119)	(158,873)
Net	-	-	-	-
Rayong Wire Industries Public Company Limited	-	182	-	182
Total trade receivables	-	182	-	182
Earned revenues not yet billed				
BR Construction Co., Ltd	-	-	308	308
<u>Less</u> Allowance for doubtful debts	-	-	(308)	(308)
Total earned revenues not yet billed	-	-	-	-
Other receivables and Advance payment				
Other receivables				
BR Construction Co., Ltd	-	-	4,600	4,600
<u>Less</u> Allowance for doubtful debts	-	-	(4,600)	(4,600)
Net	-	-	-	-
Siam Grand Property Co., Ltd.	16,805	14,395	16,805	14,395
<u>Less</u> Allowance for doubtful debts	(16,805)	(14,395)	(16,805)	(14,395)
Net	-	-	-	-

(Unit :Thousand Baht)

Type of items	Consolidated financial statements		Separate financial statements	
	As at December 31,		As at December 31,	
	2016	2015	2016	2015
Khun Anuwit Tantisewekul	57	57	-	-
Less Allowance for doubtful debts	(57)	(57)	-	-
Net	-	-	-	-
Siam Bangkok Development Co., Ltd	-	-	1,144	1,144
Less Allowance for doubtful debts	-	-	(1,144)	-
Net	-	-	-	1,144
North Property Co., Ltd.	-	-	247	247
Less Allowance for doubtful debts	-	-	(247)	-
Net	-	-	-	247
Sajja Bangsaen Condominium Co., Ltd.	-	-	603	603
Less Allowance for doubtful debts	-	-	(603)	-
Net	-	-	-	603
Rich Man Property Co., Ltd.	-	-	2,129	2,129
Less Allowance for doubtful debts	-	-	(2,129)	-
Net	-	-	-	2,129
Poonsub Property Co.Ltd.	46	1,222	-	-
Less Allowance for doubtful debts	(46)	-	-	-
Net	-	1,222	-	-
Sanken - EMC Co., Ltd.	607	3,745	607	3,745
Imperial Land Co.Ltd.	-	-	1,091	-
Total other receivables	607	4,967	1,698	7,868
Advance payment				
Khun Chumpol Israngura Na Ayuttaya	-	531	-	531
Khun Norrapat Teeyapan	21	2,334	-	-
Khun Wachara Pakdeemonthor	20	-	20	-
Total advance payment	41	2,865	20	531
Total other receivables and advance payment	648	7,832	1,718	8,399



(Unit :Thousand Baht)

Type of items	Consolidated financial statements		Separate financial statements	
	As at December 31,		As at December 31,	
	2016	2015	2016	2015
Short-term loans and interest receivable				
Short-term loans				
(interest at 6.50% to 6.87% per annum) :				
BR Construction Co., Ltd	-	-	88,207	85,607
<u>Less</u> Allowance for doubtful debts	-	-	(88,207)	(85,607)
Net	-	-	-	-
(interest at 8.0 % per annum) :				
JV EMC-PLE	500	500	500	500
<u>Less</u> Allowance for doubtful debts	(500)	(500)	(500)	(500)
Net	-	-	-	-
(interest at 7.50 % per annum) :				
Rich Man Property Co., Ltd.	-	-	439,546	274,784
<u>Less</u> Allowance for doubtful debts	-	-	(109,073)	-
Net	-	-	330,473	274,784
North Property Co., Ltd.	-	-	47,203	39,703
Sajja Bangsaen Condominium Co., Ltd.	-	-	37,614	37,404
Siam Bangkok Development Co., Ltd.,	-	-	94,211	46,400
Imperial Land Co.Ltd.	-	-	155,000	-
Khun Nutteera Ngamlertkul	-	2,300	-	2,300
Sanken - EMC Co., Ltd.	-	1,000	-	1,000
Total short-term loans	-	3,300	664,501	401,591
Accrued interest receivable				
BR Construction Co., Ltd	-	-	12,852	10,482
<u>Less</u> Allowance for doubtful debts	-	-	(12,852)	(10,482)
Net	-	-	-	-

(Unit :Thousand Baht)

Type of items	Consolidated financial statements		Separate financial statements	
	As at December 31,		As at December 31,	
	2016	2015	2016	2015
JV EMC-PLE	60	20	60	20
Less Allowance for doubtful debts	(60)	(20)	(60)	(20)
Net	-	-	-	-
Rich Man Property Co., Ltd.	-	-	41,438	16,848
North Property Co., Ltd.	-	-	5,588	2,454
Sajja Bangsaen Condominium Co., Ltd.	-	-	4,659	1,687
Siam Bangkok Development Co., Ltd.,	-	-	7,729	2,184
Imperial Land Co.Ltd.	-	-	1,852	-
Khun Nutteera Ngamlertkul	-	38	-	38
Sanken - EMC Co., Ltd.	-	1	-	1
Total accrued interest receivable	-	39	61,266	23,212
Total Short-term loans and accrued interest receivable	-	3,339	725,767	424,804
Advance payments				
Poonsub Property Co.Ltd.	17,205	17,207	-	-
Less Allowance for doubtful debts	(14,839)	-	-	-
Net	2,366	17,207	-	-
Ua WithYa Public Company Limited	-	378	-	378
Total advance payments	2,366	17,585	-	378
Trade payables				
Poonsub Property Co.Ltd.	-	3,489	-	-
Ua WithYa Public Company Limited	14,769	13,971	14,060	13,262
Total trade payables	14,769	17,460	14,060	13,262
Other payables				
Khun Norrapat Teeyapan	5,247	5,247	5,247	5,247
Siam Grand Property Co., Ltd	2,003	2,003	2,003	2,003
Total other payables	7,250	7,250	7,250	7,250
Retention payable				
Poonsub Property Co.Ltd.	2,366	2,732	-	-
Ua WithYa Public Company Limited	332	272	332	272
Total retention payable	2,698	3,004	332	272



(Unit :Thousand Baht)

Type of items	Consolidated financial statements		Separate financial statements	
	As at December 31,		As at December 31,	
	2016	2015	2016	2015
Short-term loans (Not charge interest):				
Khun Norrapat Teeyapan	4,635	15,237	-	-
Khun Anuwit Tantisewekul	733	733	-	-
Total	5,368	15,970	-	-
Short-term loans (interest rate 6.25%):				
Ua WithYa Public Company Limited	170,000	-	144,000	-
Total short-term loans	175,368	15,970	144,000	-
Accrued interest				
Ua WithYa Public Company Limited	468		197	
Total short-term loans and accrued interest	175,835	15,970	144,197	

The movement for the year ended December 31, 2016 of loans to person and related parties are as follows :-

(Unit :Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	As at December 31,		As at December 31,	
	2016	2015	2016	2015
JV EMC-PLE				
Balance as at January 1,	500	-	500	-
<u>Plus</u> Increase during the year	-	2,500	-	2,500
<u>Less</u> Received during the year	-	(2,000)	-	(2,000)
Balance as at December 31,	500	500	500	500
Khun Nutteera Ngamlertkul				
Balance as at January 1,	2,300	-	2,300	-
<u>Plus</u> Increase during the year	-	2,300	-	2,300
<u>Less</u> Received during the year	(2,300)	-	(2,300)	-
Balance as at December 31,	-	2,300	-	2,300

(Unit :Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Sanken - EMC Co., Ltd.				-
Balance as at January 1,	1,000	-	1,000	-
<u>Plus</u> Increase during the year	2,000	1,000	2,000	1,000
<u>Less</u> Received during the year	(3,000)	-	(3,000)	-
Balance as at December 31,	-	1,000	-	1,000
Rich Man Property Co., Ltd.				
Balance as at January 1,	-	-	274,784	99,100
<u>Plus</u> Increase during the year	-	-	164,762	175,684
<u>Less</u> Received during the year	-	-	-	-
Balance as at December 31,	-	-	439,546	274,784
BR Construction Co., Ltd				
Balance as at January 1,	-	-	85,607	84,157
<u>Plus</u> Increase during the year	-	-	2,600	1,450
<u>Less</u> Received during the year	-	-	-	-
Balance as at December 31,	-	-	88,207	85,607
North Property Co., Ltd.				
Balance as at January 1, 2016	-	-	39,703	18,000
<u>Plus</u> Increase during the period	-	-	7,500	21,703
<u>Less</u> Received during the period	-	-	-	-
Balance as at December 31, 2016	-	-	47,203	39,703
Sajja Bangsaen Condominium Co., Ltd.				
Balance as at January 1,	-	-	37,404	4,830
<u>Plus</u> Increase during the year	-	-	2,500	32,574
<u>Less</u> Received during the year	-	-	(2,290)	-
Balance as at December 31,	-	-	37,614	37,404



(Unit :Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Siam Bangkok Development Co., Ltd.,				
Balance as at January 1,	-	-	46,400	-
<u>Plus</u> Increase during the year	-	-	47,811	46,400
<u>Less</u> Received during the year	-	-	-	-
Balance as at December 31,	-	-	94,211	46,400
Imperial Land Co.Ltd.				
Balance as at January 1, 2016	-	-	-	-
<u>Plus</u> Increase during the period	-	-	155,000	-
<u>Less</u> Received during the period	-	-	-	-
Balance as at December 31, 2016	-	-	155,000	-
Total short-term loans	500	3,800	862,281	487,698

Short-term loans to person and related parties are unsecured and due at call. Interest was charged at the rates of 6.50%-8.00% per annum (Separate financial statements : as at December 31, 2016 and 2015, apart of short-term loans to a subsidiary in amount of Baht 53.55 million and Baht 50.95 million, respectively. Interest was not inter-charge).

The movement for the year ended December 31, 2016 of allowance for doubtful debts of short-term loans from related persons and interest receivable are as follows :-

	(Unit :Thousand Baht)			
	<u>Separate financial statements</u>			
	<u>As at January 1,</u>	<u>Increase</u>	<u>Decrease</u>	<u>As at December 31,</u>
	<u>2016</u>			<u>2016</u>
BR Construction Co., Ltd				
- short-term loans	(85,607)	(2,600)	-	(88,207)
- interest receivable	(10,482)	(2,370)	-	(12,852)
JV EMC-PLE				
- short-term loans	(500)	-	-	(500)
- interest receivable	(20)	(40)	-	(60)

(Unit :Thousand Baht)

		<u>Separate financial statements</u>		
	As at January 1, 2016	<u>Increase</u>	<u>Decrease</u>	As at December 31, 2016
Rich Man Property Co., Ltd.				
- short-term loans	-	(109,073)	-	(109,073)
- interest receivable	-	-		-

The movement for the year ended December 31, 2015 of allowance for doubtful debts of short-term loans and interest receivable are as follows :-

(Unit :Thousand Baht)

	<u>Separate financial statements</u>			
	<u>As at January 1,</u>	<u>Increase</u>	<u>Decrease</u>	<u>As at Decemberber</u>
	<u>2015</u>			<u>31, 2015</u>
BR Construction Co., Ltd				
- short-term loans	(84,157)	(1,450)	-	(85,607)
- interest receivable	(8,112)	(2,370)	-	(10,482)
JV EMC-PLE				
- short-term loans	-	(500)	-	(500)
- interest receivable	-	(20)	-	(20)

The movement for the year ended December 31, 2016 of short-term loans from related persons are as follows :-

(Unit :Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Ua WithYa Public Company Limited				
Balance as at January 1,	-	-	-	-
Increase from investments in subsidiaries (Notes.16)	26,000	-	-	-
<u>Plus</u> Increase during the year	144,000	-	144,000	-
<u>Less</u> Received during the year	-	-	-	-
Balance as at December 31,	170,000	-	144,000	-
Khun Norrapat Teeyapan				
Balance as at January 1,	15,237	19,069	-	-
<u>Plus</u> Increase during the year	11,325	41,795	-	-
<u>Less</u> Received during the year	(21,927)	(45,627)	-	-
Balance as at December 31,	4,635	15,237	-	-



(Unit :Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Khun Anuwit Tantisewekul				
Balance as at January 1,	733	-	-	-
<u>Plus</u> Increase during the year	-	12,910	-	-
<u>Less</u> Received during the year	-	(12,177)	-	-
Balance as at December 31,	733	733	-	-
Total short-term loans	175,368	15,970	144,000	-

Short-term loans from related persons are unsecured and due at call. Interest was not inter-charge.

5.2 Inter-revenues and expenses are as follows :-

(Unit :Thousand Baht)

<u>Type of items</u>	<u>Consolidated financial statement</u>		<u>Separate financial statement</u>	
	<u>For the year ended December 31,</u>			
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Revenue from construction				
Rich Man Property Co., Ltd.	-	-	-	24,158
Rayong Wire Industries Public Company Limited	-	170	-	170
Total revenue from construction	-	170	-	24,328
Revenue from sales of shop houses				
Khun Norrapat Teeyapan	-	68,007	-	-
Total revenue from sales of shop houses	-	68,007	-	-
Project consultant fees				
JV EMC-PLE	-	1,001	-	1,001
Sanken - EMC Co., Ltd.	4,244	4,029	4,244	4,029
Imperial Land Co.Ltd.	-	-	1,020	-
Total project consultant fees	4,244	5,030	5,264	5,030
Dividend income				
JV EMC-PLE	-	-	-	7,350
Total revenue from sales of shop houses	-	-	-	7,350

(Unit :Thousand Baht)

Type of items	Consolidated financial statement		Separate financial statement	
	For the year ended December 31,			
	2016	2015	2016	2015
Interest income				
BR Construction Co., Ltd	-	-	2,370	2,370
Rich Man Property Co., Ltd.	-	-	24,589	14,659
North Property Co., Ltd.	-	-	3,135	2,052
Sajja Bangsaen Condominium Co., Ltd.	-	-	2,972	1,608
Siam Bangkok Development Co., Ltd.,	-	-	5,545	2,184
Imperial Land Co.Ltd.	-	-	1,852	-
Sanken - EMC Co., Ltd.	36	1	36	1
JV EMC-PLE	40	71	40	71
Khun Nutteera Ngamlertkul	93	38	93	38
Total interest income	169	110	40,632	22,983
Other income				
Rich Man Property Co., Ltd.	-	-	-	30
North Property Co., Ltd.	-	-	-	95
Poonsub Property Co.Ltd.	46	-	-	-
Total other income	46	-	-	125
Cost of construction				
Ua WithYa Public Company Limited	1,195	1,695	1,195	1,695
Total cost of construction	1,195	1,695	1,195	1,695
Financial cost				
Ua WithYa Public Company Limited	468	-	197	-
Total financial cost	468	-	197	-
Directors and key management compensation				
Short-term benefits	14,605	16,716	14,605	16,716
Post-employment benefits	2,376	2,399	2,376	2,399
Directors’ remuneration	2,822	4,388	2,822	4,388
Total directors and key management compensation	19,803	23,503	19,803	23,503



Policy of setting prices

	<u>Policy</u>
Revenue from construction	Based on the agreed price
Project consultant fees	Based on the agreed price
Other income	Based on the agreed price
Interest income	
BR Construction Co., Ltd	6.50% -6.87% per annum
Rich Man Property Co., Ltd.	7.50% per annum
North Property Co., Ltd.	7.50% per annum
Sajja Bangsaen Condominium Co., Ltd	7.50% per annum
Siam Bangkok Development Co., Ltd.,	7.50% per annum
Imperial Land Co.Ltd.	7.50% per annum
JV EMC-PLE	8.00% per annum
Costs of construction	Based on the agreed price
Interest expenses	
Ua WithYa Public Company Limited	6.25% per annum

5.3 Relationship of related companies

Consisted of :-

<u>Name of companies</u>	<u>Nationality</u>	<u>Nature of relationship</u>
BR Construction Co., Ltd	Thai	Subsidiary
Rich Man Property Co., Ltd.	Thai	Subsidiary
North Property Co., Ltd.	Thai	Subsidiary
Sajja Bangsaen Condominium Co., Ltd	Thai	Subsidiary
Siam Bangkok Development Co., Ltd.,	Thai	Subsidiary
Imperial Land Co.Ltd.	Thai	Subsidiary
Sanken - EMC Co., Ltd	Thai	Associates
JV EMC-PLE	Thai	Joint Arrangement
Ua WithYa Public Company Limited	Thai	Common shareholders
Rayong Wire Industries Public Company Limited	Thai	Common shareholders and director
Siam Grand Property Co., Ltd.	Thai	Khun Anuwit is director and major shareholder.
Sajja Property Bangsaen Phase Nueng Co.,Ltd	Thai	Khun Norrapat is director and major shareholder
Poonsub Property Co.Ltd.	Thai	Khun Norrapat is director and major shareholder
Khun Chumpol Israngura Na Ayuttaya	Thai	Company's director and key management (Currently, he have been resigned)

<u>Name of companies</u>	<u>Nationality</u>	<u>Nature of relationship</u>
Khun Nutteera Ngamlertkul	Thai	Shareholder
Khun Norrapat Teeyapan	Thai	Subsidiary's director(year 2017: he have been resigned)
Khun Wachara Pakdeemonthor	Thai	Chief executive
Khun Krissana Sa-ngar-sang	Thai	Chief executive
Khun Anuwit Tantisewekul	Thai	Former executive

6. Short-term investments

Consisted of :-

(Unit :Thousand Baht)

		<u>Consolidated and</u>	<u>Separate financial statements</u>
		<u>2016</u>	<u>2015</u>
	<u>Interest rate</u>		
	<u>(% per annum)</u>		
Short-term investments in open-end money market fund			
Cost value		5,171	4,898
<u>Plus</u> Profit from change in fair value		88	57
Total short-term investments		5,259	4,955
Investments in fixed deposits			
Twelve months' time accounts deposit	1.30 – 2.00	3,343	-
Total short-term investments		8,602	4,955

The movement purchase-disposal of investment in available for sale securities for the year ended December 31, 2016 and 2015 as follows :-

	<u>Consolidated and Separate financial statements</u>	
	<u>2016</u>	<u>2015</u>
As at January 1,	4,898	401,561
<u>Plus</u> Purchase in the year	200,000	200,000
<u>Less</u> Disposal in the year	(199,727)	(596,663)
As at December 31,	5,171	4,898



Fair value investment in available for sale securities is measurement level 2 of unit trusts in Opened - End Fund are classified as available for sale Securities, are fair valued based on net assets value at the statements of financial position date, or last business day before the statements of financial position date if there was no trading on the statements of financial position date.

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

7. Trade and other receivables

Consisted of : -

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Trade receivable				
Related parties	-	182	139,119	159,055
<u>Less</u> Allowance for doubtful debts	-	-	(139,119)	(158,873)
Net	-	182	-	182
Other related	188,335	243,536	188,335	243,536
<u>Less</u> Allowance for doubtful debts	(122,596)	(118,567)	(122,596)	(118,567)
Net	65,739	124,969	65,739	124,969
Total trade receivable	65,739	125,151	65,739	125,151

Aging analyses for trade accounts receivable were as follows :-

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Trade receivable related parties				
- Over due				
Less than 3 months	-	182	-	182
From 6 to 12 months	-	-	-	-
More than 12 months	-	-	139,119	158,873
Total	-	182	139,119	159,055
<u>Less</u> Allowance for doubtful debts	-	-	(139,119)	(158,873)
Total trade receivable related parties	-	182	-	182

(Unit :Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Trade receivables-other person or related				
- Not yet due	1,230	60,208	1,230	60,208
- Over due				
Less than 3 months	64,509	60,967	64,509	60,967
From 3 to 6 months	-	3,794	-	3,794
From 6 to 12 months	2,080	-	2,080	-
More than 12 months	120,516	118,567	120,516	118,567
Total	188,335	243,536	188,335	243,536
<u>Less</u> Allowance for doubtful debts	(122,596)	(118,567)	(122,596)	(118,567)
Total trade receivables-other person or related	65,739	124,969	65,739	124,969
Total trade receivables	65,739	125,151	65,739	125,151
Other receivables				
Advance to related parties	41	2,865	20	531
Advance to unrelated parties	4,276	12,718	2,317	11,458
Accrued income	843	1,639	645	1,639
Prepaid expenses	3,371	3,356	3,164	2,928
Other receivables - related parties	17,515	19,419	27,226	26,863
Other receivable - unrelated parties	9,041	10,385	8,143	7,514
Total	35,087	50,382	41,515	50,933
<u>Less</u> Allowance for doubtful debts	(26,516)	(24,945)	(33,623)	(28,026)
Total other receivables	8,571	25,437	7,892	22,907
Total trade and other receivables	74,310	150,588	73,631	148,058

The normal credit terms for the customer of the Group are approximately 7 days to 45 days.



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

	(Unit :Thousand Baht)			
	<u>Consolidated</u>		<u>Separate</u>	
	<u>financial statements</u>		<u>financial statements</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
As at January 1,	118,567	134,403	277,440	293,276
<u>Plus</u> Doubtful debts increased during the year	4,329	3,395	4,329	3,395
<u>Less</u> Reversal of allowance for doubtful debts	(300)	(19,231)	(20,054)	(19,231)
As at December 31,	122,596	118,567	261,715	277,440

Trade receivables overdue more than 6 months in separate statements of financial positions as at December 31, 2016 and 2015, which amount of Baht 261.72 million and Baht 277.44 million respectively, consisted of :-

	(Unit :Thousand Baht)	
	<u>Separate financial statements</u>	
	<u>As at December 31,</u>	
	<u>2016</u>	<u>2015</u>
a) Construction Projects of BR Construction Co., Ltd	139,119	158,873
b) Airport Link Square Project	86,943	86,943
c) Airport Link Square Car Park Project	3,095	3,095
d) Airport Link Square - Building D Project	24,787	24,787
e) United Center Renovation Project	3,317	3,317
f) Bluroc Hau Hin Project	4,329	-
g) Other projects	125	425
Total	261,715	277,440

As at December 31, 2015, the Company has transferred the rights over collections from trade receivable as collateral for credit facilities from financial institutions as discussed in Notes 35.1 Subsequently, in the third quarter of 2016, the Company received a payment from the debtor all such amount.

8. Earned revenues not yet billed

Consisted of :-

(Unit :Thousand Baht)

	<u>Consolidated and Separate financial statements</u>	
	<u>As at December 31,</u>	
	<u>2016</u>	<u>2015</u>
Value of contract	4,404,031	1,896,084
Revenue recognised on percentage of completion basis	1,521,752	1,430,205
<u>Less</u> Value of contract billed (Installment)	(1,400,637)	(1,347,728)
Unbilled receivables (Assets)	121,115	82,477

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

(Unit :Thousand Baht)

	<u>Consolidated and Separate financial statements</u>	
	<u>As at December 31,</u>	
	<u>2016</u>	<u>2015</u>
Cost of construction and gain are recognized (less loss are recognized) until present	1,524,439	1,464,254
<u>Less</u> Value of contract billed (Instalment)	(1,400,637)	(1,347,729)
Gross amounts due from customers	123,802	116,525

Details of earned revenues not yet billed as at December 31, 2016 and 2015 as follows :-

(Unit :Thousand Baht)

	<u>Consolidated and Separate financial statements</u>	
	<u>As at December 31,</u>	
	<u>2016</u>	<u>2015</u>
On - going construction projects	121,115	82,477
Suspended projects or no movement over 12 months	55,777	121,162
Total	176,892	203,639
<u>Less</u> Allowance for doubtful debts	(55,777)	(121,162)
Net	121,115	82,477



For the year ended December 31, 2016 and 2015 there was movement in the allowance for doubtful debts of earned revenues not yet billed as follows :-

	(Unit :Thousand Baht)	
	<u>Consolidated and Separate</u>	
	<u>financial statements</u>	
	<u>2016</u>	<u>2015</u>
As at January 1,	121,162	121,162
<u>Plus</u> Doubtful debts increased during the year	-	-
<u>Less</u> Reversal of allowance for doubtful debts	(65,385)	-
As at December 31,	55,777	121,162

Allowance for doubtful receivables from earned revenues not yet billed of the consolidated and separate financial statement as at December 31, 2016 and 2015, as follows :-

	(Unit :Thousand Baht)	
	<u>Consolidated and Separate financial statements</u>	
	<u>As at December 31,</u>	
	<u>2016</u>	<u>2015</u>
a. Tpi Project	-	16,371
b. Langsual Ville Project	8,010	8,010
c. Klass V Building Project	-	42,659
d. Airport Link Square Project	43,225	43,225
e. Other Project	4,542	10,897
Total	55,777	121,162

9. Retention receivable from customers

Consisted of :-

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Retention receivable amount	60,157	72,091	60,157	72,091
Retention receivable outstanding				
over credit term over 12 months	81,730	85,832	81,730	85,832
Total	141,887	157,923	141,887	157,923
<u>Less</u> Allowance for doubtful debts	(81,730)	(85,832)	(81,730)	(85,832)
Net	60,157	72,091	60,157	72,091

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

	<u>Consolidated and Separate</u>	
	<u>financial statements</u>	
	<u>2016</u>	<u>2015</u>
As at January 1,	85,832	93,165
<u>Plus</u> Doubtful debts increased during the year	19,103	3,369
<u>Less</u> Reversal of allowance for doubtful debts	(23,205)	(10,702)
As at December 31,	81,730	85,832



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

	(Unit :Thousand Baht)	
	<u>Consolidated and Separate financial statements</u>	
	<u>As at December 31,</u>	
	<u>2016</u>	<u>2015</u>
a) North Ponit Condominium Project	16,881	19,367
b) Airport Link Square Project	31,789	31,789
c) Airport Link Square Car Park Project	3,369	3,369
d) Airport Link Square - Building D Project	4,607	4,607
e) United Center Renovation Project	2,973	2,973
f) Aloft Hotel Project	-	20,719
g) Kool Residence Project	3,008	3,008
h) Bluroc Hau Hin Project	19,103	-
Total	81,730	85,832

10. Real estate development cost

Consisted of :-

	(Unit :Thousand Baht)			
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Land and development	394,168	143,778	250,825	-
Condominiums unite	66,676	-	66,676	-
Construction cost	497,593	460,346	30,858	3,614
Interest expenses	49,718	49,845	-	-
Total	1,008,155	653,969	348,359	3,614
<u>Less</u> Tranfer of real estate development cost				
to accumulated cost	(77,322)	(66,413)	-	-
Balance of real estate development cost	930,833	587,556	348,359	3,614
<u>Less</u> Reduce cost to net realisable value	(48,414)	-	(3,566)	-
Total of real estate development cost	882,419	587,556	344,793	3,614

For the year ended December 31, 2016 and 2015 there was movement in the reduction of cost to net realizable value of projects as follows :-

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
As at January 1,	-	-	-	-
<u>Plus</u> Additional set up	48,414	-	3,566	-
<u>Less</u> Reversal as a result of sale	-	-	-	-
As at December 31,	48,414	-	3,566	-

Additional information of the projects

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Total estimated sale value of projects which were operated at the end of year	2,198,154	1,193,584	1,008,252	-
Total sale value of units with signed agreements to buy and sell, or units sold	969,264	279,134	761,418	-
Percentage of sale value of units with signed agreements to buy and sell, or units sold	44.09	23.39	75.52	-

As at December 31, 2016 and 2015, Real estate development cost of the consolidated financial statements total Baht 394.05 million and Baht 569.11 million, respectively. (the Company only : Bath 281.68 million) were pledged as collateral for long-term loans from financial institution in Notes 22, 35.1 and 35.3 and for relieving the enforcement of the court cases sentenced by the Court as discussed in Notes 36. And on October 4, 2016, two subsidiaries company have redeemed the mortgage of land and buildings valued at Baht 451.07 million from financial institutions.



11. Leasehold rights and project under construction

Consisted of :-

(Unit : Thousand Baht)

	<u>Consolidated and</u>	
	<u>Separate financial statements</u>	
	<u>As at December 31,</u>	
	<u>2016</u>	<u>2015</u>
Leasehold rights on land	23,470	24,296
Construction costs	412,064	89,855
Total	435,534	114,151

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.

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 company. The land rental agreement has the period of 3 years 7 months 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 a company 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 15.52 million.

12. Advance payments for purchases of real estate projects under development

At the Board of Directors’ meeting no. 6/2558 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 the detailed are as follows :-

(Unit :Thousand Baht)				
Project	Project costs	Loans for the projects from		Total
		financial institutions	Construction costs as agreed	
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

Advance payments for purchases of real estate projects under development the detailed are as follows :-

(Unit :Thousand Baht)		
<u>Consolidated and Separate financial statements</u>		
<u>As at December 31,</u>		
	<u>2016</u>	<u>2015</u>
American Town project	230,909	230,909
Siam Tara Muntra project	83,724	96,770
Venice East project	151,710	151,710
Total	466,343	479,389



As at December 31, 2016 and 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 Siam Grand Property Co., Ltd (Seller the American Town project, Siam Tara Muntra project and Venice East project) and a former shareholder of Siam Bangkok Development Co., Ltd. to terminate :-

- a) 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 743.00 millions for guarantee profit as specified in the agreements.

- 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.

On September 16, 2015, Siam Grand Property Co., Ltd. ("the Plaintiff") and former shareholder of Siam Bangkok Development Co., Ltd (Co- 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 1.30 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 A) the Plaintiff and Co- plaintiff to transfer the ownership of land title deeds according to the sale and purchase asset agreements of Siam Tara Muntra Project (65 plots), Venice East Project (6 plots) and American Town Project (151 plots), B) if the Plaintiff and the Co- Plaintiff cannot transfer the ownership of land to the Company as required by A), the Plaintiff and the Co- Plaintiff have to repay the Company for the amount paid by the Company of Baht 521.62 million together with interest at the rate of 7.5% per annum of the principal of Baht 515.81 million starting from the date of filing the counterclaim until the Plaintiff and Co- Plaintiff completely settle to the Company, and C) the Plaintiff and Co-plaintiff pay for the damage to the Company of Baht 751.36 million together with interest at the rate of 7.5% per annum of the principal of Baht 743.00 million starting from the date of filing the counterclaim until the Plaintiff and Co-plaintiff completely settle to the Company. The final outcome of these matters cannot presently be determined.

According to the lawsuit, the opinion of independence legal consultant on February 21, 2017, commented about the chance to win in the lawsuit of black cases no. 2206/2558 by reference to evidence used to prosecution that the company delivered. Found that the company is likely to win a civil lawsuit and get compensation which is fines that appeal return but not reached the full amount of prosecution. About the property is expected to be returned after the end of the lawsuit are as follows.

- The contract to purchase common shares of The Siam Bangkok Development Co.,Ltd. under the project "Siam Iyara Resort" is completed contracts ownership of the assets are of the Company.
- The purchasing contract of the project " Siam Tara Mantra" the company held 15 land title deeds but was unable to exploit it. For the another 50 land title deeds holding by the plaintiff and the co-plaintiff



which were transferred to third party in amounting of 23 title deeds and the remaining to 27 to the plaintiff and the co-plaintiff can be able to transfer to a third party the company should be consider to prosecutions revocation trading.

- The purchasing contract of the project "Venice of the East" the plaintiff and the co-plaintiff have joined to transfer ownership of the all land to the third party, the company should be consider to prosecutions revocation trading.
- The purchasing contract of the project "American Town" the company has been received original deed from bank total of 5 plots (but ownership still remaining with the bank because of the property is under the lawsuit) and the bank has delivered the original mortgage contract of mortgagee issue, dated August 13, 2014 and the documents to allow to redeem mortgage from the bank to the company which constitutes a transfer of the rights in accordance by the law.

On December 22, 2015 and on January 19, 2016 the Company filed a petition for injunctive relief and petition for injunctive relief is an emergency order respectively, to the court because of the Company has detection that the Plaintiff and the Co-plaintiff has announced to sale of land in Siam Tara Muntra Project and American Town Project in 65 plots and 151 plots respectively by selling at price that cheaper than normal that cause to have many customer interested to reserve to purchase of land in the project. But the court dismissed the petition in both times. The Company filed a third time petition for injunctive relief on March 8, 2016. However, on September 15, 2016 the court dismissed the petition the third time requesting to injunction.

On June 20, 2016, the Company filed the lawsuit with the Chonburi District Court (criminal case) as per Siam Grand Property Co., Ltd. (1st Defendant) and existing shareholders of Siam Bangkok Development Co., Ltd.(2nd defendant) total 5 cases on charges of corruption by the two defendants jointly to transfer of the case 's property to a third party by intentional and resulted in the Company receiving damaged with the transfer of ownership of land in 23 deed of Siam Tara Mantra project worth about Baht 35.59 million and 6 deed of Venice of the East project worth about Baht 151.71 million as follow :-

<u>Case No.</u>	<u>Offence against</u>	<u>Damages</u>	<u>Progress lawsuit</u>
Black Case No.3781/2559	Cheating Fraud	Selling 5 Land title deed	Preliminary Examination on 20 Feb 17
Black Case No.4635/2559	Cheating Fraud	Selling 5 Land title deed	Aappoint to verdict on 20 Mar 17
Black Case No.4703/2559	Cheating Fraud	Selling 7 Land title deed	Appoint to cross-examine on 7 Mar 17
Black Case No.4771/2559	Cheating Fraud	Selling 5 Land title deed	Appoint to cross-examine on 21 Mar 17
Black Case No.4989/2559	Cheating Fraud	Selling 6 Land title deed	Appoint to cross-examine on 13 Mar 17

13. Deposits for land

Consisted of :-

(Unit :Thousand Baht)

<u>Consolidated and Separate financial statements</u>		
<u>As at December 31,</u>		
	<u>2016</u>	<u>2015</u>
Project from Fine 22 Properties Co., Ltd.	25,000	25,000
Project purchase land in Chonburee province to development	22,000	24,000
Project purchase land in Bangkok province to development	-	50,165
Total	47,000	99,165
<u>Less</u> Allowance for impairment	(43,400)	(49,000)
Net	3,600	50,165

In the third quarter of 2014, the Company paid deposit for purchase of a project to Fine 22 Properties Co., Ltd. of Baht 25.00 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 May 31, 2016. On April 25, 2016, the such company has a written letter to request for delay payment. The such company has delivery 3 cheques, dated July 31, 2016 of totalling Baht 5.18 million (with 15 % interest) , on August 31, 2016 of totalling Baht 10.00 million and on September 30, 2016 of totalling Baht 15.00 million. Subsequently, On October 7, 2016, the Company as above send a request letter to postpone the payment by offering 4 cheques to the Company, the first 2 cheques dated on September 30, 2016 in amount of Baht 1.24 million and Baht 5.18 million (15% interest rate), on October 31, 2016 amount of Baht 10.00 million and on November 30, 2016 amount of Baht 15.00 million .The Company has provided an allowance for impairment of deposit for purchase such project amounting Baht 25.00 million in the consolidated and separate financial statements as at December 31, 2016 and 2015.

In the third quarter of 2015, the Company paid deposit for purchase of a vacant pieces land for developing totalling Baht 25.00 million from a sellers. A seller issued a cheque dated October 10, 2015 amounting to Baht 25.00 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 5.00 million, dated January 10, 2016 amounting to Baht 10.00 million and dated February 10, 2016



amounting to Baht 10.00 million. Up to present, such seller repaid such deposit to the Company amounting Baht 3.00 million; Subsequently, on October 13, 2016, the seller did an agreement letter to transfer the ownership of land and buildings instead of the deposit back from the seller total 6 units value of Baht 3.67 million per unit totaled value are Baht 22.00 million by dated register date to transfer ownership date on November 30, 2016 until July 15, 2017. Subsequently as at February 16, 2017, the Company to transfer the ownership of land and buildings of total 1 unit value of Baht 3.60 million. The Company has provided an allowance for impairment of deposit for purchase land amounting Baht 18.40 million and Baht 24.00 million in the consolidated and separate financial statements as at December 31, 2016 and 2015, respectively.

14. Restricted bank deposits

As at December 31, 2016 and 2015, totaling bank deposits (2016 : interest at 0.80% to 2.00% per annum, 2015 : interest 0.375% to 2.00% per annum) have been pledged as collateral for credit facilities from such financial institutions in Notes 35.1. Letter of guarantees that issued by financial institution on behalf of the Group pledged to suspend enforcement of the court judgement as discussed in Note 36 to the financial statements.

15. Other long-term investments

As at December 31, 2016 and 2015, Other long-term investments Consisted of :-

(Unit :Thousand Baht)					
<u>Consolidated and Separate financial statements</u>					
<u>Company names</u>	<u>Nature of business</u>	<u>Paid up capital</u>	<u>Investment</u>		
			<u>portion</u> (%)	<u>Cost method</u>	
				<u>2016</u>	<u>2015</u>
M.1 Property Co.,Ltd.	Real Estate	120,000	10.00	12,000	12,000
Thai medical center public company limited	Health Care Business	200,539	2.49	5,000	5,000
Bangkok Club Co., Ltd	Sales of food and beverages, services and fitness facilities	450,000	0.22	1,000	1,000
Total				18,000	18,000
<u>Less</u> : allowance for impairment				(18,000)	(18,000)
Net				-	-

16. Investments in subsidiaries

As at December 31, 2016 and 2015 the investments in subsidiaries are as follows :-

(Unit :Thousand Baht))

Company names	Separate financial statements									
	Paid up capital		Percentage of		Cost Method		allowance for		Net	
			ownership (%)				impairment loss			
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
BR Construction Co., Ltd.	60,000	60,000	51.00	51.00	3,600	3,600	(3,600)	(3,600)	-	-
Rich Man Property Co., Ltd.	5,000	5,000	100.00	100.00	37,030	37,030	(37,030)	(4,857)	-	32,173
North Property Co., Ltd.	4,000	4,000	100.00	100.00	66,067	66,067	(43,943)	(17,494)	22,124	48,573
Sajja Bangsaen Condominium Co., Ltd.	4,000	4,000	100.00	100.00	12,768	12,768	(7,859)	-	4,909	12,768
Siam Bangkok Development Co., Ltd.	20,000	20,000	100.00	100.00	20,000	20,000	-	-	20,000	20,000
Imperial Land Co.Ltd.	110,000	-	100.00	-	134,800	-	(65,695)	-	69,105	-
Total					274,265	139,465	(158,127)	(25,951)	116,138	113,514

16.1 On October 31, 2016, the Company purchase the common shares of the Imperial Land Co.,Ltd. (subsidiary) amounting to 1.10 million shares from 3 individual and related parties are UA WITHYA Plc., Mr. Wutichai Leenabanchong and Mr. Monthon Chatuwatlopkul at Baht 134.80 million, in addition, the company will be pay back the loan and accrued interest, calculated to February 13, 2015, to UA WITHYA Plc. instead of the subsidiary in the amount of Baht 144.00 million, as of acquisition date subsidiary has outstanding including accrued interest with UA WITHYA Plc. total amount of Baht 176.92 million. In accordance with the conditions specified in the memorandum annexed to the agreement to transfer the rights dated October 31, 2016, UA WITHYA Plc.had transfer the right to claim the difference between the debt and the accrued interest, in the financial statements, on acquisition date and with the debt and accrued interest on the original terms amount of Baht 32.92 million to the company, the company had recorded this amount of the debt of Baht 32.92 million and the difference between the amount to purchase common shares to the book value of net assets as purchasing date in amount of Baht 128.00 million as part of the " prepaid leasehold " by without recognition of goodwill or a gain from a negotiation due to this purchasing of common shares of the subsidiary is not in the definition of the acquisition business according to the terms stated in the Financial Reporting Standard No.3, Business Combinations.



Net book value of assets and liabilities of the company Imperial Land Co.,Ltd. (subsidiary) as at the of acquisition are as follows :-

(Unit :Thousand Baht)

Assets

Cash and cash equivalents items	882
Trade and other receivables	217
Advance payments for materials and contractors	538
Other current assets	1
Prepaid leasehold	227,333
Property, plant and equipment	1,200
Total assets	230,171

Liabilities

Trade and other payables	12,998
Advances received from customers	1,022
Short-term loans from related persons	202,920
Other current liabilities	10
Retention payable to contractors	6,422
Total liabilities	223,372
Net Assets	6,799
Cash paid Acquisition of investment	(134,800)
Increase in investment in subsidiaries	128,001

16.2 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 12.

16.3 There was no dividend received from the subsidiaries during the year ended December 31, 2016 and 2015

17. Investments in associates and joint venture

As at December 31, 2016 and 2015, investments in associates and joint venture as follows :-

		(Unit :Thousand Baht)							
Company names	Paid up capital		Percentage of ownership (%)		Consolidated		Separate		
					financial statements		financial statements		
					Net book value on equity		Cost method		
	2016	2015	2016	2015	method		2016	2015	
Sanken - EMC Co., Ltd	40.00	10.00	48.00	48.00	3,381	1,910	19,200	4,800	
JV EMC-PLE	-	-	-	49.00	85	-	-	-	
					3,466	1,910	19,200	4,800	

According to the extraordinary shareholders meeting 1/2559 of Sanken - EMC Co., Ltd, held on January 14, 2016, have a resolution to call increase paid up for common share from shareholders in the amount of Baht 50 per share that the Company had paid totalling Baht 9.60 million, after the payment the Company will be investment in Sanken - EMC Co., Ltd totalling 191,997 shares at Baht 75 per share, totalling Baht 14.40 million or 48 percent be the same.

According to the extraordinary shareholders meeting 2/ 2559 of Sanken - EMC Co., Ltd, held on November 17, 2016, have a resolution to call increase paid up for common share from shareholders in the amount of Baht 25 per share that the Company had paid totalling Baht 4.80 million, after the payment the Company will be investment in Sanken - EMC Co., Ltd totalling 191,997 shares at Baht 100 per share, totalling Baht 19.20 million or 48 percent be the same.

For the year ended December 31, 2016 and 2015, share of loss and dividend income in associates and joint venture as follows :-

		(Unit :Thousand Baht)			
		Consolidated		Separate	
		financial statements		financial statements	
		Share of loss		Dividend income	
		2016	2015	2016	2015
Sanken - EMC Co., Ltd		(12,929)	(2,541)	-	-
JV EMC-PLE		641	(3,842)	-	7,350
Total		(12,288)	(6,383)	-	7,350



Financial information of associates and joint venture that are material can be summarized as follows :-

	(Unit :Thousand Baht)			
	<u>Sanken - EMC Co., Ltd</u>		<u>JV EMC-PLE</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Current assets	7,585	7,807	790	855
Non-current assets	4,040	2,125	-	23
Current liabilities	3,321	5,913	1,718	3,074
Non-current liabilities	1,258	39	-	-

	(Unit :Thousand Baht)			
	<u>Sanken - EMC Co., Ltd</u>		<u>JV EMC-PLE</u>	
	<u>For the year ended December 31,</u>			
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Revenues	3,609	1,497	1,440	150
Profit (loss) from continuing operations	(26,935)	(5,294)	1,268	(7,842)
Profit (loss) other comprehensive income	(26,935)	(5,294)	1,268	(7,842)
Profit (loss) comprehensive income	(26,935)	(5,294)	1,268	(7,842)

18. Land awaiting development

As at December 31, 2015, in the consolidated financial statements, the awaiting development at the book value of Baht 59.89 million, have been pledged as collateral against the long-term loan from commercial banks as mentioned in the notes to financial statements No. 22. Subsequently, on October 4, 2016, the subsidiary companies have redeemed all amount of the mortgage of land and buildings from financial institutions.

19. Prepaid leasehold

Consisted of :-

(Unit : Baht)

<u>Consolidated financial statements</u>		
<u>As at December 31,</u>		
	<u>2016</u>	<u>2015</u>
Construction costs	198,222	-
Special compensation	32,755	-
Increased investments in subsidiaries	128,001	-
<u>Less</u> Settlement of liabilities from the acquisition of investments in subsidiaries	(32,920)	-
Total	326,058	-
<u>Less</u> Accumulated amortization	(5,634)	-
Loss on impairment	(29,424)	-
Net	291,000	-

As at December 31, 2016 the Imperial Land Co.,Ltd. (subsidiary) received the rights to management land and building, 7 storey, by lease land and building agreement between the Imperial Land Co.Ltd. and Bejaratana-Suvadhana Foundation dated on December 1, 2015 under the project name “ The STATION 1 @ CHINATOWN” in period of 30 years commencing on June 1, 2016 until May 31, 2046, compensation through rental life for Baht 161.01 million, payments separate in 3 parts: are 1). special compensation totaled amount Baht 60.00 million paid in 6 years in amount of Baht 10.00 million every year and paid in full amount before December 10, 2019 (in present already paid in Baht 30.00 million), 2) compensation for the lacking of interest between renovation building totaling Baht 2.76 million will be pay on the every 10th of the month on rate of Baht 0.05 million until the renovation is complete (starting on May 1, 2013. to, 30 November 2015) and from December 1, 2015 until May 31, 2016 to pay at rate of Baht 0.20 million per month (now fully paid the whole amount) and 3) the monthly rental over the life of contract the total value of Baht 96.67 million will be pay on the 10th of every month throughout the 30 years from 2016, the company will be recognizes the monthly rental as an expense in the financial statements by strait line method all over contract.

Consolidated financial statements Amortization for the year ended December 31, 2016, the amount recognized in the consolidated income statement for the year.



20. Property, plant and equipment

Consisted of :-

(Unit :Thousand Baht)

<u>Consolidated financial statements</u>								
	Land	Buildings	Building improvements	Sales gallery	Tools, machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Total
Cost :								
As at January 1, 2015	20,425	94,297	28,539	-	146,737	53,699	26,449	370,146
Increase from investments in subsidiaries	-	-	-	-	-	46	-	46
Acquisition	-	-	526	3,808	1,077	3,531	-	8,942
Disposals / write off	-	-	-	-	(29,510)	(970)	(118)	(30,598)
As at December 31, 2015	20,425	94,297	29,065	3,808	118,304	56,306	26,331	348,536
Increase from investments in subsidiaries	-	-	-	-	-	1,254	-	1,254
Acquisition	-	-	-	5,483	296	1,757	11,588	19,124
Reclassify is Land awaiting development and Intangible assets	-	(49,297)	-	-	-	(906)	-	(50,203)
Transfer in/Transfer out	-	-	-	-	(186)	186	-	-
Disposals / write off	-	-	-	(5,030)	(5,431)	(5,068)	(260)	(15,789)
As at December 31, 2016	20,425	45,000	29,065	4,261	112,983	53,529	37,659	302,922
Incremental amount :								
As at January 1, 2015	3,605	42,283	-	-	-	-	-	45,888
As at December 31, 2015	3,605	42,283	-	-	-	-	-	45,888
Increase of revalued during the year	4,005	76,821	-	-	-	-	-	80,826
As at December 31, 2016	7,610	119,104	-	-	-	-	-	126,714
Accumulated depreciation Incremental amount :								
As at January 1, 2015	-	4,286	-	-	-	-	-	4,286
Depreciation	-	3,020	-	-	-	-	-	3,020
As at December 31, 2015	-	7,306	-	-	-	-	-	7,306
Increase of revalued during the year	-	20,718	-	-	-	-	-	20,718
Depreciation	-	3,020	-	-	-	-	-	3,020
As at December 31, 2016	-	31,044	-	-	-	-	-	31,044
Net book value settlement from Incremental :-								
As at December 31, 2015	3,605	34,977	-	-	-	-	-	38,582
As at December 31, 2016	7,610	88,060	-	-	-	-	-	95,670
Accumulated depreciation :-								
As at January 1, 2015	-	17,862	28,481	-	99,039	47,036	21,363	213,781
Depreciation	-	4,715	94	529	22,330	4,195	1,780	33,643
Increase from investments in subsidiaries	-	-	-	-	-	7	-	7
Disposals / write off	-	-	-	-	(23,412)	(916)	(119)	(24,447)

(Unit :Thousand Baht)

Consolidated financial statements

	Land	Buildings	Building improvements	Sales gallery	Tools, machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Total
As at December 31, 2015	-	22,577	28,575	529	97,957	50,322	23,024	222,984
Depreciation	-	2,250	169	1,897	14,058	2,856	2,291	23,521
Increase from investments in subsidiaries	-	-	-	-	-	54	-	54
Disposals / write off	-	-	-	(850)	(5,377)	(4,970)	(260)	(11,457)
Reclassify is Land awaiting development	-	(3,707)	-	-	-	-	-	(3,707)
Transfer in/Transfer out	-	-	-	-	(121)	121	-	-
As at December 31, 2016	-	21,120	28,744	1,576	106,517	48,383	25,055	231,395
Net book value :								
As at December 31, 2015	24,030	106,697	490	3,279	20,347	5,984	3,307	164,134
As at December 31, 2016	28,035	111,940	321	2,685	6,466	5,146	12,604	167,197

Depreciation in profit or loss for the years :-

End of December 31, 2015	33,643
End of December 31, 2016	23,521

(Unit :Thousand Baht)

Separate financial statements

	Land	Buildings	Building improvements	Sales gallery	Tools, machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Total
Cost :-								
As at January 1, 2015	20,425	94,297	28,539	-	146,220	53,186	26,450	369,117
Acquisition	-	-	526	3,808	1,068	3,330	-	8,732
Disposals / write off	-	-	-	-	(29,223)	(752)	(118)	(30,093)
As at December 31, 2015	20,425	94,297	29,065	3,808	118,065	55,764	26,332	347,756
Acquisition	-	-	-	5,389	295	1,682	11,588	18,954
Reclassify is Land awaiting development and Intangible assets	-	(49,297)	-	-	-	(906)	-	(50,203)
Disposals / write off	-	-	-	(5,030)	(5,423)	(4,838)	(260)	(15,551)
As at December 31, 2016	20,425	45,000	29,065	4,167	112,937	51,702	37,660	300,956
Incremental amount :								
As at January 1, 2015	3,605	42,283	-	-	-	-	-	45,888
As at December 31, 2015	3,605	42,283	-	-	-	-	-	45,888
Increase of revalued during the year	4,005	76,821	-	-	-	-	-	80,826
As at December 31, 2016	7,610	119,104	-	-	-	-	-	126,714



(Unit :Thousand Baht)

Separate financial statements

	Land	Buildings	Building improvements	Sales gallery	Tools, machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Total
Accumulated depreciation Incremental amount :								
As at January 1, 2015	-	4,286	-	-	-	-	-	4,286
Depreciation	-	3,020	-	-	-	-	-	3,020
As at December 31, 2015	-	7,306	-	-	-	-	-	7,306
Increase of revalued during the year	-	20,718	-	-	-	-	-	20,718
Depreciation	-	3,020	-	-	-	-	-	3,020
As at December 31, 2016	-	31,044	-	-	-	-	-	31,044
Net book value settlement from Incremental :-								
As at December 31, 2015	3,605	34,977	-	-	-	-	-	38,582
As at December 31, 2016	7,610	88,060	-	-	-	-	-	95,670
Accumulated depreciation :-								
As at January 1, 2015	-	17,862	28,481	-	98,707	46,634	21,363	213,047
Depreciation	-	4,715	94	529	22,293	4,132	1,780	33,543
Disposals / write off	-	-	-	-	(23,185)	(706)	(118)	(24,009)
As at December 31, 2015	-	22,577	28,575	529	97,815	50,060	23,025	222,581
Depreciation	-	2,250	169	1,886	14,047	2,638	2,291	23,281
Disposals / write off	-	-	-	(851)	(5,375)	(4,772)	(260)	(11,258)
Reclassify is Land awaiting development	-	(3,707)	-	-	-	-	-	(3,707)
As at December 31, 2016	-	21,120	28,744	1,564	106,487	47,926	25,056	230,897
Net book value :								
As at December 31, 2015	24,030	106,697	490	3,279	20,250	5,704	3,307	163,757
As at December 31, 2016	28,035	111,940	321	2,603	6,450	3,776	12,604	165,729
Depreciation in profit or loss for the years :-								
End of December 31, 2015								33,543
End of December 31, 2016								23,281

As at December 31, 2016 and 2015, the Group assets in consolidated financial statements at cost amount of Baht 139.80 million and Baht 121.80 million respectively. (the Company only : Bath 139.75 million and Baht 121.65 million respectively) were fully depreciated but most of them are still in use.

As at December 31, 2016 and 2015, in the consolidated and the separate financial statements, the condominium at the book value of Baht 111.94 million and Baht 80.57 million respectively have been pledged as collateral against the credit facilities from commercial banks as mentioned in the notes to financial statements Note. 35.1.

As at December 31, 2016 and 2015, revaluation surplus of fixed assets amounting to Baht 76.09 million and Baht 30.87 million respectively, shown as “Other component of equity - net” under “Equity”, The revaluation surplus on fixed assets is not available for dividend distribution.

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 period and basic loss per share would have been changed for the year ended December 31, 2016 and 2015, as follows :-

	<u>Consolidated and</u> <u>Separate financial statements</u>	
	<u>For the year</u> <u>ended December 31,</u>	
	<u>2016</u>	<u>2015</u>
Loss for the period increase (Thousand Baht)	3,020	3,020
Basic loss per share increase (Baht per share)	0.0004	0.0007

As at 31 December 2016 the Group has provided a land and office building valuation by the independent appraisal by compare the market approach method. The Group recorded a gain on revaluation in the other comprehensive income statement for the year ended December 31, 2016 total amount of Baht 60.11 million.

Fair value measurement level 3 of land in amounting Baht 28.04 million and office building in amounting Baht 111.94 million have calculated by “Market Approach” by comparable properties that are similar and traded that similar or different from the property appraised by sufficient number. The valuation must consider in various factors that affect the value of the property as assessed in comparison with market information to compare such as location, city plan, land plot, size of living space, building quality etc. and then analyse the property valuation by using various techniques such as Sale Adjustment - Grid Method, Weighted Quality Score (WQS) and so on.



21. Trade and other payables

Consisted of :-

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Trade payables related person or entities	14,769	17,460	14,060	13,262
Trade payables other person or entities	73,654	136,660	71,279	130,598
Other payable related person or entities	7,250	7,250	7,250	7,250
Other payable other person or entities	750	429	317	-
Dividends payable	2,453	2,825	2,453	2,825
Accrued expenses	26,393	46,687	16,697	44,561
Total trade and other payables	125,269	211,311	112,057	198,495

22. Long-term loans from financial institutions

Consisted of :-

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Long-term loans from financial institutions	114,601	174,213	114,601	-
<u>Less</u> Current portion of long-term loans	(42,066)	(174,213)	(42,066)	-
Net	72,535	-	72,535	-

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

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Balance as at 1 January	174,213	236,560	-	-
<u>Add</u> Additional borrowings	118,388	20,046	118,388	-
Amortization of financial fees	13	-	13	-
<u>Less</u> Repayment during the year	(174,213)	(82,393)	-	-
Payment for financial fees	(3,800)	-	(3,800)	-
Balance as at 31 December	114,601	174,213	114,601	-

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

<u>Credit Line</u>		<u>Outstanding balance</u>		<u>Interest rate</u>		<u>Repayment of principal and interest rate</u>
<u>(Million Baht)</u>		<u>(Million Baht)</u>		<u>(% p.a.)</u>		
<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	
-	25.00	-	4.10	-	MLR	- 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 *
						- Payment of the interest at each monthly from the first November 2015 until the end of the agreement.
-	185.00	-	143.59	-	MLR	- From September 2016 to October 2016, Baht 30.00 million per month and will fully repay of the final instalment in November 2016 when releasing the mortgage of condominium in the North Beach Project - A and C Buildings which are pledged for sell. The borrower agreed to repay 80% of selling price according to purchase and sales agreement in each unit. The borrower agreed with the bank to repay for loan credit facility line of Baht 25 million after that repay to loan facility line of Baht 185 million.
						- Payment of the interest at each monthly from the first November 2015 until the end of the agreement.
-	193.00	-	26.52	-	MLR	- 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 4 8 months from the first drawdown loan.
						- Payment of the interest at each monthly from the first drawdown loan.
350	-	4.89	0.37	MLR-1.50	-	- Repayment of the mortgage unit at a rate of not less than 70% of unit price contract and not less than per square meter, according to the agreement to be completed within 36 months from the contract date. (within year 2019)
						- Payment of the interest at each monthly from the first drawdown loan.



<u>Credit Line</u>		<u>Outstanding balance</u>		<u>Interest rate</u>		<u>Repayment of principal and interest rate</u>
<u>(Million Baht)</u>		<u>(Million Baht)</u>		<u>(% p.a.)</u>		
<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	
250	-	109.71	-	MLR	-	- Repayment of principal for a year The median value of work of the Bang Khun Thian hospital project in proportion of not less than 11% of the amount of work that has been each year, according to the agreement to be completed within 36 months from the contract date. (within year 2019)
						- Payment of the interest at each monthly from the first drawdown loan.
600	403.00	114.60	174.58			

* Repayment at Baht 30.00 million per installment by repayment with credit line amounted to Baht 185.00 million.

Long-term loans facilities of the Group are secured by mortgages of land and construction in progress of the Group, a director and a former shareholder of subsidiary. And the transfer of deposit claims and transfer the money is guarantees.

As at December 31, 2016 and 2015, the subsidiaries which have not yet been drawn down amounted to Baht 481.61 million and Baht 90.90 million respectively.

23. Liabilities under long-term lease contract

Consisted of :-

	<u>(Unit : Thousand Baht)</u>			
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Liabilities under financial lease contracts				
- Within 1 year	2,526	323	2,526	323
- Over 1 year but not over 5 years	5,991	484	5,991	484
Total financial lease contracts liabilities	8,517	807	8,517	807
<u>Less</u> Future interest in the financial lease contracts liabilities	(791)	(43)	(791)	(43)
Present value of liabilities under financial lease	7,726	764	7,726	764
<u>Less</u> Current portion of liabilities under financial lease contracts	(2,162)	(296)	(2,162)	(296)
Liabilities under financial lease contracts-net	5,564	468	5,564	468

As at December 31, 2016 and 2015, has entered into 3 and 1 financial lease and hire-purchase contracts to purchase vehicles, respectively, with two of the financial institution. The monthly repayable is Baht 0.21 million and Baht 0.03 million respectively and period of contract are duration of 3-4 years and 4 years, respectively, which were guaranteed by the Company's directors. When all the hire-purchase contractual payment have been paid, the ownership of the said vehicles would automatically belong to the Company.

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

(Unit : Thousand Baht)

Consolidated and Separate financial statements

As at December 31, 2016

	<u>Within 1 year</u>	<u>1 - 5 years</u>	<u>Total</u>
Future minimum lease payments	2,526	5,991	8,517
Deferred interest expense	(364)	(428)	(791)
Present value of future minimum lease payments	2,162	5,564	7,726

(Unit : Thousand Baht)

Consolidated and Separate financial statements

As at December 31, 2015

	<u>Within 1 year</u>	<u>1 - 5 years</u>	<u>Total</u>
Future minimum lease payments	323	484	807
Deferred interest expense	(27)	(16)	(43)
Present value of future minimum lease payments	296	468	764



24. Provision for short-term liabilities

Consisted of :-

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>				
	Provision for maintenance	Allowance for loss on litigation claim	Estimates of future losses	Compensation for Housing Estate Juristic Persons	Total
As at December 1, 2015	46,511	58,519	17,640	-	122,670
Increase during the year	12,567	12,387	2,312	-	27,266
Utilised	(12,948)	(2,626)	-	-	(15,574)
Reversal of provisions	-	-	(579)	-	(579)
As at December 31, 2015	46,130	68,280	19,373	-	133,783
Increase during the year	33,080	2,979	-	431	36,490
Utilised	(11,452)	(55,014)	(1,920)	-	(68,386)
Reversal of provisions	(3,332)	(12,595)	(5,373)	-	(21,300)
As at December 31, 2016	64,426	3,650	12,080	431	80,587

(Unit : Thousand Baht)

	<u>Separate financial statements</u>				
	Provision for maintenance	Allowance for loss on litigation claim	Estimates of future losses	Compensation for Housing Estate Juristic Persons	Total
As at December 1, 2015	46,511	58,519	4,881	-	109,911
Increase during the year	12,567	12,387	-	-	24,954
Utilised	(12,948)	(2,626)	-	-	(15,574)
As at December 31, 2015	46,130	68,280	4,881	-	119,291
Increase during the year	25,228	2,979	-	-	28,207
Utilised	(11,452)	(55,014)	-	-	(66,466)
Reversal of provisions	(3,332)	(12,595)	(4,881)	-	(20,808)
As at December 31, 2016	56,574	3,650	-	-	60,224

25. Employee benefit obligations

For the year ended December 31, 2016 and 2015, changes in the present value of the employee benefit obligation as follows : -

	(Unit : Thousand Baht)	
	<u>Consolidated and Separate financial statements</u>	
	<u>2016</u>	<u>2015</u>
Employee benefit obligations as at January 1,	24,041	18,205
Current service cost and interest	7,451	6,399
Actuarial gains	-	(564)
Employee benefit obligations as at December 31,	31,492	24,040

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

	(Unit : Thousand Baht)	
	<u>Consolidated and Separate financial statements</u>	
	<u>2016</u>	<u>2015</u>
Current service cost	6,922	5,338
Financial cost	529	1,061
Actuarial gains	-	(564)
Total	7,451	5,835

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

	<u>Consolidated and Separate financial statements</u>	
	<u>2016</u>	<u>2015</u>
Discount Rate	2.20% per year	3.27% per year
Salary increment Rate	5.00% per year	5.00% per year
Resignation Rate	24%-32% per year	20%-27% per year
Retired Age	60 years	60 years



Changes in the actuarial assumption will affect to the employee benefit obligation as follows :

(Unit : Thousand Baht)		
<u>Consolidated and Separate financial statements</u>		
	<u>2016</u>	<u>2015</u>
If the discount rate increase 1%	(1,768)	(1,402)
If the discount rate decrease 1%	1,968	1,560
If the future salary growth increase 1%	2,342	1,597
If the future salary growth decrease 1%	(2,135)	(1,462)
If the future turnover of staff increase 1%	(1,920)	(1,532)
If the future turnover of staff decrease 1%	354	310
If the proportion of life expectancy increase 1 year	200	161
If the proportion of life expectancy decrease 1 year	(198)	(159)

Information about the maturity of the employee benefit obligation are as follows :

(Unit : Thousand Baht)		
<u>Consolidated and Separate financial statements</u>		
<u>As at December 31,</u>		
	<u>2016</u>	<u>2015</u>
Amount of the obligation expected to be paid		
- Not later than 1 year	6,116	-
- Later than 1 year but not later than 5 years	14,939	17,927
- Over 5 years	414,890	418,018
Weighted average duration of the obligation	21.84 years	21.84 years

26. Share capital

Consisted of :-

(Unit : Thousand Baht)				
<u>Consolidated and Separate financial statements</u>				
	<u>Issued and paid-up</u>	<u>Premiums on ordinary</u>	<u>Discount on</u>	<u>Total</u>
	<u>share capital</u>	<u>shares</u>	<u>share capital</u>	
As at January 1, 2015	3,557,232	248,605	(1,193,380)	2,612,457
Increase in share capital	4,872,812	-	(3,263,900)	1,608,912
As at December 31, 2015	8,430,044	248,605	(4,457,280)	4,221,369
Increase in share capital	3,691	-	(2,588)	1,103
As at December 31, 2016	8,433,735	248,605	(4,459,868)	4,222,472

For the year ended December 31, 2016, to increase the total share capital resulted from the exercised warrants from those financial institutions as discussed in Notes 27.

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 Bath 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:

Distributeto	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.

27. 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 last exercised warrant was on March 15, 2016, which were exercised totalling 2,764,899 units. The Company has registered the change in issued and paid-up share capital resulted from the exercised warrants from 2,965,021,790 common shares at Baht 1 par value to be 2,968,712,926 common shares at Baht 1 par value with the Ministry of Commerce on March 22, 2016. The Company had discount on share capital of Baht 2.58 million from such exercised warrants. Subsequent, registered increase such share capital resulted the Company has a paid-up share capital totalling Baht 8,433.73 million.

As at December 31, 2016, the whole amount of the Company’s warrants has not yet been exercised and expired Amount 1,153,646,071 Unit.

At the Extra-ordinary Shareholders’ Meeting no. 2/2558 held on November 3, 2015, the shareholders unanimously passed the resolution to issue 2,107,510,895 warrants (“EMC-W5”), to the Company’s existing shareholders who had share subscription and paid the share subscription. Details as follows :-

	Description
Type of warrant	Registered name and transferable
Term of warrants	Within two years from the issuance date and selling the warrant (Last exercise date will be on October 30, 2017)
To be issued and offered quantities	2,107,510,895 units
Offering price per warrant	At zero value
Exercise ratio	1 warrant to 1 common share
Exercise price	Baht 0.25 per share



28. Income tax

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

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

	(Unit : Thousand Baht)			
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>		<u>As at December 31,</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
<u>Temporary differences</u>				
Allowance for doubtful account doubtful and allowance for impairment				
- Deposits for lands	8,680	-	8,680	-
- Allowance for doubtful	9,131	58,105	8,047	58,105
Employee benefits obligation	31,492	24,040	31,492	24,040
Allowance for loss on litigation claim	730	13,656	3,650	13,656
Estimated maintenance	14,670	-	11,314	-
Total	64,703	95,801	63,183	95,801
<u>Unused tax losses</u>				
Tax losses carry forward	1,352,149	13,181,645	1,057,841	1,043,494

Detail of deferred tax liabilities as at December 31 2016 and 2015 as follows :-

	<u>Consolidated and Separate financial statements (Thousand Baht)</u>		
	<u>Transaction record</u>		
	<u>add (less) in</u>		
	<u>December 31,2015</u>	<u>shareholders' equity</u>	<u>December 31,2016</u>
deferred tax liabilities			
Revaluation surplus of fixed assets	(7,716)	(11,418)	(19,134)

29. Natures of expenses

For the years ended December 31, 2016 and 2015 consist of: -

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>For the years ended December 31,</u>			
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Cost of Land and construction expenses during the year	10,459	135,460	-	18,607
Revaluation of real estate development cost to net realizable value	48,414	-	3,566	-
Change in work in progress	31,661	(3,129)	31,661	(3,129)
Sub-contractors expenses	225,230	272,957	225,230	272,957
Employee benefit expenses	156,422	159,909	156,422	159,909
Supplies and construction materials used	197,846	147,957	197,846	147,957
Direct labor expenses	39,361	84,054	39,361	84,054
Depreciation and amortization	23,543	33,719	23,284	33,609
Estimated maintenance	29,748	12,567	21,896	12,567
Estimated loss from litigation	2,979	12,386	2,979	12,386
Allowance for doubtful account	31,887	42,336	111,037	44,496
Loss from decline in value of investments	-	-	132,177	11,794
Loss on impairment of prepaid leasehold	29,424	-	-	-
Financial cost	12,660	4,539	2,656	1,846
Other expenses	106,945	172,118	93,830	154,731
Total	946,579	1,074,873	1,041,945	951,784

30. Basic loss per share

Basic loss per share is calculated by dividing loss for the year attributable to ordinary shareholders of the Parent Company (excluding other comprehensive income) by weighted average number of issued and paid-up ordinary shares during the year



The weighted average number of shares for each of year ended December 31, 2016 and 2015 are as follows :-

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>For the year ended December 31,</u>			
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Loss for the year (Thousand Baht)	(271,725)	(297,654)	(345,914)	(260,069)
Weighted average number of shares (Thousand shares)	8,432,918	4,281,949	8,432,918	4,281,949
Basic loss per share (Baht)	(0.0322)	(0.0695)	(0.0410)	(0.0607)

As at December 31, 2016 and 2015 the Company does not calculate the number of common shares equivalents that may be issued for warrants to purchase common shares due to warrants ("EMC-W4") has expired during the year in whole amount and the price of the exercise right of warrants. ("EMC-W5") is higher than the market price of the common shares of the Company.

31. Additional cash flow information

31.1 Cash and cash equivalents items as following details :-

	(Unit : Thousand Baht)			
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at December 31,</u>			
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Cash	3,651	3,293	3,419	3,272
Deposits at banks	165,438	1,072,252	147,036	1,063,853
Deposits at banks with term not exceeding three months	30,306	-	30,306	-
Total	199,395	1,075,545	180,761	1,067,125

As at December 31, 2016 and 2015 deposits saving accounts and fixed deposits of the Group bearing interest at the rates of 0.125% to 0.375% per annum (2015: 0.125% to 0.50% per annum) (Separate : 0.125% to 0.375% per annum, 2015 0.125% to 0.50% per annum)

31.2 Non- cash transactions

	(Unit : Thousand Baht)			
	<u>Consolidated financial</u>		<u>Separate financial</u>	
	<u>statements</u>		<u>statements</u>	
	<u>As at December 31,</u>			
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
1. Transfer deposits for land to real estate development cost	50,165	-	50,165	-
2. Amortisation evaluation surplus of buildings	3,020	3,020	3,020	3,020
3. Valuation surplus of assets increase	60,108	-	60,108	-
4. Transfer furnishings to intangible assets	906	-	906	-
5. Acquired vehicles under finance lease contracts	8,399	-	8,399	-
6. Acquired investment property by offset trade receivable	12,226	-	12,226	-
7. Acquired investment property by offset trade payables	4,920	-	4,920	-
8. Transfer residential condominium units from property, plant and equipment to real estate development cost	45,590	-	45,590	-

32. Operating segments

Operating segments information in the consolidated financial statements for year ended December 31, 2016 and 2015, the details are as follows :-

	(Unit : Thousand Baht)					
	<u>Total reportable seg-</u>			<u>Consolidated</u>		
	<u>Construction contracting</u>	<u>Real estate development</u>	<u>ments</u>	<u>Elimination of inter-segment</u>	<u>financial statements</u>	
	2016	2015	2016	2015	2016	2015
Revenue from operation	572,097	631,828	14,807	145,845	586,904	777,673
Cost from operation	(560,776)	(642,507)	(46,267)	(99,398)	(619,650)	(777,967)
Loss from operation	11,321	(10,679)	(31,460)	46,447	(32,746)	(294)
Other income			(20,139)	35,768	104,268	89,413
Selling expenses					(75,767)	(48,709)
Administrative expenses					(238,501)	(243,659)
Financial cost					(12,660)	(4,539)
Share of loss of investments in associates and joint venture					(12,288)	(6,383)
Loss before income tax expenses					(267,694)	(214,171)
Income tax expenses					-	(82,615)
Loss for the year					(267,694)	(296,786)



Details of the sectorial business assets in the consolidated financial statements as at December 31, 2016 and 2015 are as follows :-

(Unit : Thousand Baht)											
	Construction contracting		Real estate development		Total reportable segments		Elimination of inter-segment		Consolidated financial statements		
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	
Sectorial business assets											
- Trade receivables and earned revenues not yet billed	186,854	207,627	-	-	186,854	207,627	-	-	186,854	207,627	
- Real estate development cost	-	-	868,741	517,588	868,741	517,588	13,678	69,968	882,419	587,556	
- Advance payments for purchases of real estate project under developments	-	-	466,343	479,389	466,343	479,389	-	-	466,343	479,389	
- Leasehold rights and project under construction	-	-	435,534	114,151	435,534	114,151	-	-	435,534	114,151	
Unallocated assets	-	-	225,880	-	225,880	-	65,120	-	291,000	-	
Total assets	186,854	207,627	1,996,498	1,111,128	2,183,352	1,318,755	78,798	69,968	3,096,609	3,315,988	



33. Financial instruments

Financial risk management policy

The Group hold risk to change of interest rate and from nonperformance of contractual obligations by contract parties. The Group will consider to using appropriate financial instruments when it considers necessary to manage such risks. However, the Group do not have any policy to hold or issue any financial instruments for speculation or for trading.

Risk liquidity

The Group monitor its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

Foreign Currency Risk

The 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 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 Group. The Group's exposure to interest rate risk relates primarily to its deposits at financial institutions, short-term loans, from financial institutions and liabilities under finance lease contracts.

However, since most of the Group'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, 2016 and 2015, 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).

(Unit : Thousand Baht)

Consolidated Financial Statements						
December 31, 2016						
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total
	Within 1 year	1- 5 years	Over 5 years			
Financial assets						
Cash and cash equivalents items	-	-	-	195,744	3,651	199,395
Short-term investments	-	-	-	-	8,603	8,603
Trade and other receivables	-	-	-	-	74,310	74,310
Retention receivable from customers	-	-	-	-	60,157	60,157
Restricted bank deposits	161,696	-	-	-	-	161,696
Total	161,696	-	-	195,744	146,721	504,161
Financial liabilities						
Trade and other payables	-	-	-	-	155,269	155,269
Advances received from customers	-	-	-	-	199,650	199,650
Retention payable to contractors	-	-	-	-	90,167	90,167
Short-term loans from related persons	-	-	-	-	175,836	175,836
Long-term loans from financial institutions	42,066	72,535	-	-	-	114,601
Liabilities under finance lease contracts	2,162	5,563	-	-	-	7,725
Total	44,228	78,098	-	-	620,922	743,248



(Unit : Thousand Baht)

Consolidated Financial Statements

December 31,2015

Fixed interest rates

	Within 1 year	1- 5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total
Financial assets						
Cash and cash equivalents items	-	-	-	1,072,253	3,292	1,075,545
Short-term investments	-	-	-	-	4,955	4,955
Trade and other receivables	-	-	-	-	150,587	150,587
Retention receivable from customers	-	-	-	-	72,091	72,091
Short-term loans and interest receivable to related	3,339	-	-	-	-	3,339
Restricted bank deposits	206,731	-	-	-	-	206,731
Total	210,070	-	-	1,072,253	230,925	1,513,248
Financial liabilities						
Trade and other payables	-	-	-	-	211,311	211,311
Advances received from customers	-	-	-	-	120,342	120,342
Retention payable to contractors	-	-	-	-	110,658	110,658
Short-term loans from related persons	-	-	-	-	15,970	15,970
Long-term loans from financial institutions	174,212	-	-	-	-	174,212
Liabilities under finance lease contracts	296	468	-	-	-	764
Total	174,508	468	-	-	458,281	633,257

(Unit : Thousand Baht)

Separate Financial Statements

December 31, 2016

Fixed interest rates

	Within 1 year	1 - 5 years	Over 5 years	Floating interest rate	Non-interest bearing	Total
Financial assets						
Cash and cash equivalents items	-	-	-	177,341	3,420	180,761
Short-term investments	-	-	-	-	8,602	8,602
Trade and other receivables	-	-	-	-	73,631	73,631
Short-term loans				664,501	-	664,501
Retention receivable from customers	-	-	-	-	60,157	60,157
Restricted bank deposits	160,437	-	-	-	-	160,437
Total	160,437	-	-	841,842	145,810	1,148,089
Financial liabilities						
Trade and other payables	-	-	-	-	112,057	112,057
Advances received from customers	-	-	-	-	181,661	181,661
Retention payable to contractors	-	-	-	-	81,247	81,247
Short-term loans from related persons	-	-	-	-	144,197	144,197
Long-term loans from financial institutions	42,066	42,535	-	-	-	114,601
Liabilities under finance lease contracts	2,162	5,564	-	-	-	7,726
Total	44,228	78,099	-	-	519,612	641,489



(Unit : Thousand Baht)

Separate Financial Statements

December 31, 2015

	Fixed interest rates			Floating interest rate	Non-interest bearing	Total
	Within	1- 5	Over			
	1 year	years	5 years			
Financial assets						
Cash and cash equivalents items	-	-	-	1,063,853	3,272	1,067,125
Short-term investments	-	-	-	-	4,955	4,955
Trade and other receivables	-	-	-	-	148,058	148,058
Short-term loans	-	-	-	401,591	-	401,591
Retention receivable from customers	-	-	-	-	72,091	72,091
Restricted bank deposits	206,283	-	-	-	-	206,283
Total	206,283	-	-	1,465,444	228,376	1,900,103
Financial liabilities						
Trade and other payables	-	-	-	-	198,495	198,495
Advances received from customers	-	-	-	-	97,362	97,362
Retention payable to contractors	-	-	-	-	108,077	108,077
Liabilities under finance lease contracts	296	468	-	-	-	764
Total	296	468	-	-	403,934	404,698

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 receivables, retention receivable from customers, short-term loans to, trade and other payables, advance received from customers, retention payable to sub-contractors and loan from the carrying values approximate their fair values due to the relatively short-term maturity of these financial assets and liabilities.

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.

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.

34. 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 Group contributed to the fund totalling approximately Baht 2.03 million and Baht 1.71 million for each of the years ended December 31, 2016 and 2015, respectively.

35. Commitments and contingent liabilities

35.1 As at December 31, 2016 and 2015, the Group had outstanding letters of guarantee issued by financial institutions on behalf of the Group in respect as required in the normal course of business. The Company and subsidiary had outstanding letters of guarantee of Baht 550.39 million and of Baht 632.58 million respectively. (The Company only : Baht 534.64 million and Baht 615.46 million, respectively). The letters of guarantee are guaranteed by trade receivable, real estate development cost, condominium, and deposits with financial institutions of the Company, as discussed in Notes 7, 10, 14 and 20 and joint by director and a former shareholder of such subsidiary and the right to receive payment for work with the bank as collateral.



35.2 As at December 31, 2016 and 2015, the Company and its subsidiaries had commitments under purchase orders of construction materials and subcontractors services totaling Baht 516.58 million and Baht 271.93 million, respectively. (The Company only : Baht 440.72 million and Baht 196.86 million, respectively).

35.3 As at December 31, 2015, the subsidiary had overdraft facilities which have not yet been drawn down amounted to Baht 2.00 million, which guaranteed by land and construction for real estate projects thereon of a subsidiaries, a former shareholder of such subsidiary as discussed in Notes 10.

35.4 Commitments under operating leases

The Group has cash payable in future under various long-term operating lease contracts to rent office space and facilities, office equipment and vehicles and land for construction employee. The agreements have the term for certain periods expiring in 2046. The minimum amount to incur income in future for each interval would be as follows :-

	(Unit : Thousand Baht)	
	<u>Consolidated and separate</u>	
	<u>financial statements</u>	
	<u>As at December 31,</u>	
	<u>2016</u>	<u>2015</u>
Not later than 1 year	8,908	6,074
Later than 1 year and not later than 5 years	13,048	1,615
Later than 5 year	84,512	-
Total	106,468	7,689

As at December 31, 2016, Imperial Land Co.,Ltd. (subsidiary) has an amount that must be paid in the future under a land and buildings rental agreement with Bejaratana-Suvadhana Foundation and a local company and as discussed in Notes 19 amounted Baht 99.67 million.

35.5 As at December 31, 2016 and 2015 the Company has an amount that must be paid in the future under a land rental agreement with the State Railway of Thailand and a local company and as discussed in Notes 11 amounted Baht 79.05 million and Baht 79.59 million, respectively.

35.6 Obligation under construction services

As at December 31, 2016 and 2015, the Company had outstanding commitments to contractors services to perform the contract amounted two and three contracts, respectively. The total contract amounted of Baht 2,939.33 million and Baht 843.20 million respectively, the Company has commitments to provide construction services in the amounted of Baht 2,882.29 million and Baht 465.88 million, respectively.

35.7 Commitments from ongoing projects development

As at December 31, 2016, the Group had commitments to transfer condominium units, land and construction thereon totalling Baht 953.69 million and Baht 279.13 million respectively, under agreements to buy and to sell in projects (the Company only: Baht 761.42 million, 2015: No).

36. Lawsuit

As at December 31, 2016 and 2015, the Company and subsidiary have total lawsuit 7 cases and 21 cases respectively, under which total claims amounted to Baht 22.88 million and Baht 196.58 million respectively. Some cases are detailed below.

36.1 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 84.21 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. Subsequently, on October 4, 2016, the Court issued an order to dismiss the lawsuit against the system.

36.2 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 and the Supreme court has judgment on September 21, 2015 and announce on March 8, 2016, the Company has adjudged to increase pay in Baht 0.9 million included interest in rate of 7.5% per year until payment finish. 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. Subsequent, during the 2nd quarter of year 2016, the Company currently has repay total amount by judgment in the year.

- 36.3 The Company was sued by a local company (plaintiff) for the damage from the breach of a subcontract agreement of Baht 32.19 million. On May 14, 2012, the Court of First Instance (the Civil Court) sentenced that “the Company has to pay the amount of Baht 32.19 million to the plaintiff” plus interest charge at the rate of 7.5% per annum on total principal of Baht 5.95 million until settlement dates. In this regard, the Company’s legal counselor, has an opinion that The Company is not responsible for such damages, the plaintiff appealed to the Court. Subsequently, 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. Subsequently the Company has petition that case and supreme court has judgment on January 20, 2016 dismiss the case and refund court fee to the Company, cutting lose for lawyer fee and the Company has repay all amount by court judgment in the year.
- 36.4 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. 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 for the year ended December 31, 2015, the Company currently has repay total amount by judgment in the year.
- 36.5 In October and November 2015, the Group were sued to claim for the damage from its construction projects of the EMC Group totalling approximately Baht 23.2 million (the Company only : Baht 7.4 million). These cases are currently being determined by of the Court of First Instance (the Civil Court). The Group recorded the claim for damage in the accounts, As at December 31, 2016 , the Company entered into a settlement agreement in court , agreed to settlement that amount paid by the month from October 2016 and will be finished by February 2017.
- 36.6 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) totaling Baht 3.65 million and Baht 13.7 million in the consolidated and separate financial statements as at December 31, 2016 and 2015, respectively. Moreover, as at December 31, 2015 the Company has put land of subsidiaries pledging for relieving the enforcement of the

court cases sentenced by the Court amounting Baht 23.1 million. Subsequent, on March 23, 2016, the Company has redeem total amount of guarantee of subsidiary.

37. Reclassification

The reclassifications are as follows :-

(Unit: Thousand Baht)

	<u>Consolidated statement of financial position</u>					
	<u>As at December 31,2015</u>			<u>As at January 1,2015</u>		
	<u>As previously reported</u>	<u>Increase (Decrease)</u>	<u>As reclassified</u>	<u>As previously reported</u>	<u>Increase (Decrease)</u>	<u>As reclassified</u>
Trade and other receivables	-	150,588	150,588	-	145,684	145,684
Trade receivables						
Subsidiaries and related parties	182	(182)	-	-	-	-
Other companies	124,969	(124,969)	-	117,075	(117,075)	-
Other receivables and advances to person or entities	6,984	(6,984)	-	16,026	(16,026)	-
Inventories	213,190	(213,190)	-	-	-	-
Real estate development cost	-	587,556	587,556	-	445,160	445,160
Real estate projects for sales under development	403,432	(403,432)	-	474,225	(474,225)	-
Leasehold rights and project under construction	-	114,151	114,151	-	10,215	10,215
Advance payments for materials and contractors	-	27,495	27,495	-	34,553	34,553
Advance payments for purchases of real estate projects under development	-	479,389	479,389	-	-	-
Deposits for lands	-	50,165	50,165	-	25,000	25,000
Other current assets						
Advance payments for purchase of supplies	5,816	(5,816)	-	16,665	(16,665)	-
Advance payments to sub-contractors	21,679	(21,679)	-	17,888	(17,888)	-
Deposits for purchases of real estate projects under development	529,554	(529,554)	-	25,000	(25,000)	-
Others	35,991	(18,827)	17,164	39,857	(12,583)	27,274
Investments in subsidiaries and associate	1,910	(1,910)	-	4,451	(4,451)	-
Investments in joint venture	-	1,910	1,910	-	4,451	4,451
Land awaiting development	-	125,541	125,541	-	115,373	115,373
Real estate projects for sales under development	96,475	(96,475)	-	86,307	(86,307)	-
Project under construction	114,151	(114,151)	-	10,215	(10,215)	-
Trade and other payables	-	211,311	211,311	-	279,771	279,771



(Unit: Thousand Baht)

Consolidated statement of financial position

	<u>As at December 31, 2015</u>			<u>As at January 1, 2015</u>		
	<u>As previously</u>	<u>Increase</u>	<u>As reclassified</u>	<u>As previously</u>	<u>Increase</u>	<u>As reclassified</u>
	<u>reported</u>	<u>(Decrease)</u>		<u>reported</u>	<u>(Decrease)</u>	
Trade payables						
Related companies	13,971	(13,971)	-	24,243	(24,243)	-
Other companies	140,149	(140,149)	-	213,493	(213,493)	-
Other payables to related parties	7,250	(7,250)	-	12,500	(12,500)	-
Accrued dividends	2,825	(2,825)	-	2,826	(2,826)	-
Construction costs not yet due cost	124,207	(46,130)	78,077	233,871	(46,511)	187,360
Provision for short-term liabilities	-	133,782	133,782	-	122,670	122,670
Provision for Allowance for loss on litigation claim	68,279	(68,279)	-	58,519	(58,519)	-
Provision for loss on construction projects	14,492	(14,492)	-	12,759	(12,759)	-
Other current liabilities	88,329	(51,997)	36,332	66,104	(31,590)	34,514
Long-term loans from financial institutions	177	(177)	-	-	-	-

(Unit: Thousand Baht)

Separate statement of financial position

	<u>As at December 31, 2015</u>			<u>As at January 1, 2015</u>		
	<u>As previously</u>	<u>Increase</u>	<u>As reclassified</u>	<u>As previously</u>	<u>Increase</u>	<u>As reclassified</u>
	<u>reported</u>	<u>(Decrease)</u>		<u>reported</u>	<u>(Decrease)</u>	
Trade and other receivables	-	148,058	148,058	-	184,659	184,659
Trade receivables						
Subsidiaries and related parties	182	(182)	-	42,050	(42,050)	-
Other companies	124,969	(124,969)	-	117,075	(117,075)	-
Other receivables and advances to person or entities	8,399	(8,399)	-	15,437	(15,437)	-
Real estate development cost	-	3,614	3,614	-	-	-
Real estate projects for sales under development	3,614	(3,614)	-	-	-	-
Leasehold rights and project under construction	-	114,151	114,151	-	10,215	10,215
Advance payments for materials and contractors	-	10,287	10,287	-	34,553	34,553
Advance payments for purchases of real estate projects under development	-	479,389	479,389	-	-	-
Deposits for lands	-	50,165	50,165	-	25,000	25,000
Other current assets						

(Unit: Thousand Baht)

Separate statement of financial position

	<u>As at December 31, 2015</u>			<u>As at January 1, 2015</u>		
	<u>As previously</u>	<u>Increase</u>	<u>As reclassified</u>	<u>As previously</u>	<u>Increase</u>	<u>As reclassified</u>
	<u>reported</u>	<u>(Decrease)</u>		<u>reported</u>	<u>(Decrease)</u>	
Advance payments for purchase of supplies	5,816	(5,816)	-	16,665	(16,665)	-
Advance payments to sub-contractors	4,471	(4,471)	-	17,888	(17,888)	-
Deposits for purchases of real estate projects under development and land	529,554	(529,554)	-	25,000	(25,000)	-
Others	21,232	(14,508)	6,724	21,846	(10,097)	11,749
Investments in subsidiaries and associate	118,314	(118,314)	-	117,361	(117,361)	-
Investments in subsidiaries	-	113,514	113,514	-	112,561	112,561
Investments in associates and joint venture	-	4,800	4,800	-	4,800	4,800
Project under construction	114,151	(114,151)	-	10,215	(10,215)	-
Trade and other payables	-	198,496	198,496	-	269,121	269,121
Trade payables						
Related companies	13,263	(13,263)	-	23,535	(23,535)	-
Other companies	130,597	(130,597)	-	209,368	(209,368)	-
Other payables to related parties	7,250	(7,250)	-	12,500	(12,500)	-
Accrued dividends	2,825	(2,825)	-	2,826	(2,826)	-
Construction costs not yet due cost	116,949	(46,130)	70,819	233,871	(46,511)	187,360
Provision for short-term liabilities	-	119,290	119,290	-	109,911	109,911
Provision for Allowance for loss on litigation claim	68,279	(68,279)	-	58,519	(58,519)	-
Other current liabilities	85,130	(49,442)	35,688	61,015	(25,773)	35,242

The reclassifications had no effect to previously reported profit (loss) or shareholders' equity.

38. Events after the reporting period

On February 1, 2017, the Imperial Land Co., Ltd. (subsidiary) has signed the MOU (Memorandum of Understanding) with the Company who is buyer or leasehold buyer under the memo above determined to the subsidiary to transfer the space area of the building at 4-7 floors of The STATION 1 @ CHINA TOWN (see Note no. 19) to the buyer for a period of 29 years starting from May 1, 2017 until May 31, 2046, and the buyer has to pay royalties to use the space throughout the period of the contract to a subsidiary total amount of Baht 205.00 million by separated in 2 parts below:



- The first part, the purchasing right amount of Baht 165.00 million, consisting of 1) deposit of 5 percent of the purchase price totalling Baht 8.25 million payment must be completed within February 28, 2017, 2) payment for acquisition (payment term period) to 20 percent of the purchase price totalling Baht 33.00 million to be separate payment to 36 months (with a grace period for another three months) in rate of Baht 0.916 million per month, payment must be completed within 29 February 2020 and 3) the remaining amount of Baht 123.75 million separate payment to 3 installments of Baht 41.25 million start the first payment on March 31, 2020 and finish payment within May 31, 2020. If the buyer can not pay the 20 percent of purchasing rights within 39 months, the subsidiary has the right to seize the all payment that the buyer already paid and in case the Company is unable to comply the significant condition agreed with buyers the subsidiary is to refund the all amount that received from the buyer also.
- The second part, monthly rental fee amount of Baht 40.80 million which the buyer must be pay to the subsidiary for a period of 34 months at a rate of Baht 1.20 million per month, start to pay the first installment on May 1, 2017.

39. Approval of the financial

These financial statements have been approved for issuance by the Company's board of directors on February 27, 2017.





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